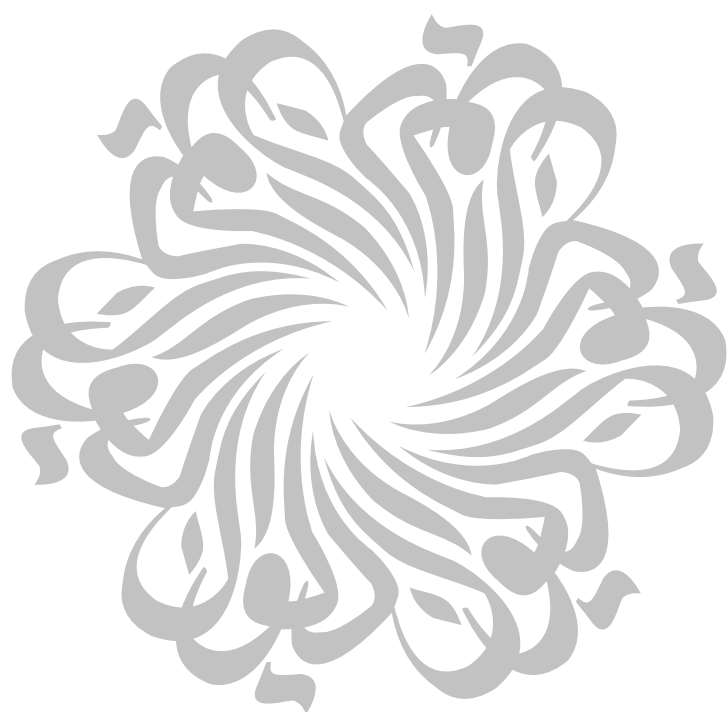




**YD****A YOUSUF DEWAN COMPANY**

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.

CONTENTS

Company Information	4
Notice of Annual General Meeting	5
Chairman's Review.....	7
Directors' Report	8
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	20
Statement of Profit or Loss	21
Statement of Comprehensive Income	22
Statement of Cash Flows.....	23
Statement of Changes in Equity.....	24
Notes to the Financial Statements	25
Pattern of Share Holding	42
ڈائریکٹرز رپورٹ	48
سالانہ اجلاس عام	50
Jama Punji	
Form of Proxy	



COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director	:	Mr. Ishtiaq Ahmed - Chief Executive Officer & Director
Non-Executive Directors	:	Syed Muhammad Anwar - Chairman, Board of Directors Mr. Zafar Asim Mr. Imran Ahmed Javed Syed Maqbool Ali Mr. Muhammad Baqar Jafferi
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 Ahmed (Member)
Auditors	:	Feroze Sharif Tariq & Co. Chartered Accountants 4/N/4 Block-6, P.E.C.H.S., Karachi 75400, Pakistan.
Company Secretary	:	Mr. Muhammad Hanif German
Chief Financial Officer	:	Mr. Muhammad Irfan Ali
Tax Advisor	:	Sharif & Co. Advocates
Legal Advisor	:	Abbas & Atif Law Associates
Bankers	:	Habib Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited
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	:	A-30, S.I.T.E., Hyderabad, Sindh, Pakistan.
Website	:	www.yousufdewan.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty Ninth Annual General Meeting of **Dewan Mushtaq Textile Mills Limited** (“**DMTML**” or “**the Company**”) will be held on **Monday, October 26, 2020, at 10:30 a.m.** at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, 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 Annual General Meeting of the Company held on Thursday, October 24, 2019;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2020, 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, 2021, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By Order of the Board



Date : September 28, 2020

Place : Karachi

Muhammad Hanif German
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 19, 2020 to October 26, 2020 (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/DMTML/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.

Due to Covid-19 and pandemic situation, company was unable to conduct 3rd Quarter Board of Directors meeting which was later conducted on 25-Sep-2020. 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 Muhammad Anwar
Chairman Board of Directors

Date: September 28, 2020
Place: Karachi.



DIRECTORS' REPORT

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND 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, 2020 together with the Auditors' Report thereon.

Overview

The Textile industry in Pakistan is the largest manufacturing sector and the second largest employment generating sector and has been major contributor in Foreign Exchange earnings of the Country. During the first half of financial year 2019-20 under review, domestic industry faced immense challenge of contractionary economic policies coupled with highest inflation rate in recent times. This situation aggravated further in the second half of current financial year due to the emergence of COVID-19 pandemic which has caused major disruptions to economic activities for the whole world including Pakistan. COVID-19 was also catastrophic for Pakistan's already ailing economy. The pandemic has eroded the Country's economic growth which demonstrated its worst performance in past 68 years, as per the provisional estimates, Pakistan's real GDP is set to contract at 0.4 per cent in FY20. The drop in domestic and global demand compounded the strain on the economy. Higher inflation and rupee devaluation continued to exert significant pressure on the overall economy in general and the manufacturing industry in particular, during FY20.

The Government of Pakistan responded swiftly to this situation and accordingly the State Bank of Pakistan (SBP) slashed the policy rate by a cumulative 625 basis points. SBP launched new refinancing schemes to support employment, new investments and BMR. Together with the government's stimulus package, these measures are helping to cushion the impact of COVID-19 outbreak. Beyond their immediate positive impact, these measures are expected to support the post-COVID-19 economic recovery as well.

Operating results and performance (Factory shutdown):

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

	"Rupees"
SALES (NET)	-
COST OF SALES	(59,881,045)
GROSS LOSS	(59,881,045)
OPERATING EXPENSES	(12,409,403)
OPERATING LOSS	(72,290,448)
FINANCE COST	(41,012,004)
LOSS BEFORE TAXATION	(113,302,452)
TAXATION	9,290,251
LOSS AFTER TAXATION	(104,012,201)

Company's net sale for the year remained nil due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since July 2016 which could not be resumed due to adverse scenario faced by the industry, lesser market demand 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. 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 and related non-provisioning of mark-up as explained in their report.

The financial statements have been prepared on going concern assumption as the company approached its lender 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 utilization of production capacity. Therefore, the preparation of financial statements using going concern assumption is justified, as explained in note 2 to the financial statements.

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 as explained in note 8.3 to the financial statements. Moreover, the markup outstanding up to the date of restructuring is Rs.119.824 million, 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.

Future Outlook

The management is optimistic about business environment as the steps taken by the Government in the form of deferment of principal loan payments, reduction in interest rates and availability of funds at nominal cost for payment of workers' wages and salaries helped in business stability during current turbulent time of COVID-19 pandemic. Pakistan did manage to contain the economic impact through its effective lockdown strategy, and we are already witnessing signs of recovery as the global economic activity has gained some momentum after relaxation of lockdowns. As such, the situation in Pakistan has witnessed a sharp recovery in Jul 20, with exports increasing by 14.40% as compared to the corresponding period. If the situation continues to improve further and the global economy witnesses a pause in the crisis, we can hope that the economic activities will start growing.

After relaxing lockdown restrictions, economic activities have started to gain momentum in the domestic industry. On the domestic front, depreciation of PKR, recovery of global prices of crude oil are expected to have inflationary impact which may pose risk to stable economic outlook. After taking all these factors into the account, management of your company expects gradual revival of economic activities in domestic market. Some further initiatives from the government are direly needed in order to make the textile industry sustainable.

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 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, subject to Auditors' Report, 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 2 to the financial statements.
10. Information regarding the outstanding taxes and levies 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, 2020 consisted of the following:

Directors		Numbers
a)	Male	7
b)	Female	None*
Composition		Numbers
a)	Independent Director	1
b)	Other Non-executive Directors	5
c)	Executive Director	1

* The requirement to have Female representation in the Company's board will be complied upon reconstitution of the Board.

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

Names	No. of Meetings attended
Mr. Aziz-ul-Haq	3
Mr. Ishtiaq Ahmed	3
Syed Muhammad Anwar	3
Mr. Muhammad Baqir Jafferri	3
Mr. Imran Ahmed Javed	3
Mr. Zafar Asim	3
Syed Maqbool Ali	3

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, three Audit Committee meetings were held and attendance was as follows.

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

Names	No. of Meetings attended / Eligibility to attended Meetings
Mr. Aziz-Ul Haque - Chairman	3/3
Syed Maqbool Ali	3/3
Mr. Imran Ahmed Javed	3/3

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
Mr. Ishtiaq Ahmed	1
Syed Maqbool Ali	1

Earnings per Share

Loss per share during the period under report worked out to Rs. (9.00) [2019: Rs. (11.50)]

Appointment of Auditors

The present auditors, M/s. Feroze Sharif Tariq & 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. Feroze Sharif Tariq & 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.

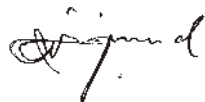
Vote of Thanks & Conclusion

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, Rahman-o-Ar-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



Zafar Asim
Director

Date: September 28, 2020

Place: Karachi.

**FINANCIAL HIGHLIGHTS**

	(Rupees in Million)					
	2015	2016	2017	2018	2019	2020
Sales (Net)	959	737	14	-	-	-
Gross (Loss) / Profit	(67)	(75)	(100)	(80)	(70)	(60)
(Loss) / Profit Before Tax	(103)	(183)	(163)	(171)	(115)	(113)
(Loss) / Profit After Tax	(87)	(188)	(156)	(149)	(105)	(104)
Current Assets	437	307	265	184	159	136
Shareholder's Equity & Surplus	174	(9)	(112)	319	268	164
Current Liabilities	286	330	424	432	404	592
(Loss) / Earning per Share	(24.17)	(28.61)	(23.84)	(22.78)	(11.50)	(9.00)
Breakup value per share (Rs.)	133.85	36.26	70.87	48.69	29.45	14.21
Current Ratio (Times)	1.53	0.93	0.63	0.43	0.39	0.23
Gross (Loss) / Profit (%)	-6.95%	-10.15%	-710%	-	-	-
Net (Loss) / Profit %	-9.06%	-25.46%	-1116%	-	-	-

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

For the year ended June 30, 2020

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 | : | 7 |
| b) Female | : | None* |

*The requirement to have Female representation in the Company's board will be complied upon reconstitution of the Board.

2. The composition of board is as follows:

- | | | |
|----------------------------------|---|--|
| a) Independent Director | : | Mr. Aziz-ul-Haque |
| b) Other Non-executive Directors | : | Syed Muhammad Anwar
Mr. Zafar Asim
Mr. Imran Ahmed Javed
Syed Maqbool Ali
Mr. Muhammad Baqar Jafferi |
| c) Executive Directors | : | 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. Five 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.

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

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

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

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

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- a) Audit Committee : 3 quarterly meetings during the financial year ended June 30, 2020
 - b) HR and Remuneration Committee : 1 annual meeting held during the financial year ended June 30, 2020
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.

By and under Authority of the Board of Directors

Ishtiaq Ahmed
CEO & Director

Zafar Asim
Director

Date : September 28, 2020
Place : Karachi

FEROZE SHARIF TARIQ & CO.

FEROZE SHARIF TARIQ & CO.
Chartered Accountants
4-N/4, BLOCK 6, P.E.C.H.S.,
KARACHI 75400

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Facimile: (+9221) 4540891

Email: fstc.ca@gmail.com

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF DEWAN MUSHTAQ TEXTILE MILLS LIMITED

Review Report 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 of Dewan Mushtaq Textile Mills Limited (the Company) for the year ended June 30, 2020 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-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) The composition of board has includes one independent director Mr. Aziz ul Haque, whereas in our opinion he does not meet the criteria of independence due to his cross director ship in other group companies. Further, Code requires independent directors shall not be less than two or one third of the total members of the board, whichever is higher, whereas board include one independent director.
- b) The chairman of Audit committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason reflect in para (a) above.
- c) The chairman of Human Resource and Remuneration Committee shall be an independent director whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason reflect in para (a) above.

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 June 30, 2020.

Furthermore, we highlight that the company has no female director on its board and one of the Director of the company is serving as directors in more than seven listed Companies as reflected in the Paragraph 1 and 3 of the Statement of Compliance respectively.



Chartered Accountants

Date : September 28, 2020

Place : Karachi

**FEROZE SHARIF TARIQ & CO.**

FEROZE SHARIF TARIQ & CO.
Chartered Accountants
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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DEWAN MUSHTAQ TEXTILE MILLS LIMITED**

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Dewan Mushtaq Textile mills Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other 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 and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion Paragraph, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof don not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 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 June 30, 2020 and of the loss and other comprehensive loss, 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 of the company for the year ended June 30, 2020 as disclosed in note 2 to the financial Statements reflect loss after taxation of Rs. 104.012 (2019: Rs. 104.764) million and as of that date it has accumulated losses of Rs 539.939 (2019: Rs. 458.672) million and its current liabilities exceeded its current assets by Rs. 455.231 (2019: Rs. 245.638) million without providing the markup of Restructured liabilities and as refer in below para (b). The operations of the company were closed from July 2016 due to working capital constraints. Furthermore, the company defaulted in repayments of installments of restructured liabilities and short term finance facilities have expired and not been renewed by banks amounting to Rs. 100.00 million, hence as per the terms of the restructuring as per clause 10.2 of the compromise agreement the entire restructured debt amounting to Rs. 176.359 million along with mark up of Rs. 119.824 million (eligible for waiver outstanding as of date of restructuring) have immediately become payable therefore provision for markup should be made in these financial statements. Further some of the Lenders filled suit for execution of the decree as disclosed in note 14.1 to the financial Statements. These conditions lead us to believe that the going concern assumption used in preparation of these financial Statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) In our opinion, since the proposal for restructuring has not been accepted by the lenders, the company should made the provision of mark up in the financial statements. Had the provisions for the mark up, as discussed in preceding paragraphs, been made in these financial statements, the Loss for the year and markup payable would have been higher and shareholders' equity would have been lower by Rs. 119.824 (2019:Rs. 119.824) million.

Key Audit Matters

Except for the matter described in the Basis for Adverse Opinion section, we have determined, 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 year. 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.

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

S.No.	Key Audit Matters	How the matter was addressed in our audit
1.	Unprovided Mark up on Financial Institutions Loan due to Litigation	
	The company's exposure to huge bank loan, unprovided liabilities for mark-up aggregating to Rs. 119.824 (2019:Rs. 119.824) million were shown (note 14.1 and 26 of financial statements) as this liability has not settled with the Banks our audit report is also qualified on said unprovided liability due to litigation with the financial institutions for restructuring of the Loan	We reviewed and understood the requirements of the departure from IAS 24 Borrowing Cost: • Considered the management's process for Calculating the markup and disclosure made in the financial Statements'.. • Recalculate the mark up loan wise to Check the accuracy. • Verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made. Discuss with senior management for the reason for non providing the markup and seen litigation grounds. Obtain legal Councils Confirmation to grounds where the company contesting the litigation for the restructuring of the companies loans.
2.	Contingencies	
	The Company is subject to material litigations involving different courts pertaining to GID Cess and Recovery of Loans by Financial Institutions, which requires management to make assessment and judgments with respect to likelihood and impact of such litigations. Management have engaged independent legal counsel on these matters. The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgments required to determine the level of certainty on these matters. The details of contingencies along with management's assessment and the related provisions are disclosed in note 14.2 to the financial statements. There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.	In response to this matter, our audit procedures included: Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances. Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations. We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets. The disclosures of legal exposures and provisions were assessed for completeness and accuracy In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases. Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible. As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.

**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our auditor's reports 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 performed, we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

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 Accounting and Reporting Standards as applicable in Pakistan and 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.

The 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.

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

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 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 except for the matter discussed in basis for adverse opinion section, 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 and other 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 Mohammad Ghalib.

Date : September 28, 2020
Place : Karachi



Chartered Accountants
(Mohammad Ghalib)

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

<u>EQUITY AND LIABILITIES</u>		June 30, 2020	June 30, 2019
<u>CAPITAL & RESERVES</u>	Notes	(Rupees)	
<u>Authorized</u>			
12,000,000 (June 30, 2019: 12,000,000) Ordinary Shares of Rs. 10/- each		120,000,000	120,000,000
Issued, Subscribed and Paid-up Capital	6	115,610,280	115,610,280
Revenue Reserves		(539,938,998)	(458,671,894)
Revaluation surplus on property plant and equipment (Capital Reserve)	7	588,561,751	611,306,848
		164,233,033	268,245,234
<u>NON-CURRENT LIABILITIES</u>			
Long term loan	8	--	147,444,503
<u>Deferred Liabilities</u>			
Provision for staff gratuity	9	42,443,114	42,680,407
Deferred taxation	10	83,151,359	92,441,609
		125,594,473	135,122,016
<u>CURRENT LIABILITIES</u>			
Trade and other Payables	11	101,756,018	98,964,589
Mark-up accrued on loans		102,236,154	77,568,877
Unclaimed dividend		308,319	308,319
Current and over due portion long term loans		176,358,892	176,358,892
Short Term Borrowings	12	205,338,173	45,639,984
Provision for Taxation	13	5,607,122	5,607,122
		591,604,678	404,447,783
Contingencies and Commitments	14	--	--
		881,432,184	955,259,536
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property, Plant and Equipment	15	742,728,810	794,120,327
Long term Investment	16	--	--
Long Term Deposits		2,329,728	2,329,728
<u>CURRENT ASSETS</u>			
Stores, Spares and Loose Tools	17	15,849,249	16,683,420
Stock-in-Trade	18	37,638,566	37,638,566
Trade Debts - Considered Good	19	36,076,887	57,418,532
Advances - Considered good	20	3,006,247	3,283,658
Short term deposits and other receivable	21	15,814,943	15,814,943
Other Receivables - Unsecured, Considered good		7,441,000	7,441,000
Income Tax Refunds and Advances		17,093,768	17,090,405
Cash and Bank Balances	22	3,452,986	3,438,957
		136,373,646	158,809,481
		881,432,184	955,259,536

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

Original

Ishtiaq Ahmed
CEO & Director

E. J. [Signature]

Muhammad Irfan Ali
Chief Financial Officer

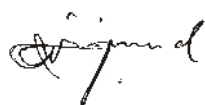
Zafar Asim
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2020

		June 30, 2020	June 30, 2019
	Notes	(Rupees)	
Sales - Net		-	--
Cost of Sales	24	(59,881,045)	(69,711,829)
Gross (Loss)		(59,881,045)	(69,711,829)
Operating expenses			
Administrative and General Expenses	25	(12,409,403)	(12,979,265)
Operating (Loss)		(72,290,448)	(82,691,094)
Finance Cost	26	(41,012,004)	(32,495,744)
(Loss) before taxation		(113,302,452)	(115,186,838)
Taxation			
Deferred		9,290,251	10,422,418
		9,290,251	10,422,418
(Loss) after taxation		(104,012,201)	(104,764,420)
(Loss) Per Share - Basic and diluted (Rupees)	27	(9.00)	(11.50)

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Zafar Asim
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2020	June 30, 2019
	(Rupees)	
(Loss) for the Year	(104,012,201)	(104,764,420)
Other comprehensive Income:		-
Effect of change in tax rates on balance of revaluation on property, plant and equipment	-	3,547,036
Total comprehensive (Loss) for the year	(104,012,201)	(101,217,384)

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

Ishtiaq Ahmed
CEO & Director

Muhammad Irfan Ali
Chief Financial Officer

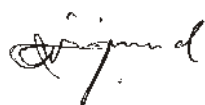
Zafar Asim
Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2020	June 30, 2019
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Taxation	(113,302,452)	(115,186,838)
Adjustment for Non-Cash and Other Items:		
Depreciation	51,391,517	56,663,729
Provision for slow moving Store & Spares	834,171	--
Advance & Others A/c Written Off	210,410	--
Finance Cost	41,012,004	32,495,744
	93,448,102	89,159,473
	(19,854,350)	(26,027,365)
Working Capital Changes		
<i>(Increase) / Decrease in Current Assets</i>		
Store & Spare	-	--
Trade Debts	21,341,645	24,955,254
Loans and Advances	67,002	81,092
Trade deposits, Prepayments & Statutory balance	-	--
(Increase) / Decrease in Current Liabilities		
Trade Creditors, Payable & others borrowings	2,791,429	(966,504)
	24,200,076	24,069,842
Taxes Paid	(3,363)	(27,119)
Gratuity Paid	(237,293)	--
	(240,656)	(27,119)
Net Cash Inflow/ (Outflow) from Operating Activities	4,105,070	(1,984,642)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term deposits	-	--
Net Cash Inflow / (Outflow) from Investing Activities	-	--
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loan	-	(44,506,000)
Issuance of shares against Short term borrowing	-	50,000,000
Finance Cost Paid	(4,091,041)	(3,551,837)
Net Cash Inflow/ (Outflow) from Financing Activities	(4,091,041)	1,942,163
Net (decrease) / Increase in Cash and Cash Equivalents	14,029	(42,479)
Cash and Cash Equivalents at the Beginning of the year	3,438,957	3,481,436
Cash and cash equivalents at the end of the year	3,452,986	3,438,957

31

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



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Zafar Asim
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserves	Total
		General Reserve	Accumulated Loss	Revaluation Surplus on property, plant & equipment	
----- (Rupees) -----					
Balance as at 1st July 2018 - as reported	65,610,280	45,000,000	(424,424,428)	633,276,766	319,462,618
Share issued during the year	50,000,000	-	-	-	50,000,000
Total comprehensive income for year					
(Loss) for the year	-	-	(104,764,420)	-	(104,764,420)
Other comprehensive income for the year	-	-		3,547,036	3,547,036
	-	-	(104,764,420)	3,547,036	(101,217,384)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	25,516,954	(25,516,954)	-
Balance as at June 30, 2019	115,610,280	45,000,000	(503,671,894)	611,306,848	268,245,234
Balance as at July 01, 2019	115,610,280	45,000,000	(503,671,894)	611,306,848	268,245,234
Total comprehensive (Loss) for year					
(Loss) for the year	-	-	(104,012,201)	-	(104,012,201)
Other comprehensive income for the year	-	-	-	-	-
	-	-	(104,012,201)	-	(104,012,201)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	-	-	22,745,097	(22,745,097)	-
Balance as at June 30, 2020	115,610,280	45,000,000	(584,938,998)	588,561,751	164,233,033

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

Ishtiaq Ahmed
CEO & Director

Muhammad Irfan Ali
Chief Financial Officer

Zafar Asim
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

1. Corporate Information

Dewan Mushtaq Textile Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on November 04, 1970, under the Companies Act, 1913 (Now the Companies Act, 2017) and its shares are listed on Pakistan Stock Exchange Limited. The registered office of the company is located at 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan; while its manufacturing facilities are located at A-30, S.I.T.E., Hyderabad, Sindh, Pakistan. The principal activity of the Company is trading, manufacturing and sale of yarn, however operation are suspended since July 2016.

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed either in the notes to these financial statements or in the Director report's

2. Going Concern Assumption

The financial statements of the company for the year ended June 30, 2020 reflect that company has sustained a net loss after taxation of Rs.104.012 million (2019: Rs.104.764 million) and as of that date company has negative reserves of Rs. 539.939 million have resulted in negative equity of Rs.164.233 million. Further the company's short term borrowing facilities having limit to the extent of Rs.100 million have expired and not been renewed. Company defaulted in repayment of its restructured liabilities due to liquidity crunch caused by the overall lesser market demand and adverse factors being faced by the textile industry in the country. Due to the aforementioned scenario, the Company, for the time being, has also suspended its manufacturing & other operations since July 2016. Accordingly, the entire restructured liabilities along with markup eligible for waiver become immediately repayable. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business.

The financial statements has been prepared on going concern assumption as the Company approached its lenders for further restructuring of its liabilities which is in process. Company is hopeful that such restructuring will be effective soon and will further streamline the funding requirements of the Company which will ultimately help the management to run the operations smoothly 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 borrowing cost of the financing 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 the obligation in respect of gratuity which is measured at present value and certain items of property, plant and equipment which are carried at revalued amounts.

3.3 STANDARDS, AMENDMENTS, INTERPRETATION AND IMPROVEMENTS APPLICABLE TO THE FINANCIAL STATEMENTS

New standards, amendments, interpretation and improvements effective during the current year

The Company has adopted the following standards, amendments, interpretation and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current year:

Standards, Amendments or Interpretation

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)
 IFRS 14 - Regulatory Deferral Accounts
 IFRS 16 - Leases
 IFRS 16 - COVID 19 Related Rent Concessions (Amendments)
 IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)
 IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)
 IFRIC 23 - Uncertainty over income tax treatments

Improvements to Accounting Standards Issued by the IASB (2015-2017 cycle)

IFRS 3 - Business Combinations - Previously held Interests in a joint operation
 IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation
 IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity
 IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments, interpretations and improvements to the accounting standards did not have any effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 and its amendments are described below:

3.4 IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single note on statement of financial position model.

The Company adopted IFRS 16 using the modified retrospective approach with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly the information presented for prior years has not been restated. The Company elected to use the transition practical expedient allowing the standard to be applied only to lease contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases').

The new accounting policy in respect of leases is disclosed in note 5.4 & 5.5 to these financial statements which do not effects the financial Statemnet of the Company

3.5 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Amendments

Effective date (annual periods beginning on or after)

IFRS 3 -- Definition of a Business (Amendments)	01 January 2020
IFRS 3 -- Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 9 / IAS 39 / IFRS 7 -- Interest Rate Benchmark Reform (Amendments)	01 January 2020
IAS 1 / IAS 8 -- Definition of Material (Amendments)	01 January 2020
IAS 1 -- Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 -- Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 -- Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9 -- Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41 -- Agriculture – Taxation in fair value measurements	01 January 2022

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 -- First time adoption of IFRSs	01 January 2004
IFRS 17 -- Insurance Contracts	01 January 2023

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTION

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

4.1 Property, plant and equipment

Estimates with respect to residual values and depreciable lives and pattern of flow of economic benefits are based on the recommendation of technical team of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of tangible property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

4.2 Taxation

In making the estimates for income taxes payable by the Company, the management considers applicable tax laws and the decisions of appellate authorities on certain cases issued in past. Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4.3 Stock-in-trade

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values.

4.4 Trade debts

A provision for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. These estimates and underlying assumptions are reviewed on an ongoing basis.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year.



- 5.1** The financial statements have primarily been prepared under the historical cost convention without any adjustment for the effect of inflation or current values, except for the financial assets and liabilities which are carried at their fair values and revalued amounts and stock in trade which are valued net realizable value, if it is less than the cost. Further; accrual basis of accounting is followed except for cash flow information.
- 5.2** Property, Plant and Equipment are stated at cost/revalued amounts less accumulated depreciation and impairment losses, if any; lease hold land is amortized over the period of lease except capital works in progress which is stated at cost accumulated up to the balance sheet date.

Any revaluation increase arising on the revaluation of property, plant and equipment is recognized 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 recognized 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 property, plant and equipment 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 surplus to the extent of incremental depreciation charged (net of deferred tax) is transferred to accumulated loss.

Depreciation

Depreciation is charged to income using the reducing balance method whereby the cost or revalued amount of an asset is written off over its estimated useful life and rates applied are in no case less than the rates prescribed by Federal Board of Revenue. Depreciation is charged from the month of acquisition or transfer of assets from capital work in progress on proportionate basis. The assets' residual values and useful lives are reviewed at each financial year end, and adjusted, if appropriate, at each balance sheet date. Depreciation is charged before month of disposal on proportionate basis.

Repairs, renewals and maintenance

Major repairs and renewals are capitalized. Normal repairs and maintenance are charged as expense when incurred. Gains or losses on disposal or retirement of assets are determined as the difference between the sale proceeds and the carrying amounts of these assets and are included in the income currently.

5.3 Intangible assets

Computer software costs that are directly associated with the computer and computer controlled machines which cannot operate without the related specific software, are included in the costs of the respective assets. Softwares which are not an integral part of the related hardware are classified as intangible assets, and are amortized on straight line basis.

5.4 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

5.5 Lease Liability

Lease liabilities The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

5.6 Stores, spares and loose tools

These are valued at moving average cost except items in transit which are valued at cost accumulated to balance sheet date. Provision is made for any slow moving and obsolete items.

5.7 Stock-in-trade

Raw Material	At lower of weighted average cost and net realizable value. Cost of raw material and components represents invoice value plus other charges paid thereon.
Finished goods	At lower of weighted average cost and net realizable value. Cost of finished goods comprises of prime cost and an appropriate portion of production overheads.
Waste	At net realizable value.
Work-in-process	At weighted average cost. This comprises the direct cost of raw materials, wages, and appropriate manufacturing overheads.
Stock in transit	At cost accumulated up to the balance sheet date.
Packing material	At lower of weighted average cost and net realizable value.

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

Provision for obsolete and slow moving stock is determined based on the management assessments regarding their future usability.

5.8 Foreign currency translation.

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Rupees at the exchange rates prevailing on the balance sheet date. In order to hedge its exposure to foreign exchange risks, the company enters into forward exchange contracts. Such transactions are translated at contracted rates. The company charges all exchange differences to Statement of Profit or Loss.

5.9 Borrowing costs

Borrowing Costs are recognized initially in fair value net of transaction costs incurred.

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time the assets are substantially ready for their intended use. All other borrowing costs are charged to income in the period in which they are incurred.

5.10 Financial instruments

5.10.1 Financial asset

The financial assets of the Company mainly include trade debts, loans, deposits, long-term investments, other receivables and cash and bank balances.



On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9 as follows;

Trade debts and other financial assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

5.10.2 Financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. For the purpose of subsequent measurement financial liabilities are either classified at amortized cost or fair value through profit or loss. The Company does not have any financial liability at fair value through profit or loss.

5.10.3 Impairment of financial assets - allowance for expected credit losses

Impairment of financial assets - allowance for expected credit losses ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

5.10.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

5.10.5 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the unconsolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

5.11 Related party transactions

All transactions with related parties are carried out by the company at arm's length prices.

5.12 Revenue recognition

Revenue from sales of goods and on performance of services is recognized upon passing of title to the customers, which generally coincides with physical delivery.

Revenue from Export Sales of Goods recognized when significant risks and rewards of ownership are transferred to buyer, this is, when shipped which coincides with date of Shipping Bill.

Gain on Sale of Fixed Assets is recorded when the title is transferred in favor of transferor.

5.13 Provisions

A provision is recognized in the Statement of Financial Position when the company has a legal or constructive obligation, and, 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 that a reliable estimate can be made for the amount of this obligation.

5.14 Post Employment Benefits

Defined Contribution Plan

The company has established a recognized provident fund for its permanent employees at head office. Equal contributions are being made in respect thereof by company and employees in accordance with the terms of the fund.

Defined Benefit Plan

The Company operating an unfunded Gratuity Scheme for its permanent factory staff. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method, as required by International Accounting Standards (IAS 19). Remeasurements which comprise actuarial gains and losses are recognized immediately in other comprehensive income.

The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Interest expense and current service cost are recognized in Statement of profit or loss.

5.15 Taxation

Current Year

Provision in respect of current year's taxation is based on the method of taxation prescribed under the Income Tax Ordinance, 2001, whereby taxable income is determined and tax charged at the current rates of taxation after taking into account tax credits and rebates available, if any, or the minimum tax liability determined under Section 113 of the Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred tax is provided using the liability method on all temporary differences at the balance sheet date, between the tax bases of assets and liabilities and their carrying amount for financial statements reporting purposes. Deferred tax liabilities are generally recognized for all temporary taxable differences.

Deferred tax assets are recognized for all deductible temporary differences, available tax losses and credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the Statement of Financial Position.

5.16 Dividend and appropriation to reserves

Dividend is recognized as a liability in the period in which it is approved by the shareholders.

	2020	2019
	(Rupees)	
6 Issued, Subscribed and Paid-up Capital		
8,817,000 (2019: 3,817,000) Ordinary Shares of Rs. 10/- each fully paid in cash	88,170,000	38,170,000
2,744,028 (2019: 2,744,028) Ordinary Shares of Rs. 10/- each issued as fully paid bonus shares	27,440,280	27,440,280
11,561,028	115,610,280	65,610,280

6.1 Dewan Motors (Private) Limited, an associated company held 231,099 Ordinary shares of Rs.10 each.



	2020	2019
	(Rupees)	
6.2 Movement in number of shares		
Opening number of shares	11,561,028	6,561,028
Shares issued during the year (number)	-	5,000,000
Closing number of shares	11,561,028	11,561,028
7 Surplus on Revaluation of Property, Plant and Equipment		
Opening Balance	703,748,456	739,687,828
Transferred to accumulated losses in respect of incremental depreciation for the year	(32,035,348)	(35,939,372)
	671,713,108	703,748,456
Less: related deferred tax liability on:		
Opening Balance	92,441,608	106,411,062
- effect of changes in tax rate	-	(3,547,036)
- Incremental depreciation charged during the year	(9,290,251)	(10,422,418)
	83,151,357	92,441,608
	588,561,751	611,306,848

The assets of the Company have been further revalued as on June 30, 2017. The revaluation is carried out by an independent valuer, M/s Anderson Consulting (Pvt) Ltd on the basis of professional assessment of present market values or depreciated replacement values and resulted in a surplus on Revaluation of Property Plant and Equipment over the written down value as follows:

Leasehold Land

Valuation of land is based on assesment of present market values from the information of current matured transactions in recent past, pertaining to immediate neighborhood and surrounding areas.

Building

Valuation of building has been determined by assessment of type of construction, current condition of construction and by applying current construction rates for current replacement value and taking into account depreciation involving the year of construction, physical condition, usage and maintenance.

Plant and Machinery

Plant and machinery valuation has been determined after making enquiries from agents, local dealers, fabricators, suppliers and manufacturers of comparable plants. Current prices of used and reconditioned plants in the local markets have also been considered. Based on above market values have been determined and depreciation has been applied as per their condition, usage, and maintenance.

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.

The latest revaluation resulted in increase in surplus by Rs.434.676 million, forced sale value of revalued assets is Rs.634.490 million

	Note	2020	2019
		(Rupees)	
8 Long term loans			
Syndicated Long Term Loans - Secured	8.1	--	--
Sponsor Loan -Unsecured	8.2	--	147,444,503
		--	147,444,503
8.1 Syndicated Long term Loan			
Opening balance		176,358,892	176,358,892
Less :			
Over due portion of syndicated Long term loan		(176,358,892)	(176,358,892)
		--	--

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

8.2 The Compromise Agreement dated December 23, 2011 had been executed between the banks and the company against which consent decrees had been granted by the Honorable High Court of Sindh, Karachi. As per the terms, Company's short term and long term loans had been rescheduled in the form of long term loans of Rs. 526.081 million which is to be repaid in six and half years from the date of restructuring with progressive mark up ranging from 4% to 14% (or KIBOR whichever is lower) over the period on outstanding principal. This loan is secured by way of mortgage charge over immovable properties and hypothecation of movable assets of the company. Moreover banks / financial institutions have also provided further working capital facility against pledge of stocks to the Company as fully explained in note 12 to these financial statements. However, in case of default by the company the entire outstanding mark up as disclosed in the agreement will remain outstanding liability of the company and all amounts in respect of its liabilities shall become payable with immediate effect as disclosed in clause 10.2 of the Compromise Agreement of the company.

8.3 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.

	Note	2020	2019
		(Rupees)	
8.4 Sponsor Loan -Unsecured			
Sponsor Loan- Unsecured		159,698,189	159,698,189
Unwinding interest		12,253,686	11,313,456
Present value adjustment		(12,253,686)	(23,567,142)
		<u>159,698,189</u>	<u>147,444,503</u>
Less :			
Tr. Short Term Borrowings	8.5	<u>159,698,189</u>	--
		<u>--</u>	<u>147,444,503</u>

8.5 This represents unsecured interest free loan payable to sponsor against liabilities of a bank assumed by the sponsor. The Sponsor loan has been measured at amortized cost in accordance with International Financial Reporting Standard 9, Financial Instruments, and has been discounted using the weighted average interest rate of 8.01% per annum. This interest free loan is payable in lumpsum on 31st July 2020.

9 Provision for Staff Gratuity

Opening Balance	42,680,407	42,680,407
Payments during the year	(237,293)	-
	<u>42,443,114</u>	<u>42,680,407</u>

10 Deferred Taxation

Credit balance arising due to:		
- accelerated tax depreciation	5,830,658	12,405,243
- revaluation on property plant & equipment	83,151,359	92,441,609
Debit balance arising due to		
- staff gratuity	(12,308,503)	(12,377,318)
- carried over losses and provisions	(177,942,351)	(146,307,510)
	<u>(101,268,837)</u>	<u>(53,837,976)</u>
Deferred tax asset not recognized	(184,420,196)	(146,279,585)
	<u>83,151,359</u>	<u>92,441,609</u>

10.1 Movement of deferred tax liabilities

Balance as at beginning of the year	92,441,609	106,411,063
Tax charge recognised in statement of profit or loss	-	(3,547,036)
Tax charge recognised in other comprehensive income	(9,290,251)	(10,422,418)
Balance as at end of the year	<u>83,151,358</u>	<u>92,441,609</u>

11 Trade and Other Payables

Trade Creditors	47,904,787	47,820,944
Accrued Expenses	49,713,417	47,127,785
Employees Provident Fund	11.1 145,992	24,038
Sales tax Payable	3,991,822	3,991,822
	<u>101,756,018</u>	<u>98,964,589</u>



11.1 Investments of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

	Note	2020 (Rupees)	2019
12 Short Term Borrowings			
Short Term Finance from Banks	12.1	45,639,984	45,639,984
Short Term Loan from Sponsor	12.2	159,698,189	-
		<u>205,338,173</u>	<u>45,639,984</u>

12.1 As part of restructuring banks / financial institutions have approved further working capital to the Company amounting to the limit of Rs. 100 million by providing syndicated cash finance against pledge of stocks in proportion to their loan amounts. The tenure of working capital facility is one year on rollover basis and this facility is secured by way of pledge of stocks of the company. The markup rate for this facility is one month KIBOR which is payable on quarterly basis. This financing arrangement have expired and not been renewed by the banks.

12.2 Short term Sponsor Loan

Balance at the beginning		-	-
Add: Transfer from Long tem Sponsor Loan	12.2.1	159,698,189	-
		<u>159,698,189</u>	<u>-</u>

12.2.1 This represents unsecured interest free loan payable to sponsor against liabilities of a bank assumed by the sponsor and is payable on demand. The interest free and unsecured loan has been provided by sponsor considering financial crunch being faced by the company.

13 Provision for Taxation

Balance at the beginning	5,607,122	5,607,122
Add: Provision for Taxation	-	-
	<u>5,607,122</u>	<u>5,607,122</u>
Payments/ adjustment during the year	-	-
	<u>5,607,122</u>	<u>5,607,122</u>

Income tax returns of the company have been filed up to tax year 2019 which are deemed to be assessed u/s 120 of the Income Tax Ordinance 2001. On account of closure of operation, no tax provision has been made in these financial statements.

14 Contingencies and Commitments

14.1 In respect of liabilities towards banks / financial institutions disclosed in note 8 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.276.082 million and markup thereon of Rs.119.824 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 in Honourable 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.

14.2 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. In Jul-2020 The Supreme Court of Pakistan has decided the case in favour of SSGC with directions to recover the arrears under GIDC Act 2015 from the consumers who have passed on their burden to its customers. As neither SSGC has charged GIDC to the company in its billing nor the Company has passed on the same to the customers. Therefore, the management feels there is no need to make any provision in this regard.

14.3 There are no commitments as of balance sheet date which need to be disclosed in the financial statements.

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

		2020	2019
	Note	(Rupees)	
15 Property, Plant and Equipment			
Operating assets	15.1	742,728,810	794,120,327
		742,728,810	794,120,327

Operating assets

2020								
Particulars	Cost / Revaluation			Rate %	Depreciation / Amortization			Written Down Value as at June' 2020
	As at July 01, 2019	Additions / (Deletions)	As at June' 2020		As at July 01, 2019	For the period	As at June' 2020	
OWNED	RUPEES				RUPEES			
Lease Hold Land	385,714,284	--	385,714,284	--	24,489,794	6,887,755	31,377,549	354,336,735
Factory Building	256,387,030	--	256,387,030	10%	142,383,054	11,400,398	153,783,452	102,603,578
Non Factory Building	29,345,858	--	29,345,858	5%	9,747,710	979,907	10,727,617	18,618,241
Labour Quarters	53,380,583	--	53,380,583	25%	46,214,182	1,791,600	48,005,782	5,374,801
Plant and Machinery	956,865,915	--	956,865,915	10%	668,333,790	28,853,213	697,187,003	259,678,912
Factory and Office Equipmts	1,718,825	--	1,718,825	10%	1,615,217	10,361	1,625,578	93,247
Vehicles	27,117,401	--	27,117,401	20%	25,840,213	255,438	26,095,651	1,021,750
Furniture and Fixture	7,872,354	--	7,872,354	10%	6,759,525	111,283	6,870,808	1,001,546
Intangible								
Software Development	4,700,000	--	4,700,000	25%	3,598,438	1,101,562	4,700,000	--
30 June, 2020	1,723,102,250	--	1,723,102,250		928,981,923	51,391,517	980,373,440	742,728,810
June 30, 2019	1,723,102,250	--	1,723,102,250		872,318,194	56,663,729	928,981,923	794,120,327

2019								
Particulars	Cost / Revaluation			Rate %	Depreciation / Amortization			Written Down Value as at June 30, 2019
	As at July 01, 2018	Additions / (Deletions)	As at June 30, 2019		As at July 01, 2018	For the period	As at June 30, 2019	
OWNED	RUPEES				RUPEES			
Lease Hold Land	385,714,284	--	385,714,284	--	17,602,039	6,887,755	24,489,794	361,224,490
Factory Building	256,387,030	--	256,387,030	10%	129,715,945	12,667,109	142,383,054	114,003,976
Non Factory Building	29,345,858	--	29,345,858	5%	8,716,228	1,031,482	9,747,710	19,598,148
Labour Quarters	53,380,583	--	53,380,583	25%	43,825,381	2,388,801	46,214,182	7,166,401
Plant and Machinery	956,865,915	--	956,865,915	10%	636,274,665	32,059,125	668,333,790	288,532,125
Factory and Office Equipmts	1,718,825	--	1,718,825	10%	1,603,705	11,512	1,615,217	103,608
Vehicles	27,117,401	--	27,117,401	20%	25,520,916	319,297	25,840,213	1,277,188
Furniture and Fixture	7,872,354	--	7,872,354	10%	6,635,877	123,648	6,759,525	1,112,829
Intangible								
Software Development	4,700,000	--	4,700,000	25%	2,423,438	1,175,000	3,598,438	1,101,562
30 June, 2019	1,723,102,250	--	1,723,102,250		872,318,194	56,663,729	928,981,923	794,120,327

15.1 Allocation of Depreciation

	2020	2019
	(Rupees)	
Cost of Sales	49,923,234	55,045,784
Administrative and General Expenses	1,468,283	1,617,945
	51,391,517	56,663,729

15.2 Had there been no revaluation the carrying amounts of revalued assets would have been as follows.

Lease hold land	730,000	730,000
Factory building on lease hold land	19,017,776	21,130,863
Non - factory building	1,215,172	1,279,128
Labour Quarters	387	516
Plant & machinery	79,313,373	88,125,971
	100,276,708	111,266,478

15.3 Immovable property (i.e. leasehold land and factory building, non-factory building and labour quarters thereon) is located in the Area of Hyderabad, Sindh having total area of 15 Acres.


16 Long Term Investment
Investment in associate

Dewan Salman Fibre Limited

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16.1 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 5.42% in investee company.

16.2 Investment in Dewan Salman Fibre Limited - at equity method

	Notes	2020 (Rupees)	2019
Number of shares held		19,864,518	19,864,518
Cost of investment (Rupees)		40,000,000	40,000,000
Fair value of investment (Rupees)		17,480,776	17,480,776
Ownership interest		5.42%	5.42%

16.3 Summarised financial information of associated company

Total assets	8,143,557,000	9,233,827,000
Total liabilities	20,903,039,000	20,856,161,000
Net assets	(12,759,482,000)	(11,622,334,000)
Company's share of net assets	(691,563,924)	(629,930,503)
Revenue	-	-
Loss for the year	(927,876,000)	(1,499,573,000)

16.4 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 February 19, 2018.

17 Stores, Spares & Loose Tools

Stores and Spares	15,046,851	15,046,851
Packing Material	1,636,569	1,636,569
	16,683,420	16,683,420
Provision for slow moving Store & Spare stock	(834,171)	-
	15,849,249	16,683,420

18 Stock-in-Trade

Raw Materials	27,704,790	27,704,790
Finished Goods	10,774,746	10,774,746
Waste	1,140,007	1,140,007
	39,619,543	39,619,543
Provision for obsolete stock	(1,980,977)	(1,980,977)
	37,638,566	37,638,566

18.1 Stocks valuing Rs. 37.639 million (2019: Rs 37.639 million) was pledged with the banks against the restructured finance facilities obtained by the Company.

19 Trade Debts - Considered Good

Local Receivables - Considered Good		36,076,887	57,418,532
Considered Doubtful	19.1	79,668,433	79,668,433
		115,745,320	137,086,965
Provision for Doubtful debts		(79,668,433)	(79,668,433)
		36,076,887	57,418,532

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

		2020	2019
	Notes	(Rupees)	
19.1	Provision for doubtful debts		
	Opening balance	79,668,433	79,668,433
	Provision during the year	-	-
		<u>79,668,433</u>	<u>79,668,433</u>
19.2	The aging of debtors at the reporting date was:		
	Up to one month	-	-
	1 to 6 months	-	-
	More than 6 months	36,076,887	57,418,532
		<u>36,076,887</u>	<u>57,418,532</u>
20	Advances - Considered good		
	Advances for Expenses/suppliers	2,365,044	2,620,889
	Loans and Advances to employees	641,203	662,769
		<u>3,006,247</u>	<u>3,283,658</u>
21	Short term deposits and other receivable		
	Sales Tax Receivable	15,814,943	15,814,943
		<u>15,814,943</u>	<u>15,814,943</u>
22	Cash and Bank Balances		
	Cash in Hand	48,980	37,692
	Cash at Banks - Current Accounts	3,404,006	3,401,265
		<u>3,452,986</u>	<u>3,438,957</u>
23	SALES - Net	-	-
24	Cost of Sales		
	Salaries, Wages and Other Benefits	6,786,616	10,486,224
	Fuel, Power & Water Consumed	2,457,395	3,694,750
	Insurance	446,820	485,071
	Rent, Rates and Taxes	266,980	-
	Depreciation	49,923,234	55,045,784
		<u>59,881,045</u>	<u>69,711,829</u>
	Work-in-Process - Opening	-	-
	Work-in-Process - Closing	-	-
	Cost of Goods Manufactured	<u>59,881,045</u>	<u>69,711,829</u>
	Finished Goods - Opening	11,914,753	11,914,753
	Finished Goods - Closing	<u>(11,914,753)</u>	<u>(11,914,753)</u>
		<u>59,881,045</u>	<u>69,711,829</u>
25	Administrative and General Expenses		
	Salaries, Allowances and Other Benefits	7,297,702	7,317,262
	Rent, Rates and Taxes	25,776	25,776
	Traveling, Conveyance and Entertainment	67,930	80,718
	Printing and Stationery	238,851	380,000
	Postage, Telephone and Telex	255,206	283,547
	Vehicles Expenses	1,049,418	1,324,306
	Legal and Professional Charges	133,000	27,000
	Fees and Subscription	311,736	879,741
	Depreciation and amortization	1,468,283	1,617,945
	Auditors Remuneration	500,000	500,000
	Repairs and Maintenance	4,000	489,806
	Others	12,920	53,164
	Provision for slow moving Store & Spare	834,171	-
	Advance & other Ac Written Off	210,410	-
		<u>12,409,403</u>	<u>12,979,265</u>



25.1 Salaries, allowances and other benefits include Rs. 0.289 million (2019: Rs. 0.302 million) relating to staff retirement benefits.

25.2 Represents Audit fee (Annual, Half year and Review of Code and corporate Governance) for the year.

	Notes	2020	2019
		(Rupees)	
26 Finance Cost			
Mark-up on Short Term Borrowings		5,768,388	4,445,720
Mark up on Syndicated Long Term Loan		22,808,859	16,509,366
Bank Charges and Commission		181,071	227,202
Unwinding interest		12,253,686	11,313,456
		<u>41,012,004</u>	<u>32,495,744</u>
27 Loss Per Share - Basic and diluted			
Profit after Taxation		(104,012,201)	(104,764,420)
Weighted Average Number of Ordinary Shares		11,561,028	9,108,973
Earning Per Share - Basic and diluted (Rupees)		<u>(9.00)</u>	<u>(11.50)</u>

No figure for diluted earning per share has been presented as the company has not yet issued any instruments which would have an impact on basic earning per Share when exercised.

28 REMUNERATION OF CHIEF EXECUTIVE DIRECTORS AND EXECUTIVES

28.1 Executive has been provided with Company maintained car.

28.2 Chief executive & director of company did not change any fee as other remuneration.

28.3 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 statement.

29 Related Party Transactions

During the year aggregate transactions made by the company with the related parties were provident fund contribution of Rs.0.579 million (2019: Rs.0.605 million), Short term sponsor's loan Rs. Nil (2019: 5.494 million). During the year long term sponsor loan transferred to short term sponsor loan due to the maturity date of the loan in next year amounting to Rs. 213.781 million note 12.2.

Remuneration and benefits to key management personnel under the terms of their employment are given in Note 28 above.

30 Plant Capacity and Production

Attainable capacity converted to 20 coung (Kgs)	12,077,988	12,077,988
---	------------	------------

Number of spindles installed	25,776	25,776
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The compnay's operations are suspended on account of working capital constraints.

31 Cash and Cash Equivalents

Cash and Bank Balances	22	3,452,986	3,438,957
		<u>3,452,986</u>	<u>3,438,957</u>

32 Financial Instruments

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

32.1 Credit risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation and cause the other party to incur a financial loss. The Company believes that it is not exposed to major concentration of credit risk. However, to reduce exposure to credit risk, if any, the management monitors the credit exposure towards the customers and makes provisions against those balances considered doubtful of recovery.

DEWAN MUSHTAQ TEXTILE MILLS LIMITED

	2020	2019
Notes	(Rupees)	
Trade Debts - Considered Good	36,076,887	57,418,532
Loans and Advances - Unsecured, Considered good	3,006,247	3,283,658
Other Receivables - Unsecured, Considered good	7,441,000	7,441,000
Cash and Bank Balances	3,452,986	3,438,957
	49,977,120	71,582,147

In respect of trade debts and other receivables the management, based on past experience, believes that no further impairment allowance is necessary as management believes that the same will be recovered in short course of time. The credit quality of the company's receivable can be measured with their past performance of minimum default, and dealing banks possess good credit ratings.

32.2 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 measure 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.

The following are the contractual maturities of the financial liabilities, including estimated interest payments:

	2020					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One year onward	Two to Five years
<u>Financial liabilities</u>	Rupees					
Long term loans	176,358,892	197,257,421	197,257,421	--	--	--
Trade and other payable	101,756,018	101,756,018	101,756,018	--	--	--
Short term Borrowings	205,338,173	210,746,511	210,746,511	--	--	--
Mark-up accrued on loans	102,236,154	102,236,154	102,236,154	--	--	--
	585,689,237	611,996,104	611,996,104	--	--	--

	2019					
	Carrying amount	Contractual cash flows	Six months less	Six to twelve months	One year onward	Two to Five years
<u>Financial liabilities</u>	Rupees					
Long term loans	323,803,395	347,405,776	187,707,587	-	-	159,698,189
Trade and other payable	98,964,589	98,964,589	98,964,589	-	-	-
Short term Borrowings	45,639,984	49,147,417	49,147,417	-	-	-
Mark-up accrued on loans	77,568,877	77,568,877	77,568,877	-	-	-
	545,976,845	573,086,659	413,388,470	-	-	159,698,189

32.3 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate resulting in as a result of changes in market prices or the market prices due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

32.4 Currency risk

Foreign currency risk arises mainly due to conversion of foreign currency assets and liabilities into local currency. The Company is not materially exposed to foreign currency risk on foreign currency assets and liabilities.

**32.5 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates, majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing accounts with banks. At the balance sheet date the interest rate profile of the company's interest-bearing financial instruments are:

	Carrying Amounts	
	2020	2019
	(Rupees)	
<i>Fixed rate instruments</i>		
Financial liabilities	-	-
<i>Variable rate instruments</i>		
Financial liabilities	221,998,876	221,998,876
	221,998,876	221,998,876

32.6 Risk management policies

Risk management is carried out by the management under policies approved by board of directors. The board provides principles for overall risk management, as well as policies covering specific areas like foreign exchange risk, interest rate risk and investing excessive liquidity.

32.7 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensurate to the circumstances.

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and short term borrowings' as shown in the balance sheet). Total capital comprises shareholders' equity as shown in the balance sheet under 'share capital and reserves'.

Total Borrowings	381,697,065	369,443,379
Less Cash and Bank Balances	(3,452,986)	(3,438,957)
Net debt	378,244,079	366,004,422
Total equity	164,233,033	268,245,234
Total Capital	542,477,112	634,249,656
Gearing ratio	69.7%	57.71%

32.8 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values.

33 Number Of Employees

Total number of employees at the end of year	36	37
Average number of employees	37	38

34 COVID-19 OUTBREAK AND ITS IMPACT ON FINANCIAL STATEMENTS

The sudden spread of COVID-19 has disrupted lives, livelihoods, communities and businesses worldwide. In March, 2020, the relevant authorities announced a temporary lockdown as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company offices were also temporarily closed. At that difficult time, our focus was to safeguard the well-being of everyone. Further due to the measures taken by the Government to control the pandemic has also badly affected the economic activity and businesses have come to a halt not only in Pakistan but globally as well. The Company believes that this crisis presents an opportunity to take bold actions and show leadership and solidarity. Level of communication has been significantly increased and associates have been empowered to work remotely.

The revenue of the Company was not impacted by COVID-19 due to closure of company's plant operations since August 2016 and remained Close during the year and in addition, the Company had to incur additional cost to ensure safety of its employees and stakeholders. Consequently, Covid-19 being one of the major factors hence increased the fixed and variable cost and variable overheads. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its limited office working and has also taken all necessary steps to ensure smooth and adequate continuation of its business despite of slowed down economic activity. Due to this, the management has assessed the accounting implications arising out of these developments on these financial statements, including but not limited to the following areas:

- The impairment of tangible and intangible assets under IAS 36, "Impairment of non-financial assets"
- The net realizable value of Inventory under IAS 2, "Inventories"

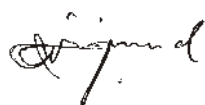
Based on the assessment, there is no significant accounting implication arising out of the effects of COVID-19 in these financial statements except Fixed and Variable cost and variable overheads as stated above.

35 Approval of financial Statements

These financial statements were approved by the Board of Directors and authorized for issue on 28 September, 2020.

36 General

- i) Comparative figures have been rearranged and reclassified wherever necessary for the purpose of better presentation and comparison. However, there were no significant reclassifications and restatements.
- ii) Figures have been rounded off to nearest rupee.
- iii) 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 Pakistani rupees, which is the Company's functional and Presentational currency.



Ishtiaq Ahmed
CEO & Director



Muhammad Irfan Ali
Chief Financial Officer



Zafar Asim
Director



PATTERN OF SHAREHOLDING UNDER REGULATION 37(XX)(I) OF THE CODE OF CORPORATE GOVERNANCE AS AT JUNE 30, 2020

Srl #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	1	231,099	2.00%
2.	NIT and ICP	6	205,879	1.78%
3.	Directors, CEO, their Spouses & Minor Children	7	3,500	0.03%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	8	32,970	0.29%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	2	306	0.00%
7.	Individuals	615	11,087,274	95.90%
	TOTAL	637	11,561,028	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	<u>Associated Companies</u>			
1.1	Dewan Motors (Pvt.) Limited	1	231,099	2.00%
2.	<u>NIT and ICP</u>			
2.1	Investment Corp. of Pakistan	1	68	0.00%
2.2	IDBP (ICP UNIT)	1	500	0.00%
2.3	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	182,424	1.58%
2.4	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1	771	0.01%
2.5	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	21,981	0.19%
2.6	National Bank of Pakistan	1	135	0.00%
		6	205,879	1.78%
3.	<u>Directors, CEO, their Spouses & Minor Children</u>			
	<u>Directors and CEO</u>			
3.1	Mr. Ishtiaq Ahmed	1	500	0.00%
3.2	Syed Maqbool Ali	1	500	0.00%
3.3	Mr. Aziz ul Haque	1	500	0.00%
3.4	Syed Muhammad Anwar	1	500	0.00%
3.5	Mr. Imran Ahmed Javed	1	500	0.00%
3.6	Mr. Muhammad Baqar Jafferi	1	500	0.00%
3.7	Mr. Zafar Asim	1	500	0.00%
		7	3,500	0.03%
	<u>Spouses of Directors and CEO</u>			
		-	-	0.00%
	<u>Minor Children of Directors and CEO</u>			
		-	-	0.00%

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Muhammad Yousuf Farooqui	2	8,659,498	74.90%

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

FORM 34

THE COMPANIES ORDINANCE, 1984

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number 001561
2. Name of the Company DEWAN MUSHTAQ TEXTILE MILLS LIMITED
3. Pattern of holding of the shares held by the Shareholders as at 3 0 0 6 2 0 2 0

Number of Shareholders	Shareholdings			Total Shares held
309	1	-	100 Shares	6,172
195	101	-	500 Shares	50,317
42	501	-	1,000 Shares	33,497
44	1,001	-	5,000 Shares	113,155
13	5,001	-	10,000 Shares	105,294
7	10,001	-	15,000 Shares	85,407
1	15,001	-	20,000 Shares	20,000
3	20,001	-	25,000 Shares	66,173
2	25,001	-	30,000 Shares	54,008
1	30,001	-	35,000 Shares	31,000
1	35,001	-	45,000 Shares	43,500
2	45,001	-	50,000 Shares	94,147
3	50,001	-	55,000 Shares	161,901
1	55,001	-	60,000 Shares	56,401
1	60,001	-	70,000 Shares	69,707
2	70,001	-	90,000 Shares	167,770
1	90,001	-	150,000 Shares	144,974
2	150,001	-	200,000 Shares	382,424
1	200,001	-	225,000 Shares	224,217
2	225,001	-	235,000 Shares	465,494
1	235,001	-	250,000 Shares	236,973
1	250,001	-	300,000 Shares	288,999
1	300,001	-	800,000 Shares	725,553
1	800,001	-	3,000,000 Shares	7,933,945
637	TOTAL			11,561,028

Categories of Shareholders	Shares held	Percentage
5.1 Directors, Chief Executive Officer, their spouses and minor children	3,500	0.03%
5.2 Associated Companies, undertakings and related parties	231,099	2.00%
5.3 NIT and ICP	205,879	1.78%
5.4 Banks, Development Financial Institutions, Non-Banking Finance Companies	-	0.00%
5.5 Insurance Companies	185	0.00%
5.6 Modarabas and Mutual Funds	121	0.00%
5.7 Shareholders holding 5%	8,659,498	74.90%
5.8 <u>General Public</u>		
a. Local	11,087,274	95.90%
b. Foreign	-	0.00%
5.9 Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	32,970	0.29%

**YD**

A YOUSUF DEWAN COMPANY

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:

میٹنگ میں شرکت کنندہ کی تعداد

نام:

3/3

جناب عزیز الحق۔ چیئرمین

3/3

جناب اشتیاق احمد

3/3

سید مقبول علی

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (9.00) (2019: مبلغ (11.50)) فی شیئر خسارہ پایا گیا۔

آڈیٹرز کی تقرری:

موجودہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر 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 فیروز شریف طارق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کی آڈیٹرز کے طور پر دوبارہ تقرری کی تجویز کی ہے۔

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 امتہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین شہ آمین۔

ظفر عاصم
ڈائریکٹر

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

بورڈ آف ڈائریکٹرز کی جانب سے

اشتیاق احمد

چیف ایگزیکٹو آفیسر اور ڈائریکٹر

کراچی:

تاریخ: 28 ستمبر 2020ء

ڈائریکٹرز	ممبرز
☆ مرد	7
☆ عورت	کوئی نہیں *
تفصیل	ممبرز
☆ آزاد ڈائریکٹر	1
☆ دیگر غیر ایگزیکٹو ڈائریکٹرز	5
☆ ایگزیکٹو ڈائریکٹرز	1

* کمپنی کے بورڈ میں خواتین کی نمائندگی کی ضرورت کو بورڈ کی تنظیم نو کے بعد پورا کیا جائے گا۔

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

میٹنگ میں شرکت کنندہ کی تعداد

نام:

3	جناب عزیز الحق
3	جناب اشتیاق احمد
3	سید محمد انوار
3	جناب محمد باقر جعفری
3	جناب عمران احمد جاوید
3	جناب ظفر عاصم
3	سید مقبول علی

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

آڈٹ کمیٹی:

بورڈ نے اپنے ڈائریکٹر 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 بشمول کمیٹی کے چیئرمین اور غیر ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔

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

میٹنگ میں شرکت کنندہ کی تعداد

نام:

3/3	جناب عزیز الحق۔ چیئرمین
3/3	سید مقبول علی
3/3	جناب عمران احمد جاوید

ہیومن ریسورس اور اجرتی کمیٹی:

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

**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 مستحکم 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 اسٹیٹمنٹ 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۔ ٹیکسز، ڈیوٹیز 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 پیٹرن

(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 2020ء تک بورڈ آف ڈائریکٹرز درج ذیل پر مشتمل تھے:

کمپنی کے آڈیٹرز نے اپنی رپورٹ میں قرضہ جات کی اقساط کی واپسی میں کوتاہی پر اپنی ماہرانہ رائے کا اظہار کیا ہے اور اس کے علاوہ اپنی رپورٹ میں 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 یہ نظر ثانی جلد موثر ہوگی اور کمپنی کی فنڈنگ کی ضروریات کو پورا کرے گی اس کے علاوہ انتظامیہ کو آپریشن کے حوالے سے بھی مدد فراہم کرے گی تاکہ پیداواری گنجائش کو بہتر طریقہ سے استعمال کیا جاسکے۔ جیسا کہ رپورٹ میں حالات کا ذکر کیا گیا ہے اس کی وضاحت مالیاتی حسابات کے نوٹ 2 میں کی گئی ہے۔

کمپنی نے اپنے قرضہ جات کو دوبارہ مرتب کرنے کے لئے اپنے قرض خواہوں سے رابطہ کیا ہے جو کہ زیر غور ہے۔ انتظامیہ پُر امید ہے کہ مالیاتی حسابات کے نوٹ 8.3 میں مکمل طور پر وضاحت کردہ طریقہ کار کے تحت جلد از جلد اسے مکمل کر دیا جائے گا اس کے علاوہ دوبارہ ترتیب کردہ تاریخ تک مبلغ 119,824 ملین روپے واجب الادا مارک اپ پر لازم ہو گئے اور کمپنی معاہدہ کی شرائط میں کوتاہی کی صورت میں یہ ادا ہو گئی کرنے کی ذمہ دار ہوگی۔ چونکہ دوبارہ ترتیب کا عمل زیر غور ہے لہذا انتظامیہ کو یقین ہے کہ یہ رقم واجب الادا نہیں ہوگی۔ اسی لئے ان مالیاتی حسابات میں مذکورہ مارک اپ کو ریکارڈ نہیں کیا گیا ہے۔

مستقبل کا نظریہ:

انتظامیہ کاروباری ماحول سے متعلق پُر امید ہے کیونکہ Covid-19 کی وباء کی حالت میں حکومت کی جانب سے قرضوں کی اصل ادائیگی کو موثر کرنے، سود کی شرح میں کمی اور مزدوروں کی اجرتوں کی ادائیگی کیلئے معمولی قیمت پر قرض کی دستیابی کے باعث کاروباری استحکام میں مدد ملی۔ پاکستان نے اپنی لاک ڈاؤن حکمت عملی کے ذریعے معاشی اثرات پر قابو پایا اور ہم پہلے ہی بحالی کے آثار دیکھ رہے ہیں کیونکہ عالمی اقتصادی سرگرمیوں نے لاک ڈاؤن میں نرمی کے بعد کچھ زور پکڑا ہے۔ اسی طرح جولائی 2020ء میں پاکستان کی صورتحال میں تیزی سے بحالی دیکھنے میں آئی ہے۔ اسی عرصے کے مقابلے میں برآمدات میں 14.40 اضافہ ہوا ہے۔ اگر صورتحال مزید بہتر ہوتی رہی اور عالمی معیشت بحران میں رکاوٹ کا مشاہدہ کرتی ہے تو ہم امید کر سکتے ہیں کہ معاشی سرگرمیوں میں مزید اضافہ ہوگا۔

لاک ڈاؤن میں نرمی کے بعد، معاشی سرگرمیوں نے ملکی صنعت میں زور پکڑنا شروع کر دیا ہے۔ ملکی محاز پر پاکستانی روپے کی قدر میں کمی، خام تیل کی عالمی قیمتوں میں ریکوری سے افراط زر متاثر ہو سکتا ہے جس سے مستحکم معاشی نقطہ نظر کو خطرہ لاحق ہو سکتا ہے۔ ان تمام عوامل کو مد نظر رکھنے کے بعد، آپ کی کمپنی کی انتظامیہ کو توقع ہے کہ ملکی مارکیٹ میں معاشی سرگرمیوں میں بتدریج بہتری کی امید ہے۔ ٹیکسٹائل کی صنعت کو مستحکم بنانے کیلئے حکومت کی جانب سے مزید اقدامات کی اشد ضرورت 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 ورکرز 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 کامیابی کو 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

ڈائریکٹر رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2020ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات بمع آڈیٹر رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جائزہ:

پاکستان میں ٹیکسٹائل کی صنعت ایک وسیع پیداواری اور دوسرا بڑا روزگار فراہم کرنے والا شعبہ ہے اور غیر ملکی زرمبادلہ کی آمدنی میں اہم شراکت دار ہے۔ زیر جائزہ مالیاتی سال 2019-20 کی پہلی ششماہی کے دوران ملکی صنعت کو حالیہ دنوں میں افراط زر کی شرح کے ساتھ ساتھ معاہداتی معاشی پالیسیوں کے چیلنجز کا سامنا کرنا پڑا۔ Covid-19 کی وباء کے باعث موجودہ مالی سال کی دوسری ششماہی میں اس صورتحال میں مزید اضافہ ہوا جس نے پاکستان سمیت دنیا بھر کی معاشی سرگرمیوں میں رکاوٹیں پیدا کر دیں۔ Covid-19 کی وباء پاکستان کی کمزور معیشت کیلئے بھی تباہ کن تھی۔ اس وباء نے ملک کی معاشی نمو ختم کر دی جس نے گزشتہ 68 سالوں میں بدترین کارکردگی کا مظاہرہ کیا، عارضی تخفینے کے مطابق مالیاتی سال 2020ء میں پاکستان کی GDP 0.4 فیصد پر طے پائی ہے۔ ملکی اور عالمی طلب میں کمی نے معیشت پر تناؤ کو مزید پیچیدہ کر دیا۔ مالیاتی سال 2020ء کے دوران مہنگائی اور روپے کی قدر میں کمی نے عام طور پر مجموعی معیشت اور خاص طور پر مینوفیکچرنگ انڈسٹری پر نمایاں دباؤ ڈالا ہے۔

حکومت پاکستان نے اس صورتحال کا فوری جواب دیا اور اس کے مطابق اسٹیٹ بینک آف پاکستان (SBP) نے مجموعی طور پر بنیادی پونیش 625 سے پالیسی کی شرح میں کمی کر دی۔ اسٹیٹ بینک نے روزگار، نئی سرمایہ کاری اور BMR کی مدد کیلئے نئی ری فنانسنگ اسکیموں کا آغاز کیا۔ حکومت کے اس پیکج کے ساتھ ان اقدامات سے Covid-19 کی وباء کے اثرات کو پھیلنے سے روکنے میں مدد مل رہی ہے۔ ان مثبت اثرات سے ہٹ کر، ان اقدامات سے Covid-19 کے بعد کی معاشی استحکام کی بھی توقع کی جا رہی ہے۔

مالیاتی نتائج اور کارکردگی:

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)

فروخت (صافی)	—
فروخت کی لاگت	(59,881,045)
کل خسارہ	(59,881,045)
آپریٹنگ اخراجات	(12,409,403)
آپریٹنگ خسارہ	(72,290,448)
مالیاتی لاگت	(41,012,004)
قبل از ٹیکس خسارہ	(113,302,452)
ٹیکسیشن	9,290,251
بعد از ٹیکس خسارہ	(104,012,201)

دوران سال کمپنی کی خالص فروخت آپریشن بند ہونے کے باعث صفر رہی۔ کمپنی نے اس وقت جولائی 2016ء سے اپنی مینوفیکچرنگ آپریشنز معطل کر دیئے ہیں جن پر صنعت کو درپیش منفی صورتحال، مارکیٹ کی کم طلب اور ورکنگ کیپٹل 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۔ 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۔

(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 وارنٹس وغیرہ کے اجراء 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) شیئر ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکنزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونکلی 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 میکنزم کو اختیار کرنے کی ہدایات 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 الیکٹرونکلی 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 متغی 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/DMTML/index.html> اسٹینڈرڈ ریکورڈس فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

**YD**

A YOUSUF DEWAN COMPANY

دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ سالانہ اجلاس عام

ہذا مطلع کیا جاتا ہے کہ دیوان مشتاق ٹیکسٹائل ملز لمیٹڈ (ڈی ایم ٹی ایم ایل یا کمپنی) کا انسٹھ (59) سالانہ اجلاس عام پیر 26 اکتوبر 2020ء کو صبح 10:30 بجے دیوان سینٹ لمیٹڈ فیکٹری سائٹ واقع دیہہ ڈھنڈو دھانیجی 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 سالانہ اجلاس عام منعقدہ جمعرات 24 اکتوبر 2019ء کی کارروائی کی توثیق۔
- (2) 30 جون 2020ء کو مکمل ہونے 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 2021ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہیرہ کا تعین۔
- (4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ

محمد حنیف جومان
کمپنی سیکریٹری

کراچی 28 ستمبر 2020ء

نوٹ:

- (1) کمپنی کی منتقلی حصص کی کتب 19 اکتوبر 2020ء تا 26 اکتوبر 2020ء (دونوں دن شامل) بند رہیں گی۔
- (2) ممبران سے پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹر اٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان (پرائیوٹ) لمیٹڈ واقع انیم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل کراچی پاکستان کو مطلع کرنے کی درخواست ہے۔
- (3) اجلاس ہذا میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس ہذا کے انعقاد سے کم از کم اڑتالیس (48) گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
- (4) سی ڈی سی ممبران کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر I-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 ہوں 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 انٹسٹیٹی 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 ہولڈر اور یا افراد کی صورت میں جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈ ہوں 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 انٹسٹیٹی 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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DEWAN MUSHTAQ TEXTILE MILLS LIMITED
59TH 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 MUSHTAQ 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 MUSHTAQ 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 59th Annual General Meeting of the Company to be held on **Monday, 26th**
October, 2020 at 10:30 a.m. and any adjournment thereof.
Signed this _____ day of _____ 2020.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم
۵۹ 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 مشتاق 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 مشتاق ٹیکسٹائل ملز لمیٹڈ

_____ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۵۹ واں سالانہ اجلاس عام جو کہ بروز پیر، ۲۶ اکتوبر ۲۰۲۰ کو دوپہر ۳:۱۰ بجے، ہے میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۲۰ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____