



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.

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COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director	:	Mr. Ishtiaq Ahmed - Chief Executive Officer
Non-Executive Directors	:	Dewan Muhammad Yousuf Farooqui - Chairman, Board of Directors Mr. Haroon Iqbal Mr. Imran Ahmed Javed Mr. Muhammad Naeemuddin Malik Mr. Muhammad Baqar Jafferri
Independent Director	:	Mr. Aziz-ul-Haque
Audit Committee	:	Mr. Aziz-ul-Haque (Chairman) Mr. Muhammad Naeemuddin Malik (Member) Mr. Haroon Iqbal (Member)
Human Resources & Remuneration Committee	:	Dewan Muhammad Yousuf Farooqui (Chairman) Mr. Haroon Iqbal (Member) Mr. Ishtiaq Ahmed (Member)
Auditors	:	Feroze Sharif Tariq & Company Chartered Accountants 4/N/4 Block-6, P.E.C.H.S., Karachi 75400, Pakistan.
Company Secretary	:	Mr. Muhammad Hanif German
Chief Financial Officer	:	S.M. Raza
Tax Advisor	:	Sharif & Co. Advocates
Legal Advisor	:	A. K. Brohi & Co. Advocates
Bankers	:	Habib Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Bank Al Falah Limited Askari Commercial Bank Limited
Registered Office	:	Finance & Trade Centre Block-A, 8 th Floor, Shahrah-e-Faisal, 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	:	G/11, S.I.T.E., Kotri, Sindh, Pakistan.
Website	:	www.yousufdewan.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of **Dewan Khalid Textile Mills Limited** ("DKTML" or "the Company") will be held on **Monday, October 30, 2017, at 11:00 a.m.** at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabaji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, October 27, 2016;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2017, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors' of the Company for the ensuing year, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

SPECIAL BUSINESS:

1. To consider and if deemed fit, approve the amendments / addition in Articles of Association of the Company as mentioned in detail in the Statement under Section 134(3).
2. In connection with consent from shareholders for the transmission of the annual audited accounts in any approved transmission medium; and provision for appointment of a non-members as proxy in case of e-voting; and pass the following resolutions, with or without modifications, as Special Resolutions;
3. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual audited accounts, notices of general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution with or without modification:

"RESOLVED THAT consent & approval of the members of Dewan Khalid Textile Mills Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies.

"FURTHER RESOLVED THAT appointment of non-members as proxy in case of e-voting be and is hereby approved".

"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".

"FURTHER RESOLVED THAT Mr. Ishtiaq Ahmed, Chief Executive Officer & Director or Mr. Muhammad Hanif German, Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purpose of implementing this resolution."

"Statement under Section 134(3) of the Companies Act. 2017, concerning the Special Business, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part hereof"

By Order of the Board



Muhammad Hanif German
Company Secretary

Date : October 02, 2017
Place : Karachi

**NOTES:**

1. The Share Transfer Books of the Company will remain closed for the period from October 23, 2017 to October 30 2017 (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 Annum Estate Building, Room No. 310 & 311, 3rd Floor, 49 Darul Aman Society, Main Shahrah-e-Faisal, Adjacent 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 above-said 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 chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.
7. **Electronic Transmission of Financial Statements Etc.:**

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

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Dewan Khalid Textile Mills Limited ("the Company" or "DKTML") to be held on Monday, October 30, 2017, at 11:00 a.m., at Dewan Cement Limited, Plant Site, Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the Meeting.

Special Business

1. Circulation of Annual Reports through CD/DVD/USB:-

Securities and Exchange Commission of Pakistan has vide S.R.O. 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual audited accounts, notices of general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual reports.

The Company shall supply the hard copies of the aforesaid documents to the shareholders on demand, free of cost within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with the postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the Directors of the Company have no interest in the Special Business except in their capacity as shareholders and Directors of the Company.

"RESOLVED THAT consent & approval of the members of Dewan Khalid Textile Mills Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies.

2. To consider, and if thought appropriate, approve and resolve the passing of the following proposed special resolutions in respect of alterations to the Articles of Association of the Company.

i). Addition of Clause 49-A of the Articles of Associations of the Company.

The provisions and requirements for e-voting including instrument for appointing proxy as prescribed by regulatory authority from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein.

"RESOLVED THAT appointment of non-members as proxy in case of e-voting be and is hereby approved".

"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".

The Directors of the Company are not directly or indirectly interested with the affairs of the Special Business, which nevertheless is intended to streamline the above-said provision of the Articles of Association of the Company with the like provision of the Companies Act, 2017, and also acts and benefits to the business convenience of the Company, and its Board of Directors taken as a whole.

ii). Amendment in Clause 51 of the Articles of Association of the Company.

The following is the special resolution proposed in this regard:

"RESOLVED THAT the provisions of Clause 51 of the Articles of Association of the Company be and are hereby substituted with the following: "The remuneration of the Directors / Chief Executive Officer of the Company shall from time to time be determined by the Board of Directors of the Company in the Board Meeting."

Further, for the sake of convenient reference, the following is the Present Vs the Proposed Substitution of Clause 51 of the Articles of Association of the Company:

Present Clause 51 of the Articles of Association of the Company	Proposed substitution of Clause 51 of the Articles of Association of the Company
"The remuneration of the Directors shall from time to time be determined by the Company in General Meeting subject to the provisions of the Ordinance".	"The remuneration of the Directors / Chief Executive Officer of the Company shall be fixed from time to time be determined by the Board of Directors of the Company in the Board Meeting."



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, 2017 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 contributed around 60% in Foreign Exchange earnings. However due to ongoing adverse scenario and Government's apathy thereto, the Textile Mills are closing and textile exports are continuously showing declining trend. During the year under review, textile spinning industry continued to face distressed and adverse set of circumstances which hampered the operations of several units, accordingly the company has also suspended its operations during the year consideration:

Operating results and performance (Factory shutdown):

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

	"Rupees"
SALES (NET)	36,119,997
COST OF SALES	(134,871,640)
GROSS LOSS	(98,751,643)
OPERATING EXPENSES	(24,214,891)
OPERATING LOSS	(122,966,534)
FINANCE COST	(15,448,870)
OTHER INCOME	220,993
LOSS BEFORE TAXATION	(138,194,411)
TAXATION	14,809,268
LOSS AFTER TAXATION	(123,385,143)

Company's net sale for the year were Rs. 36.120 million as compared to Rs. 348.857 million of last year. Company has suffered gross loss of Rs. 98.752 million as compared to the gross loss of Rs. 184.407 million of previous year, whereas operating expenses of the company have reduced by Rs. 24.838 million due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since August 2016 which could not be resumed due to adverse scenario faced by the industry, lesser market demand and working capital constraints.

Pakistan is fourth largest cotton producing country, however the demand of Cotton is more than the production, due to which textile units have to rely on imported cotton. Thus rendering the Cotton more expensive and making the exportable goods costlier. Although the cotton observed increased production of 10.7 million bales as compared to 9.9 million bales of last year, which was still lower than the target of 14.1 million bales. Effective from July 2017 Government has reimposed custom duty and sales tax on imported cotton which will ultimately increase cost of doing business.

As compared to the regional countries, i.e. Vietnam, Sri Lanka, Bangladesh and India, Pakistan is the most expensive country in terms of labor and utilities, as the minimum wage per month and cost of utilities is much higher than the regional market players, and due to high cost of production it is difficult for the industry to compete in local as well as international market.

In 2011-12, Company had settled with its lenders through Compromise Agreement against which consent decrees had been passed by the Honorable High Court of Sindh, Karachi. Company's short term and long term loans had been rescheduled in the form of long term loans, however certain banks having suits of Rs.275.008 million, did not accept the restructuring proposal.

The Auditors of the company have expressed adverse opinion in their report, on going concern, non provisioning of Markup and litigations, default in repayment of installments of restructured liabilities and related non-provisioning of mark-up.

The financial statements have been prepared on going concern assumption as the company approached its lenders for further restructuring of its liabilities, which is in process. Company is hopeful that such restructuring will be effective soon and will streamline the funding requirements of the Company which will ultimately help the management to resume the operation with optimum utilization of production capacity. As the conditions mentioned in the report are justified, is explained in note 1.1 to the financial statements.

As certain banks covering suits amounting to Rs 275.008 million has not yet accepted the restructuring proposal and also one of the banks had filed a winding up petition under section 305 of the Companies Ordinance, 1984. Banks' claim is highly exaggerated as it had charged markup on markup and other levies higher than the rate of markup agreed and other charges in violation of State Bank of Pakistan rules and other applicable laws of Pakistan. The management of the Company is quite hopeful that these banks will also accept restructuring proposal in near future. Accordingly, no provision of the said mark-up has been made in these financial statements.

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 fully explained in note 7.1.2 to the financial statements. Moreover the markup outstanding up to the date of restructuring is Rs.137.368 million, which the company would be liable to pay in the event of default of terms of agreement. Since the revision in restructuring is in process therefore management is confident that this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.

Future Outlook

The key challenges facing Pakistan's economy have continued to suppress economic activity and growth of the country. The textile industry has been hit hard due to the high cost of energy and high tariffs of both gas and electricity are making Pakistan's exports uncompetitive in the global market. However, some initiatives from the government are direly needed in order to make the textile industry sustainable, especially smooth supply of gas at affordable tariff and implementation of the package of Rs180 billion announced by the government for increasing exports. Management is endeavoring to resume the production of the company as soon as the situation in near future improves.

Corporate Social Responsibilities

We are also committed to Corporate Social Responsibility (CSR) and integrating sound social practices in our day to day business activities. CSR is an important part of who we are and how we operate. We measure our success not only in terms of financial criteria but also in building customer satisfaction and supporting the communities we serve.

Health, Safety and Environment

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

Human Resource

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

Compliance with Code of Corporate Governance

Security and Exchange Commission of Pakistan framed a code of corporate governance, which was incorporated through the listing regulations of all stock exchanges of the country. The directors of your Company have ensured implementation of all provisions of code of corporate governance applicable for the period ended June 30, 2017.

Review report on statement of Compliance with code of corporate governance of Auditors is annexed with this report.



Directors of the Company are pleased to confirm that there is no material departure from the best practices as detailed in the listing regulations.

1. The financial Statements presented by the management of the Company give, subject to auditor's 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 as required under the Companies Ordinance, 1984.
3. Accounting policies have been consistently applied in the preparation of 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
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 1.1 to the financial statements.
10. Information regarding the outstanding taxes and levies is given in the notes to the financial statements.
11. The value of investment made by the Provident fund as per its respective accounts is Rs. 17.833 million (2016: Rs.16.147 million)
12. 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. During the year four meetings of the Board were held. The attendance of directors was as follows:

Names	No. of Meetings attended
Dewan Muhammad Yousuf Farooqui	3
Mr. Haroon Iqbal	4
Mr. Aziz-ul-Haque	4
Mr. Muhammad Baqir Jafferri	4
Mr. Ishtiaq Ahmed	4
Mr. Mehmood-ul-Hassan Asghar	3
Mr. Muhammad Naeemuddin Malik	4

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

Audit Committee

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

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

DEWAN KHALID TEXTILE MILLS LIMITED

Names	No. of Meetings attended
Mr. Aziz-Ul Haque	4
Mr. Haroon Iqbal	4
Muhammad Naeemuddin Malik	4

Human Resource and Remuneration Committee

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

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

Names	No. of Meetings attended
Dewan Mouhammad Yousuf Farooqui	1
Mr. Ishtiaq Ahmed	1
Mr. Haroon Iqbal	1

Earnings per Share

Basic (Loss) per share during the period under report worked out to Rs (13.07) [2016: Rs. (42.76)], whereas the Diluted (Loss) per share during the period under report worked out to Rs (13.07) [2016: Rs. (42.33)]

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 Ordinance, 1984, 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.

Vote of Thanks & Conclusion

On the behalf of the Board, I 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



Dewan Muhammad Yousuf Farooqui
Chairman Board of Directors

Karachi, September 29, 2017



FINANCIAL HIGHLIGHTS

	(Rupees in Million)					
	2012	2013	2014	2015	2016	2017
PROFIT & LOSS ACCOUNT						
Sale (Net)	1,155.72	1,426.14	1,246.05	716.61	348.86	36.12
Gross Profit / (Loss)	(14.47)	44.48	18.38	(84.38)	(184.41)	(98.75)
Operating Expenses	(39.12)	(35.78)	(42.93)	(37.76)	(49.05)	(24.21)
Operating Profit / (Loss)	(53.59)	8.86	(24.55)	(122.14)	(233.46)	(122.97)
Finance Cost	(6.25)	(14.74)	(16.39)	(16.51)	(14.79)	(15.45)
Profit / (Loss) before Tax	(59.83)	5.87	(40.94)	(120.40)	(248.26)	(138.19)
Taxation	58.35	7.25	(23.75)	20.16	-	(0.36)
Profit / (Loss) after Tax	(1.48)	1.37	(64.69)	(100.24)	(282.64)	(123.39)
BALANCE SHEET						
Assets Employed	1,413.91	1,347.00	1,239.00	1,150.00	869.00	1,218.00
Return on Equity	1.22%	0.76%	-50.04%	-124%	-169.92	-63.61
Current Assets	631.15	606.00	559.00	498.00	281.00	244.40
Shareholder's Equity	122.03	182.00	129.00	81.00	(166)	(194)
Deferred Liabilities	93.79	83.00	96.00	69.00	107.00	191.00
Current Liabilities	630.86	593.00	597.00	647.00	625.00	651.14
Gross Profit / (Loss) Ratio (%)	-1.25%	3.13%	1.48%	-11.78%	-52.86%	-273.40%
Net profit Ratio (%)	0.13%	0.10%	5.20%	13.99%	-81.02%	-341.60%
Earning / (Loss) Per Share (Rs)	(0.26)	0.24	(11.38)	(17.49)	(42.76)	(13.07)
Dividend (%)	-	-	-	-	-	-
Cash	-	-	-	-	-	-
Production						
Actual Production at Actual Avg. Count	5,265,488.00	5,364,462.00	4,620,112.00	3,140,751.00	1,792,418.00	116,392.00
Actual Production converted to 20 count	9,556,347.00	9,129,254.00	8,188,997.00	6,507,732.00	3,504,411.00	198,338.00

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2017

The statement is being presented to comply with the Code of Corporate Governance (“CCG”) contained in the Listing Regulation No 5.19.23 of the Rule Book of Pakistan Stock Exchange Limited (“PSX”) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. As of June 30, 2017 the board included:

Category	Names
Independent Directors	Mr. Aziz-ul-Haque
Executive Directors	Mr. Ishtiaq Ahmed
Non-Executive Directors	Dewan Muhammad Yousuf Farooqui Mr. Haroon Iqbal Mr. Muhammad Baqar Jafferi Imran Ahmed Javed Muhammad Naemuddin Malik

2. Six Director 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.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the board on August 19, 2016 was filled up on August 30, 2016, while another casual vacancy occurring on the board on June 12, 2017 was filled up on June 14, 2017 by the Directors of the Company.
5. 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.
6. 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.
7. All the powers of the board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by the director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. In accordance with the criteria specified on clause 5.19.7 of CCG, one director is exempted from the requirement of directors’ training program and four Directors are qualified under the Directors Training Program.
10. The Board has approved appointments of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.
11. The Directors report for this has prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The director, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of CCG.
15. The board has formed an Audit Committee. It comprises of three members of whom one is an independent director, who is also the chairman and others are non-executive director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed Human Resource and Remuneration Committee. It comprises of three members, of whom one is executive, while two are non-executive directors, and the chairman of the committee is non-executive director.
18. 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.
19. 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, 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 Accountants (IFAC) guidelines on code of ethics are adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The closed period, prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all the other material principles enshrined in the CCG have been complied with.

Date : September 29, 2017
Place : Karachi



Dewan Muhammad Yousuf Farooqui
Chairman Board of Directors

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AUDITORS' REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Dewan Khalid Textile Mills Limited ("the Company") for the year ended June 30, 2017 to comply with the requirements of Listing Regulation of Pakistan Stock Exchange Limited.

The responsibility for compliance with the 'Code of Corporate Governance' is that of the Board of Directors of the company. Our responsibility is to review, to the extent, where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not and to highlight any non-compliance with the requirements of the code. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the Company to comply with the Code.

As 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 Director's 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 code requires the Company to place before the Audit Committee, and upon recommendation of the Audit committee, place before the Board of Directors for their consideration and approval its related party transactions distinguishing between transactions carried out on term equivalent to those that prevail in arm's length transactions and transaction which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instances of Non-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) The board has includes one independent director, whereas in our opinion he does not meet the criteria of independence due to his cross director ship in other group companies.
- b) The chairman of Audit committee is not an independent director due to the reason reflected in para (a) above.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention that causes us to believe, that the 'Statement of Compliance' does not appropriately reflect the company's compliance in all material respects, with the best practices contained in the Code of Corporate Governance, for the year June 30, 2017.

Furthermore, we highlight that one director of the company is serving as director in more than seven listed Companies as reflected in the note 2 in the statement of compliance.

Engagement Partner: Mohammad Ghalib
Dated: September 29, 2017
Place : Karachi:


Feroze Sharif Tariq & Company
Chartered Accountants

**FEROZE SHARIF TARIQ & CO.**

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of Dewan Khalid Textile Mills Limited, as at June 30, 2017, and related Profit and Loss account, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof, for the year then ended, 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 purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) The financial statements of the company for the year ended June 30, 2017 as disclosed in note 1.1 to the financial Statements reflect loss after taxation of Rs. 123.385 (2016: Rs. 282.644) million and as of that date it has accumulated losses of Rs. 425.086 (2016: Rs. 397.444) million which resulted in net capital deficiency of Rs. 193.978 (2016: Rs. 166.337) million and its current liabilities exceeded its current assets by Rs. 406.746 (2016: Rs. 343.292) million without providing markups of Restructured and other liabilities and as refer in below para (b). The operations of the company were closed from August 2016 due to working capital constraints. Furthermore, the company defaulted in repayments of installments of restructured long term liabilities and short term finance facilities have expired and not been renewed by banks amounting to Rs. 304.00 million, hence as per the terms of the restructuring under clause 10.2 of the compromise agreement the entire restructured debt amounting to Rs. 104.008 million along with mark up of Rs. 137.368 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 and the long term financing of Rs.7.429 million should be classified under current liabilities. Moreover, certain lenders are in litigation with the company, the aggregate suit amount is Rs.275.008 million (the company have also not provide markup on the same Loan). Further, one of the lender have also filed winding up petition/s 305 of the companies ordinance, 1984 as disclosed in note 13 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 addition to above, since the proposal, has not been accepted so far and the lenders, instead of the accepting the restructuring Proposal, have preferred to filed suit against the company, therefore the provision of mark up should be made in the financial statements. Had the provisions for the mark up, as discussed in preceding paragraphs, been made in these financial statements, the loss after taxation would have been higher by Rs. 23.686 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 361.481 million.
- c) The company has disclosed Investment in related party Dewan Salman Fibre Limited as Available for sales investment in note 15 to the financial Statements. In our opinion, the same is associated Company therefore this investment has to be shown and valued at equity method in accordance with International Accounting standard 28 "Investment in associates". Had the investment been carried at equity method, the carrying amount of investment would have been nil and shareholders' equity would have been lower and the accumulated loss would have been higher by Rs. 131.379 (2016: Rs. 69.402) million.

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- d) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- e) in our opinion:
- i) except for the effects of matters referred in paragraphs (a) to (c) above the Balance Sheet and Profit & Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- f) 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 discussed in para (a) further coupled with the effects of the matter discussed in para (b) and (c) above, the Balance Sheet, Profit & Loss Account, statement of Comprehensive income, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, 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, 2017 and of the loss its Comprehensive loss, Cash flows and Changes in Equity for the year then ended; and
- g) In our opinion "no Zakat was deductible at source under the Zakat and Ushr ordinance 1980".

Engagement Partner: Mohammad Ghalib
Dated: September 29, 2017
Place : Karachi:


Feroze Sharif Tariq & Company
Chartered Accountants

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

BALANCE SHEET

AS AT JUNE 30, 2017

		June 30, 2017	June 30, 2016
EQUITY AND LIABILITIES			
CAPITAL & RESERVES	Notes	(Rupees)	
Authorized			
15,000,000 (June 30, 2016: 15,000,000) Ordinary Shares of Rs. 10/- each		150,000,000	150,000,000
Issued, Subscribed and Paid-up Capital	5	96,107,590	66,107,590
General Reserve		135,000,000	135,000,000
Advance Against issue of shares		—	30,000,000
Accumulated loss		(425,085,579)	(397,444,272)
		(193,977,989)	(166,336,682)
Surplus on revaluation of property plant and equipment	6	519,250,653	234,211,128
NON CURRENT LIABILITIES			
Long Term Loan	7	51,071,154	69,878,316
Deferred Liabilities			
Provision for Staff Gratuity	8	17,295,063	16,069,913
Deferred taxation	9	173,692,957	90,921,350
		190,988,020	106,991,263
CURRENT LIABILITIES			
Trade and Other Payables	10	186,329,187	199,055,856
Mark-up accrued on loans		54,934,430	45,713,701
Short Term Borrowings - Secured	11	300,130,923	292,772,515
Current and over due portion of syndicated long Term Loan		96,578,525	74,291,171
Provision for Income Tax	12	13,172,950	12,811,750
		651,146,015	624,644,993
Contingencies and Commitments	13	—	—
		1,218,477,853	869,389,018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipments	14	839,808,014	492,185,303
Available for sale investment - at fair value	15	131,378,985	69,401,675
Long Term Deposits		2,891,075	26,449,435
CURRENT ASSETS			
Stores, Spares and Loose Tools	16	18,428,608	19,074,993
Stock-in-Trade	17	136,346,218	155,716,375
Trade Debts - Considered Good	18	52,729,382	70,788,264
Loans and Advances - Unsecured, Considered good	19	1,815,752	6,763,268
Statutory Balances and Other Receivables - Considered good	20	17,141,532	10,711,107
Income Tax Refunds and Advances		16,120,954	16,035,556
Cash and Bank Balances	21	1,817,333	2,263,042
		244,399,779	281,352,605
		1,218,477,853	869,389,018

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

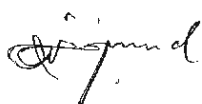
Ishtiaq Ahmed
Chief Executive Officer

Haroon Iqbal
Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Notes	June 30, 2017	June 30, 2016
		(Rupees)	
Sales - net	22	36,119,997	348,857,650
Cost of Sales	23	(134,871,640)	(533,265,151)
Gross (Loss)		(98,751,643)	(184,407,501)
Operating Expenses			
Distribution Cost and Selling Expenses	24	(1,989,000)	(3,337,678)
Administrative and General Expenses	25	(22,225,891)	(45,716,168)
		(24,214,891)	(49,053,846)
Operating Loss		(122,966,534)	(233,461,347)
Finance Cost	27	(15,448,870)	(14,793,762)
Other Income	26	220,993	--
		(15,227,877)	(14,793,762)
Loss before Taxation		(138,194,411)	(248,255,109)
Taxation			
- Current		(361,200)	--
- Prior years			(28,591)
- Deferred		15,170,468	(34,360,048)
		14,809,268	(34,388,639)
Loss after Taxation		(123,385,143)	(282,643,748)
Loss per share - Basic	28	(13.07)	(42.76)
Loss per share - diluted	28	-	42.33

