ANNUAL REPORT
2 0 2 4

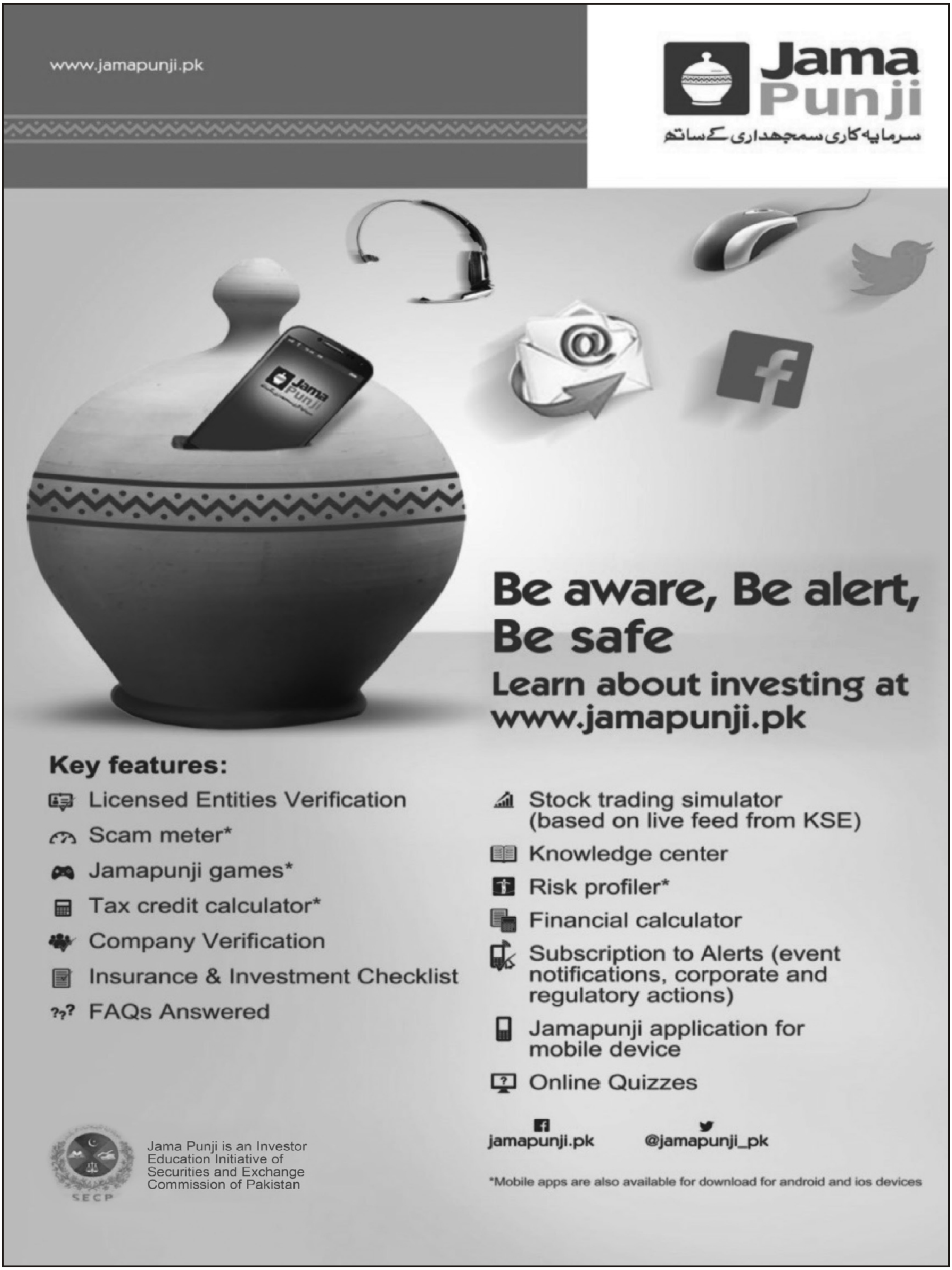
D.M. TEXTILE MILLS LIMITED

Westridge, Industrial Area, Rawalpindi

Ph: 051-5181977, 5181978

E-mail: dmtm@dmtextile.com.pk

Website: www.dmtextile.com.pk


www.jamapunji.pk
Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk
Key features:
Licensed Entities Verification
Scam meter*
Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
Jamapunji application for mobile device
Online Quizzes
jamapunji.pk
@jamapunji_pk
Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan
SECP
*Mobile apps are also available for download for android and ios devices

76th ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 30th JUNE 2024

CONTENTS

COMPANY'S INFORMATION

BOARD OF DIRECTORS

CHAIRMAN:	Mian Habib Ullah
CHIEF EXECUTIVE:	Mr. Sami Ullah
DIRECTORS:	Mr. Amer Zeb Mr. Abrar Alam Mr. Syed Hameed-ul-Haq Mr. Muhammad Suleman Khan Mr. Rao Khalid Pervaiz

AUDIT COMMITTEE

CHAIRMAN:	Mr. Amer Zeb
MEMBER:	Mr. Abrar Alam Mr. Muhammad Suleman Khan

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN:	Mr. Muhammad Suleman Khan
MEMBERS:	Mr. Syed Hameed-ul-Haq Mr. Sami Ullah

ACTING COMPANY SECRETARY & CHIEF FINANCIAL OFFICER	Rao Khalid Pervaiz
BANKERS:	Faysal Bank Limited Meezan Bank Ltd. Habib Metropolitan Bank MCB Bank Limited
AUDITORS:	M/s Mushtaq & Co Chartered Accountants 19-B, Block-G, Gulberg III , Lahore Tel: (042) 35858624-6
LEGAL ADVISER:	Malik Sheheryar Qamar Afzal Afzal & Afzal 208-B, Tufail Road, Opp. Fatima Jinnah University, Katchery Chowk, Rawalpindi.
REGISTRAR:	Corplink (Pvt) Ltd. Wings Arcade, 1-K, Commercial, Model Town, Lahore. Phone: 042-35916714, 35916719 Fax: 042-35869037
REGISTERED OFFICE & MILLS AT:	Industrial Area Westridge, Rawalpindi Telephone: 051-5181977-78 E-mail:dmtm@dmtextile.com.pk E-mail:dmtextilemills@yahoo.com Website: www.dmtextile.com.pk

VISION STATEMENT

We envision ourselves as a leading company known for its values, good business practices and optimum quality standards in diversified products & services with sustained growth.

MISSION STATEMENT

To provide quality products and services to our customers and to explore new era to achieve the highest level of success.

Chief Executive | Director | CHIEF FINANCIAL OFFICER

Rawalpindi Dated: October 03, 2024

CODE OF CONDUCT

FOR THE COMPANY'S DIRECTORS, SENIOR MANAGEMENT AND OTHER EMPLOYEES

D M Textile Mills Limited has laid down the following Code of Conduct, for directors, senior management and employees of the Company. All of them are required to follow these principles in their daily work and observe in the conduct of Company's business in order to protect and safeguard the assets, interests, reputation and integrity of the company at all levels. The Company will ensure that all concerned are fully aware of these standards and principles. However, Directors, senior management and employees are also required to have necessary understanding about the Code and their duties and responsibilities. Anybody having queries in connection with how to deal with these requirements should consult the management. All concerned are required to be courteous to their colleagues and ensure due respect to everybody without gender, religion, race or ethnic discrimination and avoid workplace harassment. Any contravention of these principles is regarded as misconduct and shall attract strict disciplinary/legal action.

The code emphasizes the need for high standard of honesty and integrity which are vital for the success of any business. Directors, senior management and employees are expected not to engage in any activity which can cause conflict between their personal interest and interest of the Company and/or can cause any harm to the interests of the Company, such as:-

i) Interest or relationship with any organization supplying goods/services to the company or purchasing its products must be disclosed to the Management.

ii) Neither any personal business in line with company's principal line of business is allowed while serving in the company nor it is permitted to use company's facilities for the same.

iii) While dealing with third parties which include government officials, suppliers, buyers, agents and consultants must ensure that the interest, integrity and reputation of the company is not compromised.

iv) Directors, senior management and employees are not allowed to accept any favours or kickbacks from any organization/person dealing with company.

v) Directors, senior management and employees are required not do disclose in any circumstances, any confidential, insider & material information relating to the company to any person unless they are authorized and/or required to do so under the law.

vi) The Company value and appreciate the patronage of the members. Only authorized person(s) are allowed to communicate with the members and other stakeholders.

vii) Company has strong commitment to the health and safety of its employees and preservation of the environment by preventing pollution and improving awareness. Every employee is required to take care of his health and follow the guidelines.

viii) Any kindly of gambling and betting and taking any kind of drugs is strictly forbidden.

ix) The directors, senior management and concerned employees are encouraged to follow the ESG practices.

Chief Executive **Director** **CHIEF FINANCIAL OFFICER**

Rawalpindi Dated: October 03, 2024

CHAIRMAN'S REVIEW REPORT

I am pleased to present the annual financial statements along with Directors' Report & Auditors' Reports for the period ended 30-06-2024. The Management is continuously trying its level best to utilize the available resources for the betterment of the Company. Management has positive intention and capability to revive the company.

I acknowledge and appreciate the contributions of the employees for betterment of the Company.

Mian Habib Ullah
Chairman of the Board of Directors

Rawalpindi: October 03, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF D.M. TEXTILE MILLS LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Adverse Opinion

We have audited the annexed financial statements of **D.M. Textile Mills Limited** which comprise the statement of financial position as at **30 June, 2024** and the statement of profit or loss and statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters referred to in paragraph (a) & (d) , the statement of financial position, statement of profit or loss and statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June, 2024 and of the profit and other comprehensive loss, changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

a) The Company sustained net profit of Rupees 14.854 million during the year ended 30 June, 2024. However, company's operations are closed and net profit is due to rental income, company sustained net loss of Rupees 14.193 million during the year June, 2023. As of 30 June 2024, the Company's current liabilities exceeded its current assets by Rupees 3.815 million. The Company has been unable to arrange fresh financing for working capital and other purposes. The mill remained closed since 2014 due to shortage of working capital. As at the reporting date, the Company had a few employees. The mill could not resume operations till the date of this report. we were not provided with any workable business plan for sale of freehold land and / or arrangement of financing for development of manufacturing facilities as well as operational activities. The management of the Company did not provide us its assessment of going concern assumption used in preparation of these financial statements and the future financial projections indicating the economic viability of the Company. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements (and notes thereto) do not disclose this fact. These financial statements have been prepared on the going concern basis.

b) As more fully explained in Note 13 to the financial statements, the Company advanced an amount of Rupees 51.150 million against purchase of property. The property could not be transferred in the Company's name due to the want of completion of legal formalities. Directions were given for transferring the property in the name of the Company within thirty days of the order of Securities and Exchange Commission of Pakistan (SECP) dated 29 November 2007. SECP also ordered to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million if invested with any scheduled bank, on daily product basis in the relevant period and directed that this amount be deposited proportionately, in the

Company's account, by directors who are penalized under the order. The Chief Executive Officer (CEO) of the Company filed an appeal before the Lahore High Court (LHC), Rawalpindi Bench whereby stay order was granted to suspend the operation of above said order. The Board of Directors of the Company, after getting valuation of the property at forced sale value of Rupees 72.007 million from M/s NAKMS Associates (Private) Limited, resolved in its meeting held on 23 April 2014 that the right in property along with fixtures and fittings be offered to the CEO at the fixed floor price of Rupees 75 million. Whereas, as per Capital Development Authority (CDA), the property has already been transferred in the name of CEO through a court decree. The LHC, Rawalpindi Bench in its interim order dated 06 February 2015 granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company in any form or manner whatsoever. Meanwhile, the case has been transferred to the Islamabad High Court (IHC), Islamabad and on 03 May 2016, IHC, on submission of CEO, ordered to transfer the property in the name of the Company within sixty days. The CEO filed a petition before the IHC to seek relief on the grounds that the said property has already been attached in the cases titled The Bank of Punjab versus Bilal Fibers Limited and The Bank of Punjab versus Bilal Textiles (Private) Limited wherein the CEO was a guarantor. Meanwhile, the Board of Directors and the shareholders in their meetings held on 09 October 2016 and 31 October 2016 respectively resolved to reverse the transaction of sale of property to CEO, subject to completion of legal formalities and in accordance with rules / laws / procedures. The Company filed a suit before the court of Senior Civil Judge 1st Class (West), Islamabad dated 17 October 2017 against the C.E.O. while making Securities and Exchange Commission of Pakistan and Capital Development Authority parties to the case for directions to transfer the property in the name of the Company. Civil Judge 1st Class (West), Islamabad, vide order dated 28 July 2021 accepted the Company's appeal and directed to submit evidence. Subsequently, vide order dated 13 July 2023, the court of Civil Judge 1st Class (West) partially decreed the case of the Company in alternate to the extent of recovery of remaining amount from the C.E.O. The Company has filed appeal on 28 September 2023 against the said order before Islamabad High Court (IHC). On 25 October 2023 IHC, Islamabad suspended the operations of the impugned judgement and decree dated 13 July 2023 until the next date of hearing. The matter is pending adjudication. Meanwhile, IHC, Islamabad, vide its order dated 16 November 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days. The Company also filed an appeal before the LHC, Lahore Bench in May 2018 for detachment of the property, so the property can be transferred in the name of the Company, which is pending adjudication. The SECP filed an appeal before the IHC, Islamabad, dated 13 September 2018 for execution of IHC decision dated 16 November 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million, if invested with any schedule bank on daily product basis in the relevant period, and further requested the IHC to send notice to LHC, Lahore, for release of the property. The matter is pending adjudication. The Bank of Punjab filed an appeal before the IHC, Islamabad to set-aside orders dated 03 May 2016 and 16 November 2017. The matter is pending adjudication. On 24 May 2022, the Company filed an application before Islamabad High Court, Islamabad praying that The Bank of Punjab and Bilal Fibers Limited and Bilal Textiles (Private) Limited have entered into settlement agreements, hence, the said property may please be declared as lawful property of D.M. Textile Mills Limited. The matter is pending adjudication. We could not ensure compliance with the above stated directions and satisfy ourselves as to the use of forced sale value of the property for adjustment of the advance against property.

c) The Company has long outstanding payables amounting to Rs. 114.632 million against creditors, accrued expenses, others and regulatory payables. In absence of information, we can not determine the impact of reversal of liability / penalty / surcharge on said amount.

d) As referred in note 20.1, The Company is in non-compliant with requirements of Section 199 of companies act 2017. However, the corporate lawyer of company after evaluating the legal requirements suggest post facto approval of Investment in DM Venture amounting to 92.950 million. The Company recognized income of Rs. 2.5 million, due to non-approval of agreement/terms we cannot ascertain the value of profit received.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard, except mentioned in basis for adverse opinion paragraph.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Boards of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of the management`s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor`s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor`s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter Paragraph

The financial statements of the company for the year ended June 30, 2023 were audited by another auditor who expressed an adverse opinion on those statements as on October 05, 2023.

The engagement partner on audit resulting in this independent auditor's report is **Nouman Arshad, ACA**.

MUSHTAQ & CO.
CharteredAccountants

Lahore.
Date: 03-October-2024
UDIN: AR202410724puaKygbmz

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

Name of company: **D.M. Textile Mills Limited**
Year ending: **30 June 2024**

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

1. The total number of directors are 07 as per the following:

   Male 07
   Female -

2. The composition of the Board is as follows:

i)	Independent Directors	02
ii)	Non-Executive Directors	03
iii)	Executive Directors	02

Determination of number of independent Directors comes to 2.33 (rounded to 2) which is based on Seven Directors. The fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted;

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board could not arrange Directors' Training program for its 4 directors due to financial constraints;
10. The Board has not been able to appoint chief financial officer and company secretary. The Company advertised the posts time and again but no one applied;
11. Due to non-appointment of chief financial officer, chief executive officer and two directors have endorsed the financial statements before approval of the Board;

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

a) Audit Committee

Names	Designation held
Mr. Amer Zeb	Chairman (Independent Director)
Mr. Muhammad Suleman Khan	Member (Independent Director)
Mr. Abrar Alam	Member (Non-Executive Director)

b) HR and Remuneration Committee

Names	Designation held
Mr. Muhammad Suleman Khan	Chairman (Independent Director)
Mr. Syed Hameed Ul Haq	Member (Non-Executive Director)
Mr. Sami Ullah	Member (Executive Director)

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

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

MEETINGS	FREQUENCY
Audit Committee	Five meetings were held during the financial year ended 30 June 2024.
Human Resource and Remuneration Committee	One meeting was held during the financial year ended 30 June 2024.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

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

18. We confirm that all requirements of regulations 3, 6, 8, 27, 32, 33 and 36 of the Regulations have been complied with except Regulation 7, which will be complied with shortly.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Directors' Training**	Due to closure of Mills and financial restraints, the Board could not arrange directors' training program for its four directors; out of seven.	19
2	**Nomination Committee**	Currently, the Board has not constituted a separate nomination committee. The Board will constitute nomination committee after revival of the business of the Company.	29
3	**Risk Management Committee**	Currently, the Board has not constituted a risk management committee as the Mills is closed. The Board will constitute risk management committee after revival of the business of the Company.	30
4	**Disclosure of significant policies on website** The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	These polices are in place and provided to the relevant employees and directors. These will be placed on website in due course.	35

CHIEF EXECUTIVE OFFICER

CHAIRMAN

Rawalpindi.
03 October 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of D.M. Textile Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of D.M. Textile Mills Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, except for the below instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Following instances of non-compliance with the requirements of the Code were observed which are stated as under:

Requirement	Regulation	Non-Compliances
Independent Director	06	There is no independent director appointed. The criteria as required u/s 166 of Companies Act, 2017 and Regulation is not complied.
Appointment of Female director	7	No Female director appointed.
Appointment of CFO	20&22	No Chief Financial Officer is appointed by the company.
Appointment of Company Secretary	20&22	No Company Secretary is appointed by the company.
Requirement to attain Director's Training Program (DTP) Certification	19	Four directors have not completed DTP out of seven directors
Nomination Committee (NC)	29(1)	Currently, the board has not constituted a separate NC. The function is being performed by the board.
Risk Management Committee (RMC).	30(1)	The board intends to constitute RMC. Currently the board is performing these duties.
Disclosure of significant policies on website.	35	As there is no operational activity of the company, CCG required information is not uploaded on the website.

MUSHTAQ & CO.
Chartered Accountants
Engagement Partner:
Nouman Arshad, ACA

Lahore:
Date: 03 October, 2024
UDIN: CR202410724BeLSp5KUs

DIRECTORS' REPORT

Dear Shareholders,

The Directors welcome the members to the 67th Annual General Meeting of the Company and present annual audited financial statements for the year ended June 30, 2024 along with Auditors' Report thereon.

The composition of the Board of Directors is as follows:

No. of Directors

Male	07
Female	-
Total Directors	07

Name of Directors

Independent Directors	Mr. Amer Zeb Mr. Muhammad Suleman Khan
Non-Executive Directors	Mr. Mian Habib Ullah Mr. Abrar Alam Mr. Syed Hameed-ud-Haq
Executive Directors	Mr. Sami Ullah Rao Khalid Pervaiz

Committees of the Board

Audit Committee

Mr. Amer Zeb (Independent Director)	Chairman
Mr. Muhammad Suleman Khan (Independent Director)	Member
Mr. Abrar Alam Non-Executive Director	Member

Human Resource & Remuneration Committee

Mr. Muhammad Suleman Khan (Independent Director)	Chairman
Mr. Syed Hameed Ul Haq (Non-Executive Director)	Member
Mr. Sami Ullah Executive Director	Member

Performance: Net Profit/(Loss)

The company could not resume the operations in its principal line of business. During the year Company had net profit of Rs. 14.854 Million as compared to previous year net loss of Rs. 14.193 Million.

Comparative financial results are given below:

	Rupees	
Year Ended on	**30-06-2024**	**30-06-2023**
Administration & General Expenses	(44,710,099)	(54,880,362)
Other Expenses	(1,284,517)	(905,700)
Other Income	64,054,726	28,422,684
(Loss) / Profit from operations	18,060,110	(27,363,378)
Finance Cost	(60,771)	(174,961)
(Loss) / Profit Before Levies & Income Tax	14,939,451	(27,538,339)
Levies	(3,059.888)	-
Income Tax Expense	(85,893)	13,345,229
(Loss) / Profit after taxation	14,853,558	(14,193,110)
(Loss) / Earning per share Basic and diluted	4.87	(4.65)

Debt Servicing

Company has paid off entire liabilities of the financial institutions. Further, management is negotiating with other debt providers/suppliers so as to further reduce the liabilities of the Company.

Dividend

Having accumulated losses, the Directors have not recommended dividend. Profit declared in the Profit & Loss Statement is due to gain on disposal of assets.

Directors have granted specific approval for the following transactions / adjustments mentioned in the financial statements.

	Rupees
Donations	288,280

Related party transactions as disclosed in financial statements.

Directors have also granted approval for following transactions in the financial statements.

a. Approval of expenditures including Capital expenditure.
b. Advances as disclosed in financial statements.

Pattern of Shareholding and Additional information as required under CCG is annexed to the Annual Report.

Except as disclosed in the Patron of Shareholding, during the year under review, there has been no trading in shares by Directors, Chief Executive, Chief Financial Officer / Company Secretary, their spouses and minor children.

During the year, four Board Meetings, five Audit Committee meetings and one HR and Remuneration committee meetings were held. The attendance of the Directors is as follow:

Name of Director	Number of Meetings Attended		
	Board Meeting	Audit Committee	HR & Remuneration Committee
Mian Habib Ullah	4	-	-
Mr. Sami Ullah	4	-	1
Mr. Amer Zeb	2	2	-
Mr. Abrar Alam	2	5	-
Mr. Syed Hameed Ul Haq	4	-	1
Mr. Muhammad Suleman Khan	4	5	1
Mr. Rao Khalid Pervaiz	4	-	-

Leave of absence was granted to the Directors who could not attend meeting(s) due to their pre-occupation.

Messrs. Corplink (Private) Limited, Wings Arcade, 1-K Commercial Model Town, Lahore are share registrar of the Company under section 195 of the companies Act, 2017.

Future Prospects & Plans

Currently the company's principal line of business is manufacturing of yarn and cloth, processing of the cloth and trade of textile products etc. Due to existing economic situation and political instability business environment has been badly affected. Especially the textile sector is going through the worst situation and has lost its competitiveness with the global competitors due to high costs of energy, financing, inflation and other inputs.

Considering the current economic conditions, and other scenarios, the Board of Directors has decided to change the Principal Line of Business of the Company and resolved in their meeting on 03 October, 2024 that new principle line of business of the company may be to undertake all types of real estate development including investment, development, marketing, construction, purchase, sale & lease of real estate assets and ancillary activities. Real Estate have good future with ever growing demand and will be beneficial for the Company and its members. Company's name is placed on defaulters' segment of the Pakistan Stock Exchange which is affecting Company's name. Directors are hopeful that by adopting new principal line of business, company's name will be removed from the PSX defaulters' segment. This matter is being placed before the shareholders for their consideration and approval. The existing resources are proposed to be used for the new principal line of business. The management is confident of revival of the Company.

Auditors

The retiring Auditors M/s. Mushtaq & Company Chartered Accounts being eligible have offered themselves for re-appointment. As recommended by the Audit Committee, the Board propose the appointment of M/s Mushtaq & Co, Chartered Accountants, as external auditor for the next financial year may be approved.

REMARKS ON AUDITORS' REPORT & MODIFIED REVIEW REPORT:

1. As for as auditors opinion regarding non-conforming with the accounting and reporting standards is concerned, the Board of Directors is of the opinion that the company is following the approved accounting standards as applicable in Pakistan and the annual financial statements do give a true and fair view of the state of company's affairs as at 30 June 2024.

2. Due to consistent income, settlements reached/to be reached with the debt providers and process for the revival of company, the Management has prepared the accounts on going concern basis and has no doubts on the Company's ability to continue as a going concern.

3. On auditors observation with regard to transfer of property in the name of the Company, it is clarified that as stated by the Auditors, the property could not be transferred in the name of the Company due to the want of completion of legal formalities. CEO filed an appeal before the Lahore High Court Rawalpindi Bench against the above mentioned SECP Order. The Honourable Court in its Order dated 26-10-2009 suspended the operation of the SECP Order. Keeping in view the financial position of the company and the legal formalities, the Board of Directors considered this issue a number of times and had finally decided to offer the first right of refusal to the CEO at fixed floor price of Rs.75 Million. As a result the company gained Rs.20.148 Million; and this long outstanding issue was resolved with approval of the members of the company. Later the case was transferred to Islamabad High Court Islamabad (IHC). The CEO, in the case proceedings before the Islamabad High Court, Islamabad on 03 May 2016 submitted to transfer the property in the name of the Company within sixty days. The CEO moved an application before the IHC for placement of additional documents on the grounds that in the given circumstances he has surrendered subject property rights in favour of D.M. Textile Mills Ltd and same fact is approved by the Board of Directors and Members of the Company, but the property has been attached by the Lahore High Court Lahore in two different cases titled Bank of Punjab versus Bilal Fibres Limited and Bank of Punjab versus Bilal Textiles (Private) Limited. On 30-11-2016, IHC allowed the Application for placement of additional documents on record for the reasons stated therein. To complete the legal formalities, as per advise of our legal

consultant(s), the Company filed a civil suit before the Senior Civil Judge Islamabad (West) for specific performance of Agreement to Sell and Surrender Deed and Permanent Injunction. Subsequent to the year end vide order dated 13 July 2023, the court of Civil Judge 1st Class (West) partially decreed the case of the Company in alternate to the extent of recovery of remaining amount from the C.E.O. The Company has filed an appeal on 28 September 2023 against the said order before Islamabad High Court (IHC). On 25 October 2023 IHC, Islamabad, suspended the operation of the impugned judgment and decree dated 13 July 2023 until the next date of hearing. Mater is pending adjudication.

It is further explained that Islamabad High Court vide its Order dated 16 November 2017, decided the court case “D.M. Textile Mills Ltd Vs. Securities & Exchange Commission of Pakistan”. As per opinion of our legal advisor, main operative points of the decision are as under:- (1) Penalty on 6 Directors has been reduced from Rs.100,000/= each to Rs.50,000/= each {has been paid by the concerned Directors} (2) Directors shall make efforts to release the property from both court cases at Lahore High Court Lahore Bench titled Bilal Fibres Ltd Vs Bank of Punjab and Bilal Textiles (Pvt) Ltd Vs Bank of Punjab (3) After releasing the property, in terms of his statement before the Islamabad High Court, CEO will transfer the property into the name of the Company. In compliance of the Islamabad High Court Order, Objection Application has been filed before the Lahore High Court where Property is attached. Company has filed reply in Bank of Punjab application (CM Ind.89/2019) as well. Company has also filed an application CM-593/2022 (In CM-89/2019) before Islamabad High Court and has requested the court to declare the Suit Property/House 8, Street 71, F-8/3 Islamabad as its lawful property as Bilal Fibres Ltd ad Bilal Textiles (Pvt) Ltd have settled their contentious issues and liabilities are settled with Bank of Punjab. Matter is pending adjudication.

4. Regarding auditor's observation about long outstanding payables amounting to Rs.114.632 Million, the management has the view that these payables also include the amounts under litigation and other payables which cannot be reversed until and unless decided by the competent forums.

5. As for as auditors' observation in para (d) of the adverse opinion, regarding non-compliance of section 199 of the Companies Ac, 2017 is concerned, it is clarified that as per advise of the company's corporate consultant, the Board of Directors have decided to place the matter before the members for post facto approval.

6. Regarding auditors observation on material misstatement, the Board of Directors is of the considered view that as explained above, there is no material misstatement.

7. Regarding non-appointment of whole time Company Secretary & Chief Financial Officer and their qualification criteria; it is clarified that the Company is making efforts to fill the posts and also advertised in the Newspaper time and again. However, professionals are not willing to join the Company due to closure of Mills and various other reasons. The posts will be filled as soon as qualified persons are available.

8. As regards observation about members of audit committee it is clarified that the Board is of the view that members of existing Audit Committee have relevant experience & qualification.

9. As for as non-compliance with financial reporting and corporate compliance requirements of the regulations is concerned, the Board of Directors is of the view that the company is trying its level best to comply with the regulations.

10. As for as non-compliance with regulation 6 & 7 is concerned, the Company will try to comply with the same from next elections of the board.

ESG Obligations

The company is aware of its environmental, social and governance responsibilities. Being non-operational, it is unable to comply with the ESG obligations.

Gender Pay Gap Statement under SECP Circular 10 of 2024

The Company is not operational; hence we are working with limited staff and without females. Necessary comparative disclosures will be made as and when the Company restarts its operation.

Director's Remuneration Policy

The Company pays remuneration to two of its Executive Directors as disclosed in Notes of the financial statements. No remuneration is paid to the Non-Executive and Independent Directors other than meeting fees.

Board Evaluation

The Board has developed a mechanism for evaluation of performance of the Board of Directors.

Acknowledgement

The Directors wish to place on record their acknowledgement for the cooperation extended by the financial institutions. Appreciation is also due to the employees of the company for their hard work and devoted efforts for the betterment of the company.

For and behalf of the Board of Directors

Sami Ullah
Chief Executive
Rawalpindi: October 03, 2024

ڈائریکٹرز رپورٹ

معزز ممبران،

ہم آپ کو کمپنی کے سڑسٹھویں سالانہ اجلاس عام میں خوش آمدید کہتے ہیں۔ 30 جون 2024 کو ختم ہونے والے سال کے مالیاتی گوشوارے (آڈٹ شدہ) بمعہ آڈیٹرز رپورٹس پیش خدمت ہیں۔

ڈائیریکٹرز کی تعداد

مرد:	7
خاتون	0
کل	7

غیر جانبدار ڈائریکٹرز	:	جناب امیر زیب
		جناب محمد سلیمان خان
نان۔ایگزیکٹوڈائریکٹرز	:	جناب میاں حبیب اللہ
		جناب ابرار عالم
		جناب سید حمید الحق
ایگزیکٹوڈائریکٹرز	:	جناب سمیع اللہ
		جناب راؤ خالد پرویز

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

جناب امیر زیب	چیئرمین (غیر جانبدار ڈائریکٹر)
جناب محمد سلیمان خان	ممبر (غیر جانبدار ڈائریکٹر)
جناب ابرار عالم	ممبر (نان۔ایگزیکٹوڈائریکٹر)

ہیومن ریسورس اینڈ ریمنریشن کمیٹی

جناب محمد سلیمان خان	چیئرمین (غیر جانبدار ڈائریکٹر)
جناب سید حمید الحق	ممبر (نان۔ ایگزیکٹوڈائریکٹر)
جناب سمیع اللہ	ممبر (ایگزیکٹوڈائریکٹر)

کمپنی اس سال کے دوران اپنے پرنسپل لائین آف بزنس میں آپریشنز بحال نہیں کرسکی۔ کمپنی کو خالص منافع 14.854 ملین روپے ہوا ہے جبکہ گذشتہ سال بعد از ٹیکس 14.193 ملین روپے کا خسارہ ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

تفصیل	روپے	
	30 جون 2024	30 جون 2023
انتظامی اور جنرل اخراجات	(44,710,099)	(54,880,362)
دیگر اخراجات	(1,284,517)	(905,700)
دیگر آمدن	64,054,726	28,422,684
اپریشنز کا منافع / خسارہ	18,060,110	(27,363,378)
مالی اخراجاب	(60,771)	(174,961)
منافع / خسارہ قبل از ٹیکس	17,999,339	(27,538,339)
ٹیکس / لیویز	(3,145,781)	13,345,229
منافع / خسارہ قبل از ٹیکس	14,853,558	(14,193,110)
فی شیئر آمدن / (خسارہ) روپے (Basic & Diluted)	4.87	(4.65)

کمپنی نے مالیاتی اداروں کے تمام واجبات ادا کر دیئے ہیں۔ مزید، انتظامیہ دوسرے قرض داروں / سپلائیرز سے گفت وشنید کر رہی ہے تا کہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

جمع خسارے کی واجہ سے ڈائریکٹرز نے ڈیویڈنڈ تجویز نہیں کیا ہے۔ دکھایا گیا منافع اثاثہ کی ڈسپوزل پر گین کی وجہ سے ہے۔

ڈائریکٹرز نے مندرجہ ذیل ٹرانزیکشن / ایڈجسٹمنٹ جو کہ مالی گوشواروں میں دیئے گئے ہیں کی خصوصی منظوری دی ہے۔

	روپے
ڈونیشنز	288,280

متعلقہ پارٹی ٹرانزیکشنز جو گوشواروں میں دکھائی گئی ہیں

ڈائریکٹرز نے مالی گوشواروں میں دی گئی مندرجہ ذیل ٹرانزیکشنز کی منظوری بھی دی:

الف۔ خرچے بمعہ کیپیٹل خرچے

ب۔ ایڈوانسز جن کی تفصیل Notes میں دی گئی ہے۔

کوڈ آف کارپوریٹ گورننس کے تحت کمپنی کے حصص یافتگان کی تفصیل اس رپورٹ کے ساتھ منسلک ہے۔ ماسوائے جو پیٹرن آف شیئر ہولڈنگ میں ظاہر کیا گیا ہے، کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، ان کی بیویوں / بچوں نے شیئرز کا تجارتی لین دین نہیں کیا ہے

اس سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
جناب میاں حبیب اللہ	4
جناب سمیع اللہ	4
جناب امیر زیب	2
جناب ابرار عالم	2
جناب راؤ خالد پرویز	4

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
جناب میاں حبیب اللہ	4
جناب سمیع اللہ	4
جناب امیر زیب	2
جناب ابرار عالم	2
جناب راؤ خالد پرویز	4
جناب سید حمید الحق	4
جناب محمد سلیمان خان	4

جو ڈائریکٹرز صاحبان بورڈ کی میٹنگ میں شریک نہ ہوسکے، قوائد کے مطابق ان کی چھٹی منظور کی گئی۔

اس سال کے دوران آڈٹ کمیٹی کے پانچ اجلاس ہوئے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
جناب امیر زیب	2
جناب ابرار عالم	5
جناب محمد سلیمان خان	5

جو ڈائریکٹرز صاحبان آڈٹ کمیٹی کی میٹنگ میں شریک نہ ہوسکے، قوائد کے مطابق ان کی چھٹی منظور کی گئی۔

اس سال کے دوران ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک اجلاس ہوا جن میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
جناب محمد سلیمان خان	1
جناب سمیع اللہ	1
جناب سید حمید الحق	1

جو ڈائریکٹرز صاحبان ہیومن ریسورس اینڈ ریمنریشن کمیٹی کی میٹنگ میں شریک نہ ہوسکے، قوائد کے مطابق ان کی چھٹی منظور کی گئی۔

کمپنیز ایکٹ کی شق 195 کے تحت میسرز کارپلنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K کمرشل ماڈل ٹاؤن، لاہور، کمپنی کے شیئر رجسٹرار ہیں

اس وقت کمپنی کا پرنسپل لائین آف بزنس دھاگہ تیار کرنا، کپڑے کی پروسیسنگ اور ٹیکسٹائل مصنوعات کی تجارت ہے۔ موجودہ اقتصادی حالات اور سیاسی عدم استحکام کی وجہ سے کاروباری حالات پر منفی اثرات مرتب ہوئے ہیں۔ خاص طور پر ٹیکسٹائل سیکٹر بدترین صورت حال سے گذر رہا ہے اور توانائی کی زیادہ قیمت، مہنگائی اور افراط زر اور دیگر عوامل کی وجہ سے عالمی مقابلے میں اپنی مسابقت کھو چکا ہے۔

موجودہ اقتصادی حالات اور دیگر منظرناموں کو مدنظر رکھتے ہوئے، بورڈ آف ڈائیریکٹرز نے کمپنی کی پرنسپل لائین آف بزنس کو تبدیل کرنے کا فیصلہ کیا ہے اور اپنے اجلاس منعقدہ 03 اکتوبر 2024 کو یہ قرار دیا ہے کہ کمپنی کا پرنسپل لائین آف بزنس ہوگا کہ وہ تمام اقسام کی رئیل اسٹیٹ کی ڈویلپمنٹ انجام دے جس میں انویسٹمنٹ، ڈویلپمنٹ، مارکیٹنگ، تعمیر، خریداری، فروخت اور رئیل اسٹیٹ اثاثوں کی لیز اور متعلقہ سرگرمیاں شامل ہیں۔ رئیل اسٹیٹ کا مستقبل اچھا ہے کیونکہ اس کی طلب ہمیشہ بڑھ رہی ہے اور یہ کمپنی اور اس کے ممبران کے لئے مفید ہوگا۔ کمپنی کا نام پاکستان سٹاک ایکسچینج لمیٹڈ کے ڈیفالٹرز کے زمرے میں شامل ہے جو کہ کمپنی کی ساکھ کو متاثر کر رہا ہے۔ ڈائریکٹرز کو امید ہے کہ نئی کاروباری لائین آف بزنس اپنانے سے کمپنی کا نام PSX ڈیفالٹرز کے زمرے سے نکال دیا جائے گا۔ یہ معاملہ حصص داران کے غور وفکر اور منظوری کے لئے پیش کیا جا رہا ہے۔ موجودہ وسائل کو نئی پرنسپل لائین آف بزنس کے لئے استعمال کرنے کی تجویز دی گئی ہے۔ انتظامیہ کمپنی کی بحالی پر پراعتماد ہے۔

ریٹائر ہونے والے آڈیٹرز میسرز مشتاق اینڈ کمپنی تعیناتی کے اہل ہیں اور انھوں نے اپنے آپ کو دوبارہ تعیناتی کے لئے پیش کیا ہے۔ آڈٹ کمیٹی کی شفارش پر بورڈ آف ڈائریکٹرز ان کی دوبارہ تعیناتی تجویز کرتا ہے۔

آڈیٹرز رپورٹ اور جائزہ رپورٹ برائے ممبران پر بورڈ آف ڈائریکٹرز کا بیان:

بورڈ آف ڈائیریکٹرز کا ماننا ہے کہ کمپنی منظور شدہ اکاؤنٹنگ سٹینڈرڈز پر عمل کرتی ہے جو کہ پاکستان میں رائج ہیں۔ اور گوشوارے درست اور منصفانہ طور پر کمپنی کے معاملات برائے سال ختمہ 30 جون 2024 کو پیش کرتے ہیں۔

مستقل آمدن، قرض داروں کے ساتھ طے شدہ معاملات اور دیگر قرض داروں کے ساتھ جو معاملات طے کئے جا رہے ہیں اور کمپنی کی revival کے لئے جاری پراسس کیوجہ سے انتظامیہ نے یہ حسابات قائم رہنے کی بنیاد پر تیار کئے ہیں۔ انتظامیہ کو کمپنی کے جاری نہ رہنے کے بارے میں کوئی شک نہیں ہے۔

بورڈ آف ڈائیریکٹرز کا ماننا ہے کہ اوپر دی گئی وضاحتوں کہ بنا پر کوئی material misstatement نہیں ہے۔

جیسا کہ آڈیٹرز نے پراپرٹی کمپنی کے نام منتقلی کے بارے میں اپنی آبزرویشن میں بیان کیا، قانونی معاملات کی وجہ سے جائیداد کمپنی کے

نام ٹرانسفر نہ ہوسکی۔ چیف ایگزیکٹو نے لاہور ہائی کورٹ راولپنڈی بینچ میں رٹ دائر کی جہاں سے SECP کے حکم پر عمل درآمد کا stay order جاری ہوا۔ کمپنی کی مالی حالت اور قانونی ضرورتوں کو مدنظر رکھتے ہوئے بورڈ آف ڈائیریکٹرز نے کئی دفع اس معاملے پر غور کیا اور آخر میں فیصلہ کیا کہ چیف ایگزیکٹو کو ریفوزل کا پہلا حق مبلغ 75 ملین جو کہ فکس فلور پرائس تھی آفر کیا جائے۔اس کے نتیجے میں کمپنی کو مبلغ 20.148 ملین کا منافع ہوا اور یہ دیر سے اٹکا ہو معاملہ ممبرز کی منظوری سے حل ہوا۔ بعدازاں کیس اسلام آباد ہائی کورٹ منتقل ہوگیا۔ چیف ایگزیکٹو کے بیان پر اسلام آباد ہائی کورٹ نے 60 دن کے اندر جائیداد کمپنی کے نام ٹرانسفر کرنے کا حکم دیا۔ چیف ایگزیکٹو نے اسلام آباد ہائی کورٹ میں ریلیف کی درخواست دائر کی اور مزید کاغذات پیش کرنے کی اجازت مانگی اور استدعا کی کہ موجودہ حالات میں وہ جائیداد میں حقوق سرنڈر کر چکے جس کی منظوری کمپنی کے بورڈ آف ڈائیریکٹرز اور ممبران دے چکے ہیں لیکن جائیداد پہلے ہی بحکم لاہور ہائی کورٹ لاہور دو مقدمات میں Attach ہو چکی ہے جو کہ بینک آف پنجاب بنام بلال فائیبرز لمیٹڈ اور بینک آف پنجاب بنام بلال ٹیکسٹائل (پرائیویٹ) لمیٹڈ ہیں جہاں چیف ایگزیکٹو ضامن تھا۔معزز اسلام آباد ہائی کورٹ نے مورخہ 30 نومبر 2016 کو پیش کردہ وجوہات کی بنا پر اضافی کاغذات پیش کرنے کی درخواست کو منظور کیا۔ قانونی تقاضے پورے کرنے کے لئے ،اپنے قانونی معاون کے مشورے سے، کمپنی نے سینئر سول جج اسلام آباد (مغربی) کو معاہدے اور سرنڈر ڈیڈ کی سپیسیفک پرفارمنس اینڈ پرمانٹ انجنکشن کے لئے دعوہ دائر کیا تھا۔مورخہ 13 جولائی 2023 کو سینئر سول جج اسلام آباد (مغربی) نے اپنے حکم کے ذریعے دعوہ کو پارشل ڈگری کر دیا ہے کہ CEO سے بقایا رقم وپس لے لی جائے۔ کمپنی اس حکم کے خلاف اپیل دائر کر چکی ہے اور 25 اکتوبر 2023 کو اسلام آباد ہائی کورٹ نے سول جج کا حکم اور ڈگری آئندہ پیشی تک معطل کر دی ہیں اور معاملہ ابھی بھی معزز عدالت کے سامنے پینڈنگ ہے۔ مزید وضاحت کی جاتی ہے کہ اسلام آباد ہائی کورٹ نے اپنے حکم مورخہ 16 نومبر 2017 کو مقدمہ "ڈی ایم ٹیکسٹائل ملز لمیٹڈ بنام سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان" کا فیصلہ کیا۔ ہمارے قانونی مشیر کی رائے کے مطابق فیصلے کے اہم operative نقات مندرجہ ذیل ہیں۔ (1) ڈائیریکٹرز پر جرمانہ 100,000 روپے سے کم کر کے 50,000 روپئے کر دیا گیا ہے۔ جو کہ متعلقہ ڈائیریکٹرز نے ادا کر دیا ہے (2) ڈائیریکٹرز لاہور ہائی کورٹ کے سامنے دونوں کیسوں "بینک آف پنجاب بنام بلال فائبرز لمیٹڈ" اور بلال ٹیکسٹائلز (پرائیویٹ) لمیٹڈ نام بینک آف پنجاب" سے پراپرٹی کو واگزار کروانے کی کوشش کریں (3) پراپرٹی واگزار کروانے کے بعد، اپنے بیان کے مطابق ،سی ای او جائیداد کمپنی کے نام ٹرانسفر کرے۔اسلام آباد ہائی کورٹ کے حکم کی تعمیل میں، لاہور ہائی کورٹ لاہور بینچ میں Objection Appliation دائر کر دی گئی ہے جو کہ ابھی عدالت میں پینڈنگ ہے۔ کمپنی نے بینک آف پنجاب کی درخواست کا جواب جمع کروا دیا ہے۔ معاملہ ابھی عدالت میں پینڈنگ ہے۔ کمپنی نے اسلام آباد ہائی کورٹ میں ایک اور درخواست (CM-593/2022 in CM-89/2019) بھی دائر کی ہے کہ بلال فائبرز لمیٹڈ اور بلال ٹیکسٹائل (پرائیویٹ) لمیٹڈ کی بینک آف پنجاب سے Settlements ہوگئی ہیں لہذا سوٹ پراپرٹی مکان نمبر 8، گلی 71، سیکٹر F-8/3، اسلام آباد کو کمپنی کے جائیداد ڈکلیر کیا جائے۔ معاملہ ابھی عدالت میں پینڈنگ ہے۔

طویل عرصے سے قابل ادا رقوم مبلغ 114.632 ملین کے بارے میں آڈیٹر کے مشاہدے کے بارے میں انتظامیہ کا خیال ہے کہ ان رقوم میں قانونی چارہ جوئی والی رقوم اور دیگر قابل ادا رقوم شامل ہیں جو کہ اس وقت تک reverse نہیں کی جاسکتی جب تک متعلقہ فورم ان کا فیصلہ نہ کردے۔

جہاں تک کمپنیز ایکٹ کی شق 199 کی non-compliance کے بارے میں آڈیٹر کے مشاہدے کا تعلق ہے تو وضاحت کی جاتی ہے کہ کمپنی کے کارپوریٹ کنسلٹنٹ کے مشورے کے مطابق بورڈ آف ڈائریکٹرز نے اس معالے کو ممبران کے سامنے پوست فیکٹو منظوری کے لئے پیش کرنے کا فیصلہ کیا ہے۔

کل وقتی کمپنی سیکرٹری، چیف فنانشل آفیسر کا تقرر نہ کرنے اور ان کے کوالیفیکیشن کرائٹیریا کے بارے میں وضاحت پیش کی جاتی ہے کہ کمپنی اس ضرورت کو پورا کرنے کی کوشش کر رہی ہے اور اخبار میں اشتہار بھی دیا ہے تاہم متعلقہ پیشہ ور جو کہ اس معیار پر پورا اترتے ہیں ملز بند ہونے اور مختلف وجوہات کی وجہ سے نہیں آ رہے۔ جونہی کوئی کوالیفائیڈ پرسن دستیاب ہوا یہ پوسٹس پوری کردی جائیں گی۔

جہاں تک آڈٹ کمیٹی کے ممبران کے بارے آڈیٹرز کی آبزرویشن کا تعلق ہے، بورڈ آف ڈائریکٹر کا ماننا ہے کہ موجودہ کمیٹی کے ممبران متعلقہ تجربہ رکھتے ہیں۔

جہاں تک ضابطہ 6 اور 7 کی عدم تعمیل کا تعلق ہے، بورڈ کے اگلے الیکشن سے اس کی تعمیل کرنے کی کوشش کی جائے گی۔

کمپنی اپنی ESG ذمہ داریوں سے آگاہ ہے اور دستیاب وسائل کے مطابق کوشش کرتی ہے۔

کمپنی اپنے دو ایگزیکٹو ڈائریکٹرز کو اجرت دیتی ہے۔ نان ایگزیکٹو ڈائریکٹرز اور غیر جانبدار ڈائریکٹرز کو میٹنگ فیس کے علاوہ کوئی ادائیگی نہیں کی جاتی۔

بورڈ نے اپنے تخمینہ اور کارکردگی کے جائزے کا میکنزم بنایا ہوا ہے۔

ڈائریکٹرز مالیاتی اداروں کے تعاون کے مشکور ہیں۔ کمپنی کے ملازمین داد کے مستحق ہیں کہ انھوں نے کمپنی کی بہتری کے لئے لگن اور محنت سے کام کیا۔

سمیع اللہ

چیف ایگزیکٹو

راولپنڈی: 03 اکتوبر 2024

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at Company's Registered Office, Westridge Industrial Area, Rawalpindi, **on October 28, 2024** at **9:30 am** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Annual Financial Statements of the company for the year ended June 30, 2024 together with Chairman's review, directors', and auditors' reports thereon.

2. To appoint auditors for the year 2024-25 and fix their remuneration. Retiring auditors M/s. Mushtaq & Company being eligible have offered themselves for re-appointment. Board of Directors, on the recommendation of Audit Committee, has proposed their re-appointment.

3. Change of Principal Line of Business
   To consider and if deemed fit, to pass the following resolution as Special Resolution, with or without any modification in terms of section 32 and other provisions of the Companies Act, 2017 and substitute object clause 1 as principal line of business accordingly:

   RESOLUTION
   RESOLVED THAT “principle line of business of the company shall be to undertake all types of real estate development including investment, development, marketing, construction, purchase, sale & lease of real estate assets and ancillary activities.

   FURTHER RESOLVED THAT Chief Executive Officer, a Director and/or Acting Company Secretary be and are hereby authorized, severally and jointly, to take or cause to be taken any and all actions necessary in respect of the aforesaid Special Resolution and make necessary filings and complete legal/corporate formalities as may be required to implement these resolutions.

   FURTHER RESOLVED THAT Chief Executive Officer, a Director and/or Acting Company Secretary be and are hereby authorized, severally and jointly, to make any rephrasing, amendment, modification, addition or deletion whatsoever as may be suggested, directed and advised by the Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited which suggestion, direction and advise shall be deemed to be part of this special resolution.

4. The Company placed its surplus funds in solar panel business as a short term investment. The following resolution will be placed before the shareholders for approval, with or without modification, as Special Resolution:

   RESOLUTION
   RESOLVED THAT placement of Company's surplus funds of rupees ninety-two million nine hundred fifty thousand in solar panel business, as a short term investment, be and is hereby authorized/approved, under the Islamic Mode on profit sharing basis in the ratio of 50 : 50 percent after determination of net profit after tax.

FURTHER RESOLVED THAT Members hereby authorize placement of the aforementioned funds in solar panel business, preferably in the associated undertaking (associated by cross directorship).

FURTHER RESOLVED THAT Members' grant post facto approval for placement of funds as short term investment.

FURTHER RESOLVED THAT Chief Executive Officer, a Director and/or Acting Company Secretary be and are hereby authorized, severally and jointly, to take or cause to be taken any and all actions necessary in respect of the aforesaid Special Resolution and make necessary filings and complete legal/corporate formalities as may be required to implement these resolutions.

5. In accordance with section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(1)/2023 dated March 21, 2023, the following Resolution will be placed before the shareholders for approval with or without modification, as Ordinary Resolution(s):-

RESOLUTION
RESOLVED THAT Company may transmit the annual balance sheet and profit and loss account, auditor's report and directors' report, Chairman's Review Report, etc. ("annual audited financial statements") to its members through QR enabled code and web link.

FURTHER RESOLVED THAT Chief Executive Officer and/or Company Secretary be and are hereby authorized, severally and jointly, to take or cause to be taken any and all actions necessary in respect of the aforesaid Ordinary Resolution and complete legal/corporate formalities as may be required to implement all the resolutions.

6. To transact any other business with the permission of the Chairman.

Rawalpindi
Date: 03 October, 2024

By the order of the Board

Company Secretary (Acting)

NOTES:

1. The members' register will remain closed from 21 October 2024 to 28 October 2024 (both days inclusive). Transfers received at Share Registrar Office, Corplink (Pvt) Ltd, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on 19 October 2024 will be entertained.

2. A member eligible to attend and vote at this meeting may appoint another person as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding the meeting.

3. In pursuant to the Companies (Postal Ballot) Regulations, 2018, members can exercise their right of vote for the special businesses in the AGM. For convenience of the members, Ballot Paper can be downloaded from the website of the Company. Duly filled and signed ballot paper, along with copy of CNIC must reach the Company's registered office, Westridge Industrial Area Rawalpindi latest by 5:00pm on 26 October, 2024. Signature on ballot paper must match with the signature on CNIC/record of the Company. A postal ballot received after the prescribed time/date shall not be considered for voting.

4. Shareholders are requested to immediately notify the change in address, if any.

5. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:

   A. For attending the meeting

      i). In case of individuals, 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 original computerized 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 with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   b. For appointing proxies

      i). In case of individuals, 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 requirement.
      ii). The Proxy Form can be downloaded from Company's website www.dmtextile.com.pk
      iii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
      iv). Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
      v). The proxy shall produce his original CNIC or original passport at the time of the meeting.
      vi). In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company and the same will be provided.

6. Financial Statements for the year ended 30-06-2024 are being uploaded on the website of the Company www.dmtextile.com.pk. In case a member desired a physical copy, he may approach the Company.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPAIES ACT, 2017 AND SRO 423(1)/2018 DATED 03 APRIL 2018

A. CHANGE OF PRINCIPAL LINE OF BUSINESS

1. Law requires that Principal Line of Business is to be stated as Object 1. As the new Principal Line of Business of the Company will pertain to real estate, it is proposed to adopt new Object Clause in place of existing one. Comparative statement pertaining to substitution of object clause 1 is give below. Following shall be the object clause for principal line of business.

   “Principle line of business of the company shall be to undertake all types of real estate development including investment, development, marketing, construction, purchase, sale & lease of real estate assets and ancillary activities”.

2. Current economic situation and political instability has badly affected the business environment in the country. Especially the textile sector is going through the worst situation and has lost its competitiveness with the global competitors due to high costs of energy, financing, inflation and other inputs.

3. The Board of Directors after considering the available resources & different scenarios, have recommended to change the Principal Line of Business to Real Estate which appears to have good future with ever growing demand and will be beneficial for the Company and its members. Directors are hopeful that by adopting new principal line of business, company will prosper once again.

4. The Board of Directors intends to utilize the available resources to implement the new proposed Principal Line of Business. As the Company is already partially implementing the same line of business, hence it will be deemed as implemented with immediate effect after the necessary approvals.

5. The Board of Directors are convinced that the proposed change in principal line of business will definitely benefit the company or its members as a whole.

6. None of the Directors have any direct or indirect interest except as a shareholder of the company.

7. The documents pertaining to the following special resolutions are available for inspection at the registered office of the company on any working day upto 26 October, 2024 during business hours and also at the time of meeting.

Comparative Statement Pertaining to

SUBSTITUTION OF OBJECT CLAUSE

S.No.	Present Clause	New Clause
III (i)	The principal line of business of the company shall be to erect, maintain, alter, extend and purchase plant and machinery for the purpose of ginning, preparing, combing, spinning, weaving, manufacturing, bleaching, dyeing, mercerizing, printing, or otherwise working any of the fabrics and materials; and to carry on the business of sizers, spinners, weavers; ginners, pressers, doublers and balers of cotton, jute, hemps, silk, artificial silk, synthetic fibre, wool and any fibrous material used in textile and manufacturing thereof or ancillary thereto and the business of weaving or otherwise manufacturing, bleaching, printing, dyeing, finishing, calendaring, processing, whether textile, frebled, netted or looped and of importing, exporting, buying, selling and dealing in cotton, yarn, fabrics, wool and other raw materials and transact mercantile business that may be necessary or expedient and to purchase and sell raw materials and manufactured articles.	“Principle line of business of the company shall be to undertake all types of real estate development including investment, development, marketing, construction, purchase, sale & lease of real estate assets and ancillary activities.

A. <u>SHORT TERM PLACEMENT OF COMPANYS FUND IN SOLAR PANEL BUSINESSS</u>

The Board of Directors have decided to place the company's surplus funds of rupees ninety-two million nine hundred fifty thousand in solar penal business as short term investment on Islamic Mode on profit sharing basis in the ratio of 50:50 percent after determination of net profit after tax. It will be further extendible by mutual consent. The utilization of the funds will facilitate the Company to generate profits to meet the current administrative, general expenses and other expenses.

STATEMENT OF FINANCIAL POSITION

	NOTE	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (2023: 5,000,000) ordinary shares of Rupees 10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital	3	30,524,290	30,524,290
Reserves			
Capital reserves - surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	4	517,748,170	577,020,729
Revenue reserve - unappropriated profit		114,557,988	40,642,162
Total reserves		632,306,158	617,662,891
Total equity		662,830,448	648,187,181
LIABILITIES			
NON-CURRENT LIABILITIES			
Employees' retirement benefit - gratuity	5	5,131,993	4,479,863
Deferred income tax liability	6	-	-
		5,131,993	4,479,863
CURRENT LIABILITIES			
Trade and other payables	7	114,632,205	107,143,706
Due to related parties	8	1,100,000	16,269,443
Unclaimed dividend		144,947	144,947
Taxation - net	9	2,479,133	6,988,489
		118,356,285	130,546,585
Total liabilities		123,488,278	135,026,448
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		786,318,726	783,213,629

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

AS AT 30 JUNE 2024

	NOTE	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	291,173,261	293,719,979
Investment properties	12	363,921,975	449,425,000
Advance against property	13	-	-
Long term investment	14	7,526,915	6,881,915
Long term deposits	15	9,155,034	9,155,034
		671,777,185	759,181,928
CURRENT ASSETS		**Adjustment entry-Advances**	
Advances	16	194,600	3,272,200
Due from related party	17	17,619,962	17,619,962
Short term deposit	18	-	-
Other receivables	19	20,000	1,588,206
Short term investments	20	94,467,876	1,288,381
Cash and bank balances	21	2,239,103	262,952
		114,541,541	24,031,701
TOTAL ASSETS		786,318,726	783,213,629

CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Rupees	2023 Rupees
ADMINISTRATIVE AND GENERAL EXPENSES	22	(44,710,099)	(54,880,362)
OTHER EXPENSES	23	(1,284,517)	(905,700)
		(45,994,616)	(55,786,062)
OTHER INCOME	24	64,054,726	28,422,684
(LOSS) / PROFIT FROM OPERATIONS		18,060,110	(27,363,378)
FINANCE COST - BANK CHARGES		(60,771)	(174,961)
(LOSS) / PROFIT BEFORE LEVIES AND INCOME TAX		17,999,339	(27,538,339)
LEVIES	25	(3,059,888)	-
(LOSS) / PROFIT BEFORE INCOME TAX		14,939,451	(27,538,339)
INCOME TAX EXPENSE	26	(85,893)	13,345,229
(LOSS) / PROFIT FOR THE YEAR		14,853,558	(14,193,110)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	27	4.87	(4.65)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	2024 Rupees	2023 Rupees
PROFIT (LOSS) / AFTER TAXATION	14,853,558	(14,193,110)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan	(296,184)	(171,117)
Related deferred income tax	85,893	49,624
	(210,291)	(121,493)
Surplus on revaluation of property, plant and equipment	-	-
Related deferred tax	-	-
	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive (loss) / income for the year - net of tax	(210,291)	(121,493)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	14,643,267	(14,314,603)

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

CHIEF EXECUTIVE OFFICER | DIRECTOR | CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

		CAPITAL RESERVE		REVENUE RESERVE	
	SHARE CAPITAL	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX	FAIR VALUE RESERVE OF INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX	UNAPPROPRIATED PROFIT	TOTAL EQUITY
		(Rupees)			
Balance as at 30 June 2022	30,524,290	269,301,303	308,408,697	54,267,494	354,093,087
Incrementaldepreciation transferred from surpluson revaluationof property, plant and equipment to accumulated loss - net of deferred income tax (Note 4)	-	(689,271)		689,271	-
Surplus on revaluation of property, plant and equipment - net of deferred tax	-				-
Profit/(Loss) for the year	-	-	-	(14,193,110)	(14,193,110)
Other comprehensive income/(Loss) for the year	-	-	-	(121,493)	(121,493)
Total comprehensive income/(Loss) for the year	-	-	-	(14,314,603)	(14,314,603)
Balance as at 30 June 2023	30,524,290	268,612,032	308,408,697	40,642,162	339,778,484
Incrementaldepreciation transferred from surpluson revaluationof property, plant and equipment to accumulated loss - net of deferred income tax (Note 4)	-	(597,860)	-	597,860	-
Fair value reserve transferred on disposal of investment property	-	-	(58,674,699)	58,674,699	-
Profit/(Loss) for the year	-	-	-	14,853,558	14,853,558
Other comprehensive income/(Loss) for the year	-	-	-	(210,291)	(210,291)
Total comprehensive income/(Loss) for the year	-	-	-	14,643,267	14,643,267
Balance as at 30 June 2024	30,524,290	268,014,172	249,733,998	114,557,988	354,421,751

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

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Rupees	2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	28	(9,876,505)	(723,897)
Finance cost paid		(60,771)	(174,961)
Income tax paid		(7,569,244)	(3,161,387)
Gratuity paid		-	-
Net increase in long term deposits		-	(3,600)
Net cash used in operating activities		(17,506,520)	(4,063,845)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of Investment Property		112,350,000	-
Capital expenditure on property, plant and equipment		-	-
Advance received back from supplier against capital work in progress		-	-
Short Term Investments		(92,950,670)	-
Interest received		83,341	73,468
Net cash from / (used in) investing activities		19,482,671	73,468
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		1,976,151	(3,990,377)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		262,952	4,253,329
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		2,239,103	262,952

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

CHIEF EXECUTIVE OFFICER **DIRECTOR** **CHIEF FINANCIAL OFFICER**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 THE COMPANY AND ITS OPERATIONS

D.M. Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). The registered office is situated at Westridge, Industrial Area, Rawalpindi. The principal activity of the Company is manufacturing of yarn and cloth, processing of the cloth and trade of textile products.

PSX vide Notice No. PSX/N-1222 dated 02 November 2020 placed the Company on defaulters' segment with effect from 03 November 2020 due to non-compliance with PSX Regulations.

1.1 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the company's functional and presentation currency and figures are rounded off to the nearest rupee.

1.2 Geographical location and addresses of all business units are as follows:

Manufacturing units and office	Address
Manufacturing unit / Godowns:	Westridge, Industrial Area, Rawalpindi
Head office	Westridge, Industrial Area, Rawalpindi

2 Material Accounting Policy Information

2.1 Basis of preparation

(a) Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

(c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the 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 historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairment on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Defined benefit plan

The cost of the defined benefit plan is determined using actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Income tax

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore, the benefits of unimpeded access.

(d) New And Amended Standards And Interpretations

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2024
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2024
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024
IAS 21	The Effects of changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
IFRS 9	Financial Instruments Classication and Measurement of **Financial Instruments (Amendments)**	January 1, 2026

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the InternationalAccounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service Concession Arrangement
IFRIC 12	Service concession arrangements
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

2.2 Employees retirement benefit - Gratuity

The Company operates unfundedunapproved gratuity scheme for all of its permanent employees who have completed the minimum qualifying period of service as defined in the scheme. The Company's obligation in respect of the defined benefit plan is calculated by estimating the present value of future benefit that employees have earned in return of this service in the current and prior periods; that benefit is discounted to determine its present value. The defined obligation is calculated annuallyby an independent actuary using the projected unit credit method. The latest valuation was carried out as at 30 June 2023 details of which are disclosed in Note 5 to the financial statements.

The interest is calculated by applying discount rate to the net balance of defined benefit obligation and fair value of plan assets (if any). The cost is included in employee benefit expense in the statement for profit or loss.

Past service cost is recognized immediately in the statement for profit or loss.
Remeasurement gains or losses are recognized in other comprehensive income.

2.3 Taxation

Adoption of new accounting policy

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum tax (which is not adjustable against future income tax liability) and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectivelyin accordance with the requirement of International Accounting Standard (IAS 8) 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

Current

Provision for current taxation is based on taxability of certain income streams of the company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credit and tax rebates available, if any. The charge for current tax includes any adjustment to past years liabilities.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering enacted tax rate. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized. Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Levy

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

2.4 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currencyare translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.5 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.6 Property, plant, equipment and depreciation

Operating fixed assets

Operating fixed assets except freehold land are stated at revalued amount less accumulated depreciation and accumulated impairment losses (if any). Cost of operating fixed assets consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss.

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

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognized, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Depreciation

Depreciation on operating fixed assets is charged to statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 11. The depreciation on additions is charged from the date the asset is available for use and on deletion up to the date when asset is de-recognized. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of operating fixed assets is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.7 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the statement of profit or loss for the year in which it arises.

2.8 IFRS 16 Leases

(a) Company as a lessee

Right-of-use-assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to statement of profit or loss as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to the statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

(b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.9 Investments and other financial assets

(a) Classification

The Company classifies its financial assets in the following measurement categories:

" Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
" Those to be measured at amortized cost

The classification depends on the Companys business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

(i) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(ii) Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss

Changes in the fair value of equity investments at fair value through profit or loss are recognized in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognized in profit or loss as other income when the Companys right to receive payments is established.

2.10 Financial Liabilities - Classification and Measurements

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.11 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVTOCI; and
- Contract assets.

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

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable andsupportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Companys historical experience and informed credit assessment and including forward-looking information.

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

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.12 De-recognition of financial assets and financial liabilities

(a) Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset.Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

(b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.13 Off-setting of financial instruments

Assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.14 Inventories

Inventories, except for stock in transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

(i)	For raw materials:	Weighted average basis.
(ii)	For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock is valued at net realizable value.Netrealizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.15 Trade and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.17 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.18 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.20 Share capital

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

2.21 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Rent revenue from investment properties is recognized on a straight-line basis over the lease term. Lease incentives granted are recognized as part of the rental revenue. Contingent rentals are recognized as income in the period when earned.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

2.22 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.23 Customer acquisition costs

Customer acquisition costs are capitalized as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortized on a straight-line basis over the term of the contract. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.24 Customer fulfillment costs

Customer fulfillment costs are capitalized as an asset when all the following are met:

(i) The costs relate directly to the contract or specifically identifiable proposed contract;

(ii) The costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and

(iii) The costs are expected to be recovered. Customer fulfillment costs are amortized on a straight-line basis over the term of the contract.

2.25 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.26 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.27 Refund liabilities

Refund liabilities are recognized where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.28 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.29 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.30 Dividend and other appropriations

Dividend distribution to the Companys shareholders is recognized as a liability in the Companys financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.31 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than continuous use. These are measured at lower of carrying amount and fair value less cost to sell.

2.32 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.33 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.34 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2024	2023			2024	2023
(Number of shares)			NOTE	Rupees	Rupees
2,952,429	2,952,429	Ordinary shares of Rupees 10 each fully paid in cash		29,524,290	29,524,290
100,000	100,000	Ordinary shares of Rupees 10 each issued as fully paid bonus shares		1,000,000	1,000,000
3,052,429	3,052,429			30,524,290	30,524,290

3.1 The shareholders are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

4 CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX

	NOTE	2024	2023
- Property, plant and equipment			
Balance as at 01 July		268,612,032	269,301,303
Surplus on revaluation of property, plant and equipment		-	-
Related deferred income tax liability	6.1	-	-
Transferred to unappropriated profit / (accumulated loss) in respect of incremental depreciation charged during the year		(842,056)	(970,804)
Related deferred income tax liability	6.1	244,196	281,533
		(597,860)	(689,271)
Balance as at 30 June		268,014,172	268,612,032
- Investment properties			
Revaluation surplus		313,858,182	313,858,182
Fair value reserve realized on disposal		(58,674,699)	-
Related deferred income tax liability	6	(5,449,485)	(5,449,485)
		249,733,998	308,408,697
		517,748,170	577,020,729

5 EMPLOYEES' RETIREMENT BENEFIT - GRATUITY

The latest actuarial valuation was carried out as at 30 June 2024, using the projected unit credit method. The amounts recognized in financial statements are determined as follows:

		NOTE	2024 Rupees	2023 Rupees
5.1	**Liability recognized in the statement of financial position**			
	Present value of unfunded defined benefit obligation	5.2	13,275,100	12,081,970
	Benefits due but not paid shown under current liabilities	7	(8,143,107)	(7,602,107)
		5.3	5,131,993	4,479,863
5.2	**Movement in liability recognized in the statement of financial position**			
	At the beginning of the year		12,081,970	11,189,609
	Charge for the year		896,946	721,244
	Remeasurements recognized in other comprehensive income		296,184	171,117
	Benefit paid during the year		-	-
			13,275,100	12,081,970
5.3	**Movement in present value of defined benefit obligation**			
	At the beginning of the year		4,479,863	3,587,502
	Benefits due but not paid		7,602,107	7,602,107
	Service cost		212,925	245,900
	Interest cost for the year		684,021	475,344
	Benefit paid during the year		-	-
	Charge to other comprehensive income		296,184	171,117
	Benefits due but not paid		(8,143,107)	(7,602,107)
	At the end of the year		5,131,993	4,479,863
5.4	**Amounts recognized in statement of profit or loss**			
	Current service cost		212,925	245,900
	Interest cost for the year		684,021	475,344
			896,946	721,244
5.5	**Amount recognized in statement of comprehensive income**			
	Actuarial loss / (gain) due to experience adjustments		296,184	171,117
5.6	**Allocation of charge for the year**			
	Administrative and general expenses	22.1	896,946	721,244
5.7	**Principal actuarial assumptions used**			
	Discount rate		14.75%	16.25%
	Expected rate of increase in salary		13.75%	15.25%
	Average expected remaining working life of employees		8 Years	8 Years
	Average duration of liability		8 Years	8 Years
	Mortality rate		SLIC (2001-05)	SLIC (2001-05)

5.8 **Sensitivity analysis**

The sensitivity analysis is prepared using same computation model and assumptions as used to determine defined benefit obligation based on projected unit credit method. The calculation of the defined benefit obligation is sensitive to assumption set out above. The principal actuarial assumptions used to estimate the defined benefit obligations at the reporting date had fluctuated by +1 bps with our other variables held constant, the present value of the defined benefit obligations as at 30 June 2024 would have been as follows.

	2024	2023
Discount rate + 1 %	4,739,368	4,137,129
Discount rate - 1 %	5,557,268	4,851,097
Salary increase rate + 1 %	5,557,145	4,850,990
Salary increase rate - 1 %	4,739,309	4,137,078

5.9 **Amounts for the current and previous four years:**

	2024	2023	2022	2021	2020
		---------------------------- R u p e e s	----------------------------		
Present value of defined benefit obligation	13,275,100	12,081,970	11,189,609	10,911,469	10,817,900
Benefits due but not paid shown under current liabilities	(8,143,107)	(7,602,107)	(7,602,107)	(6,912,307)	(7,001,307)
	5,131,993	4,479,863	3,587,502	3,999,162	3,816,593
Remeasurement loss / (gain) on obligation	296,184	(171,117)	(166,670)	(206,708)	139,031

5.10	The expected gratuity expense for next financial year is:	**Rupees**
	Current service cost	263,066
	Interest cost for the year	756,969
		1,020,035

5.11 Expected benefit payments for the next 5 years and beyond

FY 2025	916,325
FY 2026	1,273,619
FY 2027	1,531,726
FY 2028	1,805,424
FY 2029 onwards	17,274,355

5.12 **Risks associated with the gratuity scheme**

The gratuity scheme is an unfunded scheme. There is no minimum funding requirement for a gratuity scheme. The gratuity benefit liability reflected in the Company accounts provides a reasonable security of the accrued rights because it is likely that the accrued gratuity benefits could be considered as high priority debt in case of insolvency of the sponsor.

Interest rate risk:

The present value of the defined benefit liability is calculated using a discount rate. A decrease in discount rate will increase the liability and vice versa.

Salary risk

The present value of the defined benefit liability is calculated by reference to the future salaries of participants. As such, an increase in the salary of the participants will increase the liability and vice versa.

Withdrawal rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate of participants. As such, an increase in the withdrawal rate may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

Mortality rate risk

The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of participants during employment. An improvement in the mortality rates of the participants may increase / decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

	NOTE	2024 Rupees	2023 Rupees
6 DEFERRED INCOME TAX LIABILITY			
This comprises of following:			
Deferred income tax liability on taxable temporary differences in respect of:			
Accelerated tax depreciation		25,621	5,208,838
Surplus on revaluation of:			
- property, plant and equipment		2,601,374	2,845,570
- Investment properties	4	8,705,231	5,449,485
		11,332,226	13,503,893
Deferred income tax asset on deductible temporary differences in respect of:			
Provision for gratuity		(3,849,779)	(3,503,771)
Provision against doubtful advances		(40,168)	(40,168)
Provision against doubtful deposits:			
- Long term deposits		(4,434,970)	(4,434,970)
- Short term deposit		(580,000)	(580,000)
Provision against sales tax refundable		(1,127,350)	(1,127,350)
Unused tax losses		(34,000,735)	(31,926,130)
Provision against doubtful export rebate and claims		(39,053)	(39,053)
		(44,072,055)	(41,651,442)
		(32,739,829)	(28,147,549)

6.1 As at 30 June 2024, the Company has aggregated deferred income tax asset amounting to Rupees 32.767 million (2023: Rupees 22.58 million) has not been recognized due to uncertainty in availability of sufficient future taxable profits.

		NOTE	2024 Rupees	2023 Rupees
7	**TRADE AND OTHER PAYABLES**			
	Creditors		52,672,851	47,809,243
	Contract liabilities - unsecured	7.1	3,023,024	6,207,258
	Property taxes payable		30,332,103	25,781,545
	Other Payables		1,040,153	1,043,003
	Duties and taxes		2,263,646	2,263,646
	Accrued liabilities	7.2	3,240,153	3,619,668
	Workers' welfare fund		1,016,817	1,016,817
	Withholding income tax payable		5,893,351	5,858,349
	Employees' retirement benefit due but not paid	5.1	8,143,107	7,602,107
	Security deposits against rent	7.3	7,007,000	5,942,070
			114,632,205	107,143,706

7.1 Contract liabilities - unsecured

	2024	2023
Advance rental income	1,280,000	4,464,234
Advance from customers	1,743,024	1,743,024
	3,023,024	6,207,258

7.2 It includes payable to directors amounting to Rupees 72,105 (2023: Rupees Nil).

7.3 This represents security deposits received from tenants of the Company. These deposits have not been kept in separate bank accounts and tenants have given the Company a right to utilize these deposits in ordinary course of business.

8 DUE TO RELATED PARTIES

This represents interest free and unsecured loan obtained by the Company from following related parties to meet day to day expenses and is payable on demand. Reconciliation of balances is as follows:

	2024	2023
Mian Habib Ullah, Director		
Balance as at 01 July	-	-
Received during the year	-	-
Paid during the year	-	-
Balance as at 30 June	-	-
Mian Sami Ullah, Chief Executive Officer		
Balance as at 01 July	6,321,308	300,000
Received during the year	2,429,387	7,321,308
Paid during the year	(8,750,695)	(1,300,000)
Balance as at 30 June	-	6,321,308
Sam Corporation (Private) Limited, associated company		
Balance as at 01 July	700,000	-
Received during the year	400,000	700,000
Balance as at 30 June	1,100,000	700,000
DM Ventures, associate		
Balance as at 01 July	9,248,135	-
Received during the year	700,000	9,248,135
Paid during the year	(9,948,135)	-
Balance as at 30 June	-	9,248,135
	1,100,000	16,269,443

		NOTE	2024	2023
9	**TAXATION - NET**			
	Balance as at 01 July		6,988,489	23,544,729
	(Reversal) / provision for the year	26	3,059,888	(13,394,853)
	Tax deducted at source / paid during the year		(7,569,244)	(3,161,387)
	Balance as at 30 June		2,479,133	6,988,489

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

(a) On 01 February 2011, the Company filed an appeal before Lahore High Court, Rawalpindi Bench against the recovery of electricity duty amounting to Rupees 19.07 million on self generation charged by Electric Inspector Islamabad Region. On 10 November 2016, the Court disposed of the case on the ground that the matter is pending before the Supreme Court of Pakistan. WAPDA will not recover any amount from the petitioner till decision of the Honourable Supreme Court of Pakistan. Pending the outcome of this case no provision has been made in these financial statements as the Company is hopeful for favorable outcome.

(b) The Company filed an appeal on 04 April 2011, before Lahore High Court, Rawalpindi Bench, against demand of property tax amounting to Rupees 5.51 million raised by Inspector Military Lands and Cantonments, Rawalpindi. Being aggrieved on decision of Lahore High Court, Rawalpindi Bench, the Company filed appeal before the Supreme Court of Pakistan, whereby, the case has been remanded back to Lahore High Court, Rawalpindi Bench where the case is still pending.

(c) For tax year 2014, assessment order dated 26 April 2016 was passed under section 122(1) read with section 122(9) of the Income Tax Ordinance, 2001 by the Deputy Commissioner Inland Revenue, whereby the demand of tax amounting to Rupees 3.8 million was created. The Company filed an appeal before Commissioner Inland Revenue (Appeals) (CIR(A)) and the case was decided against the Company through order dated 19 October 2016. However, the Company filed appeal against the decision of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR) who annulled the order of CIR(A) through judgment dated 3 October 2017. Being aggrieved, the department filed a writ petition against the judgment of ATIR before the Honorable Islamabad High Court, Islamabad. On 19 January 2021, the Honorable Islamabad High Court, Islamabad remanded back the case to ATIR. No provision has been made in these financial statements as the Company is hoping a favorable outcome.

(d) Assessment Order 03/2014 dated 31-12-2014 was passed by the Assistant Commissioner Inland Revenue under provisions of the Sales Tax Act 1990, SOR-283(1)/2011 & Sales Tax Special Procedure (Withholding) Rules, 2007 whereby the demand of tax amount to Rs.1,335,152/ was created. The Company filed an appeal before Commissioner Inland Revenue whereby tax demand was reduced to Rs.1,046,491/- vide Order in Appeal No. 214/ dated 29-05-2015. The Company filed Appeal STA-320/IB/2015 before the Appellate Tribunal Inland Revenue Islamabad who vide its Order dated 23-09-2019 annuled the Order in Original. Agrieved by the decision, the Department filed Sales Tax Reference 01/2020 before Islamabad High Court (IHC). Islamabad High Court remanded back the case to ATIR for consideration. Matter is pending adjudication before the ATIR Islamabad.

(e) Assessment Order 02/2015 dated 08-01-2015 was passed by Assistant Commissioner Inland Revenue Islamabad whereby tax demand of Rs.63,107/- was created for voilations of different provisions of Sales Tax Act. The Company filed Appeal No. 213/2015 before the Commissioner Appeals-1 Islamabad whereby tax demand was vacated vide Order dated 08-01-2015 except penalty u/s 33(5). Agrieved by the decision of CIR(A), the department filed Appeal No. STA-357/IB/15 before the Appellate Tribunal Inland Revenue Islamabad. Through its order dated 29-07-2024, Appellae Tribunal remanded back the case to AO for verifiction of input tax and adjustment of input tax, if paid. The matter is pending adjudication before the AO.

(f) On 26 January 2006, Collector of Customs (Appraisement) directed the Company to pay duties and taxes amounting to Rupees 19.41 million against import of textile machinery during 2001 to 2004. The Company applied to Member Legal, Federal Board of Revenue, Islamabad to allow relief by payment of custom duty @ 5% of dutiable value of machinery amounting to Rupees 3.49 million under amnesty scheme announced by the Federal Government. Federal Board of Revenue allowed relief to the Company under the amnesty scheme. The Company paid Rupees 3.49 million to the Custom Department. However, being aggrieved, Collector of Custom filed an appeal before the Customs, Excise and Sales Tax Appellate Tribunal, which was decided in favor of the Company. Collector of Customs (Appraisement) filed special custom reference before Sindh High Court, Karachi against the order of Customs, Excise and Sales Tax Appellate Tribunal where the case is still pending. No provision of the remaining amount of Rupees 15.92 million has been made in these financial statements as the Company is hopeful for favorable outcome.

(g) Guarantee of Rupees 7.142 million (2023: Rupees 7.142 million) has been given by the banks of the Company to Islamabad Electric Supply Company against sanction of load.

10.2 **Commitments**	Nil	Nil

11 PROPERTY, PLANT AND EQUIPMENT

	Note	Owned						
		Freehold land	Non-factory buildings	Electric installations	Factory equipment	Furniture, fixtures and office equipment	Vehicles	Total
		-----	-----	-----	Rupees	-----	-----	-----
At 30 June 2022								
Cost / revalued amount		273,220,000	40,451,606	25,672,753	-	2,667,015	20,598,367	362,609,741
Accumulated depreciation		-	(31,287,806)	(23,072,753)	-	(2,517,715)	(8,948,367)	(65,826,641)
Net book value		273,220,000	9,163,800	2,600,000	-	149,300	11,650,000	296,783,100
For Year ended 30 June 2023								
Opening net book value		273,220,000	9,163,800	2,600,000	-	149,300	11,650,000	296,783,100
Depreciation charge	22	-	(458,190)	(260,000)	-	(14,931)	(2,330,000)	(3,063,121)
Closing net book value		273,220,000	8,705,610	2,340,000	-	134,369	9,320,000	293,719,979
At 30 June 2023								
Cost / revalued amount		273,220,000	40,451,606	25,672,753	-	2,667,015	20,598,367	362,609,741
Accumulated depreciation		-	(31,745,996)	(23,332,753)	-	(2,532,646)	(11,278,367)	(68,889,762)
Net book value		273,220,000	8,705,610	2,340,000	-	134,369	9,320,000	293,719,979
For Year ended 30 June 2024								
Opening net book value		273,220,000	8,705,610	2,340,000	-	134,369	9,320,000	293,719,979
Depreciation charge	22	-	(435,281)	(234,000)	-	(13,437)	(1,864,000)	(2,546,718)
Closing net book value		273,220,000	8,270,329	2,106,000	-	120,932	7,456,000	291,173,261
At 30 June 2024								
Cost / revalued amount		273,220,000	40,451,606	25,672,753	-	2,667,015	20,598,367	362,609,741
Accumulated depreciation		-	(32,181,277)	(23,566,753)	-	(2,546,083)	(13,142,367)	(71,436,480)
Net book value		273,220,000	8,270,329	2,106,000	-	120,932	7,456,000	291,173,261
Annual rate of depreciation		**0%**	**5%**	**10%**	**10%**	**10%**	**20%**	

11.1 The revaluation of freehold land, non-factory buildings, electric installations, furniture, fixtures, and office equipment and vehicles was carried on 30 June 2022 by an independent valuer Messrs. Danish Enterprises and Construction on the basis of depreciated replacement value method. Had there been no revaluation book value of revalued property, plant and equipment would have been as follows:

	2024 Rupees	2023 Rupees
Freehold land	36,819	36,819
Non-factory buildings	1,601,487	1,685,776
Electric installations	1,270,159	1,411,288
Furniture, fixtures and office equipment	162,755	180,839
Vehicles	5,402,328	6,752,910
	8,473,548	10,067,632

11.2 Forced sale value of property, plant and equipment is given below:

Description	Valuation date	Rupees
Freehold land	30 June 2022	232,237,000
Non-factory buildings	30 June 2022	7,789,230
Electric installations	30 June 2022	2,210,000
Furniture, fixtures and office equipment	30 June 2022	126,905
Vehicles	30 June 2022	9,902,500

11.3 Particulars of immovable property (i.e. land & building) in the name of the Company are as follows:

Location	Usage of immovable property	Covered Area (Sqr feet)	Total Area (marlas)
	Land	-	378.01
Westridge, Industrial Area, Rawalpindi	Residential and offices	45,813	168.43
		45,813	546.44

12 INVESTMENT PROPERTIES

	Land	Building	Total
	-------------- Rupees --------------		
Year ended 30 June 2024			
Fair value as at 01 July 2023	411,780,000	37,645,000	449,425,000
Investment Property disposed off	(80,000,000)	(5,503,025)	(85,503,025)
Fair value gain	-	-	-
Fair value as at 30 June 2024	331,780,000	32,141,975	363,921,975
Year ended 30 June 2023			
Fair value as at 01 July 2022	411,780,000	37,645,000	449,425,000
Fair value gain	-	-	-
Fair value as at 30 June 2023	411,780,000	37,645,000	449,425,000

12.1 During the year, land and building having area of 160 Marla and 27,516 Square feet repectively was sold to Muhammad Rasheed Khan having CNIC (21201-4361063-51) against the consideration of Rs. 112.350 million. The Land is situated at Westridge, Industrial Area, Rawalpindi.

12.2 The fair value of investment properties comprising land and buildings situated at Westridge, Industrial Area, Rawalpindi have been determined by an independent valuer, Danish Enterprises as at 30 June 2024. During the year there was immaterial change in fair values of investment property.

Forced sale value of these properties as at 30 June 2024 was:

	Rupees
Land	282,013,000
Buildings	27,320,679
	309,333,679

12.3 **Particulars of remaining investment properties are as follows:**

Description	Address	Total Area
Land	Westridge, Industrial Area, Rawalpindi	664 marla
Buildings	Westridge, Industrial Area, Rawalpindi	160,715 Sq. Feet

12.4 **Rental income**

The rental income in respect of these properties amounting to Rupees 32.440 million (2023: Rupees 26.415 million) has been recognized in the statement of profit or loss and included in 'other income' (Note 24).

12.5 **Leasing arrangement**

The Company as a lessor has entered into operating leases on its investment properties portfolio consisting of buildings (i.e. godowns). These leases have terms between 1 to 12 years. All lease arrangements include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancelable operating leases as at 30 June are as follows:

	2024 Rupees	2023 Rupees
Upto one year	32,049,306	31,630,400
After one year but not more than 3 years	42,682,860	33,071,500
More than 3 years	143,320,590	132,300,000
	218,052,756	197,001,900

13 ADVANCE AGAINST PROPERTY

An amount of Rupees 51.150 million was given by the Company as advance against purchase of property. The property could not be transferred in the Company's name due to the want of completion of legal formalities. With reference to this advance, the Director (Enforcement) of Securities and Exchange Commission of Pakistan (SECP) vide his Order dated 29 November 2007 imposed a penalty of Rupees 100,000 on each of the director except one (nominee NIT) of the Company for contravention of section 196(2j) of the repealed Companies Ordinance, 1984. Further directions were given under section 473 for transferring the property in the name of the Company within thirty days from the Order date. The Chief Executive Officer (C.E.O) of the Company filed a revision application with the Appellate Bench of SECP under section 484 of the repealed Companies Ordinance, 1984 against this Order on 10 January 2008, where the Appellate Bench decided not to interfere with the impugned order.

The C.E.O also filed an appeal under section 485 of the repealed Companies Ordinance, 1984 read with section 34 of the Securities and Exchange Commission of Pakistan Act, 1997 before the Lahore High Court, Rawalpindi Bench whereby stay order was granted to suspend the operation of above said impugned order. The Lahore High Court, Rawalpindi Bench, in its interim order dated 06 February 2015, granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company meanwhile. Further, the court, through its order dated 09 December 2015 transferred the case to Islamabad High Court (IHC), Islamabad.

The Board of Directors in the meeting held on 23 April 2014, after getting valuation at forced sale value of Rupees 72.007 million of said property from NAKMS Associates (Private) Limited, resolved that the right in property along with fixtures and fittings to be offered to the C.E.O on the basis of "first right of refusal" at the fixed floor price of Rupees 75.00 million. The Board further decided that an amount of Rupees 48.570 million be adjusted from interest free loan given by C.E.O and his close family members to the Company and the balance amount to be paid in three equal annual instalments of Rupees 8.810 million commencing from 01 May 2015. Accordingly, agreement was made between the Company and the C.E.O under the directions given by the Board of Directors of the Company.

However, the C.E.O in the case proceedings before the Islamabad High Court (IHC), Islamabad on 03 May 2016 has submitted to transfer the property in the name of the Company within sixty days there from. The C.E.O filed a petition before the Islamabad High Court to seek relief on the grounds that the said property has already been attached in the cases titled The Bank of Punjab versus Bilal Fibers Limited and The Bank of Punjab versus Bilal Textiles (Private) Limited wherein the C.E.O was a guarantor. Meanwhile, the Board of directors and the shareholders in their meetings held on 09 October 2016 and 31 October 2016 respectively resolved to reverse the transaction of sale of property to C.E.O, subject to completion of legal formalities and in accordance with rules / law / procedures.

The Company filed a suit before the court of Civil Judge 1st Class (West), Islamabad dated 17 October 2017 against the C.E.O. while making Securities and Exchange Commission of Pakistan and Capital Development Authority parties to the case for directions to transfer the property in the name of the Company. Civil Judge 1st Class (West), Islamabad, vide order dated 28 July 2021 accepted the Company's appeal and directed to submit evidence and vide order dated 13 July 2023 partially decreed the case of the Company to the extent of recover of remaining amount from the C.E.O. The Company has filed an appeal on 28 September 2023 against the said order before Islamabad High Court (IHC). On 25 October 2023 IHC, Islamabad, suspended the operations of the impunged judgement and decree dated 13 July 2023 until the next date of hearing. The matter is pending adjudiction.

The IHC vide its order dated 16 November 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days.

The Company also filed an appeal before the Lahore High Court, Lahore Bench in May 2018 for detachment of the property, so that property can be transferred in the name of the Company, which is pending adjudication.

The Securities and Exchange Commission of Pakistan filed an appeal before the IHC, Islamabad, dated 13 September 2018 for execution of IHC decision dated 16 November 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million, if invested with any scheduled bank on daily product basis in the relevant period, and further requested the IHC to send notice to Lahore High Court, Lahore, for release of the property. The matter is pending adjudication.

The Bank of Punjab filed an appeal before the Islamabad High Court, Islamabad to set-aside orders dated 03 May 2016 and 16 November 2017. The matter is pending adjudication.

On 24 May 2022, the Company filed an application before Islamabad High Court, Islamabad praying that The Bank of Punjab and Bilal Fibers Limited and Bilal Textiles (Private) Limited have entered into a settlement agreements, hence, the said property may please be declared as lawful property of D.M. Textile Mills Limited. The last hearing was held on 25 January 2024 and the matter is pending adjudication.

		NOTE	2024 Rupees	2023 Rupees
14	**LONG TERM INVESTMENT**			
	At amortized cost:			
	Term deposit receipts	14.1	6,881,915	6,000,000
	Accrued markup		645,000	881,915
			7,526,915	6,881,915

14.1 These represent term deposit receipts from Habib Metropolitan Bank Limited for the period of five years ending in February 2027, carrying effective interest rate at the rate of 10.75% (2023: 10.75%) per annum. These are under lien with the bank against guarantee given on behalf of the Company.

15	**LONG TERM DEPOSITS**			
	Considered good	15.1	9,155,034	9,155,034
	Considered doubtful	15.2	15,293,000	15,293,000
			24,448,034	24,448,034
	Less: Provision against doubtful deposit		(15,293,000)	(15,293,000)
			9,155,034	9,155,034

15.1 These include deposits with various utility companies and others. These are not being carried at amortized cost as required by IFRS-9 as the impact was immaterial.

15.2 Sui Northern Gas Pipelines Limited (SNGPL) Islamabad demanded arrears of Rupees 10.405 million for the period from November 2006 to November 2007 due to doubt on accuracy of meter. The Company filed a case in the Court of Senior Civil Judge Islamabad on 18 December 2007. SNGPL encashed the bank guarantee amounting to Rupees 15.293 million issued to it by NIB Bank Limited on behalf of the Company. However, Civil Judge Islamabad rejected SNGPL claim for excessive billing vide order dated 18 December 2012. SNGPL filed appeal before Additional District and Session Judge, Islamabad. Additional District and Session Judge, Islamabad vide order dated 18 April 2018 rejected the plaint by stating that an alternate remedy is available to the Company to agitate its grievances before the Oil and Gas Regulatory Authority (OGRA) under section 11 of the OGRA Ordinance, 2002. The Company filed Complaint No. 2495/2021 before OGRA. Executive Director (Comlaints) OGRA vide Order No. OGRA-8(2) C-2495/2021 dated 29 April 2024 did not accept the claim of the company. Agrieved by the Order, the Company has filed Appeal before the OGRA which is pending adjudication.

16	**ADVANCES**			
	Unsecured			
	Considered good:			
	Advance to employees against:			
	- salaries - interest free	16.1	36,000	82,000
	- expenses		5,000	5,000
			41,000	87,000
	Advance to suppliers		153,600	3,185,200
			194,600	3,272,200
	Considered doubtful:			
	Advances to employees against salaries		25,110	25,110
	Advances to suppliers		113,402	113,402
			138,512	138,512
	Less: Provision against doubtful advances		(138,512)	(138,512)
			194,600	3,272,200

16.1 These represent interest free advances given to employees as per the Company's policy for general purpose.

17 DUE FROM RELATED PARTY

It represents receivable from C.E.O against sale of property as more fully explained in Note 13. The maximum amount due from C.E.O at the end of any month during the year was Rupees 17.62 Millions (2023: Rupees 17.62 million) and is outstanding since 2016.

		NOTE	2024 Rupees	2023 Rupees
18	**SHORT TERM DEPOSIT**			
	Short term deposit	18.1	2,000,000	2,000,000
	Less: Provision against doubtful deposit		(2,000,000)	(2,000,000)
			-	-

18.1 It represents advance given to Messrs. Fauji Foundation for purchase of mill. The Court decided the case in favor of the Company on 10 June 1999. Fauji Foundation filed appeal before Honorable Lahore High Court, Rawalpindi Bench, against the aforesaid order, and provided bank guarantee of Rupees 2 million to the Court. Honorable Lahore High Court remanded the case to the Civil Court who decided the case against the Company. The Company has filed petition in Lahore High Court, Rawalpindi Bench, where the case is still pending.

		NOTE	2024 Rupees	2023 Rupees
19	**OTHER RECEIVABLES**			
	Considered good:			
	Sales tax refundable		3,887,414	3,887,414
	Less: Provision against sales tax refundable	19.1	(3,887,414)	(3,887,414)
			-	-
	Export rebate and claims		134,667	134,667
	Less: Provision against doubtful export rebate and claims		(134,667)	(134,667)
			-	-
	Receivable against sale of solar pannels		-	1,568,206
	Others		20,000	20,000
			20,000	1,588,206
			20,000	1,588,206

		NOTE	2024 Rupees	2023 Rupees
19.1	**Provision against sales tax refundable**			
	Opening balance		3,887,414	3,887,414
	Provision for the year	23	-	-
	Closing balance		3,887,414	3,887,414
20	**SHORT TERM INVESTMENTS**			
	Investment in DM Ventures	20.1	92,950,670	-
			92,950,670	-
	At amortized cost:			
	Fixed deposit certificate	20.2	1,288,381	1,142,045
	Accrued markup		228,825	146,336
			1,517,206	1,288,381

20.1 During the year, investment in DM Venture (related party) was made by company. However, no prior approval was taken through special resolution required under section 199 of companies act, 2017. However company is planning post facto approval in upcoming annual general meeting.

20.2 This represents fixed deposit certificates of Habib Metropolitan Bank Limited for a period of one year commenced from 28 August 2023 and 30 October 2023. Return on these certificates will be paid on maturity at the effective rate of 20.00% (2023: 15.00%) per annum. These are under lien with the bank against guarantee given on behalf of the Company.

		NOTE	2024 Rupees	2023 Rupees
21	**CASH AND BANK BALANCES**			
	Cash at bank:			
	- saving accounts	21.1	2,076,466	15,031
	- current accounts		29,462	120,361
			2,105,928	135,392
	Cash in hand		133,175	127,560
			2,239,103	262,952

21.1 The balances in saving accounts carry interest at the rate of 14% to 19% (2023: 7.15% to 25.79%) per annum.

		NOTE	2024 Rupees	2023 Rupees
22	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Salaries, wages and other benefits	22.1	10,205,533	10,877,351
	Property tax		9,599,200	8,518,959
	Printing and stationery		279,378	245,937
	Fuel and power		4,833,154	9,340,920
	Postage and telephone		531,117	463,288
	Travelling and conveyance		5,556,642	6,232,144
	Vehicles' running		3,395,093	3,539,449
	Repair and maintenance		1,047,160	8,989,131
	Entertainment		680,890	1,032,921
	Advertisement		55,100	166,600
	Legal and professional		2,600,200	931,380
	Fees and subscription		1,946,123	1,148,681
	Depreciation	11	2,546,718	3,063,121
	Miscellaneous		1,433,791	330,480
			44,710,099	54,880,362

22.1 Salaries, wages and other benefits include provision for gratuity amounting to Rupees 896,946 (2023: Rupees 721,244).

		NOTE	2024 Rupees	2023 Rupees
23	**OTHER EXPENSES**			
	Commission		361,237	-
	Auditor's remuneration	23.1	635,000	635,000
	Donations	23.2	288,280	270,700
	Impairment loss on revaluation of operating fixed assets	11	-	-
	Provision against sales tax refundable	19.1	-	-
			1,284,517	905,700
23.1	**Auditor's remuneration**			
	Audit fee		455,000	455,000
	Half yearly review		55,000	55,000
	Other certification		125,000	125,000
			635,000	635,000

23.2 None of the directors and their spouses have any interest in the donee's fund.

		NOTE	2024 Rupees	2023 Rupees
24	**OTHER INCOME**			
	Income from financial assets			
	Profit on deposits with banks		83,341	2,155
	Return on investments		873,825	718,988
	Liabilities written back		-	1,287,000
			957,166	2,008,143
	Income from non-financial assets			
	Gain on disposal of investment properties		26,846,975	-
	Rental income	24.1	32,439,585	26,414,541
	Mud sale		1,311,000	-
	Profit from DM venture		2,500,000	-
			63,097,560	26,414,541
			64,054,726	28,422,684

24.1 During the year, the Company recognized rental income amounting to Rupees 4,464,234 (2023: Rupees 4,586,409) out of advance rental income as at 01 July 2024.

		NOTE	2024 Rupees	2023 Rupees
25	**LEVIES**			
	Minimum taxes	25.1	3,059,888	
			3,059,888	-

25.1 These represent minimum tax under section 113 of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21/IAS 37.

		NOTE	2024 Rupees	2023 Rupees
26	**INCOME TAX EXPENSE**			
	current year	26.1	-	-
	prior year		-	(13,394,853)
		9	-	(13,394,853)
	Deferred income tax	6.1	85,893	49,624
			85,893	(13,345,229)

26.1 Provision for current tax represents alternative corporate tax only because of gross loss for the year and in view of available tax losses of Rupees (2023: Rupees 81.380 million). Consequently, tax charge reconciliation is not being presented.

27 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings / (loss) per share which is based on:

		2024	2023
(Loss) / profit attributable to ordinary shares	(Rupees)	14,853,558	(14,193,110)
Weighted average number of ordinary shares	(Numbers)	3,052,429	3,052,429
(Loss) / earning per share	(Rupees)	4.87	(4.65)

		NOTE	2024 Rupees	2023 Rupees
28	**CASH USED IN OPERATIONS**			
	(LOSS) / PROFIT BEFORE LEVIES AND INCOME TAX		17,999,339	(27,538,339)
	Adjustments for non-cash charges and other items:			
	Depreciation		2,546,718	3,063,121
	Provision for gratuity		896,946	721,244
	Gain on disposal of investment properties		(26,846,975)	-
	Return on investments		(873,825)	(718,988)
	Finance cost		60,771	174,961
	Profit on deposits with banks		(83,341)	(2,155)
	Liabilities written back		-	(1,287,000)
	Advances to suppliers written off		-	-
	Working capital changes	28.1	(3,576,138)	24,863,259
			(9,876,505)	(723,897)
28.1	**Working capital changes**			
	(Increase) / decrease in current assets:			
	Advances		3,077,600	(39,000)
	Other receivables		1,568,206	1,477,336
			4,645,806	1,438,336
	Increase / (decrease) in current liabilities			
	Trade and other payables		6,947,499	7,455,480
	Due to related parties		(15,169,443)	15,969,443
			(8,221,944)	23,424,923
			(3,576,138)	24,863,259

29 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND DIRECTORS

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive officer and directors of the Company are as follows:

	Chief Executive Officer		Directors	
	2024	2023	2024	2023
	-------------------Rupees----------------------			
Managerial remuneration	6,000,000	6,000,000	776,000	711,000
Allowances				
Utilities	262,810	683,352	-	-
Entertainment	513,583	829,121	-	-
Fees and subscription	375,049	353,093	-	-
Medical and hospitalization	1,224,730	-	-	-
	8,376,172	7,865,566	776,000	711,000
Number of persons	**1**	**1**	**1**	**1**

29.1 Chief Executive Officer is provided with the Company's maintained vehicle, personal and family's free medical facilities, personal and family's travelling, residential telephone facilities for both business and personal use and entertainment expenses at actual and 1 (2023: 1) director is provided with the Company's maintained vehicle.

29.2 The aggregate amount charged in the financial statements in respect of directors' meeting fee was Rupees Nil (2023: Rupees Nil).

29.3 No remuneration was paid to non-executive directors.

30 TRANSACTIONS WITH RELATED PARTIES

30.1 The company has related party relationship with its directors and key management personnel. Remuneration given to chief executive, directors and executives are in accordance with their terms of employment as disclosed in note 29 to the financial statements. Following are the relationship with related parties. Balances and transactions with related parties are disclosed in relevant notes to these financial statements.

Name	Basis of relationship	Percentage of shareholding
Sam Corporation (Private) Limited	Common directorship	N/A
DM Ventures	Common directorship / Sole proprietor	N/A

		NOTE	2024 Rupees	2023 Rupees
31	**NUMBER OF EMPLOYEES**			
	Number of employees as at 30 June		7	10
	Average number of employees during the year		8	11

32 FINANCIAL RISK MANAGEMENT

32.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to currency risk as it has no receivables and payables denominated in foreign currency.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. As at 30 June 2024, the Company is not exposed to commodity price risks.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from investments and bank balances in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Companys interest bearing financial instruments was:

	2024 Rupees	2023 Rupees
Fixed rate instruments		
Financial assets		
Long term investment	7,526,915	8,170,296
Short term investments	1,517,206	1,288,381
Floating rate instruments		
Financial assets		
Short term investments	92,950,670	-
Bank balances - saving accounts	2,076,466	15,031

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rupees 965,443 (2023: Rupees 150) higher / lower, mainly as a result of higher / lower interest on saving accounts. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting date were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 Rupees	2023 Rupees
Long term investment	7,526,915	8,170,296
Short term investments	94,467,876	-
Due from related party	17,619,962	17,619,962
Deposits	9,155,034	9,155,034
Advances	36,000	82,000
Other receivables	20,000	1,588,206
Bank balances	2,105,928	135,392
	130,931,715	36,750,890

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2024	2023
	Short term	Long term	Agency	Rupees	Rupees
Banks					
Bank Alfalah Limited	A1+	AA+	PACRA	-	2,202
Habib Bank Limited	A1+	AAA	JCR-VIS	2,487	3,781
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,218	1,850
MCB Bank Limited	A1+	AAA	PACRA	7,093	10,619
Silkbank Limited	A2	A-	JCR-VIS	8,265	7,283
The Bank of Khyber	A1	A	PACRA	2,050	2,049
Faysal Bank Limited	A1+	AA	PACRA	3,364	2,775
Askari Bank Limited	A1+	AA+	PACRA	6,349	2,701
Meezan Bank Limited	A1+	AAA	JCR-VIS	2,075,102	102,132
				2,105,928	135,392
Investments					
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	9,044,121	8,170,296
				11,150,049	8,305,688

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

Deposits, advances, other receivables and due from related parties

The Company has made deposits with the utility companies and others. The management does not expect to incur material losses on such deposit and consider such amount is receivable upon termination of service contract with respective parties expect for the provisions made and are disclosed in relevant notes.

With respect to advances to employees, other receivables and due from related parties, management has assessed that there is no impairment loss and these are recoverable in full expect for the provisions made and are disclosed in relevant notes.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through sponsors' support. As at 30 June 2024, the Company had Rupees 2,239,103 (2023: Rupees 262,952) cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2024.

	Carrying amount	Contractual cash flows	6 months or less
	-------- Rupees -------		
Non-derivative financial liabilities:			
Trade and other payables	62,920,004	62,920,004	62,920,004
Due to related parties	1,100,000	1,100,000	1,100,000
Unclaimed dividend	144,947	144,947	144,947
	64,164,951	64,164,951	64,164,951

Contractual maturities of financial liabilities as at 30 June 2023.

	Carrying amount	Contractual cash flows	6 months or less
	------------------- Rupees -----------------		
Non-derivative financial liabilities:			
Trade and other payables	57,370,981	57,370,981	57,370,981
Due to related parties	16,269,443	16,269,443	16,269,443
Unclaimed dividend	144,947	144,947	144,947
	73,785,371	73,785,371	73,785,371

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June.

32.2 **Financial instruments by categories**

	Financial assets at amortized	
	2024	2023
As at 30 June	Rupees	Rupees
Long term investment	7,526,915	8,170,296
Short Term Investments	94,467,876	-
Due from related party	17,619,962	17,619,962
Deposits	9,155,034	9,155,034
Advances	36,000	82,000
Other receivables	20,000	1,588,206
Cash and bank balances	2,239,103	262,952
	131,064,890	36,878,450

	Financial liabilities at	
	2024	2023
	Rupees	Rupees
Trade and other payables	62,920,004	57,370,981
Due to related parties	1,100,000	16,269,443
Unclaimed dividend	144,947	144,947
	64,164,951	73,785,371

32.3 **Reconciliation to the line items presented in the statement of financial position is as follows:**

	2024			2023		
	Financial assets	Non-financial assets	Total as per statement of financial position	Financial assets	Non-financial assets	Total as per statement of financial position
	------------ Rupees ------------			------------ Rupees ------------		
Assets as per statement of financial position						
Advances	36,000	158,600	194,600	82,000	3,190,200	3,272,200
Other receivables	20,000	-	20,000	1,588,206	-	1,588,206
Long term investment	7,526,915	-	7,526,915	8,170,296	-	8,170,296
Short term investment	94,467,876		94,467,876			-
Deposits	9,155,034	-	9,155,034	9,155,034	-	9,155,034
Cash and bank balances	2,239,103	-	2,239,103	262,952	-	262,952
	113,444,928	158,600	113,603,528	19,258,488	3,190,200	22,448,688

	2024			2023		
	Financial liabilities	Non-financial liabilities	Total as per statement of financial position	Financial liabilities	Non-financial liabilities	Total as per statement of financial position
	------------ Rupees ------------			------------ Rupees ------------		
Liabilities as per statement of financial position						
Trade and other payables	62,920,004	51,712,201	114,632,205	57,370,981	49,772,725	107,143,706
Due to related parties	1,100,000	-	1,100,000	16,269,443	-	16,269,443
Unclaimed dividend	144,947	-	144,947	144,947	-	144,947
	64,164,951	51,712,201	115,877,152	73,785,371	49,772,725	123,558,096

32.4 **Offsetting financial assets and liabilities**

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

33 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

34 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair value of non-financial assets that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 30 June 2024	Level 1	Level 2	Level 3	Total
		---------------- Rupees ----------------		
Freehold land	-	273,220,000	-	273,220,000
Non factory buildings	-	8,270,329	-	8,270,329
Electric installations	-	2,106,000	-	2,106,000
Furniture, fixtures and office equipment	-	120,932	-	120,932
Vehicles	-	7,456,000	-	7,456,000
	-	291,173,261	-	291,173,261
Investment properties - land and building	-	363,921,975	-	363,921,975
Total non-financial assets	-	655,095,236	-	655,095,236

At 30 June 2023	Level 1	Level 2	Level 3	Total
		---------------- Rupees ----------------		
Freehold land	-	273,220,000	-	273,220,000
Non factory buildings	-	8,705,610	-	8,705,610
Electric installations	-	2,340,000	-	2,340,000
Furniture, fixtures and office equipment	-	134,369	-	134,369
Vehicles	-	9,320,000	-	9,320,000
	-	293,719,979	-	293,719,979
Investment properties - land and building	-	449,425,000	-	449,425,000
Total non-financial assets	-	743,144,979	-	743,144,979

The Companys policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its property plant and equipment and investment properties after regular intervals. The management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction/ replacement value of the same building. The best evidence of fair value of electric installations, furniture fixtures and office equipment and vehicles is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the replacement value / new purchase of the same and electric installation.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Companys property plant and equipment and investment properties after regular intervals. The fair values of property plant and equipment and investment properties, have been determined by Danish Enterprises and Construction (the valuer) as at 30 June 2023 and 30 June 2024 respectively.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

35 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 03 October, 2024 by the Board of Directors of the Company.

36 CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures have been made in these financial statements.

37 GENERAL

Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE OFFICER | **DIRECTOR** | **CHIEF FINANCIAL OFFICER**

KEY OPERATING AND FINANCIAL DATA

(Rupees in 000)

Period ended	**30 June**					
Particulars	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**
Assets employed						
Fixed Assets	786,318	783,213	791,054	640,336	678,391	564,437
Advance against property	-	-	-	-	-	-
Due from related party	-	-	-	-	-	-
Long term deposits/investments	16,681	16,037	15,389	9,151	16,509	31,338
Current assets	114,541	24,031	29,457	48,904	84,012	60,897
Total assets employed	**917,540**	**823,281**	**835,900**	**698,391**	**778,912**	**656,672**
Financed by:						
Shareholder's equity	114,557	40,642	54,267	(17,829)	(67,036)	(80,857)
Surplus on revaluation of fixed assets	517,748	577,020	577,710	512,149	574,875	569,362
	632,305	617,662	631,977	494,320	507,839	488,505
Long Term Financing	-	-	-	-	-	1,766
Long term liabilities	5,131	4,479	3,587	3,999	3,817	3,356
Deferred liabilities	-	-	-	2,907	4,517	5,397
Current liabilities	118,356	130,546	124,965	108,586	131,694	128,892
Total funds invested	**123,487**	**135,025**	**128,552**	**115,492**	**140,028**	**139,411**
Profit & (Loss)						
Turn over	-	-	-	-	-	-
Gross profit/Loss)	-	-	-	(28)	46,800	24,044
Operating profit/(loss)	18,060	(27,363)	81,292	(8,817)	19,061	(3,258)
Finance charges	(61)	(175)	(185)	(175)	(213)	(417)
(Loss)/Profit before levies & income tax	17,999	(27,538)	81,106	(8,992)	18,847	(3,676)
(Loss)/Profit before income tax	14,939	(27,538)	81,106	(8,992)	18,847	(7,341)
Net profit/(loss)	**14,853**	**(14,193)**	**71,193**	**(13,666)**	**13,509**	**(7,341)**
Earning/(loss) per share	4.87	(4.65)	23.32	(4.48)	4.43	(2.41)
Spindles installed Nos.	-	-	-	-	2,064	2,064

FORM 20

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company **D.M. TEXTILE MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2024**

4. No. of Shareholders	------Shareholdings------ From	To	Total Shares Held
173	1	100	8,053
78	101	500	22,531
25	501	1,000	20,500
24	1,001	5,000	50,265
10	5,001	10,000	74,239
1	10,001	15,000	11,558
2	15,001	20,000	33,600
3	20,001	25,000	70,900
1	25,001	30,000	25,169
3	30,001	35,000	93,975
2	40,001	45,000	86,000
1	75,001	80,000	77,700
3	85,001	90,000	262,948
2	95,001	100,000	197,530
1	100,001	105,000	100,715
1	130,001	135,000	130,124
2	135,001	140,000	275,652
2	150,001	155,000	303,189
1	260,001	265,000	263,508
1	265,001	270,000	269,614
1	670,001	675,000	674,659
337			**3,052,429**

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	1,288,387	42.2086%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	269,876	8.8414%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,474	0.0483%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	674,659	22.1024%
2.3.8 General Public		
a. Local	1,452,407	47.5820%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
- **Joint Stock Companies**	8,430	0.2762%
- **Pension Funds**	30,775	1.0082%
- **Others**	1,080	0.0354%

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MIAN HABIB ULLAH (CDC)	263,508	8.6327
2	MR. ABRAR ALAM	108,200	3.5447
3	MR. MOHAMMAD SULEMAN KHAN	100	0.0033
4	MR. AMEER ZEB (CDC)	139,500	4.5701
5	MR. SAMI ULLAH	674,659	22.1024
6	RAO KHALID PERVAIZ	650	0.0213
7	SYED HAMEED UL HAQ (CDC)	1,770	0.0580
8	MRS. RIFFAT HABIB W/O HABIB ULLAH	100,000	3.2761
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		32,249	1.0565
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. SAMI ULLAH	674,659	22.1024
2	MIAN HABIB ULLAH (CDC)	263,508	8.6327
3	CDC -TRUSTEE NATIOANAL INVESTMENT (UNIT) TRUST (CDC)	269,614	8.8328
4	MST. NARGIS SHAUKAT (CDC)	153,173	5.0181

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
-	-	-	-

PROXY FORM

I/We ______________________ S/o, W/o, D/o ______________________

residence of ____

being a member of **D.M. Textile Mills Limited** and holder of ____________ ordinary share as

per Share Register Folio No. / Account No. ______________________ hereby appoint

Mr./Mrs./Ms. ______________________ S/o ______________________

residence of ______________________ or failing him ______________________

S/o ______________________ residence of ______________________

as my proxy to attend and vote on my behalf at the Annual General Meeting / Extra Ordinary General Meeting

of the Company to be held on 28th October 2024 and or at any adjournment thereof

Signed this ______________________ day of October 2024

1. Witness:

   Signature ______________________
   Name ______________________
   Address ______________________
   ____
   CNIC No. ______________________

2. Witness:

   Signature ______________________
   Name ______________________
   Address ______________________
   ____
   CNIC No. ______________________

Affix Revenue Stamps of Rs. 5/-

____

Signature of Member as per specimen signature registered with the Company

Shareholder's Folio No. ______________________

CDC A/c No. ______________________

CNIC No. ______________________

Note:

1. Proxies in order to be effective, must be received at the company's Registered office, Westridge Rawalpindi, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. CDC shareholders are requested to bring with them their National Identity Cards along with the participants' ID numbers and their account numbers at the time of attending the AGM/EOGM in order to facilitate identification of the respective shareholders.