

Vision Statement

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

Mission Statement

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

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

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

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

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

**YD****A YOUSUF DEWAN COMPANY**

CONTENTS

Company Information	3
Notice of Annual General Meeting	4
Chairman's Review.....	6
Directors' Report	7
Financial Highlights	12
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019.....	13
Independent Auditors' Review Report to the Member on statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019	15
Independent Auditors' Report	16
Statement of Financial Position	19
Statement of Profit or Loss	20
Statement of Comprehensive Income	21
Statement of Cash Flows.....	22
Statement of Changes in Equity.....	23
Notes to the Financial Statements	24
Pattern of Share Holding	46
ڈائریکٹرز رپورٹ	52
سالانہ اجلاس عام	54
Jama Punji	
Form of Proxy	

COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director	: Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
Non-Executive Director	: Mr. Syed Maqbool Ali (Chairman, Board of Directors) Mr. Abdul Basit Mr. Ghazanfar Baber Siddiqi Mr. Imran Ahmed Javed Mrs. Nida Jamil
Independent Director	: Mr. Aziz-ul-Haque
Audit Committee	: Mr. Aziz-ul-Haque - Chairman Syed Maqbool Ali (Member) Mr. Imran Ahmed Javed (Member)
Human Resources & Remuneration Committee	: Mr. Aziz-ul-Haque - Chairman Syed Maqbool Ali (Member) Mr. Ishtiaq Ahmad - (Member)
Auditor	: Faruq Ali & Co. C-88, Ground Floor, KDA Scheme No. 1, Main Karsaz Road, Opp. Martime Museum 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 Standard Chartered Bank Pakistan Limited Meezan Bank Limited United Bank Limited Bank Al-Falah Ltd Silk Bank Limited Summit Bank Limited Faysal Bank Limited MCB 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	: H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan
Website	: www.yousufdewan.com

**YD****A YOUSUF DEWAN COMPANY**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty Third Annual General Meeting of **Dewan Textile Mills Limited** (“**DTML**” or “**the Company**”) will be held on **Thursday, October 27, 2022, at 09:30 a.m.** at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabaji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Extra Ordinary General Meeting of the Company held on Thursday, January 27, 2022;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2022, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2023, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By Order of the Board

Muhammad Hanif German
Company Secretary

Date : September 28, 2022
Place : Karachi

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 20, 2022 to October 27, 2022 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:
 - a) **For Attending Meeting:**
 - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
 - ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.
 - b) **For Appointing Proxies:**
 - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
 - ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.

- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website:

[Http://www.yousufdewan.com/DTML/index.html](http://www.yousufdewan.com/DTML/index.html)



Chairman's Review

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

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

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

During financial year ended June 30, 2022, six board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the board and its committee meetings. All Directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.

Syed Maqbool Ali
Chairman Board of Directors

Date : September 23, 2022
Place : Karachi

DIRECTORS' REPORT

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

Dear Shareholder(s),
Assalam-o-Alykum!

The Board of Directors of your Company are pleased to present the Annual Audited Financial Statements of the Company for the year ended June 30, 2022, together with the Auditors' Report thereon.

Overview

Financial year (FY) 2022 started off on a positive note where the prospects of economic growth were quite visible and all the macroeconomic indicators were posing a positive image. Pakistan's economy attained a GDP growth of 5.97 per cent in FY22, compared to 5.74 per cent in FY21 owing to robust growth of the industrial sector (7.2% in FY22) and agriculture sector (4.4% in FY22). During the year, despite of record exports of USD 32.5 billion and remittances of USD 31.2 billion, the country witnessed current account deficit of USD 17.4 billion in FY22 due to unprecedented increase in overall imports. The import bill has increased significantly by 42.21% (in USD terms) to USD 80.18 billion in comparison to USD 56.38 billion of last year mainly on account of rising energy import cost combined with increased imports of items covered under Agricultural, Chemicals, Metallic and other heads etc. The impact of increased imports on the foreign reserves was offset to some extent by higher exports of 25.64% mainly on account of growth in exports of textile sector especially the value-added products along with the increase in remittances by 6.07% in the FY22. However, things changed quite significantly in the second half of the FY 22 with political instability, very high inflation on account of acceleration of global oil prices, abrupt devaluation of rupee, increase in domestic demand, supply constraints, coupled with depleting country's foreign reserves. At an international level, the Russia / Ukraine war has also inhibited the overall economic growth with the inflation being a daunting challenge for even the major economies to manage. These factors have compelled the government to take steps to slow down the economy by reducing imports (through cash margin requirement and imposing ban on import of certain items) for some period and increasing the discount rate to 15%. These fiscal measures have not only discouraged imports but have reduced the overall consumer spending, hence, supporting the balance of payment to some extent.

Industrial Background

The textile sector in Pakistan has an overwhelming impact on the economy and has been contributing around 60% to the country's exports. It comprises of 46% of the total manufacturing sector and being the second largest employment generating sector that provides employment to 40% of the total labor force. There was significant increase in the cost of imported raw material owing to devaluation of the rupee in the last quarter of FY22. Moreover, higher international cotton prices and overall challenging supply chain, fraught with shortage of gas, increased political instability and uncertain taxes and levies, have made it difficult for the industry to take a long-term view over its operations.

The spinning industry at the start of cotton year was very optimistic that the demand and price for cotton would be reduced due to anticipated growth in current year cotton crop and carry-over of last year's surplus stocks. Afterwards, because of drought in US, its crop has fallen substantially and likewise devastating rains in Pakistan have also severely damaged the cotton & other crops. Resultantly cotton market has suddenly taken an upturn and prices have started getting elevated. In Pakistan, unprecedented rains have seriously damaged the crops and so far, the quality and quantity both are much less than expected.

Operating results and performance: (Factory Shutdown)

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

	"Rupees"
SALES - NET	323,046,585
COST OF SALES	(345,668,683)
GROSS LOSS	(22,622,098)
ADMINISTRATIVE EXPENSES	(15,874,308)
OPERATING LOSS	(38,496,406)
FINANCE COST	(303,665,249)
OTHER CHARGES	(11,099,578)
LOSS BEFORE TAXATION	(353,261,233)
TAXATION	12,336,421
LOSS AFTER TAXATION	(340,924,812)



Company's operational sales for the year remained nil due to closure of operations, the sales appearing in financial statements represent stocks sales during the year under consideration. 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.

In financial year ended 2012, Company had settled with its lenders through Compromise Agreement against which consent decrees had been passed by the Honorable High Court of Sindh, Karachi. Company's short term and long term loans had been rescheduled in the form of long term loans, however certain banks having suits of Rs. 419.065 million, did not accept the restructuring proposal at that time. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits in Honorable High Court of Sindh at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favorable outcome therefrom.

The Auditors of the company have expressed adverse opinion in their report on going concern assumption, default in repayment of installments of restructured liabilities along with related non-provisioning of mark-up and litigation with its lenders and non provisioning of markup.

The 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. Management is hopeful that such revision will be finalized soon. Moreover, the markup outstanding up to the date of restructuring is Rs.1.452 billion, which the company would be liable to pay in the event of default of terms of agreement. Since the management is confident that upon finalization of restructuring this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.

Certain lenders did not become signatory of the compromise agreement and continued to pursue their suits filed in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount in respect of these is Rs.419.065 million, out of total suits amount a bank having suit amount of Rs.193.266 million has also filed winding up petition u/s 305 of the repealed Companies Ordinance, 1984 (now 301 of the Companies Act, 2017). The Company strongly contested the cases as banks have filed wrong claims. The management of the Company expects favorable outcome.

Company has not made the provision of markup for the year amounting to Rs. 67.166 million (upto June 30, 2022: Rs. 626.137 million) in respect of borrowings from 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. Accordingly, no provision of the said mark-up has been made in these financial statements.

Future Outlook

The economic stability would largely depend on political firmness, a proactive and prudent monetary policy and access to external financing. The interest rates have significantly gone up from single digit to double digits with an approximate increase of more than 5%. In addition to this, there is a tricky balance between demand and supply as demand for textile has also shrunk and supply of cotton has also reduced. The price gap between Cotton and Polyester has been narrowed so the year ahead will be tough as we do not see any increase in consumption of cotton. Therefore, we foresee that the spinning industry will go through a rough period not only because of shortage of raw material and there is not much demand but also profitability in the coming months will be impacted negatively due to increase in commodity prices, power cost, rupee devaluation, minimum wage increases, mark up rates and increased taxes, etc., resulting in escalation in overall cost of doing business.

To be globally competitive, textile sector main priority is availability and cost of energy. The industrial electricity tariff of other textile exporting countries is lower than Pakistan making us uncompetitive in the international market. A predictable, stable and compatible energy policy is required for improving business confidence levels and increase in investments in Industry. Government also needs to address gas shortage issue to prevent possible downfall of textile industry. Further, Taxation structure is expected to create ease of doing business and with a focus on expanding the tax-base rather than over burdening existing payers. The next year is a challenging year for not only the company but also for the economy of Pakistan.

Corporate Social Responsibilities

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

Health, Safety and Environment

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

Human Resource

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

Corporate and Financial Reporting

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

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

Board

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



The Board of Directors as of June 30, 2021 consisted of the following:

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

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

Names	No. of Meetings attended
Mr.Aziz-ul-Haq	6
Mr.Ishtiaq Ahmed	5
Mr.Ghazanfar Babar Siddiqi	6
Mr.Imran Ahmed Javed	6
Mr.Haroon Iqbal	6
Syed Maqbool Ali	6
Mr. Abdul Basit	0
Mrs. Nida Jamil	6

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

Audit Committee

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

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

Names	No. of Meetings attended
Mr. Aziz-Ul-Haque Chairman	4
Syed Maqbool Ali	4
Mr. Imran Ahmed Javed	4

Human Resource and Remuneration Committee

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

The committee consists of three members. During the year one Human Resource and Remuneration committee meeting was held and attendance was as follows.

Names	No. of Meetings attended
Mr. Aziz-Ul-Haque – Chairman	1
Syed Maqbool Ali	1
Mr. Ishtiaq Ahmad	1

Earnings per Share

Loss per share during the period under report worked out to Rs. (7.40) [2021: Rs. (10.96)]

Appointment of Auditors

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

Pattern of Shareholding

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

Key operating and financial data

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

Subsequent Events

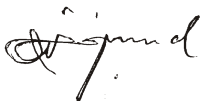
There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Vote of Thanks & Conclusion

On the behalf of the Board, we appreciate the valuable, loyal, and commendable services rendered to the Company by its executives, members of the staff and workers. In conclusion, we bow, beg and pray to Almighty Allah, Al-Rahman-o-Al-Rahim, in the name of our beloved Prophet Muhammad (peace be upon him) for the continued showering of his blessings, guidance, strength, health, and prosperity to us, our company, country and nation; and also pray to Almighty Allah to bestow peace, harmony, brotherhood, and unity in true Islamic spirit to whole of the Muslim Ummah; Ameen; Summa Ameen.

