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D.M. TEXTILE MILLS LIMITED

Industrial Area, Westridge, Rawalpindi.

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**D.M. TEXTILE
MILLS LIMITED**

SAY NO TO CORRUPTION

**INTERIM CONDENSED
FINANCIAL INFORMATION
FOR THE FIRST QUARTER
ENDED**

September 30,

2019

D.M. TEXTILE MILLS LIMITED

Company's Information

BOARD OF DIRECTORS

CHAIRMAN: Mr. Shahid Hussain
CHIEF EXECUTIVE: Mian Habib Ullah
DIRECTORS: Mr. Shahid Aziz (Nominee of NIT)
Mr. Hussain Ahmad Ozgen
Mr. Sami Ullah
Mr. Amer Zeb
Rao Khalid Pervaiz

AUDIT COMMITTEE:

CHAIRMAN: Mr. Hussain Ahmad Ozgen
MEMBERS: Mr. Shahid Aziz
Mr. Sami Ullah

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN: Mr. Amer Zeb
MEMBERS: Mr. Sami Ullah
Rao Khalid Pervaiz

ACTING COMPANY SECRETARY & CHIEF FINANCIAL OFFICER: Rao Khalid Pervaiz

BANKERS: Faysal Bank Limited
Meezan Bank Ltd.
Habib Metropolitan Bank
Muslim Commercial Bank Limited

AUDITORS: M/s Riaz Ahmed & Company
Chartered Accountants
2-A, ATS Centre, 30-West
Fazal-ul-Haq Road, Blue Area,
Islamabad. Ph: 051-2274121, 2274122

LEGAL ADVISER: M/s Hassan & Hassan Advocates
House CB-360, Lane-4, Quaid-e-Azam Colony,
Dhamial Road, Rawalpindi.

REGISTRAR: Corplink (Pvt) Ltd.
Wing Arcade, 1-K, Commercial
Model Town, Lahore.
Phone: 042-35916714, 35916719
Fax: 042-36869037

REGISTERED OFFICE & MILLS AT: Industrial Area, Westridge, Rawalpindi.
Telephone: 051-5181981, 5181977-78
Fax: 051-5181979
E-mail: dmtm@dmtextile.com.pk
E-mail: dmtextilemills@yahoo.com
Website: www.dmttextile.com.pk

D.M. TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

I am pleased to present the financial reports of the Company for the first quarter ended 30 September 2019. Due to continuing problems Mills could not resume its production process. However, the Board of Directors and Members have granted approval to alter the Principal Line of Business and name of the Company. In this regard, formal approvals by the Securities & Exchange Commission of Pakistan are in process.

We are trying our level best to utilize the available resources in the best interest of the company. I appreciate the efforts of the Board & Management for their efforts of improvement.

On behalf of the Board, I wish to acknowledge the contributions of our employees and cooperation by the financial institutions and other debt providers.



Rawalpindi:
October 28, 2019

SHAHID HUSSAIN
Chairman of the Board of Directors

D.M. TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed financial statements for the first quarter ended 30 September, 2019.

1. Net Profit/(Loss)

During the period the company had a net profit of Rs. 528,241/= as compared to previous period net profit of Rs. 149,430/=

2- Comparative financial results are given below:

First Quarter Ended	Rupees	
	30 September 2019	30 September 2018
Administrative and General Expenses	(5,104,357)	(5,393,076)
Other Income	7,160,825	5,911,377
Finance Cost	(191,184)	(250,199)
Provision for Taxation	(1,337,043)	(118,672)
Profit / (Loss) after taxation	528,241	149,430
Profit/(Loss) Per Share Basic & Diluted Rs.	0.17	0.05
Breakup Value per share in Rs.	170.15	172.44

3- Debt Servicing

As per Settlement Agreement with Faysal Bank Ltd, Company has recently paid the entire outstanding liabilities and registered charge on the assets of the company will be released in due course of time. Management is in the process of further negotiations so as to reduce the liabilities of the company.

4- Dividend

The Directors have not recommended dividend

5- Future Prospects & Plans

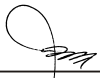
Due to continuing problems and high inflation costs, the Mills could not resume its production process. As more explicitly explained in Note-1 of this report, the Board of Directors and Members of the Company have granted approval to alter the principal line of business and to change the name of the Company for which formal procedural/legal formalities are in process.

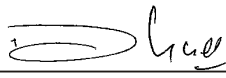
The Management is trying its level best to utilize the available resources. Income has increased and expenses are decreased as compared to last financial period. Despite of the problems, Company is paying back the outstanding liabilities. Management has positive intention and capability to revive the company.

6- Acknowledgment

The Directors wish to place on record their acknowledgment 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 on behalf of the Board of Directors


Mian Habib Ullah
Chief Executive
Rawalpindi: October 28, 2019


Rao Khalid Pervaiz
Director

D.M. TEXTILE MILLS LIMITED

ڈائریکٹرز رپورٹ

معزز ممبران

30 ستمبر 2019 کو ختم ہونے والے پہلے کوارٹر کے مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ 528,241 روپے کا منافع ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 149,430 روپے کا منافع ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

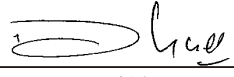
روپے		تفصیل
30 ستمبر 2018	30 ستمبر 2019	
(5,393,076)	(5,104,357)	انتظامی اور دیگر اخراجات
5,911,377	7,160,825	دیگر آمدن
(250,199)	(191,184)	مالی چارجز
(118,672)	(1,337,043)	ٹیکس پروویژن
149,430	528,241	منافع (خسارہ) بعد از ٹیکس
0.05	0.17	فی شیئر آمدن (خسارہ) روپے
172.44	170.15	فی شیئر بریک اپ ویلیو روپے

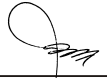
فیصل بینک کے ساتھ معاہدہ کے مطابق کمپنی نے حال ہی میں تمام واجب رقم ادا کر دی ہے اور رجسٹرڈ چارج مناسب وقت پر ختم ہو جائے گا۔ مزید برآں انتظامیہ گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

ڈائریکٹرز نے ڈویڈنڈ تجویز نہیں کیا ہے۔

جاری مسائل اور لاگت میں اضافہ کی وجہ سے کمپنی پیداواری صلاحیت کو بحال نہ کر سکی۔ جیسا کہ اس رپورٹ کے نوٹ نمبر 1 میں تفصیل سے ظاہر کیا گیا ہے، بورڈ آف ڈائریکٹرز اور ممبران نے کمپنی کے فنانس کاروبار میں ردوبدل اور نام تبدیل کرنے کی اجازت دے دی ہے۔ اس سلسلے میں ضروری قانونی کارروائی زیر عمل ہے۔ انتظامیہ اپنے دستیاب وسائل کو بہترین انداز میں استعمال کرتے ہوئے اپنی آمدن کو مناسب بڑھایا ہے اور اخراجات میں پچھلے عرصہ کی نسبت کمی ہوئی ہے۔ مسائل کے باوجود کمپنی واجبات ادا کر رہی ہے۔ انتظامیہ کی نیت مثبت ہے اور کمپنی کو revive کرنے کی صلاحیت رکھتی ہے۔

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


راؤ خالد پرویز
ڈائریکٹر


میاں حبیب اللہ
چیف ایگزیکٹو

راولپنڈی: 28 اکتوبر 2019

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	NOTE	(Un-audited) 30 September 2019 Rupees	(Audited) 30 June 2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (30 June 2019: 5,000,000) ordinary shares of Rupees 10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital			
3,052,429 (30 June 2019: 3,052,429) ordinary shares of Rupees 10 each		30,524,290	30,524,290
Revenue reserve - accumulated loss		(79,929,185)	(80,917,235)
Capital reserve - surplus on revaluation of property, plant and equipment - net of	5	568,778,804	569,238,613
Total equity		519,373,909	518,845,668
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	-	-
Liability against assets subject to finance lease	7	-	-
Employees' retirement benefit		3,552,058	3,355,644
Deferred income tax liability		5,067,363	5,346,272
		8,619,421	8,701,916
CURRENT LIABILITIES			
Trade and other payables		97,534,317	97,200,154
Accrued mark-up		20,767,825	20,767,825
Short term borrowings		1,874,207	4,803,735
Current portion of non-current liabilities		1,548,839	2,424,791
Unclaimed dividend		144,947	144,947
Taxation - net		5,100,515	3,550,367
		126,970,650	128,891,819
Total liabilities		135,590,071	137,593,735
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		654,963,980	656,439,403
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	563,190,933	564,203,898
Advance against property	10		
Due from related party	11		
Long term investment		7,033,126	6,924,048
Long term deposits		24,414,434	24,414,434
		594,638,493	595,542,380
CURRENT ASSETS			
Advances		31,555	15,000
Current portion of due from related party	11	17,619,962	17,619,962
Short term deposit		2,000,000	2,000,000
Other receivables		4,126,424	4,017,327
Short term investment		1,212,899	1,194,924
Cash and bank balances		107,462	822,625
		25,098,302	25,669,838
Non-current assets classified as held for sale	12	35,227,185	35,227,185
		60,325,487	60,897,023
TOTAL ASSETS		654,963,980	656,439,403

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

CONDENCED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019

	(Un-audited) 30 September 2019 Rupees	(Un-audited) 30 September 2018 Rupees
ADMINISTRATIVE AND GENERAL EXPENSES	(5,104,357)	(4,868,741)
OTHER EXPENSES	-	(524,335)
	(5,104,357)	(5,393,076)
OTHER INCOME	7,160,825	5,911,377
PROFIT FROM OPERATIONS	2,056,468	518,301
FINANCE COST	(191,184)	(250,199)
PROFIT BEFORE TAXATION	1,865,284	268,102
TAXATION		
- Current	(1,615,952)	(1,345,085)
- Deferred	278,909	1,226,413
	(1,337,043)	(118,672)
PROFIT AFTER TAXATION	528,241	149,430
PROFIT PER SHARE - BASIC AND DILUTED (Rupees)	0.17	0.05

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

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

	(Un-audited) 30 September 2019 Rupees	(Un-Audited) 30 September 2018 Rupees
PROFIT AFTER TAXATION	528,241	149,430
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	528,241	149,430

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

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

	SHARE CAPITAL	ACCUMULATED LOSS	CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX	TOTAL EQUITY
	----- (Rupees) -----			
Balance as at 30 June 2018 - Audited	30,524,290	(75,583,279)	571,260,712	526,201,723
Loss for the year	-	(7,524,441)	-	(7,524,441)
Other comprehensive income for the year	-	168,386	-	168,386
Total comprehensive loss for the year ended 30 June 2019	-	(7,356,055)	-	(7,356,055)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax (Note 4)	-	2,022,099	(2,022,099)	-
Balance as at 30 June 2019 - Audited	30,524,290	(80,917,235)	569,238,613	518,845,668
Profit for the period	-	528,241	-	528,241
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period ended 30 September 2019	-	528,241	-	528,241
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	459,809	(459,809)	-
Balance as at 30 September 2019 - Un-audited	30,524,290	(79,929,185)	568,778,804	519,373,909

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

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

	NOTE	(Un-Audited) 30 September 2019 Rupees	(Un-Audited) 30 September 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	3,278,845	2,277,043
Finance cost paid		(191,184)	(250,199)
Income tax paid		(65,804)	(26,795)
Gratuity paid		-	(57,600)
Net cash generated from / (used in) operating activities		3,021,857	1,942,449
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	2,590,000
Interest received		68,460	57,050
Net cash from investing activities		68,460	2,647,050
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(2,929,528)	(3,761,357)
Repayment of long term financing		(875,952)	(820,806)
Net cash used in financing activities		(3,805,480)	(4,582,163)
Net increase in cash and cash equivalents		(715,163)	7,336
Cash and cash equivalents at the beginning of the period		822,625	51,109
Cash and cash equivalents at the end of the period		107,462	58,445

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2019

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). PSX vide Notice No. PSX/N-122 dated 06 February 2019 placed the Company on defaulters segment with effect from 07 February 2019 due to suspension of production / business operations for a continuous period of one year and adverse opinion by the auditors on the issue of going concern. Further, PSX vide Notice No. PSX/N-966 dated 06 August 2019 granted extension upto 28 October 2019 to rectify the above stated non-compliances.

The registered office, head office and manufacturing unit of the Company is situated at Westridge, Rawalpindi. The Company is engaged in the business of manufacturing, sale and trading of cotton, polyester, viscose and blended yarn. However, the board of directors and shareholders of the Company in their meetings held on 27 April 2019 and 31 May 2019 respectively, resolved that principal line of business of the Company will be to establish warehouses to provide storage facilities on proprietary as well as rental basis and / or to undertake real estate development including investment, development, construction, purchase, sale, lease and disposal of real estate assets. Further, it was resolved to adopt new name i.e. "D.M. Industries Limited". Management of the Company is in process to complete procedural / legal formalities in this regard.

2 BASIS OF PREPARATION

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

" International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

" Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

4 CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of these condensed interim 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.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

D.M. TEXTILE MILLS LIMITED

	(Un-audited) 30 September 2019	(Audited) 30 June 2019
Note	Rupees	Rupees
5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX		
Opening balance	569,238,613	571,260,712
Transferred to accumulated loss in respect of incremental depreciation charged during the period / year	(647,619)	(2,848,026)
Related deferred income tax liability	187,810	825,927
	(459,809)	(2,022,099)
	<u>568,778,804</u>	<u>569,238,613</u>
6 LONG TERM FINANCING		
Faysal Bank Limited - secured	6.1	
Opening balance	1,766,260	5,131,086
Add: Effect of fair value adjustment	24,048	235,174
	1,790,308	5,366,260
Less: Repaid during the period / year	900,000	3,600,000
	890,308	1,766,260
Less: Current portion shown under current liabilities	890,308	1,766,260
	<u>-</u>	<u>-</u>
6.1 The Company entered into settlement agreement with Faysal Bank Limited. Pursuant to the agreement, short term borrowings including related accrued mark-up were reduced to Rupees 17.544 million. The Company paid down payment of Rupees 4.044 million. Remaining amount is interest free and is payable in 48 monthly installments (12 installments of Rupees 250,000, 12 installments of Rupees 275,000 and 24 installments of Rupees 300,000) commenced from January 2016. In case of default, the settlement agreement or any of its arrangement shall stand cancelled / withdrawn. Consequently, the Bank will be entitled to recover outstanding amount as per books of ledger.		
In accordance with the requirements of IFRS 9 'Financial Instruments' it has been stated at present value using effective interest rate of 6.52% per annum.		
These are secured against registered hypothecation charge of Rupees 50 million, second supplement agreement of hypothecation on all future and current assets, stocks of raw material, work in process, finished goods, plant and machinery, equipment tools and stores and spares.		
7 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	658,531	658,531
Less: Un-amortized finance charges	-	-
Present value of future minimum lease payments	658,531	658,531
Less: Current portion shown under current liabilities - over due	658,531	658,531
	<u>-</u>	<u>-</u>

D.M. TEXTILE MILLS LIMITED

8 CONTINGENCIES AND COMMITMENTS			
8.1 Contingencies			
There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2019.			
		(Un-audited) 30 September 2019	(Audited) 30 June 2019
	Note	Rupees	Rupees
9 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
Owned	9.1	561,854,199	562,850,243
Leased	9.2	1,336,734	1,353,655
		<u>563,190,933</u>	<u>564,203,898</u>
9.1 Operating fixed assets - Owned			
Opening book value		562,850,243	573,227,220
Add: Motor vehicle		-	900,000
Less: Book value of deletions during the period / year	9.1.1	-	6,854,335
Less: Depreciation charge for the period / year		996,044	4,422,642
		<u>561,854,199</u>	<u>562,850,243</u>
9.1.1 Book value of deletions			
Plant and machinery		-	6,854,335
9.2 Operating fixed assets - Leased			
Opening book value		1,353,655	1,424,900
Less: Depreciation charge for the period / year		16,921	71,245
		<u>1,336,734</u>	<u>1,353,655</u>
10 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, 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 installments 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.			

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However, the C.E.O in the case proceedings before the Islamabad High Court, 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 Senior Civil Judge (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, which is pending adjudication.

Meanwhile, the Islamabad High Court, 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 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 Islamabad High Court (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 should 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 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.

	(Un-audited) 30 September 2019	(Audited) 30 June 2019
	Rupees	Rupees
11 DUE FROM RELATED PARTY		
Due from C.E.O	17,619,962	17,619,962
Less: Current portion shown under current assets	<u>(17,619,962)</u>	<u>(17,619,962)</u>
	-	-

It represents receivable from C.E.O against sale of property as more fully explained in Note 10. The maximum amount due from C.E.O at the end of any month during the period was Rupees 17.620 million (2019: Rupees 17.620 million).

	28,750,000	28,750,000
	6,477,185	6,477,185
	<u>35,227,185</u>	<u>35,227,185</u>
12 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Free hold land	28,750,000	28,750,000
Non-factory building	6,477,185	6,477,185
	<u>35,227,185</u>	<u>35,227,185</u>

These represent freehold land measuring approximately 7.19 kanal comprising open area and old worker quarters having 31,877 square feet covered area, on the extreme back side of the mills situated at Westridge Industrial Area, Rawalpindi. This freehold land and non-factory building is expected to be sold within a year. An active search is underway for the buyer.

The forced sale value of freehold land and non-factory building is Rupees 24,437,500 and Rupees 9,187,735 respectively.

	(Un-audited) 30 September 2019	(Un-audited) 30 September 2018
	Rupees	Rupees
13 CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,865,284	268,102
Adjustments for non-cash charges and other items:		
Depreciation	1,012,965	1,030,301
Provision for gratuity	196,414	160,427
Loss on sale of property, plant and equipment	-	524,335
Return on investment	(195,513)	(113,538)
Finance cost	191,184	250,199
Working capital changes	13.1 <u>208,511</u>	<u>157,217</u>
	<u>3,278,845</u>	<u>2,277,043</u>

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13.1 Working capital changes

Decrease / (increase) in current assets:

Advances	(16,555)	21,001
Other receivables	<u>(109,097)</u>	<u>(203,939)</u>
	(125,652)	(182,938)

Increase in trade and other payables

	<u>334,163</u>	<u>340,155</u>
	<u>208,511</u>	<u>157,217</u>

14 TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of associated undertakings, other related parties and key management personnel. Detail of Transaction with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	QUARTER ENDED	
	30 September 2019	30 September 2018
	Rupees	Rupees
Remuneration to Chief Executive Officer and directors	<u>738,000</u>	<u>738,000</u>
14.1 Mian Habib Ullah - C.E.O		
Loan obtained during the period	315,000	753,000
Adjustment / payment against outstanding balance	2,244,528	1,074,357
Period end balance	1,874,207	8,128,673
14.2 Mrs. Riffat Habib - Close family member of C.E.O		
Loan obtained during the period	-	-
Adjustment / payment against outstanding balance	-	1,400,000
Period end balance	-	-
Mr. Sami Ullah - Director		
Loan obtained during the period	-	-
Adjustment / payment against outstanding balance	-	2,040,000
Rental Income	66,000	60,000
Period end balance	-	-

15 FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2019.

16 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on October 28, 2019.

17 CORRESPONDING FIGURES

Figures of the prior period has been re-arranged wherever necessary for the purpose of comparison, however, no significant re-arrangement have been made.

18 GENERAL

Figures have been rounded off to the nearest Rupees unless otherwise stated.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER