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D.M. INDUSTRIES LIMITED

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

Telephone: 051-5181981, 5181977-78

Fax: 051-5181979

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E-mail: dmtextilemills@yahoo.com

Website: www.dmttextile.com.pk

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

INTERIM CONDENSED FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED















September 30,

2020





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D.M. INDUSTRIES LIMITED
(FORMERLY 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 Mr. Abrar Alam

AUDIT COMMITTEE:

CHAIRMAN:	Mr. Hussain Ahmad Ozgen
MEMBERS:	Mr. Shahid Aziz Mr. Abrar Alam

**HUMAN RESOURCE &
REMUNERATION COMMITTEE:**

CHAIRMAN:	Mr. Amer Zeb
MEMBERS:	Mr. Shahid Aziz Mr. Sami Ullah

**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:

Industrial Area, Westridge, Rawalpindi.
Telephone: 051-5181981, 5181977-78
Fax: 051-5181979
E-mail: dmtm@dmtextile.com.pk
E-mail: dmttextilemills@yahoo.com
Website: www.dmttextile.com.pk

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

CHAIRMAN'S REVIEW REPORT

The Company has been working on the visibility of undertaking new line of business. Following the due procedures and regulations, the Board has decided to alter Company's object of Principal Line of Business and adopting new name of the Company.

The Management is continuously trying its level best to utilize the available resources to increase the income and repayment of Company's liabilities. Efforts of the Board & Management needs appreciation and hope for further improvement in future.

We eagerly look forward to better environment in the long run.



Rawalpindi:
October 27, 2020

Chairman of the Board of Directors

D.M. INDUSTRIES LIMITED
(FORMERLY 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 2020

Performance: Net Profit/(Loss)

During the period Company had a net Loss of Rs. (5,166,635) as compared to previous period net Profit of Rs. 528,241.

Comparative financial results are given below:

Half Year Ended	Rupees	
	30-09-2020	30-09-2019
Revenue - Rental Income	6,328,390	-
Administrative & General Expenses	(10,019,734)	(5,104,357)
Other Expenses	(127,650)	-
Other Income	271,182	7,160,825
Profit/(Loss) from operations	(3,547,812)	2,056,468
Finance Cost	(170,887)	(191,184)
Profit/(Loss) Before Taxation	(3,718,699)	1,865,284
Taxation		
Current	(1,468,186)	(1,615,952)
Deferred	20,250	278,909
Profit/(Loss) after taxation	(5,166,635)	528,241
Earning/(Loss) per share Basic and diluted	(1.69)	0.17

Debt Servicing

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

Dividend

The Directors have not recommended dividend due to loss.

Future Prospects & Plans

Earlier 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

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

and ancillary activities. Further, it was resolved to adopt new name i.e. "D.M. Industries Limited". Accordingly, legal formalities were completed and now the Company is providing facilities for storage and for other purposes on rental basis.

Meanwhile, considering the post Corona pandemic and changes in ground realities, the Board of Directors in their meeting held on 02 September 2020 have unanimously decided that the Company may primarily focus on the textile industry business which is likely to show improvement and will be beneficial for the Company and its members. Existing resources are proposed to be used for the new proposed principal line of business and current line of business will also continue simultaneously till it is comparatively feasible. Further, the Board of Directors have also recommended that Company may re-adopt its historic name "D. M. Textile Mills Limited" to commensurate the new proposed principal line of business.

The management is trying its level best to utilize the available recourses & hopeful that accumulated losses will reduce in near future. Further, the management has positive intention and capability to revive the company.

Corporate Social Responsibility

The company is aware of its corporate and social responsibilities and doing its best within the available resources.

Director's Remuneration Policy

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

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: October 27, 2020



Director

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

ڈائریکٹرز رپورٹ

معزز ممبران،

30 ستمبر 2020 کو ختم ہونے والے پہلے کوارٹر کے مالیاتی گوشوارے (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ (5,166,635) روپے کا خسارہ ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 528,241 روپے کا منافع ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے		تفصیل
30 ستمبر 2019	30 ستمبر 2020	
-	6,328,390	ریونیو۔ ریٹیل انکم
(5,104,357)	(10,019,734)	انتظامی اور جزل اخراجات
-	(127,650)	دیگر اخراجات
7,160,825	271,182	دیگر آمدن
2,056,468	(3,547,812)	اپریشز کا منافع (خسارہ)
(191,184)	(170,887)	مالی اخراجات
1,865,284	(3,718,699)	منافع (خسارہ) قبل از ٹیکس
		ٹیکس
(1,615,952)	(1,468,186)	موجودہ
278,909	20,250	ڈیفرڈ
528,241	(5,166,635)	منافع (خسارہ) بعد از ٹیکس
0.17	(1.69)	فی شیئر آمدن (خسارہ) روپے (Basic & Diluted)

