

D.M. Industries Limited

(Formerly D.M. Textile Mills Limited)

March 2, 2020

Mr. Hafiz Maqsood Munshi
Manager Companies & Securities Compliance - RAD
Pakistan Stock Exchange Ltd,
Stock Exchange Building, Stock Exchange Road,
Karachi

D.M. INDUSTRIES LIMITED (formerly D.M. TEXTILE MILLS LIMITED)
RECTIFICATION OF NON-COMPLIANCES OF PSX REGULATIONS NO. 5.11.1.(b) & (i)

Dear Sir,

Reference our letter dated February 17, 2020 and earlier monthly progress reports.

We are pleased to inform you that the Company has successfully rectified both of the above mentioned non-compliances. Brief details are given as under:

- (1). Non-compliance of Clause 5.11.1.(b) has been rectified through alteration of the principal line of business and change of name. Certified amended Memorandum of Association of the Company and new Incorporation Certificate have already been submitted to the Exchange through our letter dated 14 November 2019.
- (2). In accordance with the amended Memorandum of Association, the Company prepared its half-yearly accounts based on the duly approved principal line of business. Following the International Financial Reporting Standards, our independent external auditor has classified our rental income as main revenue (see page-11 of the half yearly financial statements).
- (3). Considering our significant and result oriented efforts, adverse opinion of the independent auditor about the company's ability to continue as going concern has been withdrawn (see page 04 & 05 of the half yearly financial statements).

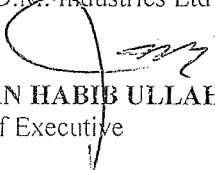
As more explicitly disclosed in Note-1 to the attached half yearly accounts, during the period, the Company settled its entire liabilities towards Faysal Bank Ltd resulting waiver of accrued markup of Rs.20.767 Million. As on today and in future, the Company will continue to earn revenue under its new principal line of business.

Keeping in view of the above mentioned facts & rectification of the non-compliances, we request you to kindly remove our Company's name from Defaulters' Segment and also de-freeze the shares of our Directors.

We are thankful to the Exchange for kind consideration.

Thanking you,

Yours sincerely,
For D.M. Industries Ltd (formerly D.M. Textile Mills Ltd)


MIAN HABIB ULLAH
Chief Executive

D.M. Textile Mills, Westridge Industrial Area, Rawalpindi - Pakistan.

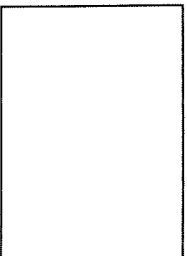
E-mail: dmtm@dmtextile.com.pk, dmtextilemills@yahoo.com
Website: www.dmtextile.com.pk

NTN: 0698602 - 1, Sales Tax Registration No. 07-02-5202-007-19



**BOOK
POST**

PRINTED MATTER
(UNDER CERTIFICATE OF POSTING)



If Undelivered Please Return to:

D.M. INDUSTRIES LIMITED

D.M. Textile Mills, 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.dmtextile.com.pk

**D.M. INDUSTRIES
LIMITED**

(FORMERLY D.M. TEXTILE MILLS LIMITED)

**INTERIM CONDENSED
FINANCIAL INFORMATION
FOR THE HALF YEARLY
ENDED**

December 31,

2019

D.M. INDUSTRIES LIMITED
(FORMERLY D.M. TEXTILE MILLS LIMITED)

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.

02

D.M. INDUSTRIES LIMITED
(FORMERLY D.M. TEXTILE MILLS LIMITED)

CHAIRMAN'S REVIEW

Dear Shareholders,

I am pleased to present the half yearly financial statements along with Directors' Report & Auditors' Review Report for the period ended 31-12-2019. Recently the Company altered its Memorandum & Articles of Association and also changed the name as "D.M. Industries Ltd" to reflect the new principal line of business which has been more explicitly explained in Note-1 of this report. 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.

We sincerely acknowledge and appreciate the contributions of the employees and cooperation by the financial institutions and other debt providers.



Chairman of the Board of Directors

Rawalpindi:
February 28, 2020

03

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of D.M. Industries Limited (Formerly D.M. Textile Mills Limited)
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of D.M. INDUSTRIES LIMITED (formerly D.M. TEXTILE MILLS LIMITED) as at 31 December 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2019.

Scope of Review

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

Basis for Qualified Conclusion

As more fully explained in Note 14 to the condensed interim 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

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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 Blal Fibers Limited and The Bank of Punjab versus Blal 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 (West), Islamabad dated 17 October 2017 against the CEO while making SECP and CDA parties to the case for directions to transfer the property in the name of the Company, which 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 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. 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.

Qualified Conclusion

Based on our review, with the exception of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to Note 1 to the condensed interim financial statements, which more fully explains that the Company has changed its principal line of business and steps taken for revival of business. The new principal line of business is to construct and to establish warehouses for providing facilities for storage and for other purposes on proprietary as well as rental basis and ancillary activities. These condensed interim financial statements have been prepared using going concern basis of accounting. Our conclusion is not qualified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review reports is Raheel Arshad.


RAZAHMAD & COMPANY
Chartered Accountants

ISLAMABAD
Date: February 28, 2020

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed interim financial statements for the half-year ended 31 December, 2019.

1. Net Profit/(Loss)

During the period Company had a net profit of Rs. 33,731 Million as compared to previous period net loss of (Rs. 3,979) Million.

2- Comparative financial results are given below:

Half Year Ended	Rupees	
	31 December 2019	31 December 2018
Revenue	13,866,554	-
Administrative & General Expenses	(13,769,156)	(13,350,147)
Other Expenses	(642,300)	(624,335)
Other Income	21,407,267	11,713,622
Gain from Fair Value Adjustment on Investment Property	19,164,051	-
Profit / (Loss) from Operations	40,026,416	(2,260,860)
Financial Cost	(205,814)	(323,220)
Profit / (Loss) before Taxation	39,820,602	(2,584,080)
Taxation	(6,089,910)	(1,394,938)
Profit / (Loss) after taxation	33,730,692	(3,979,018)
Earning/(Loss) per share Basic & Diluted	11.05	(1.30)

Directors have granted specific approval for following transactions/adjustments.

Rupees

387,501

Liabilities written back

Changes in accounting policies as stated in Note 3.2 and rectification of prior period error as stated in Note-4.

Related party transaction as disclosed in condensed interim financial statements

3- Debt Servicing

As per settlement agreement with Faysal Bank Ltd, company has satisfactorily paid-off its entire liabilities and registered charge on the assets of the company has been released. Further, Management of the company is in the process of negotiating with other debt providers/suppliers so as to further reduce the liabilities of the company.

4- Dividend

The Directors have not recommended any dividend. Profit declared in the Profit & Loss Statement is un-realized profit due to gain on account of waiver of accrued markup against entire settlement with Faysal Bank Ltd and gain from fair value adjustment on investment property.

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

5- Future Prospects & Plans

During the period, following the due procedures, the Company altered its Memorandum & Articles of Association and also changed the name as "D.M. Industries Ltd" to reflect the new principal line of business. It is more explicitly explained in Note-1 of this report. The Management is continuously trying its level best to utilize the available resources. Income has been increased and financial cost has been decreased. Despite of the problems, Company is paying back the outstanding liabilities. Management has positive intention and capability to revive the company.

6. Remarks on Independent Auditors' Review Report

As for as the auditors' remarks regarding Property/House 8, Street 71, F-8/3, Islamabad are concerned, the management is trying its level best to resolve the matter at the earliest.

7. General

There is no adverse impact of the Company's business on the environment and Company is aware of its corporate social responsibilities.

8- 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

Chief Executive

Rawalpindi, February 28, 2020

Director

D.M. INDUSTRIES LIMITED
(FORMERLY D.M. TEXTILE MILLS LIMITED)

ڈائریکٹرز رپورٹ

موزمبیق

31 دسمبر 2019 کو ختم ہونے والے ششماہی مالیاتی حسابات (میرٹ آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ 33,731 ملین روپے منافع ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 3,979 ملین روپے کا خسارہ ہوا تھا۔
مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے	تفصیل
2018 دسمبر 31	2019 دسمبر 31
-	13,866,554
	ریونیٹو
(13,974,482)	(14,411,456)
	انتظامی اور دیگر اخراجات
11,713,622	21,407,267
	دیگر آمدن
-	19,164,051
	گیس فیچر ویلیو ایڈجسٹمنٹ انویسٹمنٹ پر اپنی
(323,220)	(205,814)
	مالی چارجز
(1,394,938)	(6,089,910)
	ٹیکس
(3,979,018)	33,730,692
	منافع / (خسارہ) بعد از ٹیکس
(1,30)	11,05
	فی شیئر آمدن / (خسارہ) روپے

ڈائریکٹرز نے مندرجہ ذیل مالی نتائج پر ایکشن ایبلوجسٹمنٹ کی خصوصی منظوری دی ہے۔

روپے
387,501

تامل ادائیگی رقم کی صفائی

- انٹرنیشنل مالی رپورٹنگ سٹینڈارڈز کی وجہ سے کی گئی اکاؤنٹنگ پالیسیوں میں تبدیلیاں جیسا کہ نوٹ نمبر 3.2 میں بتایا گیا ہے اور گذشتہ عرصہ کے قلمی کی درستی جیسا کہ نوٹ نمبر 4 میں بتایا گیا ہے۔

D.M. INDUSTRIES LIMITED
(FORMERLY D.M. TEXTILE MILLS LIMITED)

- ریٹیلڈ پارٹی سے کی گئی ٹرانزیکشنز جیسا کہ اس رپورٹ میں دکھایا گیا ہے۔

فیصل بیگ کے ساتھ معاہدہ کے مطابق کمپنی نے تمام واجبات سلی بخش طریقے سے ادا کر دیئے ہیں اور کمپنی کے اثاثہ جات پر رجسٹرڈ چارج و انگزار ہو گیا ہے۔ مزید برآں انتظامیہ دوسرے قرض داروں سے گفت و شنید کر رہی ہے تا کہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

ڈائریکٹرز نے ڈیویڈنڈ بھی نہیں کیا ہے۔ اس رپورٹ میں دکھایا گیا منافع اصل میں فیصل بیگ کے ساتھ معاہدے کے مطابق کر ڈیڈ ایک اپ کی صفائی اور گن فیچر ویلیو ایڈجسٹمنٹ انویسٹمنٹ پر اپنی ہے۔

اس عرصہ کے دوران متعلقہ طریقہ کار کو اپناتے ہوئے، کمپنی نے اپنے میوزنڈوم اور ٹیکس آف ایسوسی ایشن میں تبدیلی کی ہے اور نئے پرنسپل لائسنس آف بزنس کو کٹا کر ہر کرنے کے لئے کمپنی کا نام بھی تبدیل کیا ہے جو کہ ڈی۔ ایم انڈسٹریز پرائیویٹ ہے جس کی مزید تفصیل اس رپورٹ کے نوٹ نمبر 1 میں دی گئی ہے۔

انتظامیہ متواتر کوشش کر رہی ہے کہ دستیاب وسائل کو بہترین طریقے سے استعمال کیا جائے۔ آمدن بڑھی ہے اور مالی بوجھ کم ہوا ہے۔ دشواریوں کے باوجود کمپنی نے واجبات ادا کئے ہیں۔ انتظامیہ کی تہمت مثبت ہے اور کمپنی کی بحالی کی صلاحیت رکھتی ہے۔

آڈیٹرز جائزہ پورٹ براے ممبران پر بوڈ آف ڈائریکٹرز کا بیان:

جہاں تک جائیداد کا نمبر 8 قلمی نمبر 71 پیکلر 8/3-F اسلام آباد کے متعلق آڈیٹرز کے رپورٹس کا تعلق ہے تو انتظامیہ اس معاملہ کو جلد از جلد حل کرنے کی پھر پور کوشش کر رہی ہے۔

کمپنی کے کاروبار کا بحال پرکونی برا لائسنس ہے اور کمپنی اپنی کارپوریٹ سماجی ذمہ داریوں سے واقف ہے۔

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

جیٹ ایجوکیٹو
ڈائریکٹر

18 اپریل 2020، فروری 2020

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Un-audited		Audited	
	31 December 2019	2019	30 June 2019	2019
	Rupees		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	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	30,524,290	30,524,290
Revenue reserve - accumulated loss (46,874,420)	(46,874,420)	(46,874,420)	(46,874,420)	(46,874,420)
Capital reserve - surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	575,602,196	575,602,196	575,602,196	575,602,196
Total equity	659,252,026	659,252,026	659,252,026	659,252,026
LIABILITIES				
NON-CURRENT LIABILITIES				
Long term financing Liability against assets subject to finance lease	-	-	-	-
Lease liability	3,748,471	3,748,471	3,356,644	3,356,644
Employees' retirement benefit	8,735,111	8,735,111	5,396,730	5,396,730
Deferred income tax liability	12,483,582	12,483,582	8,752,374	8,752,374
CURRENT LIABILITIES				
Trade and other payables	104,089,422	104,089,422	97,200,154	97,200,154
Accrued marketing	-	-	20,767,825	20,767,825
Short term borrowings	3,399,278	3,399,278	4,803,735	4,803,735
Current portion of non-current liabilities	658,531	658,531	2,424,791	2,424,791
Unsettled dividend	144,947	144,947	144,947	144,947
Taxation - net	5,886,092	5,886,092	3,550,387	3,550,387
	114,478,230	114,478,230	128,881,819	128,881,819
	126,661,852	126,661,852	137,684,193	137,684,193
Total liabilities	126,661,852	126,661,852	137,684,193	137,684,193
CONTINGENCIES AND COMMITMENTS				
TOTAL EQUITY AND LIABILITIES	659,252,026	659,252,026	659,252,026	659,252,026
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	229,257,265	229,257,265	230,300,506	230,300,506
Investment properties	353,301,030	353,301,030	334,136,979	334,136,979
Right-of-use assets	1,319,514	1,319,514	-	-
Advance against property	-	-	-	-
Due from related party	-	-	-	-
Long term investment	7,142,203	7,142,203	6,924,048	6,924,048
Long term deposits	24,414,434	24,414,434	24,414,434	24,414,434
	615,434,746	615,434,746	595,775,967	595,775,967
CURRENT ASSETS				
Advances	13,000	13,000	15,000	15,000
Current portion of due from related party	17,619,962	17,619,962	17,619,962	17,619,962
Short term deposits	2,000,000	2,000,000	2,000,000	2,000,000
Other receivables	4,004,977	4,004,977	4,017,327	4,017,327
Short term investment	1,189,561	1,189,561	1,184,924	1,184,924
Cash and bank balances	4,597,530	4,597,530	822,525	822,525
	29,395,030	29,395,030	25,669,838	25,669,838
Non-current assets classified as held for sale	41,144,102	41,144,102	35,227,185	35,227,185
	76,479,132	76,479,132	60,897,023	60,897,023
TOTAL ASSETS	659,252,026	659,252,026	659,252,026	659,252,026

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	Rupees			
REVENUE	13,986,554	-	7,045,672	-
ADMINISTRATIVE AND GENERAL EXPENSES	(13,769,156)	(13,350,147)	(8,664,799)	(8,481,406)
OTHER EXPENSES	(642,300)	(624,335)	(642,300)	(100,000)
OTHER INCOME	21,407,267	11,713,622	21,067,324	5,802,245
GAIN FROM FAIR VALUE ADJUSTMENT ON INVESTMENT PROPERTY (NOTE 12)	19,164,051	-	19,164,051	-
PROFIT / (LOSS) FROM OPERATIONS	40,026,416	(2,260,860)	37,989,948	(2,779,161)
FINANCE COST	(205,814)	(323,220)	(14,630)	(73,021)
PROFIT / (LOSS) BEFORE TAXATION	39,820,602	(2,584,080)	37,965,318	(2,852,182)
TAXATION				
- CURRENT	(3,217,041)	(2,664,644)	(1,601,089)	(1,319,559)
- DEFERRED	(2,872,869)	1,269,706	(3,151,778)	43,293
	(6,089,910)	(1,394,938)	(4,752,867)	(1,276,266)
PROFIT / (LOSS) AFTER TAXATION	33,730,692	(3,979,018)	33,202,451	(4,128,448)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	11.05	(1.30)	10.88	(1.35)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
PROFIT / (LOSS) AFTER TAXATION	33,720,692	(3,979,018)	33,202,451	(4,128,448)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Surplus on revaluation of property, plant and equipment	6,958,049	-	6,958,049	-
Related deferred income tax liability	(465,512)	-	(465,512)	-
Items that may be reclassified subsequently to profit or loss				
Other comprehensive income for the period - net of tax	6,492,537	-	6,492,537	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	40,223,229	(3,979,018)	39,694,998	(4,128,448)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

12

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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

	REVENUE RESERVE - ACCUMULATED LOSS		CAPITAL RESERVE SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT INVESTMENT PROPERTIES		TOTAL EQUITY
Balance as at 30 June 2018 - (Audited)	30,524,290	(7,385,219)	571,260,712		566,201,793
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,011,049	(1,011,049)		-
Loss for the period	(3,979,018)				(3,979,018)
Other comprehensive loss for the period	(3,979,018)				(3,979,018)
Total comprehensive loss for the period	(3,979,018)				(3,979,018)
Balance as at 31 December 2018 - (Un-audited)	30,524,290	(78,551,248)	570,249,663		522,222,705
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,011,050	(1,011,050)		-
Loss for the period	-	(3,545,423)			(3,545,423)
Other comprehensive income for the period	-	168,396			168,396
Total comprehensive loss for the period	-	(3,377,027)			(3,377,027)
Balance as at 30 June 2019 - (Audited) as previously reported	30,524,290	(80,917,235)	569,239,613		518,846,668
Impact of restatement (Note 4)	-	59,536	123,536		183,129
Balance as at 30 June 2019 - (Audited) restated	30,524,290	(80,857,699)	569,363,149		519,029,749
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	292,530	(292,530)		-
Profit for the period	-	33,720,692			33,720,692
Other comprehensive income for the period	-	6,492,537			6,492,537
Total comprehensive income for the period	-	33,720,692	6,492,537		40,223,229
Balance as at 31 December 2019 - (Un-audited)	30,524,290	(46,874,420)	575,602,156		559,252,026

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

13

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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

	HALF YEAR ENDED	
	31 December 2019	31 December 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	17 7,904,292	3,871,457
Finance cost paid	(172,074)	(178,286)
Income tax paid	(881,316)	(1,170,279)
Gratuity paid	-	(139,600)
Net cash generated from operating activities	6,850,902	2,383,292
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	3,360,000
Interest received	68,460	57,050
Net cash from investing activities	68,460	3,417,050
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	(1,800,000)	(1,800,000)
Short term borrowings - net	(1,494,457)	(4,005,089)
Net cash used in financing activities	(3,294,457)	(5,805,089)
Net increase / (decrease) in cash and cash equivalents	3,714,905	(4,747)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	822,625	51,109
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,537,530	46,362

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

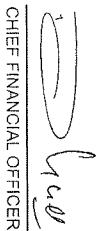
CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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

- THE COMPANY AND ITS OPERATIONS**

D.M. Industries Limited (formerly 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 and head office is situated at Westridge, Industrial Area, Rawalpindi.

The Company was engaged in the business of manufacturing, sale and trading of cotton, polyester, viscose and blended yarn. 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 construct and to establish warehouses for providing facilities for storage and for other purposes on proprietary as well as rental basis and ancillary activities. Further, it was resolved to adopt new name i.e. D.M. Industries Limited.

During the half year ended 31 December 2019, certificate of incorporation on change of name has been issued by the Securities and Exchange Commission of Pakistan (SECP) to give effect to the change of name and certified true copy of altered memorandum of association of the Company has been issued by SECP.

The Company has provided facilities for storage and for other purposes on rental basis, and earned a revenue of Rupees 13,866 million during the half year ended 31 December 2019 and entered into an agreement for sale of land classified as held for sale. Further, during the half year the Company also settled its long term financing with Faysal Bank Limited, consequently, accrued mark-up amounting to Rupees 20,767 million has been written back. Subsequent to the reporting date, the Company continued to earn revenue under its new principal line of business. The management is hopeful that accumulated losses will reduce in near future and current ratio will also improve.

PSX vide Notice No. PSX/N-122 dated 08 February 2019 placed the Company on defaulter's segment with effect from 07 February 2019 due to non-compliance with PSX Regulations. PSX vide Notice No. PSX/N-966 dated 08 August 2019 granted extension upto 28 October 2019 to rectify the non-compliances. PSX vide Notice No. PSX/N-1363 dated 28 October 2019 informed that the Company shared its progress towards rectification which is being assessed by PSX. Further, PSX vide letter No. PSX/Gen-533 dated 12 February 2020 required updated progress report. The management is confident that it is now in compliance with all requirements of PSX and notice shall be withdrawn.
- 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; however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.
- 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 except for the changes in accounting policies as stated in note 3.2 to these condensed interim financial statements.
- CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

3.2 CHANGE IN ACCOUNTING POLICY DUE TO APPLICABILITY OF INTERNATIONAL FINANCIAL REPORTING STANDARD 16 (IFRS 16) AND INTERNATIONAL ACCOUNTING STANDARD 40

The following changes in accounting policy have taken place effective from 01 July 2019.

3.2.1 IFRS 16 - Leases

The Company has adopted IFRS 16 from 01 July 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the statement of income and expenditure. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

IFRS 16 has been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impacts of adoption as at 01 July 2019 are as follows:

Operating fixed assets (leased) decreased by	Rupees
Right-of-use assets increased by	(1,353,655)
Liability against assets subject to finance lease decreased by	1,353,655
Lease liability increased by	658,531
	(658,531)

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, which comprises 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 the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is 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 income 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 income and expenditure statement if the carrying amount of the right-of-use asset is fully written down.

3.2.2 IAS 40 - Investment property

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.

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

4 PRIOR PERIOD ERROR

On 31 May 2019, shareholders of the Company resolved that principal line of business of the Company will be to construct and to establish warehouses for providing facilities for storage and for other purposes on proprietary as well as rental basis and ancillary activities. Further, the Company was earning revenue from operating leases. However, the related property was not recognized as investment property in accordance with International Accounting Standard (IAS) 40 'Investment Property' in the financial statements of year ended 30 June 2019.

Now this error has been rectified in accordance with International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The effect of restatement is as follows:

	30 June 2019	Adjustment	Restated
	As previously reported		
..... Rupees			
Effect on the preceding audited annual published financial statements			
Property, plant and equipment	564,203,898	(333,903,392)	230,300,506
Investment properties	-	334,136,979	334,136,979
Accumulated losses	80,917,235	(93,593)	80,857,642
Surplus on revaluation of property, plant and equipment and investment properties	(569,238,613)	(123,536)	(692,774,149)
Deferred income tax liability	(5,346,272)	(50,458)	(5,396,730)

There was no impact on financial statements for the year ended 30 June 2018 accordingly, third statement of financial position has not been presented. Further, there was no cash flow impact as a result of rectification of error.

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

Opening balance	569,362,149	571,260,712
Surplus on revaluation of property, plant and equipment	6,558,049	-
Related deferred income tax liability	(465,512)	-
Related deferred income tax liability	6,492,537	-

Transferred to accumulated loss in respect of incremental depreciation charged during the period / year

	(355,676)	(2,848,026)
Related deferred income tax liability	825,927	825,927
	(252,530)	(2,022,099)
Impact of restatement (Note 4)	-	123,536
	575,602,156	569,362,149

6 LONG TERM FINANCING

Secured		
Opening balance	1,766,260	5,131,086
Add: Effect of fair value adjustment	33,740	235,174
Less: Repaid during the period / year	1,800,000	3,600,000
Less: Current portion shown under current liabilities	-	1,766,260
Closing balance	-	-

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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's interest free and was 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 and ended on 25 October 2019.

During the period, upon completion of the aforesaid settlement agreement, accrued mark-up has been waived off by the Bank, as per the terms of the settlement agreement. Accordingly, related accrued mark-up amounting to Rupees 20,707,825 has been written off and credited to other income.

7 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Un-audited 31 December 2019	Audited 30 June 2019
	Rupees	Rupees
Future minimum lease payments	-	658,531
Less: Un-amortized finance charges	-	-
Present value of future minimum lease payments	-	658,531
Less: Current portion shown under current liabilities - over due	-	658,531

7.1 Represents last installment payable to the lessor under the settlement agreement. Taxes, repairs and insurance costs are to be borne by the Company. It is secured against charge on leased assets and personal guarantees of sponsor directors.

7.2 As on 01 July 2019, the Company has adopted IFRS 16, hence, liability against assets subject to finance lease has been classified as lease liability Note 8 to these condensed interim financial statements.

8 LEASE LIABILITY

Total lease liabilities	658,531
Less: Current portion shown under current liabilities (Note 9)	(658,531)

9 CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term financing	-	1,768,260
Finance lease - over due	658,531	658,531
Lease liability - over due	658,531	2,424,791

10 CONTINGENCIES AND COMMITMENTS

10.1 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.

10.2 Commitments

	Nil	Nil
--	-----	-----

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

11 PROPERTY, PLANT AND EQUIPMENT

	Owned								Leased	Grand Total	
	Freehold land	Buildings on freehold land	Non factory buildings	Plant and machinery	Electric installations	Factory equipment	Furniture, fixtures and office equipment	Vehicles	Total		Plant and machinery
Rupees											
Year ended 30 June 2019											
Opening net book value	518,451,661	28,030,458	9,023,225	11,348,056	4,286,445	561,116	345,777	1,170,482	573,227,220	1,424,900	574,652,120
Additions								900,000	900,000		900,000
Disposals:											
Cost / revalued amount	-	-	-	(25,439,350)	-	-	-	-	(25,439,350)	-	(25,439,350)
Accumulated depreciation	-	-	-	18,585,015	-	-	-	-	18,585,015	-	18,585,015
Depreciation charge				(8,854,335)	-	-	-	-	(8,854,335)	-	(8,854,335)
Closing net book value - as previously reported	518,451,661	25,227,412	8,572,084	4,124,594	3,866,800	505,004	311,199	1,791,500	562,850,243	1,353,655	564,203,898
Reversal of depreciation charged		233,587							233,587		233,587
Transferred to investment properties (Note 4)											
Revalued amount	(308,675,980)	(87,994,338)							(406,670,318)		(406,670,318)
Accumulated depreciation		72,533,339							72,533,339		72,533,339
Closing net book value - restated	(308,675,980)	(25,460,999)							(334,136,979)		(334,136,979)
	209,775,681		8,572,084	4,124,594	3,866,800	505,004	311,199	1,791,500	228,946,851	1,353,655	230,300,506
Period ended 31 December 2019											
Opening net book value	209,775,681		8,572,084	4,124,594	3,866,800	505,004	311,199	1,791,500	228,946,851	1,353,655	230,300,506
Revaluation surplus - net	5,352,836		1,605,213						6,958,049		6,958,049
Transferred to right-of-use assets (Note 11.1 and Note 13)											
Revalued amount										(2,933,674)	(2,933,674)
Accumulated depreciation										1,580,019	1,580,019
										(1,353,655)	(1,353,655)
Classified as held for sale:											
Cost / revalued amount	(5,916,917)								(5,916,917)		(5,916,917)
Depreciation charge			(214,302)	(103,115)	(193,340)	(25,250)	(15,560)	(179,151)	(730,718)		(730,718)
Closing net book value	209,211,600		9,962,975	4,021,479	3,673,460	479,754	295,639	1,612,358	229,257,265		229,257,265
Annual rate of depreciation (%)		10	5	5	10	10	10	20		5	

11.1 As on 01 July 2019, the Company has adopted IFRS 16, hence, leased assets have been classified as "Right-of-use assets".

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

12 INVESTMENT PROPERTIES

	Land	Building	Total
..... Rupees			
Period ended 31 December 2019			
Fair value as at 01 July 2019	308,675,980	25,460,999	334,136,979
Fair value adjustment	12,512,420	6,651,631	19,164,051
Fair value as at 31 December 2019	321,188,400	32,112,630	353,301,030
Year ended 30 June 2019			
Fair value as at 01 July 2018	-	-	-
Additions during the year (Note 4)	308,675,980	25,460,999	334,136,979
Fair value as at 30 June 2019	308,675,980	25,460,999	334,136,979

12.1 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 31 December 2019.

Forced sale value of these properties as at 31 December 2019 was:

Land	273,010,140
Buildings	27,295,736
	300,305,876

12.2 Particulars of investment properties are as follows:

Description	Address	Covered Area (Sqr feet)	Total Area MaHa
Land	Westridge, Industrial Area, Rawalpindi	-	823.56
Buildings	Westridge, Industrial Area, Rawalpindi	188,225	-
		188,225	823.56

13 RIGHT-OF-USE ASSETS

Net carrying amount	1,353,655
01 July 2019	1,319,814
31 December 2019	33,841

Depreciation expense for the period ended 31 December 2019 33,841

14 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(2) 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 494 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.

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

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 5,000 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 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 filed 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.

15 DUE FROM RELATED PARTY

Due from C.E.O	17,619,962	17,619,962
Less: Current portion shown under current assets	(17,619,962)	(17,619,962)

It represents receivable from C.E.O against sale of property as more fully explained in Note 14. It was interest free and was repayable in three years ended 30 June 2017.

The maximum amount due from C.E.O at the end of any month during the period was Rupees 17,620 million (30 June 2019: Rupees 17,620 million).

16 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Free hold land	34,666,917	28,750,000
Non-factory building	6,477,185	6,477,185
	41,144,102	35,227,185

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

16.1 These represent freehold land measuring approximately 167 Marla 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. On 22 October 2019, the Company entered into an agreement for the sale of 167 Marla property at a price of Rupees 42.5 million and earnest money of Rupees 5 million was received. Title of property will be transferred on receipt of entire transaction price.

Non-recurring fair value measurements

Freehold land and non-factory building classified as held for sale was measured at the lower of their carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of freehold land and non-factory building was determined by Danish Enterprises and Construction. This is a level 2 measurement as per the fair value hierarchy.

(Un-audited)	
HALF YEAR ENDED	
31 December 2019	31 December 2018

NOTE

Rupees Rupees

17 CASH GENERATED FROM OPERATIONS

Profit / (loss) before taxation

39,820,602 (2,584,080)

Adjustments for non-cash charges and other items:

Depreciation

764,539 1,968,568

Provision for gratuity

392,827 320,854

Interest income

(251,252) (227,800)

Gain on settlement of long term financing

(20,767,825) -

Gain from fair value adjustment on investment property

(19,164,051) -

Loss on sale of property, plant and equipment

- 524,335

Finance cost

205,814 323,220

Working capital changes

17.1

6,903,618 3,546,360

7,904,292 3,871,457

17.1 Working capital changes

(Increase) / decrease in current assets:

Advances 2,000 32,001

Other receivables 12,350 (53,260)

14,350 (21,259)

Increase in trade and other payables

6,889,268 3,567,619

6,903,618 3,546,360

18 TRANSACTIONS WITH RELATED PARTIES

18.1 The related parties comprise of 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)			
HALF YEAR ENDED		QUARTER ENDED	
31 December 2019	31 December 2018	31 December 2019	31 December 2018
(Rupees)			

Remuneration to Chief Executive Officer and Directors 2,037,000 1,476,000 1,299,000 768,000

Mian Habib Ullah - C.E.O

1,009,000 838,000 694,000 738,000

Adjustment / payment against outstanding balance

2,513,457 1,903,089 268,929 1,808,661

Mrs. Riffat Habib - Close family member of C.E.O

Adjustment / payment against outstanding balance - 1,400,000 - 1,400,000

Mr. Sami Ullah - Director

1,100,000 65,000 1,100,000 65,000

Loan obtained during the period

- - - -

Adjustment / payment against outstanding balance

132,000 - 66,000 2,030,000

Rental income

- - - -

18.2 Period / year end balances

Short term borrowings

2,299,278 3,803,735

Mian Habib Ullah - C.E.O

1,100,000 -

Mr. Sami Ullah - Director

- 1,000,000

Others - Close friends of C.E.O

19 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies 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 trading 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.

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

