# CONTENTS

# COMPANY INFORMATION

| | | |
|---|---|---|
| BOARD OF DIRECTORS | | |
| Executive Directors | : | Mr. Ishtiaq Ahmed - Chief Executive Officer & Director |
| Non-Exective Director | : | Mr. Ghazanfar Baber Siddiqui<br>(Chairman, Board of Director)<br>Mr. Imran Ahmed Javed<br>Syed Maqbool Ali<br>Mr. Muhammad Baqar Jafferi<br>Mr. Zafar Asim |
| Independent Director | : | Mr. Aziz-ul-Haque |
| Audit Committee | : | Mr. Aziz-ul-Haque - Chairman<br>Syed Maqbool Ali (Member)<br>Mr. Imran Ahmed Javed (Member) |
| Human Resources & Remuneration Committee | : | Mr. Aziz-ul-Haque - Chairman<br>Syed Maqbool Ali (Member)<br>Mr. Ishtiaq Ahmed -(Member) |
| Auditors | : | Faruq Ali & Co.<br>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. Shafqatullah |
| Tax Advisor | : | Sharif & Co. Advocates |
| Legal Advisor | : | A. K. Brohi & Co. (Advocates) |
| Bankers | : | Habib Bank Limited<br>Standard Chartered Bank Pakistan Limited<br>Meezan Bank Limited<br>United Bank Limited<br>Bank Al-Falah Ltd<br>Silk Bank Limited<br>NIB Bank Limited<br>Summit Bank Limited<br>Faysal Bank Limited<br>MCB Bank Limited |
| Registered Office | : | Dewan Centre, 3-A Lalazar<br>Beach Hotel Road Karachi |
| Shares Registrar & Transfer Agent | : | BMF Consultants Pakistan (Private) Limited<br>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.,<br>Kotri, District Dadu, Sind, Pakistan |
| Website | : | www.yousufdewan.com |

# DIRECTORS' REPORT

**IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL**

IF YE GIVE THANKS, I WILL GIVE YOU MORE **(HOLY QURAN)**

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the first quarter ended September 30, 2019 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

**Operating results (Factory Shutdown):**
Company's net sales during the current as well as in the comparative period remained nil due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since December 2015 which could not be resumed due to adverse scenario faced by the industry, lesser market demand and working capital constraints.

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

**Future Outlook**
Management is endeavoring to resume the production of the company as soon as the situation in near future improves, restructuring of the company is finalized and sufficient working capital is provided. It is difficult to compete in international market, at present, due to higher cost of production, uncertainties in rupee devaluation and increasing markup up rates. Through Finance Act, 2019 tax credit on investment under section 65(B) of the Income Tax Ordinance, 2001 has been withdrawn for tax year 2020 onwards and has also been reduced for the tax year 2019. Overall industry is facing challenges due to withdrawal of zero rating for five export oriented sectors, extreme volatility in exchange rates thereby increasing the cost of imported goods and power, increasing trend in KIBOR rates are ultimately increasing in financing costs, increase in turnover tax, hence the overall working capital requirements have increased.

However, we hope that the Government will introduce some measures for revival of textile sector, including but not limited to payment of tax refunds, settlement of GIDC matter, smooth supply of gas to the industry at affordable rates.

The government is aimed to document the economy for long term sustainability and growth of the Country and for which aggressive steps are being taken. It is expected that these steps will slow down the economic activity in following financial year.

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

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

By and under Authority of the Board of Directors

**Ishtiaq Ahmed**
CEO & Director

**Imran Ahmed Javaid**
Director

Dated: October 23, 2019

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER, 2019

| | NOTES | Sept 30, 2019 (Un-Audited) | June 30, 2019 (Audited) |
|---|---|---|---|
| | | Rupees | |
| **EQUITY AND LIABILITIES** | | | |
| **SHARE CAPITAL AND RESERVES** | | | |
| Authorized share capital | | | |
| 50,000,000 (2019 : 50,000,000) ordinary shares of Rs. 10/- each\ | | **500,000,000** | 500,000,000 |
| Issued, subscribed and paid up capital | | **460,646,090** | 460,646,090 |
| Revenue Reserves | 5 | **(4,172,451,604)** | (4,049,247,527) |
| Capital reserve | | | |
| Surplus on revaluation of property plant and equipment | | **782,291,387** | 794,090,283 |
| | | **(2,929,514,127)** | (2,794,511,154) |
| **NON CURRENT LIABILITIES** | | | |
| Long term financing | | **135,868,970** | 132,766,516 |
| Deferred taxation | | **172,802,990** | 177,622,257 |
| | | **308,671,960** | 310,388,773 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | **180,541,632** | 179,890,705 |
| Mark-up accrued | | **1,127,711,815** | 1,030,753,421 |
| Short term borrowings | | **553,565,566** | 586,010,566 |
| Liability for staff gratuity | | **50,808,126** | 50,808,126 |
| Unclaimed dividend | | **254,206** | 254,206 |
| Current and overdue portion of long term financing | | **2,930,630,586** | 2,930,630,586 |
| | | **4,843,511,931** | 4,778,347,610 |
| **CONTINGENCIES AND COMMITMENTS** | 6 | **-** | - |
| | | **2,222,669,764** | 2,294,225,229 |
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 7 | **1,617,872,989** | 1,651,726,329 |
| Long term investment | 8 | **-** | - |
| Long term deposits | | **12,012,134** | 12,012,134 |
| | | **1,629,885,123** | 1,663,738,463 |
| **CURRENT ASSETS** | | | |
| Stores and spares | | **37,758,307** | 37,758,307 |
| Stock in trade | | **256,310,135** | 256,310,135 |
| Trade debtors - Unsecured | | **241,754,081** | 278,657,082 |
| Advances - Considered good | | **2,356,530** | 2,360,359 |
| Short term deposits and other receivable | | **4,120,116** | 4,120,116 |
| Taxes recoverable - Net | | **44,093,526** | 44,081,312 |
| Cash and bank balances | | **6,391,946** | 7,199,455 |
| | | **592,784,641** | 630,486,766 |
| | | **2,222,669,764** | 2,294,225,229 |

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

| | | |
|---|---|---|
| **Ishtiaq Ahmed** | **Shafqatullah** | **Imran Ahmed Javaid** |
| CEO & Director | Chief Financial Officer | Director |

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ( UN-AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2019

| | NOTES | September 30 2019 | September 30 2018 |
|---|---|---|---|
| | | Rupees | |
| Sales - Net | | - | - |
| Cost of sales | | (38,085,412) | (41,652,670) |
| **Gross loss** | | (38,085,412) | (41,652,670) |
| **Operating expenses** | | | |
| Administrative expenses | | (1,285,879) | (1,142,019) |
| **Operating loss** | | (39,371,291) | (42,794,689) |
| **Other charges / income** | | | |
| Finance cost | 10 | (100,450,949) | (52,355,548) |
| Other income | | - | 516,503 |
| | | (100,450,949) | (51,839,045) |
| **Loss before taxation** | | (139,822,240) | (94,633,734) |
| Taxation | | | |
| - Current | | - | - |
| - Deferred | | 4,819,267 | 5,495,004 |
| | | 4,819,267 | 5,495,004 |
| **Loss for the period** | | (135,002,973) | (89,138,730) |
| **Loss per share - Basic and diluted** | 11 | (2.93) | (1.94) |

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

| **Ishtiaq Ahmed** | **Shafqatullah** | **Imran Ahmed Javaid** |
|---|---|---|
| CEO & Director | Chief Financial Officer | Director |

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2019

| | **September 30 2019** | September 30 2018 |
|---|---|---|
| | **Rupees** | |
| **Loss for the period** | **(135,002,973)** | (89,138,730) |
| Other comprehensive income: | | |
| Effect of change in tax rates on balance of revaluation on property, plant and equipment | **-** | 6,882,838 |
| **Total comprehensive (loss) for the period** | **(135,002,973)** | (82,255,892) |

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

| **Ishtiaq Ahmed** | **Shafqatullah** | **Imran Ahmed Javaid** |
|---|---|---|
| CEO & Director | Chief Financial Officer | Director |

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2019

| | September 30 2019 | September 30 2018 |
|---|---|---|
| | Rupees | |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| (Loss) before taxation | **(139,822,240)** | (94,633,734) |
| Adjustment for non-cash and other items: | | |
| Depreciation /amortisation expense | **33,853,340** | 38,201,684 |
| Gain on sale of fixed assets | **--** | (516,503) |
| Unwinding of discount | **3,102,454** | 2,864,402 |
| Finance Cost | **97,348,495** | 49,491,146 |
| | **134,304,289** | 90,040,729 |
| Cash outflows before working capital changes | **(5,517,951)** | (4,593,005) |
| ***Working Capital changes*** | | |
| ***(Increase)/ decrease in current assets*** | | |
| Stores & spares | **--** | 288,426 |
| Trade debtors | **36,903,001** | 6,764,835 |
| Advances | **3,829** | (12,199) |
| Short term deposit and other receivable | **--** | (2,972) |
| | **36,906,830** | 7,038,090 |
| ***Increase / (decrease) in current liabilities*** | | |
| Trade and other payable | **650,927** | 457,545 |
| Short term borrowings | **(32,445,000)** | -- |
| | **(31,794,073)** | 457,545 |
| **Cash (used in ) generated form operation** | **(405,194)** | 2,902,630 |
| **Payments for:** | | |
| Taxes - Net | **(12,214)** | (17,179) |
| Financial cost | **(390,101)** | (5,072,421) |
| | **(402,315)** | (5,089,600) |
| **Net cash igenerated form/used in operation activities** | **(807,509)** | (2,186,970) |
| **Cash flows from investing activities** | | |
| Proceeds against sales of fixed assets | **--** | 1,200,000 |
| Net cash outflow from investing activities | **--** | 1,200,000 |
| **Cash flows from financing activities** | | |
| Long term financing paid | **--** | (1,249,104) |
| Net decrease in cash and cash equivalents | **(807,509)** | (2,236,074) |
| Cash and cash equivalents at beginning of the period | **7,199,455** | 8,474,273 |
| **Cash and cash equivalents at the end of period** | **6,391,946** | 6,238,199 |

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

| **Ishtiaq Ahmed** | **Shafqatullah** | **Imran Ahmed Javaid** |
|---|---|---|
| CEO & Director | Chief Financial Officer | Director |

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2019

| | Issued, subscribed and paid-up share capital | Revenue reserves | | | | | |
|---|---|---|---|---|---|---|---|
| | | General reserve | Accumulated losses | Total revenue reserves | Surplus on revaluation of property, plant and equipment | Total capital reserves | Total equity |
| | (Rupees) | | | | | | |
| **Balance as at 1st July 2018** | **460,646,090** | **333,000,000** | **(3,561,889,004)** | **(3,228,889,004)** | **841,020,595** | **841,020,595** | **(1,927,222,319)** |
| **Total comprehensive loss for the period** | | | | | | | |
| Loss for the period | -- | -- | (89,138,730) | (89,138,730) | -- | -- | (89,138,730) |
| Other comprehensive income | -- | -- | -- | -- | 6,882,838 | 6,882,838 | 6,882,838 |
| | -- | -- | (89,138,730) | (89,138,730) | 6,882,838 | 6,882,838 | (82,255,892) |
| Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax | -- | -- | 13,453,287 | 13,453,287 | (13,453,287) | (13,453,287) | -- |
| **Balance as at 30 Septemb 2018** | **460,646,090** | **333,000,000** | **(3,637,574,447)** | **(3,304,574,447)** | **834,450,146** | **834,450,146** | **(2,009,478,211)** |
| **Balance as at Ist July 2019** | **460,646,090** | **333,000,000** | **(4,382,247,527)** | **(4,049,247,527)** | **794,090,283** | **794,090,283** | **(2,794,511,154)** |
| **Total comprehensive loss for the period** | | | | | | | |
| Loss for the period | -- | -- | (135,002,973) | (135,002,973) | -- | -- | (135,002,973) |
| Other comprehensive income | -- | -- | -- | -- | -- | -- | -- |
| | -- | -- | (135,002,973) | (135,002,973) | -- | -- | (135,002,973) |
| Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax | -- | -- | 11,798,896 | 11,798,896 | (11,798,896) | (11,798,896) | -- |
| **Balance as at 30 September 2019** | **460,646,090** | **333,000,000** | **(4,505,451,604)** | **(4,172,451,604)** | **782,291,387** | **782,291,387** | **(2,929,514,127)** |

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

| | | |
|---|---|---|
| **Ishtiaq Ahmed** | **Shafqatullah** | **Imran Ahmed Javaid** |
| CEO & Director | Chief Financial Officer | Director |

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN - AUDITED) FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER, 2019

## 1 THE COMPANY AND ITS OPERATIONS

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

The geographical location and address of Company's business units including plant is as under:

- Company's registered office is located at Dewan Centre 3-A, Lalazar, Beach Hotel Road, Karachi.
- Company's production plant is situated at H/20 & H/26, S.I.T.E., Kotri, District Jamshoro, Sindh, Pakistan.

## 2 GOING CONCERN ASSUMPTION

The condensed interim financial statements of the Company for the period ended 30th September 2019 reflect that the Company has sustained a net loss after taxation of Rs. 135.003 million (2019: Rs.874.172 million) and as of that date the Company's negative reserves of Rs. 4,172.452 million (2019: Rs.4,049.248 million) have resulted in negative equity of Rs. 2,922.514 million (2019: Rs.2,794.511 million). Further the Company's short term borrowing facilities having limit to the extent of Rs.315 million have expired and not been renewed. The Company is facing litigations with three of its lenders for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and out of them one of the lender had also filed winding up petition under section 305 of the repealed Companies Ordinance, 1984. The Company has defaulted in repayment of its restructured liabilities due to liquidity crunch faced by the Company following the adverse conditions of overall textile industry. Accordingly, the entire restructured liabilities along with mark-up eligible for waiver have become immediately repayable. Company, for the time being, 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 realise its assets and discharge its liabilities during the normal course of business.

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

## 3 BASIS OF PREPARATION

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

**3.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2019.

## 4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

**4.1** The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2019.

**4.2 Adoption of standards and amendments effective during the period**

The Company has adopted the following accounting standards, the amendments and interpretations of IFRSs which became effective during the current period:

| | |
|---|---|
| IFRS 3 | Business Combinations: Previously held interests in a joint operation |
| IFRS 9 | Prepayment Features with Negative Compensation (Amendments) |
| IFRS 11 | Joint Arrangements: Previously held interests in a joint operation |
| IFRS 16 | Leases |
| IAS 12 | Income Taxes: Income tax consequences of payments on financial instruments classified as equity |
| IAS 19 | Plan Amendment, Curtailment or Settlement (Amendments) |
| IAS 23 | Borrowing Costs - Borrowing costs eligible for capitalization |
| IAS 28 | Long-term Interests in Associates and Joint Ventures (Amendments) |
| IFRIC 23 | Uncertainty over Income Tax Treatments |

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the condensed interim financial statements.

**4.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective**

| **Standards or Interpretation** | | **Effective date (annual periods beginning on or after)** |
|---|---|---|
| IFRS 3 | Definition of a Business (Amendments) | 1-Jan-20 |
| IFRS 10 | Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment) | Not yet finalised |
| IAS 1/ IAS 8 | Definition of Material (Amendments) | 1-Jan-20 |

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application. The Company is currently evaluating the impact of these standards.

| | **September 30, 2019** | June 30, 2019 |
|---|---|---|
| | **Rupees** | |
| **5 RESERVES** | | |
| General reserves | **333,000,000** | 333,000,000 |
| Accumulated losses | **(4,505,451,604)** | (4,382,247,527) |
| **Capital reserve** | | |
| Revaluation surplus on property, plant and equipment | **782,291,387** | 794,090,283 |
| | **(3,390,160,217)** | (3,255,157,244) |

## 6 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies and commitments as reported in the annual financial statements for the year ended 30 June 2019.

| | Notes | September 30, 2019 | June 30, 2019 |
|---|---|---|---|
| | | Rupees | |
| **7 PROPERTY, PLANT AND EQUIPMENT** | | | |
| Operating fixed assets | 7.1 | **1,607,567,600** | 1,641,420,940 |
| Capital work in progress - At cost | | **10,305,389** | 10,305,389 |
| | | **1,617,872,989** | 1,651,726,329 |
| **7.1 Operating fixed assets** | | | |
| Opening net book value (NBV) | | **1,641,420,940** | 1,794,763,464 |
| Disposal (NBV) during the period / year | | **--** | (669,735) |
| Depreciation charged for the period / year | | **(33,853,340)** | (152,672,789) |
| Closing net book value (NBV) | | **1,607,567,600** | 1,641,420,940 |
| **8 LONG TERM INVESTMENT** | | | |
| **Investment in associate** | | | |
| Dewan Salman Fibre Limited | | -- | -- |

**8.1** Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship, member of Yousuf Dewan Companies and its ownership interest of 28.47% in investee company.

| **8.2 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% |

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

**9 STOCK IN TRADE**

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

**10 FINANCE COST AND MARK-UP ACCRUED**

In addition to the non-provisioning of mark-up eligible for waiver as disclosed in note 14.3 of the annual financial statement for the year ended 30 June 2019, Company has not made the provision of mark-up for the period amounting to Rs.15.968 million (up to 30 June 2019: Rs.475.811 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The management of the Company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by 491.779 million and accrued mark-up would have been higher and shareholders' equity would have been lower by 491.779 million. The said non-provisioning is departure from the requirements of IAS 23 - 'Borrowing Costs'.

| | September 30, 2019 | September 30, 2018 |
|---|---|---|
| | Rupees | |
| **11 LOSS PER SHARE - Basic and diluted** | | |
| Loss after taxation | **(135,002,973)** | (89,138,730) |
| Weighted average number of shares | **46,064,609** | 46,064,609 |
| Loss per share - Basic and diluted (Rupees) | **(2.93)** | (1.94) |

**12 TRANSACTIONS WITH RELATED PARTIES**

During the period provident fund contribution of Rs.0.023 million (Sept 2018: Rs.0.089 million).

**13 CORRESPONDING FIGURES**

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

**14 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements ware authorized for issue on October 23, 2019 by the Board of Directors of the Company.

**15 GENERAL**

Figures have been rounded off to the nearest rupee.

| | | |
|---|---|---|
| **Ishtiaq Ahmed** | **Shafqatullah** | **Imran Ahmed Javaid** |
| CEO & Director | Chief Financial Officer | Director |

# ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کمپنیز ایکٹ، 2017 کی دفعہ 237 اور سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تحت 30 ستمبر 2019ء کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ عبوری مالیاتی حسابات پیش کر رہے ہیں۔

## مالیاتی نتائج اور کارکردگی: (پیداوار معطل)

کمپنی کی فروخت اس سال اور گزشتہ سال کی پہلی سہ ماہی میں پیداوار معطل ہونے کی وجہ سے صفر رہی۔ کمپنی نے وقتی طور پر دسمبر 2015ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نامساعد مشکلات، مارکیٹ میں طلب کی کمی اور کام چلانے کے لیے سرمایہ میں کمی کی وجہ سے ہے۔

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

## مستقبل پر ایک نظر:

ٹیکسٹائل کی صنعت کاروباری لاگت میں اضافے کی وجہ سے مشکلات کا شکار ہے جس کی وجہ پاکستانی روپے کی قدر اور اسٹیٹ بینک آف پاکستان کے شرح سود کی غیر یقینی صورتحال ہے، اسی لئے پاکستان کی برآمدات عالمی مارکیٹ میں مقابلہ کرنے سے قاصر ہے۔ فنانس ایکٹ 2019 کے ذریعے سرمایہ کاری پر انکم ٹیکس آرڈیننس 2001 کے سیکشن 65B کے تحت ٹیکس کریڈٹ کو ٹیکس سال 2020 سے ختم کر دیا گیا ہے اور 2019 کے لیے اس کی شرح کو 10 فیصد سے گھٹا کر 5 فیصد کر دیا گیا ہے۔ ٹیکسٹائل کی صنعت مجموعی طور پر چیلنجز سے ہمکنار ہے جس کی وجہ سیلز ٹیکس کی زیرو ریٹنگ کے خاتمے، روپے کی قدر میں عدم استحکام کی وجہ سے گیس اور بجلی کی قیمتوں میں اضافے، بڑھتے ہوئے KIBOR اور ٹرن اوور ٹیکس مجموعی کاروباری لاگت میں اضافے کا باعث ہیں، جن کی وجہ سے کاروباری سرمائے کی ضرورت میں خاطر خواہ اضافہ ہو گیا ہے۔

ہم البتہ امید کرتے ہیں کہ حکومت ضرور ایسے اقدامات متعارف کروائے گی جس سے ٹیکسٹائل کی صنعت کے حالات میں بہتری آئے، جن میں GIDC کے مسئلے کا حل، بالخصوص قابل برداشت گیس کی قیمتوں اور اس کی رسد کو موثر بنانا شامل ہیں۔

حکومت ملک کے طویل مدتی معاشی استحکام کے لئے معیشت کو ڈاکومنٹ کرنے کے لئے کچھ جارحانہ اقدامات کر رہی ہے، جس سے معیشت وقتی طور پر سست روی کا شکار ہوگی۔

## اظہار تشکر اور نتیجہ:

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

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

بورڈ آف ڈائریکٹرز کی جانب سے

اشتیاق احمد
چیف ایگزیکٹو آفیسر

عمران احمد جاوید
ڈائریکٹر

کراچی؛

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