کمپنی نے تقریباً تمام مالیاتی اداروں کے واجبات ادا کر دیئے ہیں۔ انتظامیہ دوسرے قرض داروں سے گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

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

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

پہلے کمپنی کاٹن، پولیسٹر، سکوز اور کس دھاگہ بنانے اور ان کی تجارت کرتی تھی۔ کمپنی کے بورڈ آف ڈائریکٹرز اور حصص داران کی ملاقاتوں جو کہ بالترتیب 27 اپریل 2019 اور 31 مئی 2019 کو ہوئیں تھیں میں طے کیا گیا تھا کہ کمپنی کا بنیادی کاروبار سٹوریج اور دیگر مقاصد کے لئے گودام بنانا، خود استعمال کرنا یا کرایہ پر دینا اور اس سے متعلقہ ہوگا۔ یہ بھی طے پایا تھا کہ کمپنی کا نیا نام ڈی۔ ایم۔ انڈسٹریز لمیٹڈ ہوگا۔ اس کے مطابق قانونی کارروائی مکمل کی گئی اور اب کمپنی سٹوریج اور دیگر مقاصد کے لئے کرایہ پر سہولیات مہیا کرتی ہے۔

اسی دوران کورونا کی عالمی وبا کی وجہ سے صورتحال یکسر تبدیل ہوئی ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے 2 ستمبر 2020 کو ہونے والے اپنے اجلاس میں متفقہ طور پر طے کیا ہے کہ کمپنی کو بنیادی طور پر ٹیکسٹائل انڈسٹری کے کاروبار پر دھیان دینا چاہئے جس میں بہتری ہو رہی ہے اور یہ کاروبار کمپنی اور اس کے حصص داران کے لئے سود مند ہوگا۔ دستیاب وسائل کو نئے تجویز شدہ کاروبار کے لئے استعمال کرنے کی تجویز ہے اور موجودہ کاروبار کو بھی اس وقت تک جاری رکھنے کی تجویز ہے جب تک یہ مناسب و سود مند ہو۔ مزید بورڈ آف ڈائریکٹرز نے شفا رشتہ کی ہے کہ کمپنی اپنے تاریخی نام ڈی۔ ایم۔ ٹیکسٹائل لمیٹڈ کو اپنالے تاکہ اس کی نئے تجویز شدہ کاروبار سے مطابقت ہو۔

انتظامیہ اپنے دستیاب وسائل کو بہترین انداز میں استعمال کرنے کی کوشش کر رہی ہے اور امید ہے کہ جاری خسارہ مستقبل قریب میں کم ہو جائے گا۔ انتظامیہ کی نیت مثبت ہے اور کمپنی کو revive کرنے کی صلاحیت رکھتی ہے۔

کمپنی اپنی کارپوریٹ اور سماجی ذمہ داریوں سے آگاہ ہے اور دستیاب وسائل کے مطابق کوشش کرتی ہے۔ کمپنی اپنے دو ایگزیکٹو ڈائریکٹرز کو اجرت دیتی ہے۔ نان ایگزیکٹو ڈائریکٹرز اور غیر جانبدار ڈائریکٹرز کو میٹنگ فیس کے علاوہ کوئی ادائیگی نہیں کی جاتی۔

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


ڈائریکٹر


چیف ایگزیکٹو

راولپنڈی: 27 اکتوبر 2020

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

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

		(Un-audited) 30 September 2020	(Audited) 30 June 2020
	NOTE	Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (30 June 2020: 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 2020: 3,052,429) ordinary shares of Rupees 10 each			
		30,524,290	30,524,290
Accumulated loss			
Capital reserve - surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax			
	4	574,777,884	574,874,668
		533,196,563	538,363,198
Total equity			
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing			
	5	-	-
Lease liability			
	6	-	-
Employees' retirement benefit			
		3,866,110	3,816,593
Deferred income tax liability			
		4,496,857	4,517,107
		8,362,967	8,333,700
CURRENT LIABILITIES			
Trade and other payables			
		127,194,237	120,837,679
Short term borrowings			
		165,478	765,478
Current portion of lease liability			
		658,531	658,531
Unclaimed dividend			
		144,947	144,947
Taxation - net			
		9,365,097	8,055,998
		137,528,290	130,462,633
		145,891,257	138,796,333
Total liabilities			
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES			
		679,087,820	677,159,531
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
	8	226,190,694	224,568,053
Investment properties			
	9	353,301,030	353,301,030
Right-of-use-assets			
	10	-	-
Advance against property			
	11	-	-
Due from related party			
	12	-	-
Long term investment			
		7,473,900	7,357,987
Long term deposits			
		9,151,434	9,151,434
		596,117,058	594,378,504
CURRENT ASSETS			
Stock-in-trade			
		1,719,900	-
Advances			
		72,000	53,000
Current portion of due from related party			
	12	17,619,962	17,619,962
Other receivables			
		4,162,924	4,380,336
Short term investment			
		1,219,150	1,201,176
Cash and bank balances			
		17,032,724	18,382,451
		41,826,660	41,636,925
Non-current assets classified as held for sale			
	13	41,144,102	41,144,102
		82,970,762	82,781,027
TOTAL ASSETS			
		679,087,820	677,159,531

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
(UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

	(Un-audited) 30 September 2020 Rupees	(Un-audited) 30 September 2019 Rupees
REVENUE - rental income	6,328,390	-
ADMINISTRATIVE AND GENERAL EXPENSES	(10,019,734)	(5,104,357)
OTHER EXPENSES	(127,650)	-
	<u>(10,147,384)</u>	<u>(5,104,357)</u>
	(3,818,994)	(5,104,357)
OTHER INCOME	271,182	7,160,825
(LOSS) / PROFIT FROM OPERATIONS	(3,547,812)	2,056,468
FINANCE COST	(170,887)	(191,184)
(LOSS) / PROFIT BEFORE TAXATION	(3,718,699)	1,865,284
TAXATION		
- Current	(1,468,186)	(1,615,952)
- Deferred	20,250	278,909
	<u>(1,447,936)</u>	<u>(1,337,043)</u>
(LOSS) / PROFIT AFTER TAXATION	<u>(5,166,635)</u>	<u>528,241</u>
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	<u>(1.69)</u>	<u>0.17</u>

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
(UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

	(Un-audited) 30 September 2020 Rupees	(Un-Audited) 30 September 2019 Rupees
(LOSS) / PROFIT AFTER TAXATION	(5,166,635)	528,241
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 (LOSS) / INCOME FOR THE PERIOD	<u>(5,166,635)</u>	<u>528,241</u>

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 CHANGES IN EQUITY
(UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	SHARE CAPITAL	ACCUMULATED LOSS	CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	TOTAL EQUITY
	(Rupees)			
Balance as at 30 June 2019 - restated	30,524,290	(80,857,642)	569,362,149	519,028,797
Loss for the year	-	13,508,634	-	13,508,634
Other comprehensive income for the year	-	(98,712)	5,924,479	5,825,767
Total comprehensive income for the year ended 30 June 2020	-	13,409,922	5,924,479	19,334,401
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax (Note 4)	-	411,960	(411,960)	-
Balance as at 30 June 2020 - Audited	30,524,290	(67,035,760)	574,874,668	538,363,198
Loss for the period	-	(5,166,635)	-	(5,166,635)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period ended 30 September 2020	-	(5,166,635)	-	(5,166,635)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax (Note 4)	-	96,784	(96,784)	-
Balance as at 30 September 2020 - Un-audited	30,524,290	(72,105,611)	574,777,884	533,196,563

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 CASH FLOWS
(UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020**

	NOTE	(Un-Audited) 30 September 2020 Rupees	(Un-Audited) 30 September 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	14	1,626,339	3,278,845
Finance cost paid		(170,887)	(191,184)
Income tax paid		(159,087)	(65,804)
Gratuity paid		(120,000)	-
Net cash generated from operating activities		1,176,365	3,021,857
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,997,600)	-
Interest received		71,508	68,460
Net cash (used in) / from investing activities		(1,926,092)	68,460
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(600,000)	(2,929,528)
Repayment of long term financing		-	(875,952)
Net cash used in financing activities		(600,000)	(3,805,480)
Net decrease in cash and cash equivalents		(1,349,727)	(715,163)
Cash and cash equivalents at the beginning of the period		18,382,451	822,625
Cash and cash equivalents at the end of the period		17,032,724	107,462

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 (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

1 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 to change the principal line of business of the Company 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 year ended 30 June 2020, 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 board of directors of the Company in its meeting held on 02 September 2020, resolved that principal line of business of the Company be again changed to erect, maintain, alter, extend and purchase plant and machinery for the purpose of ginning, preparing, combing, spinning, weaving, manufacturing, bleaching, dyeing, mercerizing, printing, or otherwise working any of the fabrics and materials; and to carry on the business of sizers, spinners, weavers; ginner, pressers, doublers and balers of cotton, jute, hems, silk, artificial silk, synthetic fibre, wool and any fibrous material used in textile and manufacturing thereof or ancillary thereto and the business of weaving or otherwise manufacturing, bleaching, printing, dyeing, finishing, calendaring, processing, whether textile, frebled, netted or looped and of importing, exporting, buying, selling and dealing in cotton, yarn, fabrics, wool and other raw materials and transact mercantile business that may be necessary or expedient and to purchase and sell raw materials and manufactured articles. Further, it was resolved by the directors to adopt new name i.e. "D.M. Textile Mills Limited". The management of the Company is in the process to get approval of shareholders in forthcoming annual general meeting.

In view of the Independent Auditors' Report for the Year Ended June 30, 2020, Pakistan Stock Exchange vide Notice No. PSX/Gen-2071 dated October 22, 2020 has intimated that in line with requirements of the PSX Regulations, name of the Company is required to be placed in the Defaulters' Segment of the Exchange.

2 BASIC OF PREPARATION

2.1 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:

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.

2.2 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 2020. 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, 2019 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 2020.

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3.1 CRITICAL ACCOUNTING ESTIMATES AND 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 2020.

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

	(Un-audited) 30 September 2020 Rupees	(Audited) 30 June 2020 Rupees
Opening balance	574,874,668	569,362,149
Surplus on revaluation of property, plant and equipment	-	6,157,967
Related deferred income tax liability	-	(233,488)
	-	5,924,479
Transferred to accumulated loss in respect of incremental depreciation charges during the year	(136,316)	(580,226)
Related deferred income tax liability	39,532	168,266
	(96,784)	(411,960)
	574,777,884	574,874,668

5 LONG TERM FINANCING

Faysal Bank Limited - secured

Opening balance	-	1,766,260
Add: Effect of fair value adjustment	-	33,740
	-	1,800,000
Less: Repaid during the period / year	-	1,800,000
	-	-

6 LEASE LIABILITY

Total lease liability	658,531	658,531
Less: Current portion shown under current liabilities - over due	(658,531)	(658,531)
	-	-

7 CONTINGENCIES AND COMMITMENTS

7.1 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 2020.

8 PROPERTY, PLANT AND EQUIPMENT

Opening book value	224,568,053	230,300,506
Revaluation surplus	-	6,958,049
Cost of additions during the period / year	1,997,600	-
Less: Book value of operating fixed assets:		
Transferred to right-of-use assets - plant and machinery	-	1,353,655
Classified as held for sale - freehold land	-	5,916,917
Written off - plant and machinery	-	2,767,745
Disposals during the period / year - plant and machinery	-	1,162,872
Less: Depreciation charge for the period / year	374,959	1,489,313
	226,190,694	224,568,053

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9 INVESTMENT PROPERTIES

	Land	Building	Total
	----- Rupees -----		
Period ended 30 September 2020			
Fair value as at 01 July 2020	321,188,400	32,112,630	353,301,030
Fair value gain	-	-	-
	<u>321,188,400</u>	<u>32,112,630</u>	<u>353,301,030</u>
Year ended 30 June 2020			
Fair value as at 01 July 2019	308,675,980	25,460,999	334,136,979
Fair value gain	12,512,420	6,651,631	19,164,051
Fair value as at 30 June 2020	<u>321,188,400</u>	<u>32,112,630</u>	<u>353,301,030</u>
	(Un-audited)	(Audited)	
	30 September	30 June 2020	
	2020	2020	
	Rupees	Rupees	

10 RIGHT-OF-USE-ASSETS

Plant and machinery		
Opening book value	-	1,353,655
Additions during the year	-	-
	-	1,353,655
Depreciation expense for the year @ 5%	-	(62,043)
Reversal of revaluation surplus	-	(800,082)
Written off	-	(491,530)
Closing book value	-	-

11 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.

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.

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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 scheduled bank on daily product basis in the relevant period, and further requested the IHC to send notice to Lahore High Court, Lahore, for release of the property. The matter is pending adjudication.

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

	(Un-audited)	(Audited)
	30 September	30 June 2020
	2020	2020
	Rupees	Rupees
12 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 11. The maximum amount due from C.E.O at the end of any month during the period was Rupees 17.620 million (2020: Rupees 17.620 million).

13 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Free hold land	34,666,917	34,666,917
Non-factory building	6,477,185	6,477,185
	<u>41,144,102</u>	<u>41,144,102</u>

These represent freehold land measuring approximately 167 (2020: 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, and remaining sale consideration was agreed to be paid on or before 22 January 2020. However, due to Covid-19 pandemic, the buyer could not arrange total remaining sale consideration of Rupees 37.5 million. Title of the property will be transferred on receipt of entire transaction price. As on close of the 1st quarter, purchaser has further paid Rs.7.50 Million to the Company against the said land/bldg.

14 CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(3,718,699)	1,865,284
Adjustments for non-cash charges and other items:		
Depreciation	374,959	1,012,965
Provision for gratuity	169,517	196,414
Return on investment	(205,395)	(195,513)
Finance cost	170,887	191,184
Working capital changes	14.1 <u>4,835,070</u>	<u>208,511</u>
	<u>1,626,339</u>	<u>3,278,845</u>

14.1 Working capital changes		
Decrease / (increase) in current assets:		
Stock-in-trade	(1,719,900)	-
Advances	(19,000)	(16,555)
Other receivables	<u>217,412</u>	<u>(109,097)</u>
	(1,521,488)	(125,652)
Increase in trade and other payables	<u>6,356,558</u>	<u>334,163</u>
	<u>4,835,070</u>	<u>208,511</u>

15 TRANSACTIONS WITH RELATED PARTIES

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:

QUARTER ENDED	
30 September	30 September
2020	2019
Rupees	Rupees
Remuneration to Chief Executive Officer and directors	<u>1,500,000</u>
	<u>738,000</u>

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	(Un-audited) 30 September 2020 Rupees	(Audited) 30 June 2020 Rupees
15.1 Mian Habib Ullah - C.E.O		
Loan obtained during the period	900,000	315,000
Adjustment / payment against outstanding balance	1,500,000	2,244,528
Period end balance	165,478	1,874,207
15.2 Mr. Sami Ullah - Director		
Rental income	-	66,000

16 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.

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

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

17 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The judgments and estimates are made in determining the fair values of the non-financial assets 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 has classified its non-financial assets into the following three levels.

At 30 September 2020	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	209,211,600	-	209,211,600
Non-factory buildings	-	9,587,186	-	9,587,186
Electric installations	-	3,393,117	-	3,393,117
Factory equipment	-	443,141	-	443,141
Furniture, fixtures and office equipment	-	273,077	-	273,077
Vehicles	-	3,282,573	-	3,282,573
Right-of-use assets	-	-	-	-
	-	226,190,694	-	226,190,694
Investment properties	-	353,301,030	-	353,301,030
	-	579,491,724	-	579,491,724

At 30 June 2020	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	209,211,600	-	209,211,600
Non factory buildings	-	9,708,543	-	9,708,543
Electric installations	-	3,480,120	-	3,480,120
Factory equipment	-	454,504	-	454,504
Furniture, fixtures and office equipment	-	280,079	-	280,079
Vehicles	-	1,433,207	-	1,433,207
	-	224,568,053	-	224,568,053
Investment properties	-	353,301,030	-	353,301,030
	-	577,869,083	-	577,869,083

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

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

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

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

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's property, plant and equipment and investment properties after regular intervals. The fair values of property, plant and equipment and investment properties were determined by Danish Enterprises and Construction. Fair values of land, buildings and investment properties were determined on 30 June 2020. Fair values of the plant and machinery, electric installations and factory equipment were determined on 02 May 2018, while fair values of the rest of the property, plant and equipment were determined on 02 June 2016.

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

18 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 2020.

19 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 27 October, 2020.

20 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position 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 statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows 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 reclassification / rearrangement of corresponding figures has been made.

21 GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER