

**BOOK
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D.M. TEXTILE MILLS LIMITED

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**D.M. TEXTILE
MILLS LIMITED**

SAY NO TO CORRUPTION

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

March 31,

2017

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. Mubarik Zeb
Mr. Amer Zeb
Rao Khalid Pervaiz

AUDIT COMMITTEE:

CHAIRMAN: Mr. Hussain Ahmad Ozgen
MEMBERS: Mr. Shahid Aziz
Mr. Amer Zeb

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN: Rao Khalid Pervaiz
MEMBERS: Mr. Shahid Aziz
Mr. Mubarik Zeb

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
Office 39, 1st Floor, Al-Abbas Market,
Adamjee Road, Rawalpindi.

REGISTRAR:

Corplink (Pvt) Ltd.
Wing Arcade, 1-K, Commercial,
Model Town, Lahore. Ph: 042-3591714,
35916719, Fax: 042-35869037

REGISTERED OFFICE & MILLS AT:

Industrial Area, Westridge, Rawalpindi.
Telephone: 051-5181981
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E-mail: dmtm@dmtextile.com.pk
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Website: www.dmttextile.com.pk

D.M. TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed interim financial statements for the 3rd quarter ended 31 March, 2017.

1. Net Profit/(Loss)

During the period Company suffered a net loss of (Rs. 8.077) Million as compared to previous period net profit of Rs. 3.572 Million which was due to settlement with Faysal Bank Ltd.

2. Comparative financial results are given below:

Half Year Ended	Rupees	
	31 March 2017	31 March 2016
Admin & Other Expenses	(18,304,743)	(36,297,445)
Other Income	11,216,899	29,954,786
Financial and Other Charges	(746,360)	(1,433,507)
Profit / (Loss) before taxation	(7,835,204)	(7,776,166)
Profit / (Loss) after taxation	(8,077,452)	3,572,103
Basic Earning/(Loss) per share in Rs.	(2.65)	1.17

3. Debt Servicing

As per settlement agreement with Faysal Bank Ltd, company is paying monthly installments regularly. Further, CEO of the company is in the process of negotiating with other debt providers so as to reduce the financial liabilities of the company.

4. Dividend

The Directors have not recommended any dividend due to loss.

5. Addition & Disposal of Assets

Directors have granted specific approval for the following.

- Disposal of old & obsolete 6-Ring Frames
- Disposal of old & obsolete 1-Compressor
- Purchase of Suzuki Bolan Vehicle

6. Future Prospects & Plans

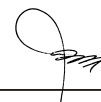
Due to continuing market recession and high input costs, the Mills could not resume its production process. The management is hopeful to settle all of its outstanding liabilities with debt providers which will further reduce burden of financial cost. Management has positive intention and capability to start production subject to improvement in market and suppliers credit for raw material & new machinery so that production comes into profit.

D.M. TEXTILE MILLS LIMITED

7. 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 behalf of the Board of Directors



Mian Habib Ullah
Chief Executive
Rawalpindi: April 28, 2017

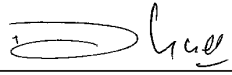


Rao Khalid Pervaiz
Director

D.M. TEXTILE MILLS LIMITED

مسلسل مارکیٹ بحران اور ان پٹ لاگت میں اضافہ کی وجہ سے کمپنی پیداواری صلاحیت کو بحال نہ کر سکی۔ انتظامیہ پر امید ہے کہ دیگر تمام قرض داروں سے معاملات طے ہو جائیں گے جس سے کمپنی کا مالی بوجھ کم ہوگا۔ انتظامیہ کی نیت مثبت ہے اور پیداوار شروع کرنے کی صلاحیت بھی رکھتی ہے بشرطیکہ مارکیٹ بہتر ہو، سپلائرز سے خام مال اور نئی مشینری ادھار ملے تاکہ پیداوار منافع بخش ہو سکے۔

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



راؤ خالد پرویز
ڈائریکٹر



میاں حبیب اللہ
چیف ایگزیکٹو

راولپنڈی: 28 اپریل 2017

D.M. TEXTILE MILLS LIMITED

ڈائریکٹرز رپورٹ

معزز ممبران

31 مارچ 2017 کو ختم ہونے والے تیسرے 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 8.077 ملین روپے کا خسارہ ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 3.572 ملین روپے کا منافع ہوا تھا جو کہ فیصل بینک کے ساتھ معاہدہ کی وجہ سے تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے		تفصیل
31 مارچ 2016	31 مارچ 2017	
(36,297,445)	(18,304,743)	انتظامی اور دیگر اخراجات
29,954,786	11,215,899	دیگر آمدن
(1,433,507)	(746,360)	مالی اور دیگر چارجز
(7,776,166)	(7,835,204)	منافع / (خسارہ) قبل از ٹیکس
3,572,103	(8,077,452)	منافع / (خسارہ) بعد از ٹیکس
1.17	(2.65)	فی شیئر آمدن / (خسارہ) روپے

فیصل بینک کے ساتھ معاہدہ کے مطابق کمپنی ماہانہ اقساط باقاعدگی سے ادا کر رہی ہے۔ مزید برآں انتظامیہ دوسرے قرض داروں سے گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

مالی خسارہ کی وجہ سے ڈائریکٹرز نے ڈیویڈنڈ تجویز نہیں کیا ہے۔

ڈائریکٹرز نے مندرجہ ذیل اثاثہ جات کی فروخت اور خریداری کی خصوصی منظوری دی ہے۔

فروخت چھ عدد پرانے رنگ فریم اور ایک عدد پرانا کپیریسر

خریداری ایک عدد سوزوکی بولان گاڑی

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET

	NOTE	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (30 June 2016: 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 2016: 3,052,429) ordinary shares of Rupees 10 each		30,524,290	30,524,290
Accumulated loss		(67,594,693)	(61,485,162)
Total equity		(37,070,403)	(30,960,872)
Surplus on revaluation of property, plant and equipment - net of deferred income tax	5	575,270,634	602,661,894
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	5,938,657	8,136,890
Liabilities against assets subject to finance lease	7	-	-
Employees' retirement benefit		9,568,681	9,839,462
Deferred income tax liability		20,516,422	22,476,930
		36,023,760	40,453,282
CURRENT LIABILITIES			
Trade and other payables		85,112,415	83,042,828
Accrued mark-up		20,767,825	21,275,680
Short term borrowings		15,555,762	10,760,361
Current portion of non-current liabilities		3,541,677	3,185,439
		124,977,679	118,264,308
Total liabilities		161,001,439	158,717,590
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		699,201,670	730,418,612

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE

D.M. TEXTILE MILLS LIMITED

AS AT 31 MARCH 2017

	NOTE	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	608,896,880	679,890,756
Advance against property	10	-	-
Due from related party	11	-	-
Long term deposits		24,414,434	24,403,761
		633,311,314	704,294,517
CURRENT ASSETS			
Advances		204,435	305,985
Current portion of due from related party	11	17,420,828	16,823,426
Short term deposits		2,000,000	2,000,000
Other receivables		3,797,489	5,721,692
Short term investment		7,142,000	1,142,000
Cash and bank balances		98,419	130,992
		30,663,171	26,124,095
Non-current assets classified as held for sale	12	35,227,185	-
		65,890,356	26,124,095
TOTAL ASSETS		699,201,670	730,418,612


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	----- Rupees -----			
ADMINISTRATIVE EXPENSES	(18,224,743)	(24,419,183)	(5,324,736)	(8,270,784)
OTHER EXPENSES	(80,000)	(11,878,262)	-	(54,999)
	<u>(18,304,743)</u>	<u>(36,297,445)</u>	<u>(5,324,736)</u>	<u>(8,325,783)</u>
OTHER INCOME	(18,304,743)	(36,297,445)	(5,324,736)	(8,325,783)
	<u>11,215,899</u>	<u>29,954,786</u>	<u>3,517,483</u>	<u>3,172,789</u>
LOSS FROM OPERATIONS	(7,088,844)	(6,342,659)	(1,807,253)	(5,152,994)
FINANCE COST	(746,360)	(1,433,507)	(154,592)	(181,053)
LOSS BEFORE TAXATION	(7,835,204)	(7,776,166)	(1,961,845)	(5,334,047)
TAXATION				
- Current	(2,202,756)	(1,976,192)	(745,843)	(714,880)
- Deferred	1,960,508	13,324,461	1,501,025	618,605
	<u>(242,248)</u>	<u>11,348,269</u>	<u>755,182</u>	<u>(96,275)</u>
(LOSS) / PROFIT AFTER TAXATION	<u>(8,077,452)</u>	<u>3,572,103</u>	<u>(1,206,663)</u>	<u>(5,430,322)</u>
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	<u>(2.65)</u>	<u>1.17</u>	<u>(0.40)</u>	<u>(1.78)</u>

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	----- Rupees -----			
(LOSS) / PROFIT AFTER TAXATION	(8,077,452)	3,572,103	(1,206,663)	(5,430,322)
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	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	<u>(8,077,452)</u>	<u>3,572,103</u>	<u>(1,206,663)</u>	<u>(5,430,322)</u>

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	SHARE CAPITAL	ACCUMULATED PROFIT / (LOSS)	TOTAL EQUITY
	(Rupees)		
Balance as at 30 June 2015 - Audited	30,524,290	(5,100,495)	25,423,795
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,679,912	1,679,912
Profit after taxation for the nine months ended 31 March 2016	-	3,572,103	3,572,103
Other comprehensive loss for the nine months ended 31 March 2016	-	-	-
Total comprehensive loss for the nine months ended 31 March 2016	-	3,572,103	3,572,103
Balance as at 31 March 2016 - Un-audited	30,524,290	151,520	30,675,810
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	572,957	572,957
Loss after taxation for the quarter ended 30 June 2016	-	(62,401,114)	(62,401,114)
Other comprehensive income for the quarter ended 30 June 2016	-	191,475	191,475
Total comprehensive loss for the quarter ended 30 June 2016	-	(62,209,639)	(62,209,639)
Balance as at 30 June 2016 - Audited	30,524,290	(61,485,162)	(30,960,872)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,967,921	1,967,921
Loss after taxation for the nine months ended 31 March 2017	-	(8,077,452)	(8,077,452)
Other comprehensive income for the nine months ended 31 March 2017	-	-	-
Total comprehensive loss for the nine months ended 31 March 2017	-	(8,077,452)	(8,077,452)
Balance as at 31 March 2017 - Un-audited	30,524,290	(67,594,693)	(37,070,403)

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

	NOTE	31 March 2017 Rupees	31 March 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	13	(5,647,932)	(16,521,714)
Finance cost paid		(771,211)	(102,087)
Income tax paid		(845,908)	(632,114)
Gratuity paid		(584,200)	(383,070)
Deferred mark-up paid		-	(1,365,000)
Net increase in long term deposits		(10,673)	20,000
Net cash used in operating activities		(7,859,924)	(18,983,985)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(788,050)	-
Proceeds from disposal of property, plant and equipment		6,145,000	21,625,000
Net cash from investing activities		5,356,950	21,625,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(2,325,000)	(4,794,008)
Short term borrowings - net		4,795,401	2,233,629
Net cash from / (used in) financing activities		2,470,401	(2,560,379)
Net (decrease) / increase in cash and cash equivalents		(32,573)	80,636
Cash and cash equivalents at the beginning of the period		130,992	305,981
Cash and cash equivalents at the end of the period		98,419	386,617

The annexed notes form an integral part of this condensed interim financial information.


CHIEF EXECUTIVE


DIRECTOR

D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2017

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 Ordinance, 1984) and listed on Pakistan Stock Exchange Limited. Its registered office is situated at Westridge, Rawalpindi. The Company is engaged in the business of manufacturing, sale and trading of cotton, polyester, viscose and blended yarn.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim financial information of the Company for the quarter ended 31 March 2017 has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2016.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this interim financial information 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 2016, except for adoption of accounting policy as stated in note 3.1.

3.1 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 a sale transaction rather than continuous use. These are measured at lower of carrying amount and fair value less cost to sell.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information 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 this condensed interim financial information, 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 2016.

	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX		
Opening balance	602,661,894	530,254,047
Deferred tax adjustment due to change in tax rate	-	409,541
Surplus on revaluation of property, plant and equipment during the year	-	76,109,465
Related deferred income tax liability	-	(1,858,290)
	-	74,251,175
Reversal of surplus on revaluation (Note 12.1)	(25,423,339)	-
Transferred to accumulated loss in respect of incremental depreciation	(2,852,060)	(3,265,027)
Related deferred income tax liability	884,139	1,012,158
	(1,967,921)	(2,252,869)
	<u>575,270,634</u>	<u>602,661,894</u>

D.M. TEXTILE MILLS LIMITED

	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
6 LONG TERM FINANCING		
Secured		
Opening balance	10,663,798	-
Add: Obtained during the period / year	-	15,838,566
Effect of fair value adjustment	483,005	369,240
	<u>11,146,803</u>	<u>16,207,806</u>
	2,325,000	5,544,008
	<u>8,821,803</u>	<u>10,663,798</u>
Less: Repaid during the period / year	-	-
	<u>2,883,146</u>	<u>2,526,908</u>
Less: Current portion shown under current liabilities	-	-
Closing balance	<u>5,938,657</u>	<u>8,136,890</u>
7 LIABILITIES 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	<u>658,531</u>	<u>658,531</u>
Less: Current portion shown under current liabilities - over due	<u>658,531</u>	<u>658,531</u>
	-	-
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 2016.		
8.2 Commitments	Nil	Nil
9 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
Owned (Note 9.1)	608,321,489	679,293,141
Leased (Note 9.2)	575,391	597,615
	<u>608,896,880</u>	<u>679,890,756</u>
9.1 Operating fixed assets - Owned		
Opening book value	679,293,141	660,486,424
Add: Transferred from leased assets (Note 9.2)	-	33,253,388
Add: Purchase of vehicle	788,050	-
Add: Revaluation surplus	-	76,109,465
	<u>680,081,191</u>	<u>769,849,277</u>
Less: Book value of deletions during the period / year (Note 9.1.1)	5,696,681	27,327,536
Less: Impairment loss	-	52,870,727
Less: Reversal of revaluation surplus (Note 12.1)	25,423,339	-
Less: Transferred to non-current assets classified as held for sale (Note 12)	35,227,185	-
Less: Depreciation charged during the period / year	5,412,497	10,357,873
	<u>71,759,702</u>	<u>90,556,136</u>
Closing book value	<u>608,321,489</u>	<u>679,293,141</u>
9.1.1 Book value of deletions		
Motor Vehicle	43,972	-
Plant and machinery	5,652,709	27,327,536
	<u>5,696,681</u>	<u>27,327,536</u>
9.2 Operating fixed assets - Leased		
Opening book value	597,615	35,701,351
Less: Transferred to owned assets (Note 9.1)	-	33,253,388
Less: Impairment loss	-	1,735,290
Less: Depreciation charged during the period / year	22,224	115,058
Closing book value	<u>575,391</u>	<u>597,615</u>
10 ADVANCE AGAINST PROPERTY		

An amount of Rupees 51.150 million was given by the Company as advance against purchase of aforesaid 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(2) of the 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 Companies Ordinance, 1984 against this Order on 10 January 2008, where the Appellate Bench decided not to interfere with the impugned order.

D.M. TEXTILE MILLS LIMITED

The C.E.O also filed an appeal under section 485 of the 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. However, 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.

However, the C.E.O 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 therefrom. 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.

	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
11 DUE FROM RELATED PARTY		
Due from C.E.O	17,420,828	16,823,426
Less: Current portion shown under current assets	<u>17,420,828</u>	<u>16,823,426</u>
	-	-

It represents receivable from C.E.O against sale of property as more fully explained in Note 10. It carries no interest and is repayable in three years. In accordance with IAS 39 'Financial Instruments: Recognition and Measurement' this has been stated at present value using the discount rate of 9.94% per annum and the difference between the carrying amount and present value of expected future cash flows has been included in profit and loss account.

The maximum amount due from C.E.O at the end of any month during the period was Rupees 17,620 million (30 June 2016: Rupees 17,620 million).

	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
12 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Free hold land	28,750,000	-
Non-factory building	<u>6,477,185</u>	<u>-</u>
	<u>35,227,185</u>	<u>-</u>

12.1 It represents land measuring 7.19 kanal comprising open area and old worker quarters located at factory premises at Westridge, Rawalpindi. Land and non-factory building is expected to be sold within a year. A search is underway for the buyer. Difference between carrying value and fair value amounting to Rupees 25,423,339 has been charged to surplus on revaluation of property, plant and equipment.

	(Un-audited)	
	NINE MONTHS ENDED	
	31 March 2017 Rupees	31 March 2016 Rupees
13 CASH USED IN OPERATIONS		
Loss before taxation	(7,835,204)	(7,776,166)
Adjustments for non-cash charges and other items:		
Depreciation	5,434,721	7,752,352
Provision for gratuity	313,420	553,047
Provision for slow moving stores, spare parts and loose tools	-	5,694,603
Gain on settlement of borrowings	-	(20,767,825)
(Gain) / loss on sale of property, plant and equipment	(448,319)	5,727,107
Effect of fair value adjustment on due from related party	(597,402)	(1,140,792)
Finance cost	746,360	1,433,507
Working capital changes	13.1 (3,261,508)	(7,997,547)
	<u>(5,647,932)</u>	<u>(16,521,714)</u>

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	Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees
13.1 Working capital changes		
(Increase) / decrease in current assets:		
Stock in trade	-	401,553
Advances	101,550	(5,140,800)
Short term investment	(6,000,000)	(9,699)
Other receivables	<u>567,355</u>	<u>(155,510)</u>
	(5,331,095)	(4,904,456)
Increase / (decrease) in trade and other payables	<u>2,069,587</u>	<u>(3,093,091)</u>
	<u>(3,261,508)</u>	<u>(7,997,547)</u>

14 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

	(Un-audited)			
	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	----- (R u p e e s) -----			
Remuneration to Chief Executive Officer and Directors	2,124,000	2,524,000	708,000	808,000
			Un-audited 31 March 2017 Rupees	Audited 30 June 2016 Rupees

14.1 Mian Habib Ullah - C.E.O

Loan obtained during the year	9,793,500	13,402,058
Adjustment / payment against outstanding balance	2,130,725	16,758,068

14.2 Close family member of C.E.O

Loan obtained during the year	500,000	-
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15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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 2016.

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 28, 2017.

17 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

18 GENERAL

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


CHIEF EXECUTIVE


DIRECTOR