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

By and under Authority of the Board of Directors



Ishtiaq Ahmed
CEO & Director

Date: September 23, 2022
Place: Karachi.



Syed Maqbool Ali
Chairman Board of Directors

**FINANCIAL HIGHLIGHTS***(Rupees in Million)*

	2017	2018	2019	2020	2021	2022
Sales (Net)	85	-	132	-	77	323
Gross (Loss) / profit	(329)	(193)	(437)	(152)	(114)	(23)
(Loss) / profit before Tax	(760)	(628)	(894)	(626)	(521)	(353)
(Loss) / profit after Tax	(738)	(602)	(874)	(607)	(505)	(341)
Current Assets	1,382	1,116	630	480	263	80
Shareholder's Equity	(1,332)	(1,927)	(2,795)	(3,401)	(3,906)	(2,060)
Current Liabilities	3,068	4,491	4,778	5,120	5,288	5,332
Current ratio (Times)	0.45	0.25	0.13	0.09	0.05	0.01
(Loss) / Earning Per Share (Rs.)	(16.01)	(13.07)	(18.98)	(13.17)	(10.96)	(7.40)
Breakup Value per Share (Rs.)	(28.94)	(41.84)	(60.67)	(73.84)	(84.80)	(44.73)
Gross (Loss) / Profit Ratio (%)	-385.21%	0.00%	-330%	0.00%	-148.8%	-7.00%
Net (Loss) / Profit Ratio (%)	-863.33%	0.00%	-659.89%	0.00%	-657.5%	106%

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

For the Year Ended June 30, 2022

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

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

**YD****A YOUSUF DEWAN COMPANY**

12. The board has formed committees comprising of members given below:

- | | | | |
|----------------------------------|---|-----------------------|----------|
| a) Audit Committee | : | Mr. Aziz-ul-Haque | Chairman |
| | | Syed Maqbool Ali | Member |
| | | Mr. Imran Ahmed Javed | Member |
| b) HR and Remuneration Committee | : | Mr. Aziz-ul-Haque | Chairman |
| | | Syed Maqbool Ali | Member |
| | | Mr. Ishtiaq Ahmed | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

- | | | |
|----------------------------------|---|---------------------------------------------------------------------|
| a) Audit Committee | : | 4 meetings during the financial year ended June 30, 2022 |
| b) HR and Remuneration Committee | : | 1 annual meeting held during the financial year ended June 30, 2022 |

15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Ishtiaq Ahmed
CEO & Director

Syed Maqbool Ali
Chairman Board of Directors

Date : September 23, 2022
Place : Karachi



C-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966
Main Karsaz Road, Opp. Maritime : (021) 34301967
Museum, Karachi-75350 : (021) 34301968
E-mail: info@fac.com.pk : (021) 34301969
Fax : (021) 34301965

Independent Auditors' Modified Review Report to the Members of Dewan Textile Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors ('the Board') of Dewan Textile Mills Limited ('the Company') for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

The independent directors shall not be less than two or one third of total members of the board, whichever is higher, whereas board includes one independent director, who in our view does not meet the criteria of independence on account of his cross directorship in associated companies; accordingly, due to the foregoing reasons, requirements of chairman of audit and HR Remuneration Committee to be an independent director has also not been complied with.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

Further, we highlight that one of the director of the Company is serving as director in more than seven listed companies as disclosed in the paragraph 3 of the Statement of Compliance.

Furthermore, we highlight that only four of the directors are qualified under the directors training program as disclosed in note 9 of the Statement of Compliance.

Date : September 28, 2022
UDIN: CR20221017901pVLThKb
Place : Karachi

Chartered Accountants

**YD****A YOUSUF DEWAN COMPANY****FARUQ ALI & CO**
CHARTERED ACCOUNTANTSC-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966
Main Karsaz Road, Opp. Maritime : (021) 34301967
Museum, Karachi-75350 : (021) 34301968
E-mail: info@fac.com.pk : (021) 34301969

Fax : (021) 34301965

INDEPENDENT AUDITORS' REPORT

To the members of Dewan Textile Mills Limited

Report on the audit of the financial statements

Adverse Opinion

We have audited the annexed financial statements of Dewan Textile Mills Limited ('the Company'), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of the significance of the matters discussed in the basis for adverse opinion section of our report, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the loss, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for adverse opinion

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

- a) The financial statements for the year ended 30 June 2022 have been prepared on going concern assumption despite of the fact that the Company incurred loss after taxation of Rs. 340.925 million and as of that date it has negative revenue reserves of Rs.5,373.188 million which resulted in negative equity of Rs.2,060.567 million and its current liabilities exceeded its current assets by Rs.5,253.050 million and total assets by Rs.1,623.149 million (excluding the effect of non-provided markup as disclosed in note 26.1). The Company defaulted in repayment of installments of restructured liabilities, hence as per terms of restructuring, the entire restructured liabilities of Rs. 2,944.483 million along with markup of Rs.1,463.615 million (eligible for waiver outstanding as of date of restructuring) have become immediately payable, therefore provision for markup should be made in these financial statements. Further, the Company's manufacturing operations have been suspended since December 2015 and could not be resumed till the date of this report. These conditions lead us to believe that going concern assumption used in preparation of these financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realisable and settlement amounts respectively.
- b) The Company has not made provision of markup for the year amounting to Rs.67.166 million (up to year ended 30 June 2022: Rs. 626.137 million) (refer note 26.1) on account of restructuring proposal offered to the lenders. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the Company, therefore the provision of markup should be made in these financial statements. Had the provisions of markups been made in these financial statements, the loss before taxation would have been higher by Rs. 67.166 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 626.137 million.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for adverse opinion section.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the basis for adverse opinion section of our report, we have concluded that the other information is materially misstated for the same reason.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980). The engagement partner on the audit resulting in this independent auditor's report is Fasih uz Zaman.

Date : September 28, 2022
UDIN: AR202210179WI4hBEf6a
Place : Karachi

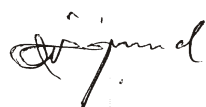
Chartered Accountants
Fasih uz Zaman

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2022

<u>EQUITY AND LIABILITIES</u>	Notes	2022	2021
		----- (Rupees) -----	
SHARE CAPITAL AND RESERVES			
Authorised share capital			
50,000,000 (2021: 50,000,000) Ordinary shares of Rs. 10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up share capital	5	460,646,090	460,646,090
Revenue reserves			
General reserve		333,000,000	333,000,000
Accumulated losses		(5,706,187,727)	(5,405,352,214)
Capital reserves			
Surplus on revaluation of property, plant and equipment	6	2,851,974,176	705,345,865
		(2,060,567,461)	(3,906,360,259)
NON-CURRENT LIABILITIES			
Long term financing	7	166,920,985	148,133,893
Deferred taxation	8	270,497,367	141,374,536
		437,418,352	289,508,429
CURRENT LIABILITIES			
Trade and other payables	9	153,723,408	183,592,245
Mark-up accrued		1,901,746,751	1,618,893,156
Short term borrowings	10	281,897,780	490,192,726
Liability for staff gratuity	11	50,528,588	50,701,788
Unclaimed dividend		254,206	254,206
Overdue portion of long term financing	7	2,944,482,769	2,944,682,769
		5,332,633,502	5,288,316,890
CONTINGENCIES AND COMMITMENTS	12	--	--
		3,709,484,393	1,671,465,060
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	3,617,888,547	1,396,885,763
Long term investment	14	--	--
Long term deposits	15	12,012,134	12,012,134
		3,629,900,681	1,408,897,897
CURRENT ASSETS			
Stores and spares	16	11,439,780	22,390,172
Stock in trade	17	--	196,772,409
Trade debts - Unsecured	18	36,433,404	5,649,823
Advances - Considered good	19	1,709,645	1,804,815
Short term deposits and receivables	20	--	2,676,686
Taxes recoverable - Net		23,137,410	23,129,092
Cash and bank balances	21	6,863,473	10,144,166
		79,583,712	262,567,163
		3,709,484,393	1,671,465,060

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Syed Maqbool Ali
Chairman Board of Directors

**YD**

A YOUSUF DEWAN COMPANY

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022 ----- (Rupees) -----	2021 -----
Sales - Net	22	323,046,585	76,817,000
Cost of sales	23	(345,668,683)	(191,117,219)
Gross (loss)		(22,622,098)	(114,300,219)
Operating expenses			
Administrative and general expenses	24	(6,588,285)	(5,397,367)
Distribution cost	25	(9,286,023)	--
		(15,874,308)	(5,397,367)
Operating (loss)		(38,496,406)	(119,697,586)
Finance cost	26	(303,665,249)	(248,771,252)
Other charges	27	(11,099,578)	(152,421,136)
		(314,764,827)	(401,192,388)
(Loss) before taxation		(353,261,233)	(520,889,974)
Taxation			
- Current	28	(4,038,082)	(1,152,255)
- Deferred		16,374,503	16,970,652
		12,336,421	15,818,397
(Loss) for the year		<u>(340,924,812)</u>	<u>(505,071,577)</u>
(Loss) per share - Basic and diluted	29	<u>(7.40)</u>	<u>(10.96)</u>

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

Ishtiaq Ahmed
CEO & Director

Muhammad Irfan Ali
Chief Financial Officer

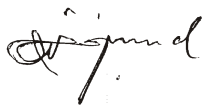
Syed Maqbool Ali
Chairman Board of Directors

DEWAN TEXTILE MILLS LIMITED

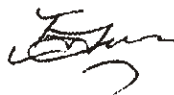
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022 ----- (Rupees) -----	2021 -----
(Loss) for the year		(340,924,812)	(505,071,577)
<i>Other comprehensive income:</i>			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation during the year	6	2,332,214,943	--
Related deferred tax		(145,497,333)	--
		2,186,717,610	--
Total comprehensive income / (loss) for the year		1,845,792,798	(505,071,577)

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Syed Maqbool Ali
Chairman Board of Directors



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022 ----- (Rupees) -----	2021 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(353,261,233)	(520,889,974)
<i>Adjustment for non-cash and other items:</i>			
Depreciation / amortisation expense	13.1	111,212,159	119,483,964
Provision for doubtful debts	18.1	--	142,988,545
Provision for slow moving stores	16.1	8,422,892	8,287,261
Unwinding of discount	26	18,787,092	16,672,589
Short term deposit and margin written off		1,746,732	--
Provision against sale tax receivable		926,954	--
Finance cost		284,878,157	232,098,663
Cash flows before working capital changes		72,715,753	(1,358,952)
<i>Working capital changes</i>			
<i>(Increase) / decrease in current assets</i>			
Stores and spares		2,527,500	--
Stock in trade		196,772,409	59,537,726
Trade debts		(30,783,581)	10,234,460
Advances		95,170	(119,450)
Short term deposit and receivables		--	1,443,430
		168,611,498	71,096,166
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		(29,868,836)	2,135,838
Short term borrowings		(208,294,946)	(62,370,080)
		(238,163,782)	(60,234,242)
Cash generated from operations		3,163,469	9,502,972
<i>Payments for:</i>			
Income tax paid		(4,046,400)	(1,152,255)
Gratuity paid		(173,200)	(69,138)
Finance cost paid		(2,024,562)	(2,405,894)
Net cash (used in) / generated from operating activities		(3,080,693)	5,875,685
CASH FLOWS FROM INVESTING ACTIVITIES		--	--
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing paid		(200,000)	(800,000)
Net (decrease) / increase in cash and cash equivalents		(3,280,693)	5,075,685
Cash and cash equivalents at the beginning of the year		10,144,166	5,068,481
Cash and cash equivalents at the end of the year		6,863,473	10,144,166

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

Ishtiaq Ahmed
CEO & Director

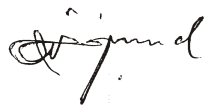
Muhammad Irfan Ali
Chief Financial Officer

Syed Maqbool Ali
Chairman Board of Directors

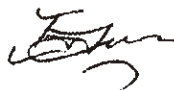
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up share capital	Revenue Reserves			Capital Reserves	Total Equity
		General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment	
----- (Rupees) -----						
Balance as on 1 July 2020	460,646,090	333,000,000	(4,941,829,473)	(4,608,829,473)	746,894,701	(3,401,288,682)
Total comprehensive income / (loss) for the year						
(Loss) for the year	--	--	(505,071,577)	(505,071,577)	--	(505,071,577)
Other comprehensive income	--	--	--	--	--	--
	--	--	(505,071,577)	(505,071,577)	--	(505,071,577)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	41,548,836	41,548,836	(41,548,836)	--
Balance as at 30 June 2021	460,646,090	333,000,000	(5,405,352,214)	(5,072,352,214)	705,345,865	(3,906,360,259)
Total comprehensive income / (loss) for the year						
(Loss) for the year	--	--	(340,924,812)	(340,924,812)	--	(340,924,812)
Other comprehensive income	--	--	--	--	2,186,717,610	2,186,717,610
	--	--	(340,924,812)	(340,924,812)	2,186,717,610	1,845,792,798
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	40,089,299	40,089,299	(40,089,299)	--
Balance as at 30 June 2022	460,646,090	333,000,000	(5,706,187,727)	(5,373,187,727)	2,851,974,176	(2,060,567,461)

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Syed Maqbool Ali
Chairman Board of Directors



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

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 plants are situated at H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan.

2 GOING CONCERN ASSUMPTION

The financial statements of the Company for the year ended 30 June 2022 reflect that the Company has sustained a net loss after taxation of Rs.340.925 million (2021: Rs.505.072 million) and as of that date the Company's negative revenue reserves of Rs.5,373.188 million (2021: Rs.5,072.352 million) have resulted in negative equity of Rs.2,060.567 million (2021: Rs.3,906.360 million) and its current liabilities exceeded its current assets by Rs.5,253.050 million (2021: Rs.5,025.750 million) and total assets by Rs.1,623.149 million (2021: Rs.3,616.852 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 financial statement. 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.

The 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 requirement 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 financial statements using going concern assumption is justified.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 26.1 to the financial statements, for which the management concludes that provisioning of mark-up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

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

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

3.2 Basis of measurement

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

3.3 Changes in accounting standards, interpretations and pronouncements

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the company's operations or not expected to have significant impact on the company's financial statements other than certain additional disclosures.

	Effective date (annual periods Beginning on or after)
Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to IFRS 16 "Leases" - Covid-19 related rent concessions extended beyond June 30, 2021	1 April 2021

3.3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

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

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	1 January 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	1 January 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling	1 January 2022
Annual Improvements to IFRS Standards 2018 - 2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	1 January 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1 January 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	1 January 2023
Amendment to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1 January 2023
Amendment to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendment to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Deferred indefinitely	



Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

3.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and have been rounded off to the nearest rupee.

3.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

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

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

3.5.1 Operating fixed assets, revaluation and depreciation

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

3.5.2 Trade debts

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

3.5.3 Income tax

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

3.5.4 Stock in trade

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

3.5.5 Stores and spares

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

Owned

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

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

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

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

Depreciation is charged so as to write off the cost or revaluation of assets, other than leasehold land and capital work-in-process, over their estimated useful lives, using the reducing balance method, on the basis of rates specified in note 13 to the financial statements. The depreciation for assets acquired or disposed of during the year is charged from the month of acquisition or up to the month of disposal of such assets respectively.

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

Leased

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets. The related obligations under the lease are accounted for as liabilities. Assets acquired under finance lease are depreciated over the useful life of the assets and depreciation is computed commencing from the month in which the assets are first put to use.

Cost in relation to certain plant and machinery signifies historic cost, mark-up, interest, profit and other charges on counter liabilities up to the date of commissioning of the respective plant and machinery acquired against such liabilities. All other mark-up, interest, profit, and other charges are charged to income.

Major repairs and renewals are capitalised. Gains or losses on disposals of property, plant and equipment are included in income currently.

***Intangible assets***

Computer software acquired by the Company are stated at cost less accumulated amortisation. Cost represents the expense incurred to acquire the software license and bring them to use. The cost of computer software is amortised over the estimated useful life i.e. 4 years.

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

4.2 Capital work-in-progress

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

4.3 Stores and spares

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

4.4 Stock in trade

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

Raw material	-	Average cost
Packing material	-	Average cost
Work in process	-	Average cost
Waste	-	Selling price
Finished goods	-	Average cost

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

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

4.5 Investment in associates

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

4.6 Staff retirement benefits***Defined benefit plan***

The Company up to 30 June 2010 was operating an unfunded gratuity scheme for its management employee. Provision was made accordingly in the financial statements to cover obligation under the scheme. The Company has fully provided for the liability under the gratuity scheme as of 30 June 2010. Effective from 01 July 2010, the Company has, in place of gratuity scheme, established a recognised provident fund for its permanent management staff. Equal contributions are being made in respect thereof by the Company and the employees in accordance with terms of the fund.

4.7 Taxation

Current

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

Deferred

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

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

4.8 Provision

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

4.9 Financial instruments

4.9.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

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

Subsequent measurement

Debt Investments at FVOCI

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

Equity Investments at FVOCI

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

Financial assets at FVTPL

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

Financial assets measured at amortised cost

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

**4.9.2 Non-derivative financial assets**

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

4.9.2.1 Trade debts, advances and other receivables

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

4.9.2.2 Cash and cash equivalents

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

4.9.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

4.9.3.1 Mark-up bearing borrowings and borrowing costs

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

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

4.9.3.2 Trade and other payables

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

4.9.4 Derivative financial instruments - other than hedging

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

4.9.5 Derivative financial instruments - cash flow hedges

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

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

4.9.6 Offsetting of financial assets and financial liabilities

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

4.10 Impairment

4.10.1 Financial assets

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

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

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

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

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

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

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

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



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

4.10.2 Non-financial assets

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

4.11 Foreign currency translation

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of transaction.

Assets and liabilities in foreign currencies, if any, are translated into rupees at the exchange rates prevailing on the balance sheet date except where forward exchange contracts have been entered into in which case the rates contracted for are used.

4.12 Transactions with related parties

All dealings with associated companies are carried out at arm's length using the Comparable Uncontrolled Price method.

4.13 Revenue recognition

Sale of goods

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

5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2022	2021		2022	2021
--- (Number of shares) ---			----- (Rupees) -----	
34,060,000	34,060,000	Ordinary shares of Rs. 10/- each issued as fully paid in cash	340,600,000	340,600,000
225,000	225,000	Ordinary shares of Rs. 10/- each issued for consideration other than cash	2,250,000	2,250,000
11,779,609	11,779,609	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	117,796,090	117,796,090
46,064,609	46,064,609		460,646,090	460,646,090

DEWAN TEXTILE MILLS LIMITED

5.1 Dewan Motors (Private) Limited, an associated company hold 1,306,887 (2021: 1,306,887) ordinary shares of Rs. 10/- each.

6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	Notes	2022 ----- (Rupees) -----	2021 -----
Balance as at 1 July		846,720,401	905,239,889
Surplus arising due to revaluation during the year		2,332,214,943	--
Transferred to accumulated losses in respect of incremental depreciation for the year		<u>(56,463,802)</u>	<u>(58,519,488)</u>
		3,122,471,542	846,720,401
<i>Deferred tax liability</i>			
Opening balance		141,374,536	158,345,188
On revaluation carried out during the year		145,497,333	--
Incremental depreciation		<u>(16,374,503)</u>	<u>(16,970,652)</u>
		270,497,366	141,374,536
Balance as at 30 June		<u>2,851,974,176</u>	<u>705,345,865</u>

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

7 LONG TERM FINANCING

Banks and financial institutions - Secured

Restructured long term financing	7.1	2,925,634,170	2,925,634,170
Restructured lease liability	7.2	19,048,599	19,848,599
Payments during the year		<u>(200,000)</u>	<u>(800,000)</u>
		18,848,599	19,048,599
		<u>2,944,482,769</u>	<u>2,944,682,769</u>

Sponsor - Unsecured

Sponsor loan	7.3	269,114,373	269,114,373
Present value adjustment		<u>(196,751,561)</u>	<u>(196,751,561)</u>
Unwinding of interest		94,558,173	75,771,081
		166,920,985	148,133,893
		<u>3,111,403,754</u>	<u>3,092,816,662</u>
Overdue portion - Shown under current liabilities		<u>(2,944,482,769)</u>	<u>(2,944,482,769)</u>
		<u>166,920,985</u>	<u>148,133,893</u>



- 7.1** Compromise agreement dated 23 December 2011 was executed between the Company and majority of its lenders, consequent to which consent decrees were granted by the Honourable High Court of Sindh, Karachi. The Company's liabilities in respect of short term borrowings, long term loans, leases and overdue letters of credit were rescheduled in the form of a syndicated long term financing of Rs.3.930 billion repayable in nine and half years with progressive mark-up rates ranging from 2% to 13% over the period on outstanding principal. As per the agreement, mark-up outstanding as on 21 December 2011 was Rs.1.621 billion, which the Company would be liable to pay in the event of default of terms of agreement. Moreover, banks/financial institutions had also agreed to provide further working capital to the Company amounting to Rs.916.800 million. The Company has defaulted in payment of restructured liabilities as more fully explained in note 12.1 and 12.2 to the financial statement. The Company has approached the lenders for further restructuring of liabilities as more fully explained in note 2 which is expected to be finalised soon.

The loan is secured against first pari passu hypothecation charge over stock, book debts, present and future property, plant and equipment of the Company and personal guarantees of directors.

- 7.2** Settlement agreement dated 21 January 2014 was executed between the Company and a leasing company, consequent to which consent decrees have been granted by the Honourable High Court of Sindh, Karachi. The Company's liabilities in respect of overdue lease liability has been rescheduled thereby the liability of Rs. 42.215 million is now repayable in 10 years with progressive mark-up rates ranging from 2% to 10.04% over the period on outstanding principal. As per agreement, mark-up relating to prior periods amounting of Rs. 11.005 million will be waived subject to the payment of restructured liability as per terms of agreement.
- 7.3** This represents unsecured interest free loan payable to a sponsor against liabilities of a bank assumed by the sponsor. The loan is repayable in lump sum on 30 June 2026. The loan has been measured at amortised cost in accordance with International Financial Reporting Standard 9, Financial Instruments, and has been discounted using the effective interest rate of 12% per annum.

8 DEFERRED TAXATION

Credit balance arising due to:

	2022	2021
	----- (Rupees) -----	
- Accelerated tax depreciation	45,223,759	64,889,581
- Revaluation - Net of related depreciation	270,497,367	141,374,536
- Finance lease transactions	3,795,672	4,766,757
- Long term financing	29,636,083	35,084,339

Debit balance arising due to:

- Staff gratuity	(14,653,291)	(14,703,519)
- Provision for doubtful debts and receivable	(192,543,304)	(188,559,408)
- Provision for obsolete stock	--	(14,625,061)
- Provision for slow-moving stores and spares	(12,110,869)	(9,668,230)
- Carried over losses	(1,202,130,198)	(1,146,265,337)
	<u>(1,072,284,781)</u>	<u>(1,127,706,342)</u>
Deferred tax asset not recognised	1,342,782,140	1,269,080,878
	<u>270,497,367</u>	<u>141,374,536</u>

DEWAN TEXTILE MILLS LIMITED

	Notes	2022 ----- (Rupees) -----	2021
8.1 Movement of deferred tax liabilities			
Balance as at beginning of the year		141,374,536	158,345,188
On revaluation carried out during the year		145,497,333	--
Tax charge recognised in statement of profit or loss		(16,374,503)	(16,970,652)
		<u>270,497,366</u>	<u>141,374,536</u>
9 TRADE AND OTHER PAYABLES			
Creditors for goods and services	9.1	117,391,506	117,770,216
Accrued expenses		14,841,287	43,164,853
Workers' Welfare Fund		15,536,001	15,536,001
Workers' Profit Participation Fund	9.2	5,948,684	5,449,344
Sales tax payable		--	1,663,365
Provident fund payable		5,930	8,466
		<u>153,723,408</u>	<u>183,592,245</u>
9.1	This includes amount of Rs.97.484 million (2021: Rs.97.484 million) being amount payable to the banks in respect of outstanding letter of credits.		
9.2 Workers' Profit Participation Fund			
Balance as at 1 July		5,449,344	5,117,274
Interest provided for the year		499,340	332,070
Balance as at 30 June		<u>5,948,684</u>	<u>5,449,344</u>
10 SHORT TERM BORROWINGS			
<i>Banks and financial institutions - Secured</i>			
Short term running finances	10.1	183,818,932	183,818,932
Short term loans	10.2	98,078,848	306,373,794
		<u>281,897,780</u>	<u>490,192,726</u>

10.1 The facilities for running finance under mark-up arrangement obtained from various commercial banks against available limits of Rs. 215 million at mark-up rate ranging from 2% to 3% per annum over three months KIBOR payable quarterly in arrears. The facilities are secured by way of hypothecation of stock in trade, book debts and other current assets of the Company and personal guarantees of directors. These facilities have expired and not been renewed by the banks.

10.2 The facilities for short term loans under mark-up arrangement obtained from various commercial banks against available limits of Rs. 916.800 million at mark-up rate ranging from 0% to 3.25% per annum over one /three months KIBOR payable quarterly in arrears. The facilities are secured by way of hypothecation of stock in trade, book debts, property, plant and equipment and other current assets and effective pledge on raw material and finished goods of the Company and personal guarantees of directors. These facilities have expired and not been renewed by the banks.

10.3 Certain banks have filed recovery suits as more fully explained in note 12.1 and 12.2 to the financial statements.



	Notes	2022 ----- (Rupees) -----	2021
11 LIABILITY FOR STAFF GRATUITY			
Balance as at 1 July		50,701,788	50,770,926
Payments during the year		(173,200)	(69,138)
Balance as at 30 June		<u>50,528,588</u>	<u>50,701,788</u>

12 CONTINGENCIES AND COMMITMENTS

Contingencies

12.1 In respect of liabilities towards banks / financial institutions disclosed in note 7 and 10 to the financial statements, during the year ended 2012, certain lenders have entered into a compromise agreement with the Company for outstanding debt sought by lenders in the suits filed by them and it was agreed that the Company would settle all the liabilities at principle amount of Rs.3,590.431 million and mark-up thereon of Rs.1,452.610 million (eligible for waiver if the Company repays the entire outstanding principal as per term of agreement), consequent to which consent decrees were granted by the Honorable High Court of Sindh, Karachi. Consequent to default in repayment of restructured liabilities as per compromise agreement, the lenders filed for execution of consent decrees. The Company filed suits against the said executions in the Honorable High Court of Sindh, at Karachi wherein it has been strongly contested that filing of executions is unjust and against the law. Management of the Company expects favourable outcome therefrom.

12.2 Out of the lenders as disclosed in note 9.1 and note 10 to the financial statements, some lenders did not become signatory of the compromise agreement and continued to pursue their suits filed in Honourable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount in respect of these is Rs.419.065 million, out of total suits amount a bank having suit amount of Rs.193.266 million has also filed winding up petition u/s 305 of the repealed Companies Ordinance, 1984 (now 301 of the Companies Act, 2017). The Company strongly contested the cases as banks have filed wrong claims. The management of the Company expects favourable outcome.

12.3 The Government of Pakistan has promulgated the Gas Infrastructure Development Cess Ordinance, 2014 (GIDC) against which the Company filed suit in the Honourable Sindh High Court challenging its legality and applicability on the Company and the Honourable Sindh High Court had issued stay against the recovery of GIDC. The Honourable Sindh High Court decided the case in favour of the Company and directed to refund / adjust in bills the amounts already collected, against which the Sui Southern Gas Company Limited (SSGC) has filed appeal in Honourable Sindh High Court, which was also rejected. The Government enacted GIDC Act, 2015 which had also been challenged by the Company through writ petition before the Honourable Sindh High Court, which granted the stay against collection of GIDC arrears. The SCP has decided the case in favour of government on 13 August 2020, with directions to recover the arrears under GIDC Act 2015 from the Companies who have passed their burden to the consumers. SSGC has not charged GIDC on its bills and also the Company has not passed on the same to the consumers. There is no need for any provision in these financial statements.

12.4 As of reporting date no guarantees are outstanding.

		2022 ----- (Rupees) -----	2021
13 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	3,617,888,547	1,386,580,374
Capital work-in-progress - At cost (Civil work)		--	10,305,389
		<u>3,617,888,547</u>	<u>1,396,885,763</u>

13.1 Operating Fixed Assets - At cost / revaluation less accumulated depreciation

The following is a statement of operating fixed assets:

2022									
PARTICULARS	COST / REVALUATION				DEPRECIATION			Written down value as at 30 June 2022	Rate %
	As at 1 July 2021	Additions/Transfer during the year	Revaluation during the year	As at 30 June 2022	As at 1 July 2021	Charge for the year	As at 30 June 2022		
	(Rupees)								
Tangible assets:									
Owned assets:									
Lease hold land	360,000,000	--	1,830,500,000	2,190,500,000	--	--	--	2,190,500,000	--
Factory building on lease hold land	881,926,540	10,305,389	172,357,934	1,064,589,863	576,145,163	32,100,332	608,245,495	456,344,368	10
Non - factory building	84,556,644	--	50,479,895	135,036,539	50,341,495	3,842,181	54,183,676	80,852,863	10
Labour quarters	194,265,675	--	47,578,386	241,844,061	172,214,418	6,504,031	178,718,449	63,125,612	25
Plant, machinery and equipment	2,783,547,445	--	231,298,728	3,014,846,173	2,161,828,246	64,099,409	2,225,927,655	788,918,518	10
Electric installation	20,782,880	--	--	20,782,880	18,818,641	294,636	19,113,277	1,669,603	15
Vehicles	61,656,753	--	--	61,656,753	59,685,616	394,227	60,079,843	1,576,910	20
Furniture and fixture	10,160,706	--	--	10,160,706	8,559,209	160,150	8,719,359	1,441,347	10
Office equipment	14,910,678	--	--	14,910,678	13,119,853	268,624	13,388,477	1,522,201	15
	4,411,807,321	10,305,389	2,332,214,943	6,754,327,653	3,060,712,641	107,663,590	3,168,376,231	3,585,951,422	
Leased assets:									
Plant and machinery	128,705,731	--	--	128,705,731	93,220,037	3,548,569	96,768,606	31,937,125	10
	128,705,731	--	--	128,705,731	93,220,037	3,548,569	96,768,606	31,937,125	
Intangible assets:									
Software	3,632,900	--	--	3,632,900	3,632,900	--	3,632,900	--	25
TOTAL	4,544,145,952	10,305,389	2,332,214,943	6,886,666,284	3,157,565,578	111,212,159	3,268,777,737	3,617,888,547	

2021									
PARTICULARS	COST / REVALUATION			DEPRECIATION			Written down value as at 30 June 2021	Rate %	
	As at 1 July 2020	Additions during the year	As at 30 June 2021	As at 1 July 2020	Charge for the year	As at 30 June 2021			
	(Rupees)								
Tangible assets:									
<i>Owned assets:</i>									
Lease hold land	360,000,000	--	360,000,000	--	--	--	360,000,000	--	
Factory building on lease hold land	881,926,540	--	881,926,540	542,169,454	33,975,709	576,145,163	305,781,377	10	
Non - factory building	84,556,644	--	84,556,644	46,539,812	3,801,683	50,341,495	34,215,149	10	
Labour quarters	194,265,675	--	194,265,675	164,863,999	7,350,419	172,214,418	22,051,257	25	
Plant, machinery and equipment	2,783,547,445	--	2,783,547,445	2,092,748,335	69,079,911	2,161,828,246	621,719,199	10	
Electric installation	20,782,880	--	20,782,880	18,472,010	346,631	18,818,641	1,964,239	15	
Vehicles	61,656,753	--	61,656,753	59,192,832	492,784	59,685,616	1,971,137	20	
Furniture and fixture	10,160,706	--	10,160,706	8,381,265	177,944	8,559,209	1,601,497	10	
Office equipment	14,910,678	--	14,910,678	12,803,825	316,028	13,119,853	1,790,825	15	
	4,411,807,321	--	4,411,807,321	2,945,171,532	115,541,109	3,060,712,641	1,351,094,680		
<i>Leased assets:</i>									
Plant and machinery	128,705,731	--	128,705,731	89,277,182	3,942,855	93,220,037	35,485,694	10	
	128,705,731	--	128,705,731	89,277,182	3,942,855	93,220,037	35,485,694		
Intangible assets:									
Software	3,632,900	--	3,632,900	3,632,900	-	3,632,900	--	25	
TOTAL	4,544,145,952	--	4,544,145,952	3,038,081,614	119,483,964	3,157,565,578	1,386,580,374		

13.2 The depreciation charge for the year has been allocated as follows:

		2022	2021
	Notes	(Rupees)	(Rupees)
Cost of sales	23	110,800,658	118,990,586
Administrative and general expenses	24	411,501	493,378
		111,212,159	119,483,964

13.3 The Company commissioned independent valuation of leasehold land, factory building on leasehold land, non-factory building, labour quarters and plant, machinery and equipment during the year ended 30 June 2022. Subsequently, the Company has carried out revaluation of leasehold land, factory building on leasehold land, non-factory building, labour quarters and plant, machinery and equipment as of 26 May 2022 by M/s. Anderson Consulting (Private) Limited (an independent valuer who is located in Karachi) on the basis of market value or depreciated replacement values as applicable. The revaluation resulted in increase in surplus amounting to Rs.2,332.215 million which was incorporated in the books of the Company as at 30 June 2022.

- 13.4** Immovable property (i.e. leasehold land and factory building, non-factory building and labour quarters thereon) is situated at S.I.T.E. Kotri, District Jamshoro. This comprises of two industrial plots of land bearing plot no. H-20 & H-26 with an accumulated area of 49.5 acres.
- 13.5** The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs.2,514.500 million.
- 13.6** Had there been no revaluation the carrying amounts of revalued assets would have been as follows:

	2022	2021
	----- (Rupees) -----	
Leasehold land	778,000	778,000
Factory building on leasehold land	119,580,592	121,512,312
Non-factory building	22,041,436	24,490,485
Labour quarters	1,847,076	2,462,768
Plant, machinery and equipment	313,022,715	347,803,016
	<u>457,269,819</u>	<u>497,046,581</u>
14 LONG TERM INVESTMENT		
<i>Investment in associate</i>		
Dewan Salman Fibre Limited	--	--

- 14.1** 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 and its ownership interest of 28.47% in investee company.

14.2 Investment in Dewan Salman Fibre Limited - At equity method

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

14.3 Summarised financial information of associated company

Total assets	6,829,124,000	7,473,552,000
Total liabilities	21,578,681,000	20,632,292,000
Net assets	(14,749,57,000)	(13,158,740,000)
Company's share of net assets	(4,199,198,878)	(3,746,293,278)
Revenue	--	--
Loss for the year	(1,591,903,000)	(400,851,000)

- 14.4** 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 19 February 2018.

DEWAN TEXTILE MILLS LIMITED

		2022	2021
	Notes	----- (Rupees) -----	
15 LONG TERM DEPOSITS			
Security deposits		12,012,134	12,012,134
16 STORES AND SPARES			
Stores and spares		45,675,669	45,675,669
Packing material		7,525,727	10,053,227
		53,201,396	55,728,896
Provision for slow-moving stores and spares	16.1	(41,761,616)	(33,338,724)
		11,439,780	22,390,172
16.1 Provision for slow-moving stores and spares			
Balance as at 1 July		33,338,724	25,051,463
Provision made during the year	27	8,422,892	8,287,261
		41,761,616	33,338,724
17 STOCK IN TRADE			
Raw material		--	183,124,978
Work-in-process		--	2,211,117
Finished goods		--	61,867,558
	17.1	--	247,203,653
Provision for obsolete stock		--	(50,431,244)
		--	196,772,409
17.1 Stocks valuing Rs. Nil million (2021: Rs.196.772 million) was pledged with the banks against the restructured finance facilities obtained by the Company. During the year the Company sold the Stock and paid amount to the Financial Institutions against the liability of the same Financial Institutions.			
18 TRADE DEBTS - Unsecured			
Considered good		36,433,404	5,649,823
Considered doubtful		650,204,856	650,204,856
		686,638,260	655,854,679
Provision for doubtful debts	18.1	(650,204,856)	(650,204,856)
		36,433,404	5,649,823
18.1 Provision for doubtful debts			
Balance as at 1 July		650,204,856	507,216,311
Provision made during the year	27	--	142,988,545
Balance as at 30 June		650,204,856	650,204,856
19 ADVANCES - Considered good			
Employees - Interest free		1,199,997	1,295,167
Other advances		509,648	509,648
		1,709,645	1,804,815
20 SHORT TERM DEPOSITS AND RECEIVABLE			
Short term deposits and margin		--	1,749,732
Sales tax receivable		13,737,571	13,737,571
		13,737,571	15,487,303
Provision against sales tax receivable		(13,737,571)	(12,810,617)
		--	2,676,686



		2022	2021
		(Rupees)	
	Notes		
21 CASH AND BANK BALANCES			
Cash in hand		35,443	50,314
Cash at banks - Current accounts		6,828,030	10,093,852
		<u>6,863,473</u>	<u>10,144,166</u>
22 SALES - Net			
Local sales			
- Yarn		32,711,445	89,875,890
- Cotton		345,253,060	--
		377,964,505	89,875,890
Sales tax		(54,917,920)	(13,058,890)
		<u>323,046,585</u>	<u>76,817,000</u>
23 COST OF SALES			
Raw material sold	23.1	144,676,215	--
Salaries, wages and others benefits		18,831,565	10,450,981
Packing material consumed		2,527,500	--
Fuel and generator expenses		2,070,216	--
Insurance		1,174,308	1,177,308
Rent, rates and taxes		1,027,112	528,544
Repairs and maintenance		254,850	307,910
Vehicle running and maintenance		227,584	124,164
Depreciation	13.2	110,800,658	118,990,586
Total manufacturing cost		281,590,008	131,579,493
Work in process - Opening		2,211,117	2,211,117
Work in process - Closing		--	(2,211,117)
		2,211,117	--
Cost of goods manufactured		283,801,125	131,579,493
Finished goods - Opening		61,867,558	121,405,284
Finished goods - Closing		--	(61,867,558)
		<u>345,668,683</u>	<u>191,117,219</u>
23.1 Raw material sold			
Opening stock - Gross		183,124,978	183,124,978
Expenses		11,982,481	--
Release of provision		(50,431,244)	--
Opening stock - Net		144,676,215	183,124,978
Closing stock		--	(183,124,978)
		<u>144,676,215</u>	<u>--</u>
24 ADMINISTRATIVE AND GENERAL EXPENSES			
Legal and professional		2,213,257	457,360
Vehicle expenses		1,087,236	776,247
Salaries, allowances and others benefits	24.1	879,505	1,235,259
Auditor's remuneration	24.2	835,000	835,000
Fee and subscription		609,813	1,107,025
Depreciation	13.2	411,501	493,378
Communication		232,344	230,668
Printing and stationery		139,856	201,802
Traveling and conveyance		88,300	17,200
Entertainment		80,733	43,428
Repairs and maintenance		10,740	--
		<u>6,588,285</u>	<u>5,397,367</u>

DEWAN TEXTILE MILLS LIMITED

24.1 Salaries, allowances and others benefit includes amount of Rs.0.039 million (2021: Rs.0.048 million) in respect of staff retirement benefits.

24.2 Auditor's remuneration	Notes	2022	2021
		----- (Rupees) -----	
Audit of annual financial statements		550,000	550,000
Review of half-yearly financial statements		200,000	200,000
Review report on code of corporate governance		50,000	50,000
Out of pocket expenses		35,000	35,000
		835,000	835,000

24.3 The investments by the provident fund in collective investment schemes, listed equity and debts securities have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

25 DISTRIBUTION COST

Commission on sale	9,286,023	--
--------------------	------------------	----

26 FINANCE COST

Mark-up on long term financing	277,953,997	214,600,757
Mark-up on short term borrowings	4,899,598	15,564,091
Unwinding of interest	18,787,092	16,672,589
Interest on Workers' Profit Participation Fund	499,340	332,070
Bank charges	782,414	1,601,745
Bank balance written off	742,808	--
	303,665,249	248,771,252

26.1 In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 12.2, Company has not made the provision of mark-up for the year amounting to Rs.67.166 million (up to 30 June 2022: Rs.626.137 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 year would have been higher by Rs.67.166 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.626.137 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

27 OTHER CHARGES

Provision for slow-moving stores and spares	16.1	8,422,892	8,287,261
Short term deposits and margin written off	20	1,749,732	--
Provision against sales tax receivable	20	926,954	--
Provision for doubtful debts	18.1	--	142,988,545
Advances written off		--	1,145,330
		11,099,578	152,421,136

**28 TAXATION****28.1 Current**

The Income tax assessment of the Company deemed to have been finalised up to and including tax year 2021.

28.2 Relationship between income tax expense and accounting profit

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

29 LOSS PER SHARE - Basic and diluted

There is no dilutive effect on loss per share of the Company which is based on:

	2022	2021
	----- (Rupees) -----	
Loss after taxation	<u><u>(340,924,812)</u></u>	<u><u>(505,071,577)</u></u>
	----- (Number of shares) -----	
Weighted average number of shares	<u><u>46,064,609</u></u>	<u><u>46,064,609</u></u>
	----- (Rupees) -----	
Loss per share - Basic and diluted	<u><u>(7.40)</u></u>	<u><u>(10.96)</u></u>

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

30.1 Chief executive and directors of the Company did not charge any fee or other remuneration.

30.2 No employee of the Company falls under the definition of "executive" as per the Companies Act, 2017. Hence no disclosure is given in the financial statements.

31 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. The remuneration paid to chief executive, directors, executive and key management personnel in terms of their employment is disclosed in note 30 to the financial statements. Material transactions and balances with related parties consisted of payment of contribution to Staff provident fund of the Company amounting to Rs.77,760 (2021: Rs.95,432).

32 NUMBER OF EMPLOYEES

Number of employees as at 30 June	<u><u>42</u></u>	<u><u>47</u></u>
Average number of employees during the year	<u><u>46</u></u>	<u><u>47</u></u>

33 PLANT CAPACITY AND PRODUCTION

	2022	2021
Attainable capacity converted to 20 count (Kgs)	<u><u>19,510,682</u></u>	19,510,682
Number of spindles installed	<u><u>65,544</u></u>	65,544

33.1 The operations of the Company have been suspended since December 2015 consequently there have been no production ever since.

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

34.1 Financial risk management

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

34.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

In summary, the maximum exposure to credit risk as at 30 June 2022 and 30 June 2021 was as follows:

	2022		2021	
	Financial assets	Maximum exposure	Financial assets	Maximum exposure
	----- (Rupees) -----		----- (Rupees) -----	
Trade debts	36,433,404	36,433,404	5,649,823	5,649,823
Deposits	--	--	2,676,686	2,676,686
Advances and receivables	1,709,645	1,709,645	1,804,815	1,804,815
Bank balances (excluding cash in hand)	6,828,030	6,828,030	10,093,852	10,093,852
	44,971,079	44,971,079	20,225,176	20,225,176

**Trade debts**

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The Company believes that it is not exposed to any major concentration of credit risk as the sufficient provision against doubtful debts has already been made in these financial statements.

Based on past experience the management believes that no impairment allowance is necessary in respect of trade debts except as provided in the financial statements.

Cash and cash equivalents

The cash and cash equivalents are held with banks with short term ratings from A1 to A+ and long term ratings from A+ to AAA.

None of the financial assets of the Company are secured.

34.3 Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to eight years
	----- (Rupees) -----				
2022					
<i>Non-derivative financial liabilities</i>					
Long term financing	3,111,403,754	5,005,342,246	4,736,227,873	--	269,114,373
Trade and other payables	138,187,407	153,723,408	153,723,408	--	--
Liability for staff gratuity	50,528,588	50,528,588	50,528,588	--	--
Unclaimed dividend	254,206	254,206	254,206	--	--
Mark-up accrued	1,901,746,751	1,901,746,751	1,901,746,751	--	--
Short term borrowings	281,897,780	281,897,780	281,897,780	--	--
	5,484,018,486	7,393,492,979	7,124,378,606	--	269,114,373
2021					
<i>Non-derivative financial liabilities</i>					
Long term financing	3,092,816,662	4,727,588,246	4,458,473,873	--	269,114,373
Trade and other payables	168,056,244	183,592,245	183,592,245	--	--
Liability for staff gratuity	50,701,788	50,701,788	50,701,788	--	--
Unclaimed dividend	254,206	254,206	254,206	--	--
Mark-up accrued	1,618,893,156	1,618,893,156	1,618,893,156	--	--
Short term borrowings	490,192,726	595,294,778	595,294,778	--	--
	5,420,914,782	7,176,324,419	6,907,210,046	--	269,114,373

34.4 Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of financial instruments. The Company is exposed to currency risk and interest rate risk only.

34.4.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. The financial instruments of the Company are not exposed to currency risk as there were no financial instruments in foreign currencies.

34.4.2 Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the following:

	2022	2021
	(Rupees)	
Variable rate instruments at carrying amounts:		
<i>Financial liabilities</i>		
Long term financing	2,944,482,769	2,944,682,769
Short term borrowings	281,897,780	490,192,726

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased / decreased loss/profit for the year by the amounts shown below:

Effect on loss due to change of 100 bps		
Increase / decrease	32,263,805	34,348,755

The effective interest / mark-up rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

34.5 Capital risk management

The Company's prime objective when managing capital is to safe guard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

34.6 Fair values of financial instruments

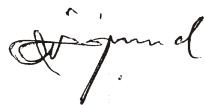
Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

35 CORRESPONDING FIGURES

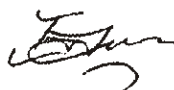
The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation, However, there were no significant restatements or reclassifications.

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 23, 2022 by the Board of Directors of the Company.



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Syed Maqbool Ali
Chairman Board of Directors



DEWAN TEXTILE MILLS LIMITED

CATEGORIES OF SHAREHOLDERS

AS ON 30TH JUNE 2022

Categories	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Directors, CEO, their Spouses & Minor Children			
Mr. Aziz-Ul-Haq	1	1,000	0.00%
Mr. Abdul Basit	1	500	0.00%
Mr. Gazanfar Babar Siddiqi	1	500	0.00%
Mr. Ishtiaq Ahmed	1	500	0.00%
Mr. Syed Maqbool Ali	1	500	0.00%
Mr. Imran Ahmed Javed	1	500	0.00%
Mrs. Nida Jamil	1	500	0.00%
Associated Companies			
Dewan Motors (Pvt.) Limited	1	1,306,887	2.84%
NIT and ICP	-	-	0.00%
Executives	-	-	0.00%
Banks, Development Financial Institutions, Non-Banking Finance Companies	-	-	0.00%
Insurance Companies	-	-	0.00%
Modarabas and Mutual Funds	-	-	0.00%
General Public			
a. Local	310	44,751,784	97.15%
b. Foreign	-	-	0.00%
Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	4	1,938	0.00%
TOTAL	322	46,064,609	100.00%

SHAREHOLDERS HOLDING FIVE PERCENT OF MORE VOTING RIGHTS

NAME OF SHAREHOLDER	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Dewan Muhammad Yousuf Farooqui	2	31,040,518	67.38%
Dewan Abdul Rehman Farooqui	2	6,299,053	13.67%

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

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

DEWAN TEXTILE MILLS LIMITED
PATTERN OF SHAREHOLDING
AS ON 30TH JUNE 2022

Number of Shareholders	Shareholding Slab		Total Shares Held	Percentage
	From	To		
135	1	100	2,233	0.00%
47	101	500	16,802	0.04%
25	501	1,000	21,419	0.05%
63	1,001	5,000	153,975	0.33%
15	5,001	10,000	120,500	0.26%
5	10,001	15,000	60,594	0.13%
6	15,001	25,000	124,506	0.27%
3	25,001	35,000	89,316	0.19%
1	35,001	45,000	42,500	0.09%
3	45,001	50,000	149,106	0.32%
3	50,001	70,000	181,124	0.39%
1	70,001	80,000	78,503	0.17%
2	80,001	300,000	518,080	1.12%
1	300,001	400,000	333,965	0.72%
1	400,001	450,000	401,293	0.87%
1	450,001	500,000	500,000	1.09%
2	500,001	900,000	1,679,714	3.65%
2	900,001	1,000,000	1,883,521	4.09%
2	1,000,001	1,500,000	2,367,887	5.14%
1	1,500,001	2,000,000	1,669,053	3.62%
1	2,000,001	4,500,000	4,321,092	9.38%
1	4,500,001	5,000,000	4,630,000	10.05%
1	5,000,001	27,000,000	26,719,426	58.00%
322	TOTAL		46,064,609	100.00%

**YD****A YOUSUF DEWAN COMPANY**

شیئر ہولڈنگ کا پیٹرن:

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

اہم آپریٹنگ اور مالیاتی تفصیل:

چھ سالہ اہم آپریٹنگ اور مالیاتی تفصیل منسلک ہے۔

بعد از واقعات:

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

اظہار تشکر اور نتیجہ:

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

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

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

بورڈ آف ڈائریکٹرز کی جانب سے

سید مقبول علی

چیرمین بورڈ آف ڈائریکٹرز

اشتیاق احمد

چیف ایگزیکٹو آفیسر اور ڈائریکٹر

کراچی؛

تاریخ: 23 ستمبر 2022ء

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

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق	6
جناب اشتیاق احمد	5
جناب غنفر بابر صدیقی	6
جناب عمران احمد جاوید	6
جناب ہارون اقبال	6
سید مقبول علی	6
جناب عبدالواسط	0
محترمہ مداحیل	6

وہ ڈائریکٹرز جو میٹنگ میں شرکت نہیں کر سکے ان ڈائریکٹرز کو غیر حاضری پر چھٹی حمایت کر دی گئی تھی۔

آڈٹ کمیٹی:

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

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

نام:	میٹنگ میں شرکت کنندہ کی تعداد
جناب عزیز الحق - چیئرمین	4
سید مقبول علی	4
جناب عمران احمد جاوید	4

ہیومن ریسورس اور اجرتی کمیٹی:

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

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

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

آمدنی فی شیئر:

زیرو چارہ مدت کے دوران مبلغ (10.96) (2021) مبلغ (7.4) فی شیئر خسارہ پایا گیا۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریشٹرز ہو رہے ہیں انہوں نے دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔ آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے بورڈ کی آڈٹ کمیٹی کی سفارشات کی بنیاد پر مجوزہ میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز کی ہے۔

**YD****A YOUSUF DEWAN COMPANY**

انسانی ذرائع (ہیومن ریسورس):

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

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

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

- ۱۔ کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ۲۔ کھاتے مناسب طریقہ سے مرتب کئے جاتے ہیں۔
- ۳۔ اکاؤنٹنگ پالیسیوں کے تسلسل کو مالیاتی گوشوارے کی تیاری میں لاگو کیا گیا ہے۔ محاسبی کے اندازے ماہرانہ اور محتاط فیصلوں پر مبنی ہوتے ہیں۔
- ۴۔ مالیاتی گوشوارے کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات جیسے پاکستان میں نافذ العمل ہیں، اور باقاعدہ طور پر اس کا لحاظ رکھا جاتا ہے۔
- ۵۔ اندرونی کنٹرول کے نظام منظم ہیں اور اس کی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- ۶۔ کارپوریٹ گورننس پر عملدرآمد کے حوالے سے کوئی بھی انحراف نہیں کیا گیا سوائے ان کے جن کا ذکر آڈیٹرز کی جائزہ رپورٹ میں ہے۔
- ۷۔ کمپنی نے اپنے بورڈ کے غیر ایگزیکٹو ممبران میں سے ایک آڈٹ کمیٹی تشکیل دی ہے۔
- ۸۔ بورڈ نے اپنے ممبران اور کمپنی کے ملازمین میں سے اسٹیمینٹ برائے اصول اور کاروباری عمل کیلئے مرتب کر کے جاری کیا ہے۔
- ۹۔ آنے والے سالوں میں کمپنی کے کاروباری تسلسل پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں ماسوائے وہ جس کا انکشاف مالیاتی حسابات کے نوٹ نمبر 2 میں کیا گیا ہے۔
- ۱۰۔ مینیسٹر، ڈپوٹیز اور دیگر چارجز سے متعلق معلومات مالیاتی گوشواروں میں دی گئی ہیں۔
- ۱۱۔ کوڈ آف کارپوریٹ گورننس کے حوالے سے مندرجہ ذیل معلومات منسلک ہیں:

(۱) شیئر ہولڈنگ کا پٹرن

(۲) متعلقین اور دیگر افراد کے شیئرز

بورڈ:

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

30 جون 2022 تک بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل تھے:

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

دوران سال کمپنی کی خالص فروخت آپریشن بند ہونے کے باعث مفروری - مالیاتی حسابات میں ظاہر ہونے والی فروخت زیر جائزہ سال کے دوران یارن اشاک کی فروخت کی نمائندگی کرتی ہے۔ اس وقت کمپنی نے دسمبر 2015ء سے اپنی میٹو فیکچرنگ آپریشنز معطل کر دیے ہیں جن پر صنعت کو درپیش خفی صورت حال اور ورکنگ کیلچل کی رکاوٹوں کے باعث دوبارہ کام نہیں ہو سکا۔

سال 2011-12 میں کمپنی نے اپنے قرض خواہوں کے ساتھ مصالحتی معاہدہ کے ذریعہ تصفیہ کر لیا تھا جس کے تحت محترم ہائی کورٹ آف سندھ کراچی نے ڈکری پاس کی تھی، کمپنی کے مختصر مدتی اور طویل مدتی قرضوں کو طویل مدتی قرضہ جات کی شکل میں دوبارہ مرتب کیا گیا۔ تاہم کچھ بینکوں نے جن کا مبلغ 419.065 ملین روپے کا کیس ہے، نے تنظیم نو کی تجویز کو قبول نہیں کیا۔ مصالحتی معاہدہ کے مطابق قرض دہندگان نے قرضہ جات کی دوبارہ تنظیم نو کی دوبارہ ادائیگی میں کوتاہی کیلئے ایگزیکوشن ڈکری دائر کی - کمپنی نے محترم ہائی کورٹ آف سندھ کراچی میں مقدمہ دائر کیا جس میں اس کا سخت مقابلہ کیا گیا کہ ایگزیکوشن دائر کرنا غیر منصفانہ اور قانون کے منافی ہے۔ کمپنی کی انتظامیہ کو آنے والے دنوں میں اچھے نتائج کی توقع ہے۔

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں قرضہ جات کی اقساط کی واپسی میں کوتاہی پر اپنی مابہ رائے کا اظہار کیا ہے اور مارک اپ ریکارڈ نہ کرنے پر بھی تحفظات کا اظہار کیا ہے۔ مالیاتی حسابات جاری کردہ امور کے تحت مرتب کئے گئے ہیں کیونکہ کمپنی نے اپنے قرضہ جات کے حوالے سے دوبارہ ترتیب کیلئے رابطہ قائم کیا ہے جو کہ زیر غور ہے۔ انتظامیہ کو امید ہے کہ جلد ہی اس نظر ثانی کو حتمی شکل دے دی جائیگی۔ مزید یہ کہ تنظیم نو کی تاریخ تک کا بقایا مارک اپ 1.452 ملین روپے ہے جو معاہدہ کی شرائط میں طے شدہ حالت میں کمپنی ادا کرے گی۔ چونکہ انتظامیہ کو یقین ہے کہ تنظیم نو کو حتمی شکل دینے پر یہ رقم چھوٹ کے اہل رہے گی۔ لہذا ان مالیاتی حسابات میں کوئی پروویژن فراہم نہیں کیا گیا ہے۔

کچھ قرض دہندگان نے مصالحتی معاہدے پر دستخط نہیں کئے اور کمپنی کی غیر منقولہ دار ہن جائیدادوں کی منسلکیت اور فروخت کے ذریعہ اپنی ذمہ داریوں کے حصول کیلئے محترم عدالت عالیہ سندھ کراچی میں دائر مقدمات کی پیروی کرتے رہے۔ اس سلسلے میں سوٹ کی مجموعی رقم مبلغ 419.065 ملین روپے ہے جو کہ نوٹل سوٹ جس میں سے ایک سوٹ بینک جس کی رقم مبلغ 193.266 ملین ہے جس کے کمپنیز آرڈیننس 1984ء (کمپنیز ایکٹ 2017 کے 301) کی درخواستوں کو دائر ہو گئے ہیں۔ کمپنی نے بینکوں کے غلط دعوے دائر کرنے پر مقدمات کا سخت مقابلہ کیا۔ آنے والے دنوں میں کمپنی کی انتظامیہ کو بہتر نتائج کی توقع ہے۔

کمپنی نے کچھ بینکوں سے قرض لینے کے سلسلے میں جنہوں نے ابھی تک تنظیم نو کی تجویز کو قبول نہیں کیا ہے کیلئے مبلغ 67.166 ملین روپے (30 جون 2022 تک: مبلغ 626.137 ملین روپے) کا مارک اپ پروویژن نہیں بنایا ہے۔ کمپنی کی انتظامیہ کو امید ہے کہ یہ بینک مستقبل قریب میں تنظیم نو کی تجویز کو بھی قبول کریں گے۔ اس کے مطابق مذکورہ مالیاتی بیانات کوئی مارک اپ فراہم نہیں کیا گیا ہے۔

مستقبل کا نظریہ:

معاشی استحکام کا زیادہ تر انحصار سیاسی مضبوطی، ایک فعال اور سمجھدار مالیاتی پالیسی اور بیرونی نمائندگان تک رسائی پر ہوگا۔ شرح سود منگول ہندوستان سے دوہرے ہندسوں تک نمایاں طور پر بڑھ گئی ہے جس میں تقریباً 5% سے زیادہ اضافہ ہوا ہے۔ اس کے علاوہ طلب اور رسد کے درمیان ایک مشکل توازن ہے کیونکہ ٹیکسٹائل کی طلب بھی محدود ہو گئی ہے اور کپاس کی رسد بھی کم ہو گئی ہے۔ کاشن اور پالپسٹر کے درمیان قیمت کا فرق کم ہو گیا ہے اس لیے آنے والا سال مشکل ہوگا کیونکہ ہمیں کپاس کی کھپت میں کوئی اضافہ نظر نہیں آتا۔ لہذا، ہم پیش گوئی کرتے ہیں کہ اسپننگ انڈسٹری نہ صرف خام مال کی کمی کی وجہ سے ایک مشکل دور سے گزرے گی، اور اس کی زیادہ مانگ نہیں ہے بلکہ لیکن آنے والے مہینوں میں اشیاء کی قیمتوں میں اضافے، بجلی کی لاگت، روپے کی قدر میں کمی، کم از کم اجرت میں اضافے، مارک اپ ریٹ اور بڑھے ہوئے ٹیکس وغیرہ کی وجہ سے منافع بھی متاثر ہوگا، جس کے نتیجے میں کاروبار کرنے کی لاگت میں اضافہ ہوگا۔

عالمی سطح پر مسابقتی ہونے کے لیے ٹیکسٹائل سیکٹر کی بنیادی ترجیح توانائی کی دستیابی اور قیمت ہے۔ ٹیکسٹائل برآمد کرنے والے دیگر ممالک کی صنعتی بجلی کا ٹیرف پاکستان سے کم ہے جس کی وجہ سے ہم بین الاقوامی مارکیٹ میں مقابلہ نہیں کر سکتے۔ کاروباری اعتماد کی سطح کو بہتر بنانے اور صنعت میں سرمایہ کاری میں اضافے کے لیے ایک متوقع، مستحکم اور ہم آہنگ توانائی کی پالیسی کی ضرورت ہے۔ حکومت کو ٹیکسٹائل انڈسٹری کی ممکنہ جتنی کوروکنے کے لیے ٹیکس کی قلت کے مسئلے کو بھی حل کرنے کی ضرورت ہے۔ مزید یہ کہ صنعتی ٹیکس کا اسٹرکچر ایسا ہونا چاہیے جس سے کاروبار کرنے میں آسانی پیدا ہو اور موجودہ بنیاد پر بوجھ ڈالنے کی بجائے ٹیکس کی بنیاد کو بڑھانے پر توجہ دی جائے۔ آنے والا سال نہ صرف کمپنی بلکہ پاکستان کی معیشت کے لیے بھی ایک چیلنجنگ سال ہے۔

کارپوریٹ معاشرتی ذمہ داریاں:

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

صحت، حفاظت اور ماحول:

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

**YD**

A YOUSUF DEWAN COMPANY

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2022ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات بمع ڈائریکٹرز رپورٹ پیش کر رہے ہیں۔

جائزہ:

مالیاتی سال 2022 کا آغاز ایک مثبت طرز پر ہوا جہاں معاشی ترقی کے امکانات کافی حد تک روشن نظر آ رہے تھے اور تمام میکرو اکنامک اشارے ایک مثبت تصور پیش کر رہے تھے۔ پاکستان کی معاشی جی ڈی پی کی شرح نمو مالیاتی سال 2021 کی 5.74 فیصد کے مقابلے میں رواں مالی سال 5.97 فیصد رہی جو کے صنعتی شعبے 7.2 فیصد اور زرعی شعبے 4.4 فیصد کی مضبوط ترقی کی وجہ سے تھی۔ دوران سال 32.5 بلین امریکی ڈالر کی ریکارڈ برآمدات اور 31.2 بلین امریکی ڈالر کی ترسیلات کے باوجود، مجموعی درآمدات میں غیر معمولی اضافے کی وجہ سے مالی سال 2022 میں ملک کا کرنٹ اکاؤنٹ خسارہ بڑھ کر 17.4 بلین ڈالر تک پہنچ گیا۔ درآمداتی بلوں میں 42.21 فیصد کا نمایاں اضافہ ہوا ہے (امریکی ڈالر کے لحاظ سے) جو کہ 56.38 بلین امریکی ڈالر SPLY کے مقابلے میں 80.18 بلین امریکی ڈالر تک ہے جو کہ بنیادی طور پر بڑھتی ہوئی توانائی کی درآمداتی لاگت کے ساتھ ساتھ زرعی، ٹیکسٹائل اور مینا کنگ گروپ وغیرہ کے تحت آنے والی اشیاء کی بڑھتی ہوئی درآمدات کی وجہ سے ہوا ہے۔ غیر ملکی ذخائر پر درآمدات میں اضافے کے اثرات کو کسی حد تک برآمدات میں 25.64 فیصد اضافے (امریکی ڈالر کے لحاظ سے) سے پورا کیا گیا بنیادی طور پر ٹیکسٹائل ٹیکسٹائل کی برآمدات میں اضافے کی وجہ سے خاص طور پر ویلیو ایڈڈ مصنوعات کی ترسیلات زر میں دوران سال SPLY کے مقابلے میں 6.07 فیصد (USD کی شرائط میں) اضافہ ہوا۔ تاہم، مالی سال 2022 کی دوسری ششماہی میں سیاسی عدم استحکام، عالمی سطح پر تیل کی قیمتوں میں تیزی کی وجہ سے بلند افراط زر، روپے کی قدر میں اچانک کمی، ملکی طلب میں اضافہ، رسد کی رکاوٹوں اور ملکی و غیر ملکی ذخائر میں کمی کے ساتھ حالات کافی حد تک بدل گئے۔ بین الاقوامی سطح پر، روس/یوکرین کی جنگ نے مجموعی اقتصادی شرح نمو میں رکاوٹ ڈالی اور مہنگائی بڑی معیشتوں کے لیے بھی کافی مشکل چیلنج بن گئی۔ حکومت کو مجبور ہو کر وہ درآمدات کو کم کر کے (بعض اشیاء پر کیش مارجن کے ذریعے اور بعض اشیاء کی درآمد پر پابندی عائد کر کے) اور ڈسکاؤنٹ کی شرح کو 15 فیصد تک بڑھا کر اقتصادی کساد بازاری کو کم کرنے کے اقدامات کرے۔ جس سے نہ صرف درآمدات کی حوصلہ شکنی ہوگی بلکہ صارفین کے مجموعی اخراجات میں بھی کمی آئے گی، لہذا اس سے ادائیگی کے توازن کو سہارا ملے گا اور افراط زر کی شرح کو برقرار رکھا جائے گا۔

صنعتی پس منظر:

پاکستان میں ٹیکسٹائل کی صنعت کا معیشت پر گہرا اثر ہے اور ملکی برآمدات میں تقریباً 60 فیصد حصہ ڈال رہا ہے۔ یہ کل مینوفیکچرنگ سیکٹر کا 46 فیصد پر مشتمل ہے اور دوسرا سب سے بڑا روزگار پیدا کرنے والا سیکٹر ہونے کی وجہ سے کل لیبر فورس کا 40 فیصد روزگار فراہم کرتا ہے۔ Covid-19 رواں مالی سال کی آخری سہ ماہی میں روپے کی قدر میں کمی کی وجہ سے درآمداتی خام مال کی قیمت میں نمایاں اضافہ ہوا۔ مزید برآں، بین الاقوامی سطح پر کپاس کی زیادہ قیمتوں اور چیلنجنگ سپلائی چین، گیس کی کمی، بڑھتی ہوئی سیاسی عدم استحکام اور غیر یقینی ٹیکسز اور محصولات نے صنعت کے لیے اپنے آپریٹنگز پر طویل مدتی نظر یہ رکھنا مشکل بنا دیا ہے۔

کپاس کے سال کا آغاز میں سپینگ انڈسٹری پر امید تھی کہ کپاس کی طلب اور قیمت کم ہو گیا اور گزشتہ سال کے کپاس کے اسٹاک کے ساتھ سربلس ہو جائے گی۔ تاہم، امریکہ میں خشک سالی کے باعث فصل میں کمی کا فی ہوتی ہے اور اسی طرح پاکستان میں شدید بارشوں نے کپاس اور دوسری فصلوں کو شدید نقصان پہنچایا ہے، اس لیے مارکیٹ میں اچانک تیزی آئی ہے اور قیمتیں مضبوط ہونا شروع ہو گئی ہیں۔ پاکستان میں حالیہ بارشوں نے فصلوں کو شدید نقصان پہنچایا ہے اور اب تک معیار اور مقدار دونوں ہی توقعات سے بہت کم دکھائی دیتے ہیں۔ ہم نے تقریباً 12 سے 14 ملین گانٹھوں کی فصل کی پیداوار کی پیش گوئی کی تھی، جب کہ اب یہ 6 سے 8 ملین گانٹھیں لگتی ہیں جو کہ ہماری سالانہ ضرورت 45 سے 50 فیصد ہے اور باقی ضروریات کپاس کی درآمدات سے پوری کرنی ہوں گی۔ اس کپاس کو درآمد کرنا اور اسے دستیاب کرنا ایک مشکل کام ہے۔

مالیاتی نتائج اور کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)

323,046,585
(345,668,683)
(22,622,098)
(15,874,308)
(38,496,406)
(303,665,249)
(11,099,578)
--
(353,261,233)
12,336,421
(340,924,812)

فروخت (صافی)

فروخت کی لاگت

کل خسارہ

انتظامی اخراجات

آپریٹنگ خسارہ

مالیاتی لاگت

دیگر چارجز

دیگر آمدنی

قبل از ٹیکس خسارہ

ٹیکسیشن

بعد از ٹیکس خسارہ

(5) تاحال سی این آئی سی فراہم نہ کرنے والے شیئرز ہولڈرز کو نوٹس

سکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 831(1)/2012 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وائٹس وغیرہ کے اجرا کے لیے سی این آئی سی لازمی ہے جس کی عدم موجودگی میں ڈیویڈنڈ کی ادائیگی ایس ای سی پی کی مندرجہ بالا ہدایات کے مطابق روکی جاسکتی ہے لہذا جن حصص یافتگان نے تاحال اپنے سی این آئی سی فراہم نہیں کیے ہیں ان کو ایک بار پھر ہدایت کی جاتی ہے کہ اپنے سی این آئی سی کی تصدیق شدہ کاپی بلا تاخیر براہ راست ہمارے شیئر رجسٹرار کو فراہم کر دیں۔

(6) شیئرز ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکینزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونک طور پر وصول کر سکتے ہیں اس طریقہ سے ڈیویڈنڈ ان کے بینک اکاؤنٹ میں منتقل ہو جائے گا اور بذریعہ ڈاک گمشدگی، عدم وصولی اور غلط پتے پر وصولی وغیرہ کے خدشات نہیں ہوں گے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹس نمبر 8(4) ایس ایم / سی ڈی سی 2008ء مورخہ 5 اپریل 2013ء کے ذریعہ تمام لسٹڈ کمپنیوں کو حصص ہولڈرز کے مفاد میں ای ڈیویڈنڈ میکینزم کو اختیار کرنے کی ہدایت جاری کی گئی ہیں، مندرجہ بالا کے پیش نظر آپ کو ڈیویڈنڈ مینڈیٹ فارم پر اور دستخط کے ہمراہ جمع کرا کے ڈیویڈنڈ مینڈیٹ فراہم کیا جا رہا ہے۔

(7) مالی گوشواروں وغیرہ کی الیکٹرونک منتقلی

ایس ای سی پی نے اپنے اعلامیہ نمبر ایس آر او 787(1)/2014 مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں مع سالانہ اجلاس کے نوٹس ڈاک کی بجائے بذریعہ ای میل ان ممبران کو ارسال کرنے کی اجازت دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متعلق ہیں مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/DTML/index.html> اسٹینڈرڈ ریکوئسٹ فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

**YD**

A YOUSUF DEWAN COMPANY

دیوان ٹیکسٹائل ملز لمیٹڈ

سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان ٹیکسٹائل ملز لمیٹڈ (ڈی ٹی ایم ایل یا کمپنی) کا تریسواں (53) سالانہ اجلاس عام جمعرات 27 اکتوبر 2022 کو صبح 9:30 بجے دیوان سینٹ لمیٹڈ فیکٹری سائٹ واقع دیہہ ڈھنڈو-دھابجی ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کا آغاز تلاوت کلام پاک سے ہوگا۔

عمومی امور

- (1) کمپنی کے گزشتہ غیر معمولی اجلاس عام منعقدہ جمعرات 27 جنوری 2022ء کی کارروائی کی توثیق۔
- (2) 30 جون 2022ء کو مکمل ہوانے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی، غور و خوض اور منظوری۔
- (3) 30 جون 2023ء کو مکمل ہوانے والے سال کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- (4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ

محمد حنیف جومان
کمپنی سیکریٹری

کراچی 28 ستمبر 2022ء

نوٹ:

- (1) کمپنی کی منتقلی حصص کی کتب 20 اکتوبر 2022ء تا 27 اکتوبر 2022ء (دونوں دن شامل) بند رہیں گی۔
- (2) ممبران سے پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹر انفرامیٹن بی ایم ایف کنسلٹنٹس پاکستان (پرائیوٹ) لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل شعل بلوچ کالونی پل، کراچی پاکستان کو مطلع کرنے کی درخواست کی جاتی ہے۔
- (3) اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس کے انعقاد سے کم از کم اڑھتالیس 48 گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
- (4) سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکل نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت پر عمل کرنا ہوگا۔

الف) برائے اجلاس میں شرکت

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لوڈ ڈھوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- (ii) کارپوریٹ انٹیلیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب) پروکسی کی تقرری

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈ ڈھوں پروکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرانے ہوں گے۔
- (ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم سے منسلک کرنی ہوں گی۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ انٹیلیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پروکسی فارم ہمراہ کمپنی کو پیش کرنے ہوں گے۔








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



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DEWAN TEXTILE MILLS LIMITED
53rd ANNUAL GENERAL MEETING
FORM OF PROXY

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

I/we _____
of _____ being a member (s) of
DEWAN TEXTILE MILLS LIMITED and holder of _____
Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No. _____
hereby appoint _____
of _____
or failing him _____
of _____
who is also member of DEWAN TEXTILE MILLS LIMITED vide Registered Folio
No./CDC Participant's ID and Account No. _____ as my/our proxy to vote for me/us and
on my/our behalf at the 53rd Annual General Meeting of the Company to be held on **Thursday, October 27, 2022, at 9:30 a.m.** And any adjournment thereof.
Signed this _____ day of _____ 2022.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم ۵۳ واں سالانہ اجلاس عام

اہم اعلان

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

میں / ہم _____ کا (مکمل پتہ)

_____ بحیثیت ممبر

دیوان ٹیکسٹائل ملز لمیٹڈ کے _____ حصص کے مالک، رجسٹرڈ فوئیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر _____ میں

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

جو بذات خود بھی _____

_____ دیوان ٹیکسٹائل ملز لمیٹڈ

سی ڈی سی آئی ڈی اور کھاتہ نمبر _____

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۵۳ واں سالانہ اجلاس عام جو کہ بروز جمعرات، ۲۷ اکتوبر ۲۰۲۲ کو صبح ۹:۳۰ بجے، ہے میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۲۲ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____