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DEWAN KHALID TEXTILE MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	
Executive Director	: Mr. Ishtiaq Ahmed Chief Executive Officer & Director
Non-Executive Directors	: Mr. Haroon Iqbal - Chairman, Board of Directors Mr. Zafar Asim Mr. Imran Ahmed Javed Mr. Muhammad Naeemuddin Malik Mr. Muhammad Baqar Jafferi
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	: Mr. Aziz-ul-Haque (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
Company Secretary	: Mr. Muhammad Hanif German
Chief Financial Officer	: Mr. Shafqatullah
Tax Advisor	: Sharif & Co. Advocates
Legal Advisor	: A. K. Brohi & Co. Advocates
Bankers	: Habib Bank Limited Bank Islami Pakistan Limited MCB Bank Limited Silk Bank Limited Bank Al Falah Limited Askari Commercial Bank Limited
Registered Office	: Dewan Centre, 3-A Lalazar Beach Hotel Road Karachi
Shares Registrar & Transfer Agent	: BMF Consultants Pakistan (Private) Limited Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi 75350, Pakistan.
Factory Office	: G/11, S.I.T.E., Kotri, Sindh, Pakistan.
Website	: www.yousufdewan.com

DIRECTORS' REPORT

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

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the half year ended December 31, 2019 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

Operating results (Factory Shutdown):

Company's net sales during the current as well as in the comparative period remained nil due to closure of operations. The Company, for the time being, has suspended its manufacturing operations since August 2016 which could not be resumed due to adverse scenario faced by the industry, lesser market demand and working capital constraints.

The auditors of the Company have expressed adverse conclusion in their review report on going concern assumption due to closure of operations, default in repayment of installments of restructured liabilities and related non-provisioning of mark-up as explained in their review report. The condensed interim financial statements have been prepared using going concern assumption as the company has approached its lenders for further restructuring of its liabilities, which is in process. Management is hopeful that such revision will be finalized soon which will enable the company to resume its operations.

Future Outlook

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

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

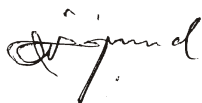
The government is aimed to document the economy for long term sustainability and growth of the Country and for which aggressive steps are being taken. It is expected that these steps will slow down the economic activity in following financial year.

Conclusion

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

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

By and under Authority of the Board of Directors



Ishtiaq Ahmed
CEO & Director



Haroon Iqbal
Chairman Board of Directors

Dated: February 24, 2020

FEROZE SHARIF TARIQ & CO.

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

Voice: (+9221) 4540891
(+9221) 4522734
Facimile: (+9221) 4540891
Email : fstc.ca@gmail.com

INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Dewan Khalid Textile Mills Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Khalid Textile Mills Limited ("the company") as at December 31, 2019 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and the notes to the Condensed interim financial statements for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these Condensed interim financial statement in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

- a) The Condensed interim financial statements of the company for the Six months ended December 31, 2019 as disclosed in note 2 to the Condensed interim financial Statements reflect loss after taxation of Rs. 37.750 (December 31, 2018:Rs. 39.793) million and as of that date it has accumulated losses of Rs. 619.139 (June 30, 2019: Rs. 598.587) million which resulted in net capital and reserves deficiency of Rs. 94.479 million and its current liabilities exceeded its current assets by Rs. 559.324 (June 30, 2019 Rs. 548.648) 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 liabilities and short term finance facilities have expired and not been renewed by banks amounting to Rs. 303.90 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. 85.516 million (eligible for waiver outstanding as of date of restructuring) have immediately become payable therefore provision for mark up should be made in these financial statements. 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 also some of the financial Institutions filed suit for execution of decree. These conditions lead us to believe that the going concern assumption used in preparation of these Condensed interim 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 Condensed interim financial statements as fully disclosed in note 10 to Condensed interim 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. 532.849 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 532.849 million.

Adverse Conclusion


Our review indicates that, because of the significance of the matter discussed in paragraph (a) coupled with financial impact of matter discussed in paragraph (b) above, these accompanying interim financial Statements as of and for the six months period ended December 31, 2019 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed and we do not express a conclusion on them, we are required to review only the cumulative figures for the Six month ended December 31, 2019.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Ghalib.

Dated: February 24, 2020
Place: Karachi

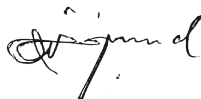


CHARTERED ACCOUNTANTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

<u>EQUITY AND LIABILITIES</u>	Notes	December 31 2019	June 30 2019
		----- (Rupees) -----	
SHARE CAPITAL & RESERVES			
Authorized share capital 15,000,000 (June 30, 2019: 15,000,000) ordinary shares of Rs. 10/- each		150,000,000	150,000,000
Issued, subscribed and paid-up capital		96,107,590	96,107,590
Revenue reserves	5	(619,138,679)	(598,597,459)
Revaluation surplus on property plant and equipment (Capital reserve)		428,552,229	445,761,122
		(94,478,860)	(56,728,747)
NON CURRENT LIABILITIES			
Long Term Loan	6	53,282,336	51,197,358
Provision for staff gratuity		17,295,063	17,295,063
Deferred taxation		120,864,028	127,893,013
		138,159,091	145,188,076
CURRENT LIABILITIES			
Trade and other payables		182,000,932	180,544,605
Mark-up accrued on loans		82,186,270	73,797,746
Short term borrowings		300,130,923	300,130,923
Unclaimed dividend		334,741	334,741
Current and over due portion of syndicated long term Loan		104,007,672	104,007,672
Provision for income tax		6,006,817	6,006,817
		674,667,355	664,822,504
CONTINGENCIES AND COMMITMENTS	7	--	--
		771,629,922	804,479,191
<u>ASSETS</u>			
NON CURRENT ASSETS			
Property, plant and equipments	8	653,395,401	685,413,787
Long term investment	9	--	--
Long term deposits		2,891,075	2,891,075
CURRENT ASSETS			
Stores, spares and loose tools		15,634,830	15,634,830
Stock-in-Trade		69,530,284	69,530,284
Trade debts		2,191,512	2,172,883
Loans and advances		423,908	423,908
Statutory Balances and Other Receivables		10,185,522	10,185,522
Income tax refunds and advances		16,195,762	16,195,762
Cash and bank balances	11	1,181,628	2,031,140
		115,343,446	116,174,329
		771,629,922	804,479,191

The annexed notes form an integral part of these condensed interim financial Statements



Ishtiaq Ahmed
CEO & Director



Shafqatullah
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN KHALID TEXTILE MILLS LIMITED

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Half Year Ended		Quarter Ended	
	December 2019	December 2018	December 2019	December 2018
Notes	------(Rupees)-----			
Sales - net	--	--	--	--
Cost of sales	(35,423,917)	(41,208,877)	(17,642,996)	(20,728,317)
Gross (loss)	(35,423,917)	(41,208,877)	(17,642,996)	(20,728,317)
Operating Expenses				
Administrative and general expenses	(5,762,784)	(5,404,030)	(3,054,134)	(3,077,157)
Reversal of provision against doubtful debts	8,175,000	6,485,080	4,500,000	6,485,080
	2,412,216	1,081,050	1,445,866	3,407,923
Operating (loss)	(33,011,701)	(40,127,827)	(16,197,130)	(17,320,394)
Finance cost	10 (11,767,397)	(7,709,614)	(6,068,919)	(4,190,697)
(Loss) before taxation	(44,779,098)	(47,837,441)	(22,266,049)	(21,511,091)
Taxation				
- Deferred	7,028,985	8,044,921	3,514,493	4,022,460
	7,028,985	8,044,921	3,514,493	4,022,460
(Loss) after taxation	(37,750,113)	(39,792,520)	(18,751,556)	(17,488,631)
(Loss) per share - basic and diluted	13 (3.93)	(4.14)	(1.95)	(1.82)

The annexed notes form an integral part of these condensed interim financial Statements



Ishtiaq Ahmed
CEO & Director



Shafqatullah
Chief Financial Officer




Haroon Iqbal
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	Half Year Ended		Quarter Ended	
	December 2019	December 2018	December 2019	December 2018
	----- (Rupees) -----			
(Loss) for the period	(37,750,113)	(39,792,520)	(18,751,556)	(17,488,631)
Other comprehensive income:				
Effect of change in tax rates on balance of revaluation on property, plant and equipment	--	4,964,926	--	--
Total comprehensive (loss) for the period	(37,750,113)	(34,827,594)	(18,751,556)	(17,488,631)

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



Ishtiaq Ahmed
CEO & Director



Shafqatullah
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN KHALID TEXTILE MILLS LIMITED

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019**

	December 31, 2019	December 31, 2018
Note	------(Rupees)-----	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before Taxation	(44,779,098)	(47,837,441)
Adjustment for Non-Cash and Other Items:		
Depreciation	32,018,386	36,202,256
(Reversal) of provision for doubtful debts	(8,175,000)	(6,485,080)
Finance Cost	11,767,397	7,709,614
	<u>35,610,783</u>	<u>37,426,790</u>
	(9,168,315)	(10,410,651)
Working Capital Charges		
(Increase) / Decrease in Current Assets		
Stores, spares and loose tools	--	2,575,645
Trade debts	8,156,371	12,307,971
Increase / (Decrease) in Current Liabilities		
Trade and other payables	1,456,327	(3,144,651)
	<u>9,612,698</u>	<u>11,738,965</u>
Taxes paid	--	(22,165)
Net Cash Inflow/ (Outflow) from Operating Activities	444,383	1,306,149
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	--	--
Net Cash Inflow/ (Outflow) from Investing Activities	--	--
CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(1,293,895)	(1,412,693)
Net Cash Inflow/ (Outflow) from Financing Activities	(1,293,895)	(1,412,693)
Net Increase /(Decrease) in Cash and Cash Equivalents	(849,512)	(106,544)
Cash and cash equivalents at the beginning of the period	(298,099,783)	(298,606,225)
Cash and cash equivalents at the end of the period 11	(298,949,295)	(298,712,769)

The annexed notes form an integral part of these condensed interim financial Statements



Ishtiaq Ahmed
CEO & Director



Shafqatullah
Chief Financial Officer

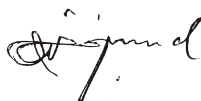


Haroon Iqbal
Chairman Board of Directors

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserves	Total
		General Reserve	Accumulated Loss	Revaluation Surplus on property, plant & equipment	
------(Rupees)-----					
Balance as on 1 July 2018	96,107,590	135,000,000	(696,844,639)	480,188,569	14,451,520
Other comprehensive (loss) for period					
(Loss) for the period	--	--	(39,792,520)	--	(39,792,520)
Other comprehensive income for the period	--	--	--	4,964,926	4,964,926
	--	--	(39,792,520)	4,964,926	(34,827,594)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	--	19,696,187	(19,696,187)	--
Balance as on December 31, 2018	96,107,590	135,000,000	(716,940,972)	465,457,308	(20,376,074)
Balance as on July 01, 2019	96,107,590	135,000,000	(733,597,459)	445,761,122	(56,728,747)
Total comprehensive (loss) for period					
(Loss) for the period	--	--	(37,750,113)	--	(37,750,113)
Other comprehensive income for the period	--	--	--	--	--
	--	--	(37,750,113)	--	(37,750,113)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	--	17,208,893	(17,208,893)	--
Balance as on 31, December 2019	96,107,590	135,000,000	(754,138,679)	428,552,229	(94,478,860)

The annexed notes form an integral part of these condensed interim financial Statements



Ishtiaq Ahmed
CEO & Director



Shafqatullah
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN KHALID TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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 3-A, Lalazar, Beach Hotel Road, Karachi, Pakistan; while its manufacturing facilities are located at G-11, S.I.T.E., Kotri, Sindh, Pakistan. The Principal activity of the Company is trading, manufacturing and sale of yarn, however operations are suspended since August, 2016.

2 GOING CONCERN ASSUMPTION

The condensed interim financial statements of the company for the half year ended December 31, 2019 reflect that company has sustained a net loss after taxation of Rs.37.750 million (2019: Rs.76.145 million) and as of that date company has negative reserves of Rs. 619.139 million which have resulted in negative equity of Rs.94.479 million. Further the company's short term borrowing facilities 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 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 condensed interim financial statements have been prepared on going concern assumption as the Company approached its lenders for further restructuring of its liabilities which is in process. Company is hopeful that such restructuring will be effective soon and will further streamline the funding requirements of the Company which will ultimately help the management to resume the operations with optimum utilization of production capacity. As the conditions mentioned in the foregoing paragraph are temporary and would reverse therefore the preparation of the condensed interim financial statements using going concern assumption is justified.

3 BASIS OF PREPARATION

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

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

4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

4.2 Adoption of standards and amendments effective during the year

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

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

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

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

Standards or Interpretation

IFRS 3	Definition of a Business (Amendments)
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)
IAS 1/ IAS 8	Definition of Material (Amendments)

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

	(Un-Audited) December 31, 2019	(Audited) June 30, 2019
5 RESERVES		
Revenue reserves	----- (Rupees) -----	
General reserves	135,000,000	135,000,000
Accumulated losses	(754,138,679)	(733,597,459)
Capital reserve		
Revaluation surplus on property, plant and equipment	428,552,229	445,761,122
	(190,586,450)	(152,836,337)
6 LONG TERM LOAN		
Sponsor loan, Un secured, interest free- at amortized cost	53,282,336	51,197,358
	53,282,336	51,197,358

DEWAN KHALID TEXTILE MILLS LIMITED

7 CONTINGENCIES AND COMMITMENTS

There is no material change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2019.

	Notes	December 31, 2019	June 30, 2019
		------(Rupees)-----	
8 PROPERTY, PLANT & EQUIPMENTS			
Operating Fixed Assets	8.1	<u>653,395,401</u>	685,413,787
		<u>653,395,401</u>	<u>685,413,787</u>
8.1 Operating Fixed Assets			
Opening written down value		685,413,787	757,818,299
Additions during the period (Factory equipment)		--	--
Depreciation during the period / year		<u>(32,018,386)</u>	<u>(72,404,512)</u>
Closing written down value		<u>653,395,401</u>	<u>685,413,787</u>
9 LONG TERM INVESTMENT			
Investment in associate			
Dewan Salman Fibre Limited		<u>--</u>	<u>--</u>

9.1 Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship, member of yousuf dewan companies and its ownership interest of 8.81% in investee company.

9.2 Investment in Dewan Salman Fibre Limited - at equity method

Number of shares held	<u>32,279,849</u>	32,279,849
Cost of investment (Rupees)	<u>40,000,000</u>	40,000,000
Fair value of investment (Rupees)	<u>28,406,267</u>	28,406,267
Ownership interest	<u>8.81%</u>	8.81%

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

10 FINANCE COST

The company has not provided the markup on long term and short term borrowings from certain banks for the year amounting to Rs. 21.488 million (Up to June 30, 2019: Rs. 425.846 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The Management of the company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by Rs.21.488 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs. 447.335 million. The said non provisioning is departure from the requirement of IAS 23- 'Borrowing Costs'.

	(Un-Audited) December 31, 2019	(Un-Audited) December 31, 2018
	------(Rupees)-----	
11 CASH AND CASH EQUIVALENTS		
Cash and Bank Balances	1,181,628	1,418,154
Short term Borrowings	<u>(300,130,923)</u>	<u>(300,130,923)</u>
	<u>(298,949,295)</u>	<u>(298,712,769)</u>
12 RELATED PARTY TRANSACTIONS		
Provident Fund contributions	<u>187,512</u>	<u>155,487</u>
13 (LOSS) PER SHARE -BASIC AND DILUTED		
Net (Loss) for the period	<u>(37,750,113)</u>	<u>(39,792,520)</u>
Number of ordinary shares	<u>9,610,759</u>	<u>9,610,759</u>
(Loss) Per Share - Basic and diluted (Rs.)	<u>(3.93)</u>	<u>(4.14)</u>

14 CORRESPONDING FIGURES

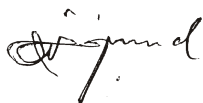
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", Statement of Financial Position has been compared with the Statement of financial Position of annual financial statements, whereas statement of profit or loss , statement of comprehensive income,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

15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on February 24, 2020 by the Board of Directors of the company.

16 GENERAL

Figures have been rounded off to the nearest rupee.



Ishtiaq Ahmed
CEO & Director



Shafqatullah
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN KHALID TEXTILE MILLS LIMITED

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

حکومت ملک کے طویل مدتی معاشی استحکام کے لئے معیشت کو ڈاکومنٹ کرنے کے لئے کچھ جارحانہ اقدامات کر رہی ہے، جس سے معیشت وقتی طور پر سست روی کا شکار ہوگی۔ اگر پاکستان ترقی اور معاشی استحکام حاصل کرنا چاہتا ہے تو طویل مدتی استحکام اور ترقی یافتہ ٹیکسٹائل اور کپاس کی پالیسی کی ضرورت کو سمجھنا ہوگا۔

اظہار تشکر اور نتیجہ:

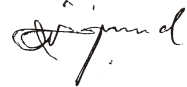
آخر میں ہم اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں کہ وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کھنی اور ہمارے ملک و قوم پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم ائمہ کے مابین صحیح اسلامی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

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)
بورڈ آف ڈائریکٹرز کی جانب سے



ہارون اقبال

چیئرمین بورڈ آف ڈائریکٹرز



اشتقاق احمد

چیف ایگزیکٹو آفیسر اینڈ ڈائریکٹر

کراچی؛

تاریخ: 24 فروری 2020ء



ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے
اگر تم ٹھکراؤ کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

محترم شیئر ہولڈرز،
السلام علیکم،

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی میٹنگ، 2017 کی دفعہ 237 اور سیکورٹی اینڈ ایگزیکٹو کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کے تحت 31 دسمبر 2019ء کو ختم ہونے والی پہلی ششماہی کے غیر آڈٹ شدہ عبوری مالیاتی حسابات پیش کر رہے ہیں۔

مالیاتی نتائج اور کارکردگی: (پیداوار معطل)

کمپنی کی فروخت اس سال اور گزشتہ سال کی پہلی ششماہی میں پیداوار معطل ہونے کی وجہ سے صفر رہی۔ 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 لیے سرمایہ میں کمی کی وجہ سے ہے۔

کمپنی کے آڈیٹرز نے اپنی جاری کردہ رپورٹ میں تحفظات کا اظہار کیا ہے جن میں پیداوار معطل ہونے کی وجہ سے 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 قرض خواہوں سے رابطہ کیا ہے جو ان کے زیر غور ہے۔ انتظامیہ کو امید ہے کہ یہ نظر ثانی جلد مکمل ہو جائے گی جس سے کمپنی کو اپنی پیداوار بحال کرنے میں مدد ملے گی۔

مستقبل پر ایک نظر:

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