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



Ishtiaq Ahmed
Chief Executive Officer



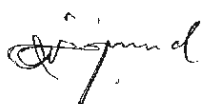
Haroon Iqbal
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
	(Rupees)	
(Loss) for the year	(123,385,143)	(282,643,748)
Other comprehensive Income:		
Revaluation during the year	416,748,125	--
Related deferred tax	(110,190,296)	--
	306,557,829	--
Transfer from surplus on revaluation of property plant and equipment in respect of:		
Incremental depreciation	48,936,993	31,676,941
Related deferred tax	(15,170,468)	(10,136,621)
	33,766,525	21,540,320
Remeasurement Change of Acturial Valuation in Liability Charge	--	(730,188)
Deferred tax on remeasurement of defined benefit liability	--	240,962
		(489,226)
Changes in fair value of available for sale investment	61,977,311	(15,494,328)
Component of comprehensive income not reflected in equity	(306,557,829)	
Total comprehensive (Loss) for the year	(27,641,307)	(277,086,982)

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



Ishtiaq Ahmed
Chief Executive Officer



Haroon Iqbal
Director

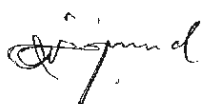
CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	June 30, 2017	June 30, 2016
Notes	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Taxation	(138,194,411)	(248,255,109)
Adjustment for Non-Cash and Other Items:		
Disposal of fixed assets	85,039	--
Depreciation	69,040,375	51,404,547
Provision for Gratuity	1,225,150	5,126,724
Provision for doubtful debts	7,265,348	17,125,211
Finance Cost	15,448,870	14,793,762
	93,064,782	88,450,244
	(45,129,629)	(159,804,865)
Working Capital Charges		
(Increase) / Decrease in Current Assets		
Stores, Spares and Loose Tools	646,386	3,650
Stock-in-Trade	19,370,157	39,243,049
Trade Debts	10,793,534	119,074,810
Loans and Advances	4,947,516	376,155
Trade deposits, Prepayments & Statutory balances	(6,430,425)	4,092,846
Increase / (Decrease) in Current Liabilities		
Trade creditors, payables and other borrowings	(12,726,668)	(14,730,163)
	16,600,500	148,060,408
Taxes Paid	(85,398)	(3,071,980)
Gratuity Paid	--	(2,383,565)
	(85,398)	(5,455,545)
Net Cash Inflow/ (Outflow) from Operating Activities	(28,614,528)	(17,200,002)
CASH FLOW FROM INVESTING ACTIVITIES		
Long Term Deposits	23,558,360	(2,610,000)
Fixed Capital Expenditure	--	--
Net Cash Inflow/ (Outflow) from Investing Activities	23,558,360	(2,610,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Advance against Issue of shares	--	30,000,000
Finance Cost Paid	(2,747,949)	(4,153,079)
Net Cash Inflow/ (Outflow) from Financing Activities	(2,747,949)	25,846,921
Net Increase / (Decrease) in Cash and Cash Equivalents	(7,804,117)	6,036,919
Cash and Cash Equivalents at the Beginning of the period	(290,509,473)	(296,546,391)
Cash and Cash Equivalents at the End of the period	(298,313,590)	(290,509,472)

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



Ishtiaq Ahmed
Chief Executive Officer



Haroon Iqbal
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	General Reserve	Advance againsts issue of share	Unrealized gain / (loss) due to change in fair value of investment	Unappropriated (Loss) / Profit	Total
(Rupees)						
Balance as on July 01, 2015	66,107,590	135,000,000	--	35,830,633	(156,187,923)	80,750,300
Received during the year			30,000,000			30,000,000
Total comprehensive income for the period	--	--		(15,494,328)	(261,592,654)	(277,086,982)
Balance as on June 30, 2016	66,107,590	135,000,000	30,000,000	20,336,305	(417,780,577)	(166,336,682)
Balance as on July 01, 2016	66,107,590	135,000,000	30,000,000	20,336,305	(417,780,577)	(166,336,682)
Share issued during the Period	30,000,000	--	(30,000,000)	--	--	--
Total comprehensive income for the period	--	--		61,977,311	(89,618,618)	(27,641,307)
Balance as on June 30, 2017	96,107,590	135,000,000		82,313,616	(507,399,195)	(193,977,989)

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

Ishtiaq Ahmed
Chief Executive Officer

Haroon Iqbal
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. Corporate Information

Dewan Khalid Textile Mills Limited (the Company) was incorporated in Pakistan, as a public limited company on April 03, 1978, under the Companies Act, 1913 (Now the Companies Ordinance, 1984) and its shares are listed in Pakistan Stock Exchange Limited. The registered office of the company is located at Finance & Trade Center, Block A, 8th Floor, Shahrah-e-Faisal, Karachi, Pakistan; while its manufacturing facilities are located at G-11, S.I.T.E., Kotri, Sind, Pakistan. The Principal activity of the Company is trading, manufacturing and sale of yarn.

1.1 Going Concern Assumption

"The financial statements of the company for the year ended June 30, 2017 reflect that company has sustained a net loss after taxation of Rs.123,385 million (2016: Rs.282,643 million) and as of that date company's negative reserves of Rs. 425.085 million have resulted in negative equity of Rs.397,444 million. Further the company's short term borrowing facilities having limit to the extent of Rs.140 million have expired and not been renewed. Company defaulted in repayment of its restructured liabilities due to liquidity crunch faced by the Company due to lesser market demand and adverse factors being faced by the overall textile industry in the country. As a result the Company, for the time being, has suspended its manufacturing operations since August 2016. Accordingly, the entire restructured liabilities along with markup eligible for waiver (as disclosed in note 11.1 to the financial statements) have become immediately repayable. These conditions indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern, therefore the company may not be able to realize its assets and discharge its liabilities during the normal course of business."

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 resume the operations with ptimum 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.

2 BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular number 17 of 2017 dated 20 July 2017 communicated Commission's decision that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except the obligation in respect of gratuity fund which is measured at present value.

2.3 Standards, interpretations and amendments applicable to financial statements

2.3.1 New standards, interpretations and amendments

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following accounting standards and mendments which became effective for the current year:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)

The adoption of the above accounting standards did not have any effect on the financial statements.

2.3.2 Annual improvements

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 - Financial Instruments: Disclosures - Servicing contracts

IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 - Employee Benefits - Discount rate: regional market issue

IAS 34 - The adoption of the above amendments, improvements to accounting standards and interpretations does not have any material effect on the financial statements.

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

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

Standard or interpretation	Effective date (accounting periods Beginning on or after)
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 - Statement of Cash Flows	1 January 2017
IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1 January 2017
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	1 January 2018
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	1 January 2019

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

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

	Effective date (accounting periods Beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	1 January 2018
IFRS 14 - Regulatory Deferral Accounts	1 January 2016
IFRS 15 - Revenue from Contracts with Customers	1 January 2018
IFRS 16 - Leases	1 January 2019
IFRS 17 - Insurance Contracts	1 January 2021

3 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:

3.1 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 fixed assets with a corresponding affect on the depreciation charge and impairment.

3.2 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.

3.3 Stock-in-trade

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

3.4 Provision for doubtful receivables

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.

3.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 8 to the financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect unrecognized gains and losses in those years. The actuarial valuation involves making assumptions about discount rate, future salary increases and mortality rates.

4 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.

4.1 Basis of Measurement and Presentation

The Financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation of current values, for the financial assets and liabilities which are carried at their fair values and revalued amounts and certain employee benefits are based on actuarial valuation and stock in trade which are valued at net realizable value, if it is less than the cost. Further, accrual basis of accounting is followed except for cash flow information.

4.2 Post Employment Benefits

Defined Benefit Plan

The Company operates an unfunded gratuity scheme for its non-management staff. Provisions are made, based on actuarial recommendations. Actuarial valuation is carried out using the 'Projected Unit Credit' method, as required by International Accounting Standard 19 "Employee Benefits".

Defined Contribution Plan

The company upto June 30, 2010 was operating an un-funded gratuity scheme for its employees. Provision was made accordingly in the financial statements to cover obligations under the scheme and the Company had fully provided for the liability under the gratuity scheme for its staff as of June 30, 2010. Effective from July 01, 2010, the company has, in place of gratuity scheme, established a recognised provident fund for its permanent management staff whereas gratuity scheme has been continued for non-management employees of the Company. Equal contributions are being made in respect thereof by company and employees in accordance with the terms of the fund.

4.3 Trade and Other Payables

Trade and other payables are stated at their costs.

4.4 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.

4.5 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 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 balance sheet date.

4.6 Property, Plant and Equipment

Owned

Property, Plant and Equipment are stated at cost/revalued amounts less accumulated depreciation and impairment losses, if any; leasehold land is amortised over the period of lease except capital works in progress which is stated at cost accumulated up to the balance sheet date.

Any surplus arising on revaluation of property plant and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred to unappropriated profit through statement of comprehensive income.

- **Leased**

The company accounts for fixed assets acquired under finance leases by recording the assets and the related liability. These amounts are determined as the fair values or discounted value of minimum lease payments; whichever is the lower, as at inception, less accumulated depreciation and impairment losses. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

- **Depreciation**

Depreciation is charged from the month of acquisition or transfer of assets from capital work in progress on proportionate basis and until disposal or retirement, using the reducing balance method whereby the cost or revalued amount of an asset is written off over its estimated useful life and the rates applied are in no case less than the rates prescribed by the Federal Board of Revenue. The depreciation method and useful lives of the items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing the depreciation charge for the current and future periods.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted, if appropriate, at each balance sheet date.

- **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.

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. Software which are not an integral part of the related hardware are classified as intangible assets. Amortised on straight line basis.

4.7 Leases

Finance leases, which transfer to the company, substantially all the risks and benefits incidental to ownership, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

4.8 Investment in Related Parties (Available for sale)

Available for sale investments are initially recognized at cost being the fair value of the consideration given including acquisition charges associated therewith.

After initial recognition, investment which are classified as available for sale are remeasured at fair value. Unrealized gains and losses on available for sale investments are recognized in equity till the investment is sold or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

4.9 Stores, Spares and Loose Tools

These are stated at the lower of cost and net realizable value. The cost of inventory is based on the weighted average cost. Items in transit are stated at cost accumulated up to the date of the balance sheet.

Provision is made for any slow moving and obsolete items.

4.10 Stock-in-Trade

These are valued as follows :

<i>Raw Material</i>	:	At lower of weighted average cost or 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 or 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 upto the balance sheet date.
Stock at fair price shop	:	At cost calculated on the First-in-first-out method of valuation.
Packing Material	:	At lower of weighted average cost or 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 the sale.

4.11 Trade Debts & Other Receivables

Trade debts originated by the company are recognized and carried at the original invoice amount less an allowance for any uncollectible amounts. An estimate for a doubtful receivable is made when collection of the whole or part of the amount is no longer probable. Bad debts are written off as incurred.

4.12 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. All exchange differences are included in the Profit and Loss Account.

4.13 Revenue Recognition

- Revenue from sales is recognized on dispatch of goods to customers.
- Dividend income is recognized on the basis of declaration by the Investee company.
- Return on bank deposits are on an accrual basis.
- Unrealized gains / loss arising on re-measurement of investments classified as "financial assets at fair value though "profit or loss" are included in the profit and loss account in the period in which these arise.
- Realised capital gains / loss on sale of investments are recognized in the profit and loss account at the time of sale.

4.14 Borrowing Cost

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.

4.15 Provisions

A provision is recognized in the balance sheet 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

4.16 Financial Instruments

Recognition

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account to which it arises.

4.17 Off Setting

Financial asset and financial liability is set off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on assets and charge on liability is also offset.

4.18 Derivatives

Derivatives that do not qualify for hedge accounting are recognized in the balance sheet at estimated fair value with corresponding effect to profit and loss. Derivative financial instruments are carried as assets when fair value is positives and liabilities when fair value is negative.

4.19 Cash and Cash Equivalents

Cash and Cash Equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks. Running finances facilities availed by the company which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

4.20 Impairment of Assets

The carrying amounts of the assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount, whereby the asset is written down and that impairment losses are recognized in the profit and loss account.

4.21 Related Party Transactions

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

4.22 Loans, Advances and Other Receivables

Loans, advances and other receivables are recognized initially at cost, and subsequently at their amortized/ residual cost.

4.23 Short Term and Long Term Loans

Short Term and Long Term Loans are recognized initially at cost and subsequently measured at amortized cost.

4.24 Dividend and appropriation to reserves

Dividends and appropriations to reserves, subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the period in which such dividends and appropriations are approved.

5 Issued, Subscribed and Paid-up Capital

No. of Ordinary Shares of Rs.10/- each

June 30, 2017 (Shares)	June 30, 2016		June 30, 2017 (Rupees)	June 30, 2016
5,728,300	2,728,300	Fully Paid in cash	57,283,000	27,283,000
3,882,459	3,882,459	Issued as fully paid bonus shares	38,824,590	38,824,590
<u>9,610,759</u>	<u>6,610,759</u>		<u>96,107,590</u>	<u>66,107,590</u>

5.1 The shareholders are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the company. All shares rank equally in respect to the company's residual assets.

5.2 The pattern of shareholding, as required under the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan, is attached at the end of this report.

6 Surplus on revaluation of property plant and equipment

Balance at beginning	234,211,128	255,751,448
Surplus arising on revaluation of Property, Plant & Equipments during the year	416,748,125	-
Related deferred tax	(110,190,296)	-
Rate adjustment	12,248,221	-
Transferred to unappropriated profit:		
- Surplus relating to incremental depreciation - net of deferred tax	(33,766,525)	(21,540,320)
	<u>519,250,653</u>	<u>234,211,128</u>



This represents net surplus over the book value resulting from the revaluation of land, Building , Plant and Machinery carried out on December 21, 2016 by independent professional valuers M/s K.G.TRADERS , the basis of market value or depreciated replacement values as applicable. Basis of revaluation are as follows:

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 closing balance of surplus on revaluation of property, plant and equipment is not available for distribution to shareholders.

The revaluation carried out during the year has resulted in increase in surplus are as follows

	Revalued Amount	Written down Value Before revaluation	surplus on Revaluation
	Rupees		
Lease hold land	130,240,000	68,944,444	61,295,556
Factory Building	141,225,600	59,421,896	81,833,704
Non-Factory Building	25,890,600	10,615,776	15,274,824
Labour Quarter	59,535,650	13,698,025	45,837,625
Power House Building	8,885,900	5,506,990	3,378,910
Plant and Machinery	510,000,000	300,872,494	209,127,506
	875,807,750	459,059,625	416,748,125

	Notes	June 30, 2017	June 30, 2016
		(Rupees)	
7 Long term loans			
Syndicated Long Term Loan - Secured	7.1	7,429,147	29,716,500
Sponsor loan	7.2	43,642,007	40,161,816
		51,071,154	69,878,316
7.1 Syndicated Long Term Loan - Secured			
Syndicated Long Term Loan		104,007,672	104,007,672
Payments during the period		--	-
		104,007,672	104,007,672
Current portion of syndicated Long term loan		29,716,469	29,716,469
Over due portion of syndicated Long term loan	7.1.4	66,862,056	44,574,702
		7,429,147	29,716,501

7.1.1 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. 282.496 million which was to be repaid in six and half years from the date of restructuring with progressive mark up ranging from 4% to 14% over the period on outstanding principal. This loan had been secured by way of mortgage charge over immovable properties and hypothecation of movable assets of the company. Moreover banks / financial institutions had allowed further working capital limit to the Company as fully explained in note 11 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.

7.1.2 The company has approached its lenders for further restructuring of its liabilities, which is in advanced stage as the term sheet has been finalized and circulated by the agent to syndicate of banks for their internal approvals. Management is hopeful that such revision will be finalized soon. Accordingly the Banks' liability has been in accordance with previous repayment schedules.

	Notes	June 30, 2017	June 30, 2016
7.2 Sponsor loan			
Sponsor Loan- Unsecured		55,452,217	55,452,217
Unwinding interest		3,480,192	2,960,200
Present value adjustment		(15,290,402)	(18,250,601)
Present Value of Sponsor loan		<u>43,642,007</u>	<u>40,161,816</u>

7.2.1 The Sponsor loan has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of 8.01% per annum. This interest free loan is payable on 30th June 2020.

8 Provision for Staff Gratuity

Balance at beginning	16,069,913	12,596,566
Payments during the year	—	(2,383,565)
	<u>16,069,913</u>	<u>10,213,001</u>
Charge for the year	1,225,150	5,856,912
	<u>17,295,063</u>	<u>16,069,913</u>

9 Deferred Taxation

Credit balance arising due to:		
- accelerated tax depreciation	27,337,340	32,093,791
- revaluation on property plant & equipment	173,692,957	90,921,350
Debit balance arising due to		
- staff gratuity	(5,361,469)	(5,142,372)
- carried over losses	(163,674,622)	(95,292,480)
	<u>31,994,205</u>	<u>22,580,289</u>
Deferred tax asset not recognized	(141,698,752)	(68,341,061)
	<u>173,692,957</u>	<u>90,921,350</u>

10 Trade and Other Payables

Creditors	10.1	130,625,407	139,688,985
Accrued Expenses		53,965,856	58,341,027
Unclaimed Dividend		334,741	334,741
Provident Fund	10.2	339,692	91,068
Sale tax payable		1,063,492	600,035
		<u>186,329,188</u>	<u>199,055,856</u>



10.1 This includes Rs. 122 million (2016: Rs. 122 million) payable to associated undertaking.

10.2 General Disclosures	Notes	June 30, 2017	June 30, 2016
Provident fund related disclosures are based on un-audited accounts of fund: (Rupees)			
Size of the fund		19,550,125	20,817,019
Cost of investments		17,833,866	16,147,696
Fair value of investments		18,223,558	16,280,613
Percentage of investments		91%	74%

10.2.1 The Breakup of Cost of Investments

Term Deposit Receipts	0%	--	18%	2,900,000
Bank balance	100%	17,833,866	82%	13,247,696
Total		17,833,866		16,147,696

Investments of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

11 Short Term Borrowings - Secured

Short term Running Finance	11.1	257,162,900	257,162,900
Short term Loan	11.2	35,483,023	35,609,615
Sponsor Loan	11.5	7,485,000	-
		300,130,923	292,772,515

11.1 The company has facilities for short term running finances under mark-up arrangements amounting to Rs. 140 million (2016: Rs. 140 million) from banks. The facility carries mark-up at the rate of 1 month KIBOR + 2.5%p.a (2016: 1 month KIBOR + 2.5%p.a). These facilities are secured against hypothecation charge on stocks-in-trade and trade debts. These facilities are generally for twelve months renewable at the end of the period. The mark-up on running finance facilities is payable on a quarterly basis. This financing arrangement have expired and not been renewed by the bank.

11.2 The facility for short term loan under mark up arrangement obtained from bank against available limit of Rs.100 million (2016: Rs. 100 million) at markup rate of KIBOR + 3% (2016: KIBOR + 3%) payable quarterly in arrears. The facility is secured by way of hypothecation of stock in trade, book debts and other current assets of the company. This financing arrangement have expired and not been renewed by the bank for six years.

11.3 As part of restructuring banks / financial institutions have approved further working capital to the Company amounting to the limit of Rs. 63.90 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 and renewable 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 bank.

11.4 The banks/financial institutions amounting Rs. 236 million in note 11.1 and 11.2 are in litigation with the company as disclosed in note no 13.2 to the financial Statements.

11.5 This represents unsecured interest free loan payable to sponsor director on demand.

12 Provision for Taxation

Balance at the beginning	12,811,750	52,674,711
Add: Provision for the year	361,200	-
	13,172,950	52,674,711
Payment / adjustment during the year	-	39,862,961
	13,172,950	12,811,750

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The income tax returns of the company have been filed upto tax year 2016 which are deemed to be assessed u/s 120 of the Income Tax Ordinance, 2001. Tax year 2014 has been selected for audit u/s 177 of the Income Tax Ordinance, 2001, the proceedings of which are in process.

	June 30, 2017	June 30, 2016
Notes	(Rupees)	
12.1 Relationship between income tax expense and accounting profit		
Accounting Loss as per accounts	(138,194,411)	(248,255,109)
Applicable tax rate	31%	32%
Tax on accounting (loss)	(42,840,267)	(79,441,635)
Tax effect of timing difference on depreciation	17,856,760	13,208,259
Tax effect of expenses / provision that are not deductible in determining taxable loss charged to profit and loss account	4,084,438	1,117,423
Effect of Loss carried / (brought) forward	20,899,069	65,115,953
Tax payable under normal rules	-	-
12.2 Minimum tax payable under Income Tax Ordinance, 2001	361,200	

13 Contingencies and Commitments

- 13.1** The restructuring Proposal has been accepted by the banks/ financial institutions, except as mentioned in note 13.2, and decreed by Honorable High court of Sindh, Karachi in terms of the Compromise Agreement dated December 23, 2011 as fully Explained in note 7 and 11 to the financial statements.
- 13.2** Some of the banks covering suit amounting to Rs 275.008 million has not yet accepted the restructuring proposal and had also one of the bank has filed a winding up petition under section 305 of the Companies Ordinance, 1984. Bank's claim is highly exaggerated as it had charged markup on markup and other levies higher than the rate of markup agreed and other charges in violation of State Bank of Pakistan rules and other applicable laws of Pakistan. The management of the Company is quite hopeful that the bank will also accept restructuring proposal in near future.
- 13.3** As per the terms of the restructuring (refer to no. 7.1.1) the markup outstanding up to the date of Restructuring is Rs. 137.368 million, which the company would be liable to pay in the event of default of the term of agreement. The Company has defaulted in repayment of liability, however has approached the lenders for further restructuring as detailed in note 7.1.2 to the financial statements. Since the restructuring is in advanced stage therefore management is confident that this amount will remain eligible for waiver, hence no provision of the same has been made in these financial statements.
- 13.4** In 2015, the Government of Pakistan has promulgated the Gas Infrastructure Development Cess Ordinance 2014 against which the Company has filed suit in the Honorable Sindh High Court and the Honorable Sindh High Court had issued stay against the recovery of GIDC. During the year the Honorable Court decided the case in favor of company and directed to refund / adjust in bills the amounts already collected, against which the Sui Southern Gas Company Limited has filed appeal in Honorable Court. The management is confident that the case will be decided in favour of the Company hence no provision in this respect is made in these Financial Statements.
- 13.5** Commitments in respect of letter of credits for capital expenditure commitments and other then capital expenditures commitments outstanding amounts to Rs. Nil (2016: nil)

14 Property, Plant and Equipments

Operating Assets	14.1	839,808,014	492,185,303
		839,808,014	492,185,303



14.1 Operating Assets

Particulars	June 2017					June 2016				
	Cost / Revaluation		Rate	As at July 2016	As at June 30, 2017	Depreciation		Rate	As at July 2016	As at June 30, 2016
	As at July 2016	Revaluation (Deletions)				As at July 2016	Adjustments / Transfer			Value as at June 30, 2016
OWNED		RUPEES					RUPEES			
Lease Hold Land	73,000,000	61,295,556	0	73,000,000	134,295,556	0	2,317,460	1,158,730	3,476,190	69,523,810
Factory Building	128,498,673	81,833,704	10	128,498,673	210,332,377	10	58,999,380	6,949,929	65,949,309	62,549,364
Non Factory Building	24,157,690	15,274,824	10	24,157,690	39,432,514	10	11,741,578	1,241,611	12,983,189	11,174,501
Labour Quarters	69,230,316	45,837,625	25	69,230,316	115,067,941	25	48,357,134	5,218,295	53,575,430	15,654,886
Plant and Machinery	839,891,391	209,127,506	10	839,891,391	1,049,018,897	10	488,036,624	35,185,477	523,222,101	316,669,290
Electric Installation	5,760,815	—	15	5,760,815	5,760,815	15	5,714,179	6,995	5,721,174	39,641
Power House	27,658,382	3,378,910	10	27,658,382	31,037,292	10	21,217,458	644,092	21,861,550	5,796,832
Factory and Office Equipments	5,976,146	—	10	5,976,146	5,976,146	10	3,946,958	202,919	4,149,876	1,826,270
Vehicles	30,844,620	—	20	30,844,620	30,198,120	20	28,015,396	565,845	28,581,241	2,263,379
Furniture and Fixture	6,284,082	—	10	6,284,082	6,284,082	10	5,191,097	109,298	5,300,396	983,686
Intangible Assets										
Software Development	5,825,000	—	25	5,825,000	5,825,000	25	—	121,354	121,354	5,703,646
June 30' 2017	1,217,127,115	416,748,125		1,217,127,115	1,633,228,740		673,537,264	51,404,547	724,941,811	839,808,014

Property, Plant and Equipment

Particulars	June 2016					June 2015				
	Cost / Revaluation		Rate	As at July 2015	As at June 30, 2016	Depreciation		Rate	As at July 2015	As at June 30, 2015
	As at July 2015	Additions (Deletions)				As at July 2015	Adjustments / Transfer			Value as at June 30, 2015
OWNED		RUPEES					RUPEES			
Lease Hold Land	73,000,000	—	0	73,000,000	73,000,000	0	2,317,460	1,158,730	3,476,190	69,523,810
Factory Building	128,498,673	—	10	128,498,673	128,498,673	10	58,999,380	6,949,929	65,949,309	62,549,364
Non Factory Building	24,157,690	—	10	24,157,690	24,157,690	10	11,741,578	1,241,611	12,983,189	11,174,501
Labour Quarters	69,230,316	—	25	69,230,316	69,230,316	25	48,357,134	5,218,295	53,575,430	15,654,886
Plant and Machinery	839,891,391	—	10	839,891,391	839,891,391	10	488,036,624	35,185,477	523,222,101	316,669,290
Electric Installation	5,760,815	—	15	5,760,815	5,760,815	15	5,714,179	6,995	5,721,174	39,641
Power House	27,658,382	—	10	27,658,382	27,658,382	10	21,217,458	644,092	21,861,550	5,796,832
Factory and Office Equipments	5,976,146	—	10	5,976,146	5,976,146	10	3,946,958	202,919	4,149,876	1,826,270
Vehicles	30,844,620	—	20	30,844,620	30,844,620	20	28,015,396	565,845	28,581,241	2,263,379
Furniture and Fixture	6,284,082	—	10	6,284,082	6,284,082	10	5,191,097	109,298	5,300,396	983,686
Intangible Assets										
Software Development	—	5,825,000	25	—	5,825,000	25	—	121,354	121,354	5,703,646
June 30' 2016	1,211,302,115	5,825,000		1,211,302,115	1,217,127,115		673,537,264	51,404,547	724,941,811	492,185,303

14.2 Allocation of Depreciation

	June 30, 2017	June 30, 2016
Cost of Sales	67,063,419	50,608,049
Administrative and General Expenses	551,045	675,143
	67,614,464	51,283,192

14.3 Disposal of operating fixed assets

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds / disposal value	Gain	Mode of Disposal	Particulars of Buyer
(Rupees)							
Vehicle							
Santro Exective	609,000	529,993	79,007	300,000	220,993	As per company policy	Mohammad Hashim (Employee)
Star Motorcycles:							
	37,500	31,468	6,032	6,032	—	As per company policy	Muhammad Saeed Khan (Employee)
30 June 2017	646,500	561,461	85,039	306,032	220,993		
30 June 2016	—	—	—	—	—		

DEWAN KHALID TEXTILE MILLS LIMITED

14.4 Had there been no revaluation the carrying amounts of revalued assets would have been as follows:

	June 30, 2017	June 30, 2016
	(Rupees)	
Lease hold land	1,546,931	1,573,150
Factory building on lease hold land	27,393,220	30,436,911
Non - factory building	3,226,584	3,585,094
Labour Quarters	595	794
Plant and machinery	111,634,010	118,240,958
	<u>143,801,341</u>	<u>153,836,906</u>
15 Long Term Investment - Related Party		
Available for sale investment - at fair value		
Shares in Dewan Salman Fibre Limited (Public, quoted company)		
32,279,849 (June 30, 2016: 32,279,849) fully paid up		
ordinary shares of Rs.10/- each.		
(including 25,779,849 bonus shares)	65,000,000	65,000,000
Surplus on revaluation of investment	66,378,985	4,401,675
	<u>131,378,985</u>	<u>69,401,675</u>
Percentage of Holding	8.81%	8.81%
Market value (Rupees per share)	4.07	2.15
16 Stores, Spares & Loose Tools		
Stores and Spares	16,731,177	16,227,758
Packing Material	1,697,431	2,847,235
	<u>18,428,608</u>	<u>19,074,993</u>
17 Stock-in-Trade		
Raw Materials	32,431,351	31,841,533
Work-in-Process	—	1,189,755
Finished Goods	103,914,867	122,685,087
	<u>136,346,218</u>	<u>155,716,375</u>
17.1 Stocks valuing Rs. 47.410 million (2016: 47.410 million) was pledged with the banks against the restructured finance facilities obtained by the Company		
18 Trade Debts - Considered Good		
Local Receivables - Unsecured	52,729,382	70,788,264
Considered doubtful	24,390,559	17,125,211
	<u>77,119,941</u>	<u>87,913,475</u>
Provision for doubtful debts	(24,390,559)	(17,125,211)
	<u>52,729,382</u>	<u>70,788,264</u>
18.1 The aging of Debtors at the repoting date was:		
Up to one month	-	47,909,497
1 to 6 months	-	18,631,471
More than 6 months	52,729,382	4,247,296
	<u>52,729,382</u>	<u>70,788,264</u>



		June 30, 2017	June 30, 2016
		(Rupees)	
19	Loans and Advances - Unsecured, Considered Good		
	Advance against Supplies	1,562,344	4,326,774
	Loans and Advances to employees	253,408	2,436,494
		<u>1,815,752</u>	<u>6,763,268</u>
20	Statutory Balances and Other Receivables - Considered good		
	Sales Tax Receivable	10,185,522	10,711,107
	Other receivable	6,956,010	-
		<u>17,141,532</u>	<u>10,711,107</u>
21	Cash and Bank Balances		
	Cash in Hand	204,565	699,350
	Cash at Banks - Current Accounts	1,612,768	1,563,692
		<u>1,817,333</u>	<u>2,263,042</u>
		2017	2016
		(Rupees)	
22	SALES - Net		
	Yarn - Local	35,465,184	359,602,737
	Waste	1,097,560	2,906,615
	Gross Sales	36,562,744	362,509,352
	Less: Sales Tax	(442,747)	(13,651,702)
		<u>36,119,997</u>	<u>348,857,650</u>
23	Cost of Sales		
	Raw Material Consumed	23.1 11,902,580	224,926,917
	Packing Material Consumed	327,323	7,078,634
	Stores and Spares Consumed	956,507	11,976,403
	Fuel, Power & Water Consumed	9,323,446	84,128,895
	Salaries, Wages and Other Benefits	23.2 22,564,574	125,333,647
	Insurance	1,312,314	1,476,445
	Vehicle Expenses	118,422	389,663
	Repairs and Maintenance	120,994	342,838
	Rent, Rates and Taxes	26,661	996,424
	Depreciation	14.1 67,063,419	50,608,049
		<u>113,716,240</u>	<u>507,257,915</u>
	Work-in-Process - Opening	1,189,755	18,879,154
	Work-in-Process - Closing	—	(1,189,755)
	Cost of Goods Manufactured	<u>114,905,995</u>	<u>524,947,314</u>
	Finished Goods - Opening	122,685,087	129,802,924
	Purchase of yarn	1,195,425	1,200,000
	Finished Goods - Closing	(103,914,867)	(122,685,087)
		<u>134,871,640</u>	<u>533,265,151</u>

DEWAN KHALID TEXTILE MILLS LIMITED

	Notes	2017 (Rupees)	2016
23.1 Raw Material Consumed			
Opening Stock		31,841,533	46,277,804
Purchases - Net		12,492,398	210,490,645
		<u>44,333,931</u>	<u>256,768,449</u>
Closing Stock		(32,431,351)	(31,841,533)
Raw Material Consumed		<u>11,902,580</u>	<u>224,926,916</u>
23.2	Salaries, wages and other benefits include Rs. 1.701 million (2016: Rs. 6.697 million) relating to staff retirement benefits.		
24 Distribution Costs and Selling Expenses			
Salaries, Allowances and Other Benefits	24.1	1,989,000	2,532,500
Advertisement & Publicity		--	48,960
Cartage Freight and Octroi		--	662,360
Commission		--	24,832
Distribution Expenses		--	69,026
		<u>1,989,000</u>	<u>3,337,678</u>
24.1	Salaries, wages and other benefits include Rs. 0.101 million (2016: Rs. 0.132 million) relating to staff retirement benefits.		
25 Administrative and General Expenses			
Salaries, Allowances and Other Benefits	25.1	9,234,544	19,112,212
Travelling, Conveyance and Entertainment		194,494	450,773
Printing and Stationery		401,116	301,121
Communication		168,577	436,559
Vehicles Expenses		1,123,610	1,960,470
Legal and Professional Charges		91,050	312,050
Fees and Subscription		295,598	327,907
Rent, Rates and Taxes		--	2,896,920
Depreciation	14.1	551,045	675,143
Amortization of software		1,425,911	121,354
Auditors Remuneration	25.2	500,000	500,000
Donation		--	18,600
Others		974,598	1,477,848
Provision for doubtful debts		7,265,348	17,125,211
		<u>22,225,891</u>	<u>45,716,168</u>
25.1	Salaries, allowances and other benefits include Rs. 0.312 million (2016: Rs. 0.636 million) relating to staff retirement benefits.		
25.2	Represents Audit fee (Annual, Half year and Review of Code and corporate Governance) for the year.		



	2017	2016
	(Rupees)	
26 Other Income		
Gain on sale of fixed assets	220,993	--
	220,993	--
27 Finance Cost		
Mark-up on Long term Borrowings	9,335,113	8,587,112
Mark-up on Short Term Borrowings	2,247,984	2,621,184
Bank Charges and Commission	385,581	625,266
Unwinding interest	3,480,192	2,960,200
	15,448,870	14,793,762

27.1 "The company has not provided the markup on long term and short term borrowings from certain banks for the year amounting to Rs. 23.686 million (2016 Rs. 26.470 million) on the contention of the Company as disclosed in note 13.2 to the Financial Statements. However had the company provided this amount in the financial statements during the year the loss of the Company and accrued markup would have been increased by Rs. 23.686 million."

28 Earning / (Loss) Per Share - Basic			
(Loss) after Taxation	Rupees	(123,385,143)	(282,643,748)
Weighted Average Number of Ordinary Shares	Nos	9,438,156	6,610,759
(Loss) Per Share - Basic	Rupees	(13.07)	(42.76)

28.1 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.

29 Remuneration of Chief Executive, Director and Executives

The aggregate amount charged in the accounts for remuneration, including all benefits, to the Directors and Executives of the Company is as follows:

	2017			2016		
Particulars	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)			(Rupees)		
Managerial Remuneration	--	--	5,869,806	--	--	4,165,697
House rent allowance	--	--	2,642,280	--	--	1,875,179
Utilities allowance	--	--	618,115	--	--	438,665
Total	-	-	9,130,201	-	-	6,479,541
Number of persons			7			3

29.1 The Executives of the company are provided with free use of company maintained cars.

30 Related Parties Transactions

Related parties includes associated group companies, directors, executives, key management personals and staff retirement funds. The remuneration paid to chief executive, directors, executive and key management personal in terms of their employment is disclosed in note 29 to the financial statements.

During the year aggregate transactions made by the company with the associated companies were purchases of Rs.1.511 million (2016: Rs.3.554 million), sales of Rs Nil (2016: Rs.3.459 million), provident fund contribution of Rs. 1.778 million (2016: Rs.4.675 million), Short term director's loan Rs.7.485 million (2016: NIL).

DEWAN KHALID TEXTILE MILLS LIMITED

31 Plant Capacity and Production	2017	2016
Particulars	(Rupees)	
Actual production at actual average count (Kgs)	116,392	1,792,418
Actual production converted to 20 count (Kgs)	198,338	3,504,411
Attainable capacity converted to 20 count (Kgs) (Annual)	10,298,087	10,298,087
Number of spindles installed	25,536	25,536
Average Number of spindles worked during the year	477	8,608
Number of shifts worked during the year	60	369

31.1 The reason for reduction in capacity utilization was due to liquidity crunch suffered by the Company for lesser market demand and adverse factors faced by overall textile industry in the country.

32 Cash and Cash Equivalents		
Cash and Bank Balances	1,817,333	2,263,042
Short term Borrowings	(300,130,923)	(292,772,515)
	<u>(298,313,590)</u>	<u>(290,509,473)</u>

33 Financial Instruments and Related Disclosures

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

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

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

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

33.1 Credit risk

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

The maximum exposure to credit risk at the June 30, 2017 are:	June 30, 2017	June 30, 2016
	(Rupees)	
Long term Investments	131,378,985	69,401,675
Trade Debts - Considered Good	52,729,382	70,788,264
Loans and Advances - Unsecured, Considered good	1,815,752	6,763,268
Trade Deposits, Prepayments and Statutory Balances - Considered good	6,956,010	-
Cash and Bank Balances	1,817,333	2,263,042
	<u>194,697,462</u>	<u>149,216,249</u>



Investment has been carried at fair value. 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.

33.2 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:

2017					
	Contractual	Six Months or	Six to twelve	One year	
Carrying Amount	Cash Flow	Less	Months	onward	
(Rupees)					
Financial Liabilities					
Syndicated Long Term Loans	147,649,679	174,169,573	59,358,678	59,358,678	55,452,217
Trade & other payables	186,329,188	186,329,188	186,329,188	--	--
Short term Borrowings	300,130,923	328,643,361	328,643,361	--	--
Mark-up accrued on Loans	54,934,430	54,934,430	54,934,430	--	--
Total	689,044,220	744,076,551	629,265,656	59,358,678	55,452,217

2016					
	Contractual	Six Months or	Six to twelve	One year	
Carrying Amount	Cash Flow	Less	Months	onward	
(Rupees)					
Financial Liabilities					
Syndicated Long Term Loans	144,169,488	153,169,578	45,772,012	42,996,473	64,401,092
Trade & other payables	199,055,856	199,055,856	199,055,856	--	--
Short term Borrowings	292,772,515	293,956,535	293,956,535	--	--
Mark-up accrued on Loans	45,713,701	45,713,701	45,713,701	--	--
Total	681,711,560	691,895,670	584,498,104	42,996,473	64,401,092

33.3 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.

33.4 Currency risk

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

33.5 Interest rate risk

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

	Carrying Amounts	
	June 30,	June 30,
	2017	2016
	(Rupees)	
Fixed rate instruments		
Variable rate instruments		
Financial assets	(396,653,595)	(396,780,186)
Financial liabilities	(396,653,595)	(396,780,186)

33.6 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.

33.7 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 commensuration 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'.

	June 30, 2017	June 30, 2016
	(Rupees)	
Total Borrowings	447,780,602	436,942,003
Less Cash and Bank Balances	(1,817,333)	(2,263,042)
Net debt	445,963,269	434,678,961
Total equity	(193,977,989)	(166,336,682)
Total Capital	251,985,280	268,342,279
Gearing ratio	176.98%	161.99%

33.8 Fair value of financial instruments

Fair value is an amount for which an assets 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.

34 Number of Employees

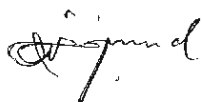
Number of persons employed as at year end were 54 (2016: 456) and the average number of persons employed during the year were 70 (2016: 486).

35 Date of Authorization to Issue

These financial statements were authorized for issue on September 29, 2017 by the Board of Directors of the Company.

36 General

- Figures have been rounded off to nearest rupee.
- 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.
- Comparative figures have been rearranged and reclassified wherever necessary for the purpose of better presentation and comparison. However, there was no material reclassification to report except reported in respected notes to the financial statements.



Ishtiaq Ahmed
Chief Executive Officer



Haroon Iqbal
Director



PATTERN OF SHAREHOLDING THE CODE OF CORPORATE GOVERNANCE AS ON 30TH JUNE 2017

Srl #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	1	451,185	4.69%
2.	NIT and ICP	5	251,891	2.62%
3.	Directors, CEO, their Spouses & Minor Children	10	5,181,115	53.91%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	6	2,436	0.03%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	-	-	0.00%
7.	Individuals	694	3,724,132	38.75%
	TOTAL	716	9,610,759	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	451,185	4.69%
2.	<u>NIT and ICP</u>			
2.1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	25,552	0.27%
2.2	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1	897	0.01%
2.3	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	224,486	2.34%
2.4	National Bank of Pakistan	2	956	0.01%
		5	251,891	2.62%
3.	<u>Directors, CEO, their Spouses & Minor Children</u>			
	<u>Directors and CEO</u>			
3.1	Dewan Muhammad Yousuf Farooqui	2	5,102,619	53.09%
3.2	Mr. Haroon Iqbal	1	500	0.01%
3.3	Mr. Muhammad Naeem Uddin Malik	1	500	0.01%
3.4	Mr. Aziz ul Haque	1	500	0.01%
3.5	Mr. Ishtiaq Ahmed	1	500	0.01%
3.6	Mr. Muhammad Baqar Jafferri	1	500	0.01%
3.7	Mr. Imran Ahmed Javed	1	500	0.01%
		8	5,105,619	53.12%
	<u>Spouses of Directors and CEO</u>			
3.8	Mrs. Heena Yousuf	1	65,766	0.68%
		1	65,766	0.68%
	<u>Minor Children of Directors and CEO</u>			
3.9	Miss Yumna Yousuf	1	9,730	0.10%
		1	9,730	0.10%
	Total Directors, CEO, Their Spouses & Children	10	5,181,115	53.91%

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	5,102,619	53.09%

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

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

THE COMPANIES ORDINANCE, 1984

FORM 34

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number **006194**
2. Name of the Company **DEWAN KHALID TEXTILE MILLS LIMITED**
3. Pattern of holding of the shares held by the Shareholders as at **3 0 0 6 2 0 1 7**

4.	Number of Shareholders	Shareholdings	Total Shares held
	345	1 - 100 Shares	7,412
	182	101 - 500 Shares	50,067
	47	501 - 1,000 Shares	38,302
	82	1,001 - 5,000 Shares	194,242
	18	5,001 - 10,000 Shares	138,687
	7	10,001 - 15,000 Shares	93,092
	4	15,001 - 20,000 Shares	66,221
	4	20,001 - 25,000 Shares	92,549
	1	25,001 - 30,000 Shares	25,552
	1	30,001 - 35,000 Shares	34,722
	1	35,001 - 40,000 Shares	40,000
	2	40,001 - 45,000 Shares	82,000
	2	45,001 - 50,000 Shares	98,750
	1	50,001 - 60,000 Shares	60,000
	2	60,001 - 70,000 Shares	131,532
	1	70,001 - 80,000 Shares	74,706
	1	80,001 - 100,000 Shares	81,587
	1	100,001 - 110,000 Shares	105,500
	1	110,001 - 120,000 Shares	111,492
	1	120,001 - 150,000 Shares	121,631
	1	150,001 - 175,000 Shares	166,182
	1	175,001 - 200,000 Shares	200,000
	1	200,001 - 225,000 Shares	224,486
	1	225,001 - 270,000 Shares	261,212
	1	270,001 - 280,000 Shares	272,868
	1	280,001 - 305,000 Shares	301,912
	2	305,001 - 325,000 Shares	643,236
	1	325,001 - 400,000 Shares	339,015
	1	400,001 - 500,000 Shares	451,185
	1	500,001 - 2,000,000 Shares	1,545,597
	1	2,000,001 - 4,000,000 Shares	3,557,022
	716	TOTAL	9,610,759



5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	5,181,115	53.91%
5.2	Associated Companies, undertakings and related parties	451,185	4.69%
5.3	NIT and ICP	251,891	2.62%
5.4	Banks, Development Financial Institutions, Non-Banking Finance	-	0.00%
5.5	Insurance Companies	-	0.00%
5.6	Modarabas and Mutual Funds	-	0.00%
5.7	Shareholders holding 5%	5,102,619	53.09%
5.8	<u>General Public</u>		
	a. Local	3,724,132	38.75%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	2,436	0.03%

ہیومن ریسورس اور اجرتی کمیٹی:

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

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

میٹنگ میں شرکت کنندہ کی تعداد

1

1

1

نام:

دیوان محمد یوسف فاروقی

جناب اشتیاق احمد

جناب ہارون اقبال

آمدنی فی شیئر:

زیر جائزہ مدت کے دوران مبلغ (13.07) (2016:مبلغ (42.76)) فی شیئر خسارہ پایا گیا جبکہ ڈائیونڈ خسارہ فی شیئر مبلغ (13.07) (2016:مبلغ (42.33)) روپے رہا۔

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 آرڈیننس 1984ء 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۔

اظہار تشکر اور نتیجہ:

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

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

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

بورڈ آف ڈائریکٹرز کی جانب سے

Dea of Farooq

کراچی:

تاریخ: 29 ستمبر 2017ء

دیوان محمد یوسف فاروقی

چیرمین بورڈ آف ڈائریکٹرز

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

آڈیٹرز کی جانب سے کوڈ آف کارپوریٹ گورننس پر عملدرآمد کی جائزہ رپورٹ بھی اس رپورٹ کے ساتھ منسلک ہے۔

کمپنی کے ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ درج ذیل تفصیلی قوانین اور ان پر عمل پیرا ہیں:

- ۱۔ کمپنی کی اختتامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کے حالات، اس کے کاروباری نتائج، نقد رقم کی ترسیل اور حصص میں رد و بدل کی شفاف عکاسی کرتے ہیں۔
- ۲۔ کمپنیز آرڈیننس 1984ء کے تحت کمپنی کے 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، 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 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 اسٹینٹ 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 1.1 میں کیا گیا ہے۔
- ۱۰۔ ٹیکسز، ڈیوٹیز اور دیگر چارجز سے متعلق معلومات مالیاتی گوشواروں میں دی گئی ہیں۔
- ۱۱۔ پروویڈنٹ فنڈ کی سرمایہ کاری کی ویلیو ان کے متعلقہ اکاؤنٹس کے مطابق مبلغ 17.833 ملین ہے۔ (2016: مبلغ 16.147 ملین روپے)۔
- ۱۲۔ کارپوریٹ گورننس کے حوالے سے مندرجہ ذیل معلومات منسلک ہیں:

- (۱) شیئر ہولڈنگ کا پینل
- (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، اس سال کے دوران بورڈ کی چار میٹنگوں کا انعقاد ہوا جس میں شرکت کرنے والے ڈائریکٹرز کی تفصیل درج ذیل ہے:

میٹنگ میں شرکت کنندہ کی تعداد

نام:

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دیوان محمد یوسف فاروقی

جناب ہارون اقبال

جناب عزیز الحق

جناب محمد باقر جعفری

جناب اشتیاق احمد

جناب محمود الحسن اصغر

جناب محمد نعیم الدین ملک

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

آڈٹ کمیٹی:

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

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

میٹنگ میں شرکت کنندہ کی تعداد

نام:

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جناب عزیز الحق

جناب ہارون اقبال

جناب محمد نعیم الدین ملک

کمپنی کے آڈیٹرز نے اپنی جاری کردہ رپورٹ میں تحفظات کا اظہار کیا ہے جن میں کمپنی کی مستقبل میں چلنے کی اہلیت، مارک اپ کو ریکارڈ نہ کرنا، قرضہ جات کی اقساط میں واپسی کی کوتاہی شامل ہیں۔

مالیاتی حسابات چلتی ہوئی کمپنی کے جاری کردہ امور کے تحت مرتب کئے گئے ہیں کیونکہ کمپنی نے اپنے قرضہ جات کے حوالے سے دوبارہ ترتیب کیلئے 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 1.1 میں کی گئی ہے۔

کچھ بینکوں نے جن کے مقدمات کی رقم مبلغ 275.008 ملین روپے ہے، اپنے قرضہ جات کی وصولی کے مقدمات داخل کئے ہیں لیکن اب تک ری اسٹرکچرنگ کو قبول نہیں کیا ہے جبکہ ایک بینک نے اختتام کی درخواستیں زیر دفعہ 305 کمپنیز آرڈیننس 1984ء کے تحت بھی دائر کی ہے۔ کمپنی نے ٹیکسز کو متنازع قرار دیا ہے اور ٹیکسز کا سامنا کیا ہے۔ بینک کے کلیم میں مارک اپ زیادہ چارج کیا گیا ہے اس کے علاوہ دیگر ریٹ بھی مارک اپ کے مقابلے میں زیادہ ہیں۔ اس کے علاوہ دیگر چارجز بھی اسٹیٹ بینک آف پاکستان اور پاکستان میں نافذ العمل دیگر قوانین کے خلاف ہے۔ انتظامیہ پر امید ہے کہ ان کا فیصلہ کمپنی کے حق میں ہوگا اور ان بے بنیاد مقدمات کو متعلقہ عدالتیں خارج کر دینگی۔

کمپنی نے اپنے قرضہ جات کو دوبارہ مرتب کرنے کے لئے اپنے قرض خواہوں سے رابطہ کیا ہے جو کہ زیر غور ہے۔ انتظامیہ پر امید ہے کہ مالیاتی حسابات کے نوٹ 7.1.2 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 137.368 ملین روپے واجب الادا مارک اپ پر لازم ہوئے اور کمپنی معاہدہ کی شرائط میں کوتاہی کی صورت میں یہ ادائیگی 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:

پاکستان کی معیشت اقتصادی طور پر کئی ایک چیلنجز سے دوچار ہے جو کہ اقتصادی سرگرمیوں اور ملکی ترقی کو متاثر کر رہی ہے۔ ٹیکسٹائل کی صنعت توانائی، گیس، بجلی کے چارجز میں اضافہ کی وجہ سے مشکلات کا شکار ہے اسی لئے پاکستان کی برآمدات عالمی مارکیٹ میں مقابلہ کرنے سے قاصر ہے۔ اس سلسلے میں حکومت کی جانب سے براہ راست اقدامات کی ضرورت ہے تاکہ ٹیکسٹائل کی صنعت کو جاری و ساری رکھا جاسکے بالخصوص قابل برداشت گیس کی قیمتوں اور اس کی رسد کو موثر بنانے کیلئے اقدامات کرنے ہو گئے۔ دریں اثناء حکومت کی جانب سے برآمدات میں اضافہ کیلئے مبلغ 180 ملین روپے کا ایک خصوصی پیکیج کا اعلان کیا ہے جس پر عمل درآمد کا انتظار ہے۔ انتظامیہ کمپنی کی پیداواری سرگرمیوں کو بحال کرنے کی ہر ممکن کوشش کر رہی ہے جس کا دور و مدار مستقبل کے معاشی حالات پر ہے۔

کارپوریٹ معاشرتی ذمہ داریاں:

ہم کارپوریٹ معاشرتی ذمہ داریوں 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۔ ہم کیا ہیں اور کیسے عوامل چاہتے ہیں، CSR ایک چیز کا ایک اہم حصہ ہے۔ 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 ہمیں 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 امور کی 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۔

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 وقتاً فوقتاً مراعاتی اسکیمیں فراہم کرتے ہیں۔

کوڈ آف کارپوریٹ گورننس پر عملدرآمد:

سیکیورٹی اینڈ ایکیٹیو کمیشن آف پاکستان نے کارپوریٹ گورننس کا ایک کوڈ تشکیل دیا ہے جسے ملک کی تمام اسٹاک ایکسچینجز کے قوانین کے توسط سے قائم کیا گیا ہے۔ آپ کی کمپنی کے ڈائریکٹرز اختتامی سال 30 جون 2017ء کیلئے کوڈ آف کارپوریٹ گورننس کے تمام قوانین پر عملدرآمد یقینی بنایا ہے۔

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

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز،

السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 30 جون 2017ء کے لئے سالانہ آڈٹ شدہ مالیاتی حسابات بمع آڈیٹرز 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 اہم شعبہ ہے اور اس کا تقریباً 60 فیصد حصہ زر مبادلہ کی آمدن میں شامل ہے، مگر جاری نامساعد حالات اور حکومت کی جانب سے عدم تعاون کے سبب ٹیکسٹائل ملز بند ہو رہی ہیں اور ٹیکسٹائل کی برآمدات بھی مستقل طور پر زوال پذیر ہیں۔ زیر جائزہ سال کے دوران ٹیکسٹائل اسپننگ کی صنعت مستقل دباؤ کا شکار رہی اور درپیش مخالف حالات نے مختلف یونٹس کے امور میں رخنہ کا باعث رہی۔

مالیاتی نتائج اور کارکردگی: (پیداوار معطل)

زیر جائزہ سال کے دوران مالیاتی نتائج درج ذیل ہیں:

(روپے)	
36,119,997	فروخت (صافی)
(134,871,640)	فروخت کی لاگت
(98,751,643)	خام خسارہ
(24,214,891)	آپریٹنگ اخراجات
(122,966,534)	آپریٹنگ خسارہ
(15,448,870)	مالیاتی لاگت
220,993	دیگر آمدنی
(138,194,411)	قبل از ٹیکس خسارہ
14,809,268	محصولات
(123,385,143)	بعد از ٹیکس خسارہ

اس سال کمپنی کی صافی فروخت مبلغ 36.120 ملین روپے تھی جس کا موازنہ گزشتہ سال مبلغ 348.857 ملین روپے سے کیا جاسکتا ہے۔ کمپنی کو مبلغ 98.752 ملین روپے کا کل خسارہ برداشت کرنا پڑا ہے جس کا موازنہ گزشتہ سال کے کل خسارہ 184.407 روپے سے کیا جاسکتا ہے جبکہ کمپنی کے آپریٹنگ کے اخراجات میں مبلغ 24.838 ملین روپے کی کمی واقع ہوئی جو کہ آپریشن کے بند ہونے کی وجہ سے ہوئی۔ کمپنی نے وقتی طور پر اگست 2016ء سے اپنی پیداوار کے عمل کو معطل کر دیا ہے جو کہ صنعت میں نامساعد مشکلات، مارکیٹ میں طلب کی کمی اور کام چلانے کے لئے سرمایہ میں کمی کی وجہ سے ہے۔

پاکستان کپاس پیدا کرنے والا چوتھا بڑا ملک ہے اس کے باوجود کپاس کی طلب پیداوار کے مقابلہ میں زیادہ ہے جس کے سبب ٹیکسٹائل یونٹس کو کپاس کی درآمدات پر انحصار کرنا پڑتا ہے، جس کی وجہ سے کپاس کی لاگت زیادہ ہو جاتی ہے اور برآمداتی اشیاء کو مہنگا کر دیتی ہے۔ گوکہ اس سال کپاس کی پیداوار 10.7 ملین بیگز ہے جبکہ اس کا موازنہ گزشتہ سال کے 9.9 ملین بیگز سے کیا جاسکتا ہے جو کہ اب بھی 14.1 ملین بیگز کے ہدف سے کم تھا۔ جولائی 2017ء سے حکومت نے درآمدی کپاس پر دوبارہ کسٹم ڈیوٹی اور سیلز ٹیکس عائد کر دیا ہے جس کی وجہ سے کاروباری اخراجات میں لازمی اضافہ ہوگا۔

علاقائی ممالک یعنی ویتنام، سری لنکا، بنگلہ دیش اور انڈیا کا موازنہ پاکستان سے کیا جائے تو اندازہ ہوگا کہ مزدوری اور پمپلیٹیز کے حوالہ سے پاکستان بے حد مہنگا ملک ہے کیونکہ پاکستان میں کم سے کم ماہانہ اجرت اور پمپلیٹیز کے اخراجات کا تناسب ان ممالک کے مقابلے میں بہت زیادہ ہے اور زیادہ پیداواری لاگت کے سبب اس صنعت کے لئے مقامی اور عالمی مارکیٹ کا مقابلہ کرنا بہت مشکل ہے۔

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، جبکہ کچھ قرض خواہوں جن کے مقدمات کی رقم مبلغ 275.008 ملین روپے تھی، انہوں نے اس وقت اس کی ری اسٹرکچرنگ کو قبول نہیں کیا تھا۔

تاہم کمپنی شیئر ہولڈر کے طلب کرنے پر ایک ہفتہ کے اندر بلا معاوضہ مذکورہ دستاویزات کی ہارڈ کاپ فراہم کر دی گئی۔ شیئر ہولڈرز کی منظوری پر کمپنی ان دستاویزات کی اصل کاپی کیلئے ویب سائٹ پر ایک اسٹینڈرڈ ریکونسٹ فارم مع کمپنی سیکریٹری/شیئر رجسٹرار کے ای۔ میل ایڈریس جاری کر دی گئی جو اس درخواست پر عمل کریں گے۔ کمپنی کے ڈائریکٹرز خصوصی امور میں اپنی حصص یافتہ ہونے اور ڈائریکٹر کے طور پر حیثیت کے علاوہ کوئی دلچسپی نہیں رکھتے۔

”قرار پایا کہ 30 جون 2018ء کو مکمل ہونے والے سال کیلئے اور آئندہ ممبران کو سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹسز اور دیگر معلومات و اطلاعات کی اصل کاپی کی بجائے بذریعہ ڈی وی ڈی یا یو ایس بی ڈیسک کیلئے دیوان خالد ٹیکسٹائل ملز لمیٹڈ (کمپنی) کے ممبران کی رائے اور منظوری حاصل کی جائے۔“

2- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں تبدیلی کے ضمن میں مندرجہ ذیل مجوزہ خصوصی قرارداد پر غور و خوض اور موزوں پانے پر منظوری اور قرارداد پاس کرنا۔

(i) کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 49- اے کا اضافہ

ای وونگ کی ضروریات اور شتوں بشمول ریگولیٹری اتھارٹی کی جانب سے وقتاً فوقتاً پروکسی کی تقرری کی دستاویز کو ان آرٹیکلز میں شامل کیا جائیگا جو آرٹیکلز آف ایسوسی ایشن کے دیگر پروویژن کے علاوہ اور کسی کی تردید کے بغیر ہوں گے۔

”مزید قرار پایا کہ ای وونگ کی صورت میں غیر ممبرز کی بطور پروکسی تقرری کی منظوری دی جاتی ہے“

”مزید قرار پایا کہ مندرجہ بالا پاس کردہ قرارداد کے سلسلہ میں اور ریگولیٹر سے ضروری منظوری کے بعد اور اسی طرح کمپنی کے آرٹیکلز اور ایسوسی ایشن میں ترمیم/اضافہ اور تبدیلی کیلئے دفعہ 134(3) کے تحت ممبران کو پیش گوشوارہ اور فارم قرارداد ہذا کے جزو ہونے کی منظوری دی جاتی ہے۔“

مہنی کے ڈائریکٹرز خصوصی امور میں بالواسطہ یا بلاواسطہ کوئی دلچسپی نہیں رکھتے جو باوجود کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مذکورہ بالا پروویژن کنٹینر ایکٹ ۲۰۱۷ء کی پروویژن کی طرح مستحکم کرنے اور کمپنی کے کاروبار کی سہولت کے مفاد میں کام کرنے کے خواہشمند ہیں اور بورڈ آف ڈائریکٹرز مجموعی طور پر کام کر رہے ہیں۔

(ii) کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 51 میں ترمیم

”قرار پایا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 51 کی مجوزہ تبدیلی حسب ذیل ہے:

کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 51 میں مجوزہ تبدیلی	کمپنی کے آرٹیکلز آف ایسوسی ایشن کی حالیہ کلاز 51
”کمپنی کے ڈائریکٹرز/چیف ایگزیکٹو آفیسرز کا مشاہیرہ کمپنی کا بورڈ آف ڈائریکٹرز وقتاً فوقتاً بورڈ کے اجلاس میں ملے کریگا	ڈائریکٹر کا مشاہیرہ کمپنی اجلاس عام میں وقتاً فوقتاً آرڈیننس کی پروویژن کے مطابق ملے کریگا

**YD****A YOUSUF DEWAN COMPANY****الف - برائے اجلاس میں شرکت**

- (i) انفرادی اکاؤنٹ ہولڈر یا سب/اکاؤنٹ ہولڈر اور/یا اس فرد کو جس کی سیکورٹیز گروپ اکاؤنٹ میں ہو اور ان کی رجسٹریشن تفصیلات توائف کے مطابق اپ لوڈ ہوں اس کو اجلاس میں شرکت کے موقع پر اپنی شناخت کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ii) کارپوریٹ اسٹاک کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ پیش کرنا ہوگا۔

ب- برائے پروکسی کی تقرری:

- (i) انفرادی اکاؤنٹ ہولڈر یا سب/اکاؤنٹ ہولڈر اور/یا جس فرد کی سیکورٹیز گروپ اکاؤنٹ اور میں ہو اور ان کی رجسٹریشن تفصیلات توائف کے مطابق اپ لوڈ ہوں اس کو پروکسی فارم حسب بالا جمع کرنا ہوگا۔
- (ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام سے آپ اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک ہونی چاہئے۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ اسٹاک کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد شخص کے دستخط کا نمونہ پروکسی فارم کے ہمراہ پیش کرنا ہوگا۔

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

جن ممبران نے ابھی تک سی این آئی سی کی فوٹو کاپیاں کمپنی کو پیش نہیں کی ہیں ان سے دوبارہ درخواست ہے کہ جلد از جلد داخل کر دیں تاکہ سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کے ایس آر او نمبر 831(1) 2012 مورخہ 5 جولائی 2012ء کی تعمیل میں ڈیویڈنڈ ورنس پر اندراج کیا جاسکے۔ لسٹڈ کمپنیوں کیلئے لازمی ہے کہ رجسٹرڈ حصص یافتگان یا مختار نمائندوں کا سی این آئی سی نمبر ڈیویڈنڈ ورنس پر درج کیا جائے۔ لہذا بلا تاخیر سی این آئی سی کی تصدیق شدہ کاپی ہمارے شیئر رجسٹر اوفیسر کو فراہم کرنے کی ہدایت کی جاتی ہے۔

(6) مینڈیٹ برائے ای۔ ڈیویڈنڈ

نقد منافع منقسمہ کی ادائیگی کے عمل کو زیادہ موثر بنانے کی غرض سے ای۔ ڈیویڈنڈ طریقہ کار کا آغاز کیا گیا ہے جس کے ذریعے شیئر ہولڈر کو بلا کسی تاخیر کے اپنے متعلقہ بینک اکاؤنٹس میں منافع منقسمہ کی رقم الیکٹرونک جمع کر دہل جائے گی۔ اس طرح منافع منقسمہ جات متعلقہ بینک اکاؤنٹ میں فوراً کریڈٹ کر دیئے جائیں گے اور منافع منقسمہ کے ورنس کی ڈاک میں گمشدگی، بلا تقسیم واپس آجانے یا غلط پتے پر ڈیویڈنڈ وغیرہ ہونے کے امکانات نہیں ہوں گے۔ سیکورٹی اینڈ ایکس چینج کمیشن آف پاکستان (SECP) نے بذریعہ نوٹس نمبر 8(4) SM/CDC 2008 مورخہ 05 اپریل 2013ء تمام لسٹڈ کمپنیز کو ہدایت کی ہے کہ وہ ای۔ ڈیویڈنڈ طریقہ کار کا اختیار کریں اس بنا پر کہ شیئرز ہولڈرز کیلئے یہ سودمند رہے گا۔ مندرجہ بالا کے پیش نظر آج سے گزارش کی جاتی ہے کہ آپ ڈیویڈنڈ مینڈیٹ فارم پر شدہ اور دستخط شدہ ہو فراہم کرتے ہوئے ای ڈیویڈنڈ کے حق میں ایک ڈیویڈنڈ مینڈیٹ فراہم کریں۔

(7) مالی گوشواروں وغیرہ کی الیکٹرونک ترسیل

سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) نے بذریعہ 787(1) 2014 مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ جائزہ اجلاس کے نوٹس کے ہمراہ آڈٹ شدہ مالیاتی گوشوارے بذریعہ ای۔ میل اپنے ممبران کو ارسال کرنے کی اجازت دیدی ہے۔ لہذا ممبران سے درخواست ہے کہ آڈٹ شدہ مالی گوشواروں اور نوٹس کو بذریعہ ای۔ میل وصولی کیلئے اپنی رائے اور ای میل ایڈریس فراہم کریں۔ اس سہولت سے استفادہ کیلئے اسٹینڈرڈ ریکونسٹ فارم کمپنی کی ویب سائٹ: <http://www.yusufdewan.com/DKTML/index.html> پر دستیاب ہیں۔

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 134(3) کے تحت گوشوارہ

یہ گوشوارہ دیوان خالد ٹیکسٹائل ملز لمیٹڈ (کمپنی یا ڈی کے ٹی ایم ایل) کے پیر 30 اکتوبر 2017ء کو دن کے گیارہ بجے دیوان سینٹ لمیٹڈ پلانٹ سائٹ - دیہہ ڈھنڈو دھابھی ضلع ملیر کراچی پاکستان کے نوٹس ہذا کے ہمراہ ارسال کیا جا رہا ہے اور اجلاس ہذا میں انجام دیئے جانے والے خصوصی امور سے متعلق ٹھوس تعلق پڑتی ہے۔

خصوصی امور**1- سالانہ رپورٹس کی بذریعہ سی ڈی/وی ڈی/یو ایس بی ترسیل**

سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان نے بذریعہ ایس آر او 470(1) 2016 مورخہ 31 مئی 2016ء کمپنیوں کو اجلاس عام میں شیئر ہولڈر کی رائے حاصل کرنے کے بعد سالانہ آڈٹ شدہ اکاؤنٹس اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات بذریعہ سی ڈی/وی ڈی/یو ایس بی ممبران کو ارسال کرنے کی اجازت دیدی ہے۔ اس سے وقت اور سالانہ رپورٹس کی اشاعت پر آنے والے اخراجات کی بچت ہوگی۔

دیوان خالد ٹیکسٹائل ملز لمیٹڈ سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان خالد ٹیکسٹائل ملز لمیٹڈ (ڈی کے ٹی ایم ایل یا کمپنی) کا چالیسواں سالانہ اجلاس عام پیر 30 اکتوبر 2017ء کو صبح گیارہ بجے دیوان سینٹ لمیٹڈ - فیکٹری سائٹ واقع دیہڑہنڈو - دھانیجی - ضلع لمیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائیگا۔ اجلاس کا آغاز تلاوت کلام پاک سے ہوگا۔

عمومی امور

- (1) کمپنی کے سالانہ اجلاس عام منعقدہ جمعرات 27 اکتوبر 2016ء کی کارروائی کی توثیق۔
- (2) 30 جون 2017ء کو مکمل ہونے والے سال کے لئے آڈٹ شدہ سالانہ مالی گوشواروں معہڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- (3) آئندہ سال کے لئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- (4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

خصوصی امور:

- 1- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں دفعہ 134(3) کے تحت گوشوارہ میں درج تفصیلات کے مطابق ترمیم/اضافہ پر غور و خوض اور موزوں پانے پر منظوری۔
- 2- سالانہ آڈٹ شدہ اکاؤنٹس کی کسی منظور شدہ ذریعہ سے منتقلی اور ای۔ ونگ کی صورت میں کسی غیر ممبر کی بطور پرو کسی تقرری کیلئے شیئر ہولڈرز کی رائے کے حصول کے ضمن میں مندرجہ ذیل خصوصی قرارداد ترمیم بلا ترمیم پاس کرنا۔ ایس آر او۔ 470(1) 2016 مورخہ 31 مئی 2016ء جاری کردہ سیکورٹیز اینڈ ایکسچینج آف پاکستان کے تحت سالانہ آڈٹ شدہ مالی گوشواروں اجلاس عام کے نوٹس اور دیگر معلومات و اطلاعات کی بذریعہ ڈی ڈی یا ڈی ڈی ڈی ڈی یا یو ایس بی ترسیل کیلئے مندرجہ ذیل قرارداد ترمیم بلا ترمیم پاس کرنا۔
- 3- وی ڈی ڈی یا یو ایس بی ترسیل کیلئے شیئر ہولڈرز کی منظوری حاصل کرنے کیلئے مندرجہ ذیل قرارداد ترمیم بلا ترمیم پاس کرنا۔
- ”قرارداد پایا کہ 30 جون 2018ء کو مکمل ہونے والے سال کیلئے اور آئندہ ممبران کو سالانہ آڈٹ شدہ مالی گوشواروں اجلاس عام کے نوٹس اور دیگر معلومات و اطلاعات کی اصل کاپی کی بجائے بذریعہ ڈی ڈی یا یو ایس بی ترسیل کیلئے دیوان خالد ٹیکسٹائل ملز لمیٹڈ (کمپنی) کے ممبران کی رائے اور منظوری حاصل کی جائے۔“
- ”مزید قرارداد پایا کہ ای۔ ونگ کی صورت میں غیر ممبر کی بطور پرو کسی تقرری کی منظوری دی جاتی ہے۔“
- ”مزید قرارداد پایا کہ مندرجہ بالا پاس کردہ قرارداد کے سلسلہ میں اور ریگولیٹر سے ضروری منظوری کے بعد اور ای طرح کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم/اضافہ اور تبدیلی کیلئے دفعہ 134(3) کے تحت ممبران کو پیش گوشوارہ اور فارم قرارداد ہذا کے جزو ہونے کی منظوری دی جاتی ہے۔“
- ”قرارداد پایا کہ چیف ایگزیکٹو آفیسر اور ڈائریکٹر اشتیاق احمد یا کمپنی سیکریٹری محمد حنیف جرن کو قرارداد ہذا پر عملدرآمد کیلئے تمام اقدام کی کارروائیاں اور قانونی دستاویزات کی تیاری اور اتفاقی اور ضروری امور انجام دینے کا اختیار دیا جاتا ہے۔“
- کمپنیز ایکٹ 2017ء کی دفعہ 134(3) کے تحت خصوصی امور سے متعلق گوشوارہ نوٹس ہذا کے ہمراہ ممبران کو ارسال کیا جا رہا ہے جو اس کا جزو قرار پایا ہے۔

بحکم بورڈ


محمد حنیف جرن
کمپنی سیکریٹری

کراچی۔

02 اکتوبر 2017ء

نوٹس:

- (1) کمپنی کی منتقلی حصص کی کتب 23 اکتوبر تا 30 اکتوبر 2017ء (دونوں دن شامل) بند رہے گی۔
- (2) ممبران سے درخواست ہے کہ پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹر انفرانچائٹ بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ اعم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49- دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل۔ کراچی پاکستان کو مطلع کریں۔
- (3) اجلاس ہذا میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کے لئے دوسرے ممبر کو اپنا پرو کسی مقرر کر سکتا ہے۔ تاہم پرو کسی کی تقرری کی دستاویز اجلاس ہذا کے انعقاد سے کم از کم اڑھتالیس گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
- (4) سی ڈی سی اکاؤنٹ ہولڈروں کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر I مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

DEWAN KHALID TEXTILE MILLS LIMITED
40TH 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 KHALID 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 KHALID 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 40th Annual General Meeting of the Company to be held on **Monday, October**
30th, 2017 at 11:00 a.m. and any adjournment thereof.
Signed this _____ day of _____ 2017.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم
۴۰ 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 اثالیس 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 خالد 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 خالد ٹیکسٹائل ملز لمیٹڈ

_____ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۴۰ واں سالانہ اجلاس عام جو کہ بروز پیر، ۳۰ اکتوبر ۲۰۱۷ کو
صبح ۱۱:۰۰ بجے، ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۱۷ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

_____ دستخط

_____ گواہ:

_____ نام:

_____ مکمل پتہ:

_____ گواہ:

_____ نام:

_____ مکمل پتہ:
