Jama Punji
سرمایہ کاری سمجھداری کے ساتھ

ANNUAL REPORT 2019

DTM

DAR ES SALAAM

CONTENTS

COMPANY INFORMATION

Board of Directors	Mrs. Nilofar Mukhtar	Chairperson & Director
	Mr. Faisal Mukhtar	Chief Executive Officer
	Mrs. Mahwesh Faisal Mukhtar	
	Ms. Abida Mukhtar	
	Mr. Muhammad Gul Nawaz	
	Mr. Muhammad Yousaf	
	Mr. Ejaz Hussain	
Audit Committee	Mr. Muhammad Gul Nawaz	Chairman
	Mrs. Mahwesh Faisal Mukhtar	Member
	Mrs. Nilofar Mukhtar	Member
HR & Remuneration Committee	Mr. Muhammad Yousaf	Chairman
	Mrs. Mahwesh Faisal Mukhtar	Member
	Mrs. Nilofar Mukhtar	Member
Chief Financial Officer Company Secretary	Mr. Shahid Amin Chaudhry	
Share Registrar	M/S Corplink (Pvt) Ltd Wing Arcade, 14-K, Commercial, Model Town, Lahore. Tel: 042-35839182, 042-35869037	
Auditors	M/s Rizwan & Co. Chartered Accountants	
Bankers	National Bank of Pakistan The Bank of Punjab United Bank Limited Faysal Bank Limited Silk Bank Limited Summit Bank Limited	
Registered Office	54-C III, Gulberg III, Lahore. Phones: (042) 35878643-44 Fax : (042) 35878642	
Factory	10th Km Muridke-Sheikupura Road, Muridke.	

Vision Statement

To achieve the highest possible return on investment through a process of continuous improvement and while upholding the highest standards of integrity in all operations.

Mission Statement

To be a result-oriented and profitable Company by consistently improving in terms of productivity, quality, technological expertise, diversity, presentation, reliability and customer acceptance.

To establish the company as a growing concern while ensuring optimum return on investment for shareholders.

To be a responsible employer and create an environment where a professional, highly-motivated management team can prosper.

To be a good corporate citizen who supports charitable causes and follows environmentally friendly policies.

Statement of Ethics and Business Practices

Continuous improvement in total quality performance by achieving high standards in our products and providing these to our customers without error, on time and every time. We are dedicated to supply the product of highest quality and standards, yet at a reasonable cost for our national and international customer's satisfaction. All of our commitments, actions and products must be recognized as an expression of quality. We are committed to improve our skills and know-how, competency, practical experience and training of employees by implementing quality system. We continuously improve the performance of quality standards through practical participation of our employees at all levels. Our mission is to meet National and International Standards, Customers' Satisfaction and Continuous Improvements in our standards through use of latest methods and employees satisfaction. We believe that a complete code of ethics is essential for the maintenance of integrity and professionalism in the day-to-day functioning of Dar Es Salaam Textile Mills Limited. We always place the Company's interest first through resource management namely human, financial and other infra structural facilities and to ensure reasonable return to all the shareholders. Conduct business as a responsible and law abiding corporate member of society to achieve its legitimate commercial objective and supports unconditionally the Compliance with best Practices of Corporate Governance for the betterment of corporate culture. We develop and observe cost effective practices in our activities and strive for excellence and quality. We encourage initiative and self-realization in employees through meaningful empowerment.

CHAIRPERSON'S REVIEW

I am pleased to present the review for the year ended 30 June 2019 highlighting the Company's performance and the role of the Board of Directors in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

During the year; the Company remained committed to implement its new business strategy and is focusing to improve its liquidity. The focus of the Company's management is to settle the Company's liabilities towards lenders and other creditors and to utilize available funds for implementation of alternate business plan. I am confident that the Company will be successful in meeting the future challenges and targets.

During the year; the Board played an effective role in managing the affairs of the Company in the following manner:

I. The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as laid down in the Code and shall ensure to implement the requirements of new Code in its true letter and spirit.

II. The Board has ensured that members of the Board and its respective committees possess adequate skills, experience and knowledge to manage the affairs of the Company. The Board shall ensure that the directors shall be provided with the requisite training to enable them to perform their duties in an effective manner to ensure that directors seek certification in accordance with the Code;

III. The Board remain updated with respect to achievement of Company's objectives, goals, strategies and financial performance through review of reports from management and other consultants;

IV. The Board recognizes that well defined corporate governance processes is vital in enhancing corporate accountability and is committed to ensure high standards of corporate governance to preserve and maintain stakeholder value.

V. During the year, the Board completed evaluation of the Board in line with the requirements of the Code. The main focus was on strategic growth, business opportunities risk management, and composition of the board. The Board, apart from Board Audit Committee and Board Human Resource Committee meetings, normally meets once every quarter to consider and approve financial and operating results.

VI. All the significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision-making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendations of the Audit Committee;

VII. The Board has ensured that sound system of internal controls are in place;

Being Chairperson of the Board, I will remain firmly committed to ensure that the Company complies with all the relevant provisions of the Code and other regulations and ensuring that our management team continues to take decision that will create value for you in the short, medium and long term.

Nilofar Mukhtar

Lahore: October 05, 2019

Faisal Mukhtar
Chief Executive Officer

Nilofar Mukhtar
Chairperson Board of Directors

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of Shareholders of Dar Es Salaam Textile Mills Limited will be held on Monday October 28, 2019 at 11.00 am. at the registered office of the company at 54-C III, Gulberg III, Lahore, to transact the following business:

1- To confirm the minutes of the last Annual General Meeting held on October 27, 2018.

2- To receive, consider and adopt the Income Statement and Balance Sheet for the year ended June 30, 2019 and the Directors' Report and Auditor's thereon.

3- To appoint auditors and to fix their remuneration. The auditors of the Company M/s Rizwan & Co. Chartered Accountants, retire and being eligible offer themselves for re-appointment for the financial year ending June 30, 2020

4- To transact any business with the permission of the chair.

By the order of the Board

Shahid Amin Chaudry
Company Secretary

Date: October 07, 2019
Place: LAHORE

NOTES:

1) The Members Register and Share Transfer Books will be closed from 21October 2019 to 28 October 2019 (both days inclusive) for the purpose of the Annual General Meeting. Transfers received at M/s Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2019 will be treated in time for the purpose of Annual General Meeting.

Only those persons whose names appear in the Register of Members of the Company as at 20 October 2019 are entitled to attend and vote at the Annual General Meeting.

2) Financial Statements for the year ended 30 June 2019 will be available of the website of the Company www.info@daressalaamtextilemills.com twenty-one days before the date of meeting. Further, Annual Audited Financial Statements of the Company for the year ended 30 June 2019 are being dispatched to the Member through CD/DVD. The Members may request a hard copy of Annual Audited Accounts free of cost. Standard request form is available of the above website of the Company.

3) Pursuant to Notification vide SRO 787(I)/2014 dated September 8th, 2014, the Securities and Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving annual financial statements and notice of annual/extraordinary general meeting through electronic mail system (Email). The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future. In this regard, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company's website. Further, if a shareholder, in addition to above, also requests for the hard copy of Annual Financial Statements, then the same shall be provided free of cost within seven (7) days of receipt of such request. Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Further, it is the responsibility of member(s) to timely update the share registrar of any changes in his/her/its/their registered email address at the address of Company's Registrar.

Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.info@daressalaamtextilemills.com

4) A Member entitled to attend and vote at the Annual General Meeting may appoint another Member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a Member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of the Annual General Meeting.

5) CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. FOR ATTEENDING THE MEETING:

i. In case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport of the time of attending the Meeting.

ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FOR APPOINTING PROXIES:

i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.

ii. The proxy from shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.

v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy from to the Company.

7. Members are requested to notify/submit the following information/documents, in case of book entry securities in CDS to their respective participant/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio number are name of the Company at the above mentioned address, if not earlier notified/submitted:

Members are requested to notify any change in their registered address immediately.

Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity). Please note that CNIC Number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.

Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN) bank name, branch name, branch code, and address towards direct transfer/credit of cash dividend in your account. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017.

8. For any query / problem/information Members may contact the Company at email www.info@daressalaamtextilemills.com and/or the Share Registrar of the Company at above mentioned address

عام جنرل اجلاس کا نوٹس

اس کے بذریعہ نوٹس دیا گیا ہے کہ دارسسلام ٹیکسٹائل ملز لمیٹڈ کے شیئر ہولڈرز کی سالانہ جنرل میٹنگ بروز پیر 28 اکتوبر 2019 کو مندرجہ ذیل کاروبار کو لین دین کمپنی کے رجسٹرڈ آفس میں C/3 –54 گلبرگ 3 لاہور میں ہوگی

1- 27 اکتوبر ، 2018 کو منعقدہ آخری سالانہ عمومی اجلاس کے منٹوں کی تصدیق کرنا۔

2- انکم اسٹیٹمنٹ اور بیلنس شیٹ کو 30 جون ، 2019 کو ختم ہونے والے سال اور اس پر ڈائریکٹرز کی رپورٹ اور آڈیٹر کے حصول ، غور اور اپنانے کے ل۔

3- آڈیٹرز کی تقرری اور ان کا معاوضہ ٹھیک کرنا. کمپنی کے آڈیٹرز میسرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ، ریٹائر ہوئے اور اہل ہونے کے ناطے 30 جون 2020 کو ختم ہونے والے مالی سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

4- کرسی کی اجازت سے کسی بھی کاروبار کو لین دین کرنا۔

بورڈ کے آرڈر کے ذریعے۔

شاہد امین چوہدری۔

کمپنی سیکرٹری

لاہور- اکتوبر 2019 -07

نوٹ

1- سالانہ عمومی اجلاس کے مقصد سے ممبروں کے اندراج اور اشتراک کی منتقلی کی کتابیں 21 اکتوبر 2019 سے 28 اکتوبر 2019 تک (دونوں دن شامل) بند رہیں گی۔ 20 اکتوبر 2019 کو کاروبار کے اختتام پر کمپنی کے رجسٹرار اور حصص کی منتقلی کے دفتر ، میسرز کارپلنک (پرائیوٹ) لمیٹڈ ، ونگ آرکیڈ ، 1-کے کمرشل ، ماڈل ٹاؤن ، لاہور میں موصولہ منتقلی کا بروقت علاج کیا جائے گا. سالانہ جنرل میٹنگ کا مقصد. صرف وہی افراد جن کے نام کمپنی کے ممبروں کے رجسٹر میں 20 اکتوبر 2019 کو ظاہر ہوتے ہیں وہ سالانہ جنرل اجلاس میں شرکت اور ووٹ ڈالنے کے اہل ہیں۔

2- جون 2019 کو ختم ہونے والے سال کے مالی بیانات ، اجلاس کی تاریخ سے اکیس دن پہلے کمپنی کی ویب سائٹ 30 پر دستیاب ہوں گے۔ مزید یہ کہ 30 جون 2019 کو اختتام پذیر کمپنی کے سالانہ www.info@daressalaamtextilemills.com آڈٹ شدہ مالیاتی بیانات ، ممبر کو سی ڈی / ڈی وی ڈی کے ذریعے بھیجے جارہے ہیں۔ ممبران مفت سالانہ آڈٹ شدہ اکاؤنٹس کی ہارڈ کاپی کی درخواست کرسکتے ہیں۔ معیاری درخواست فارم کمپنی کی مذکورہ بالا ویب سائٹ پر دستیاب ہے۔

3- کے ذریعہ اطلاع کے مطابق ، سیکیورٹیز اینڈ ایکسچینج کمیشن آف 2014 / (I) ستمبر ، 2014 کو ، ایس آر او 787 8 پاکستان (ایس ای سی پی) نے تمام کمپنیوں کو ہدایت کی ہے کہ وہ اپنے ممبروں کو سالانہ مالی بیانات وصول کرنے اور سالانہ / غیر معمولی جنرل میٹنگ کے نوٹس کے ذریعہ سہولیات فراہم کریں۔ الیکٹرانک میل سسٹم (ای میل) کمپنی ہمارے قابل قدر ممبروں کو یہ سہولت پیش کرنے پر خوش ہے کہ جو مستقبل میں ای میل کے ذریعے سالانہ مالی بیانات اور نوٹس وصول کرنا چاہتے ہیں۔ اس سلسلے میں ، ان ممبران سے جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ ایک معیاری درخواست فارم پر ای میل کے ذریعے اپنی رضامندی کا اظہار کریں جو کمپنی کی ویب سائٹ پر دستیاب ہے۔ مزید برآں ، اگر ایک حصہ دار ، اوپر کے علاوہ ، سالانہ مالیاتی بیانات کی ہارڈ کاپی کے لئے بھی درخواست کرتا ہے ، تو اس کی درخواست کی وصولی کے سات (7) دن کے اندر اسے مفت فراہم کی جائے گی۔ براہ کرم یقینی بنائیں کہ آپ کے ای میل اکاؤنٹ سے زیادہ ہوسکتی ہے۔ مزید میں ایسے ای ای میل موصول کرنے کے لئے کافی حقوق اور جگہ دستیاب ہے جو سائز 1 ایم بی یہ کہ ممبر (ع) کی ذمہ داری عائد ہوتی ہے کہ وہ اس کے / اس / اس / ان کے رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کے شریک رجسٹرار کو کمپنی کے رجسٹرار کے پتے پر بروقت اپ ڈیٹ کریں۔

ممبران جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں وہ کمپنی کو مطلوبہ معلومات فراہم کرسکتے ہیں جس کے لئے کمپنی کی ویب سے ڈاؤن لوڈ کیا جاسکتا ہے۔ www.info@daressalaamtextilemills.com سائٹ

بیانات ، پھر اسے اسی طرح کی درخواست کی وصولی کے سات (7) دن کے اندر مفت فراہم کی جائے گی۔ براہ کرم یقینی بنائیں کہ آپ کے ای میل اکاؤنٹ میں ایسے ای میل موصول کرنے کے لئے کافی حقوق اور جگہ دستیاب ہے جو سائز 1 MB سے زیادہ ہوسکتی ہے۔ مزید یہ کہ ممبر (ع) کی ذمہ داری عائد ہوتی ہے کہ وہ اس کے / اس / اس / ان کے رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کے شریک رجسٹرار کو کمپنی کے رجسٹرار کے پتے پر بروقت اپ ڈیٹ کریں۔

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سالانہ عمومی اجلاس میں شرکت اور ووٹ ڈالنے کا حقدار رکن اپنے مما کی حیثیت سے کسی دوسرے ممبر کو شرکت ((
کرسکتا ہے اور اسے ووٹ دے سکتا ہے بشرطیکہ کہ کارپوریشن اپنے پراکسی کے طور پر کسی ایسے شخص کی تقرری کرسکتا ہے جو ممبر نہیں ہے لیکن وہ مستند ہے۔ کارپوریشن کے ذریعہ اختیار کردہ۔ سالانہ جنرل میٹنگ کے انعقاد کے وقت سے 48 گھنٹوں سے بھی کم عرصے قبل کمپنی کے رجسٹرڈ آفس میں پراکسیز موصول ہونی چاہئیں۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طے شدہ مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

1:میٹنگ میں اضافے کے لئے .

میں. افراد کی صورت میں ، اکاؤنٹ ہولڈرز اور / یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی یا پاسپورٹ دکھا کر اپنی شناخت کی CNIC ریگولیشنز کے مطابق اپ لوڈ کی جاتی ہیں ، اجلاس میں شرکت کے وقت اپنی اصل توثیق کریں۔

2- کارپوریٹ ہستی کی صورت میں ، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی برائے نامزد شخص کے نمونے کے دستخط کے ساتھ پیش کیا جائے گا (جب تک کہ اس کی پیش کش پہلے نہیں کی گئی ہو)۔

FOR: B پراکسیس کے تقرر کے لیے

1- میں. افراد کی صورت میں ، اکاؤنٹ ہولڈرز اور / یا سب اکاؤنٹ ہولڈر اور ان کی رجسٹریشن کی تفصیلات سی ڈی سی کے ضوابط کے مطابق اپ لوڈ کی جاتی ہیں ، مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کروائیں۔

2- نمبروں کا فارم پر ذکر کیا جائے گا۔ CNIC پراکسی کا مشاہدہ دو افراد کریں گے جن کے نام ، پتے اور

3- سی این آئی سی کی تصدیق شدہ کاپیاں یا فائدہ مند مالک اور پراکسی کے پاسپورٹ پراکسی فارم کے ساتھ پیش کی جائیں گی۔

4- یا اصل پاسپورٹ تیار کرے گا۔ CNICپراکسی ملاقات کے .

5- کارپوریٹ ہستی کی صورت میں ، بورڈ آف ڈائریکٹرز کی ریزولوشن / پاور آف اٹارنی کے ساتھ نمونہ کے دستخط موجود ہوں گے (جب تک کہ اس کو پہلے فراہم نہیں کیا گیا ہو) کمپنی کے ساتھ پراکسی بھیجا جائے گا۔

ممبران سے درخواست ہے کہ وہ سی ڈی ایس میں کتاب انٹری سیکیورٹیز کی صورت میں اپنے متعلقہ شریک / .Members سرمایہ کار اکاؤنٹ خدمات کو مطلع / جمع کروائیں اور کمپنی کے رجسٹرار کو جسمانی حصص کی صورت میں اپنے فولیو نمبر :کے حوالے سے نام درج کریں۔ مذکورہ پتے پر کمپنی کا ، اگر پہلے مطلع شدہ / جمع نہیں کیا گیا ہو

ممبران سے گزارش ہے کہ اپنے رجسٹرڈ ایڈریس میں کسی تبدیلی کو فوری طور پر مطلع کریں۔ ۰

سرٹیفکیٹ (کارپوریٹ ہستی کی صورت میں) کی درست اور قابل نقل NTN پاسپورٹ (فرد کی صورت میں) اور / CN CNIC نمبر لازمی ہے اور اس معلومات کی عدم موجودگی CNIC کاپی۔ براہ کرم نوٹ کریں کہ ڈیویڈنڈ وارنٹ جاری کرنے کے لئے میں منافع کی ادائیگی روک دی جائے گی۔

بینک کا نام ، برانچ کا نام ، برانچ کوڈ ، اور آپ کے (IBAN) بینک اکاؤنٹ کا عنوان ، بین الاقوامی بینک اکاؤنٹ نمبر account اکاؤنٹ میں نقد منافع کا براہ راست منتقلی / کریڈٹ کی سمت کا ذکر کرنے والے ڈیویڈنڈ مینڈیٹ کی معلومات۔ براہ کرم نوٹ کریں کہ آئندہ کے سارے منافع صرف آن لائن بینک ٹرانسفر کے ذریعے ادائیگی کیے جائیں گے جیسا کہ کمپنیز ایکٹ ، 2017 کے سیکشن 242 کے تحت ضروری ہے۔

پر رابطہ کرسکتے ہیں www.dtm.com ممبران کمپنی سے ای میل Members کسی بھی سوال / دشواری / معلومات کے ل 8. اور / یا مذکورہ پتے پر کمپنی کے شیئر رجسٹرار

DIRECTOR'S REPORT

The Directors of Dar es Salaam Textile Mills Limited ("the Company") take pleasure in presenting the 29th Annual Report together with your Company's Annual Audited Financial Statements for the year ended June 30th, 2019.

Economic Outlook / Business, Risk and Challenges

The Financial Year 2018-19 was a tumultuous year for the Pakistani economy - The country's currency saw a devaluation spiral and has lost 35 percent of its value in just one year, increase in oil prices and other utilities combined with ad-hoc taxes and reversals have resulted in a challenging time for the local economy. Nonetheless, the management is hopeful to kick start its business in the first two quarters of 2019-2020.

Description	June 30, 2019 Rupees	June 30, 2018 Rupees
Sale	-	-
Cost of Sales*	-	-
Gross Profit/ (Loss)	-	-
Finance Cost	(24,853)	(263,573)
Other income	(20,379,568)	10,444,969
Other operating expenses	(7,018,677)	(118,866,667)
Taxation	-	13,379,285
Loss after taxation	(4934,359)	(177,146,837)

Future Outlook

In lieu of the approval obtained from shareholders on April 30, 2018, the Company has partially executed the plan and is working towards disposal of land, building and machinery to pay down its liabilities. The management tried its level best to complete the disposal of land and building within stipulated time period. Certain parties are still under discussions with the management and we are confident that we will be able to dispose off land and building within shortest possible time and implement business plan for revival of the Company.

Moreover, as shown in the Auditors report, the management has made fullest efforts for removal certain reservations of the Auditors and despite the adverse opinion of the Auditor, it is confident that it will ensure a positive bottom line in near future.

Corporate Social Responsibility (CSR)

The Company gives high priority to its social responsibilities and is committed to the highest standards of corporate behaviour despite of the fact that it has increased its cost of doing business. The Company believes in having shared value and having healthy work place. Since the operations of the Company have been suspended for the time being hence much monetary spending on CSR initiatives is not being carried out. The Company upon implementation of its alternate business plans aims to continue its CSR initiatives in the areas of healthcare, education, environment protection, water and sanitation, child welfare, infrastructure development and other social welfare activities.

Related Party transactions

All related party transactions during the financial year ended on 30 June 2019 were placed before the Audit Committee and the Board for their review and subsequently approved. These transactions were reviewed by the Audit Committee and approved by the Board. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

Code of Conduct

The Company strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principle, in order to strengthen the trust of our shareholders, customers & society and seek sustainable growth and enhance corporate value.

Corporate and Financial Reporting Framework

The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity. The Company is committed to good corporate governance. The financial statements together with notes have been drawn up with in conformity with the provisions of the Companies Act, 2017. International Financial Reporting Standards have been followed in preparation of these financial statements and accounting policies have been consistently applied in preparation of the financial statements.

Compliance with the Code of Corporate Governance

The new Code of Corporate Governance has marked a various change to bring local companies governance in line with the global norms. The Company has taken initiatives to implement amendments in the new Code. The representation of independent directors has been linked with the restructuring of the Board not later than next election of Directors. The remuneration policy for Board of Directors (for Executive, Non-Executive and Independent Directors) are being prepared. The Board lays great emphasis on adding and practicing good Corporate Governance, with a view to achieve transparency in its operations, so as to boost the confidence of important stakeholders. The objective of this policy is to ensure that the Executive & Non-executive directors are governed by comprehensive compensation criteria that is based on merit and contributions towards the strategic guidance and success of the Company. The Statement of compliance with the Code of Corporate Governance is annexed.

The Board of Directors

The Board of Directors is composed of seven members, with statutory representation of different category of directors, which includes an independent director, non-executive directors and executive directors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017. The Board is responsible for making strategic decisions with respect to important management matters, including the execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating matters according to established criteria: assessing risks and giving due consideration to ground realities. The Board is also responsible for supervising and monitoring conduct guidelines.

Board Meeting and Attendance

During the year four meetings of the Board of Directors of the company were held attendance by each director is shown below:

No.	Name	Attendance
1	Mrs Nilofar Mukhtar	4
2	Mr. Faisal Mukhtar	4
3	Mrs. Mahwesh Faisal Mukhtar	4
4	Ms. Abida Mukhtar	4
5	Ejaz Hussain	4
6	Mr. Muhammad Yousaf	4
7	Muhammad Gul Nawaz	4

Audit Committee Meeting and Attendance

During the year four meetings of the audit committee of the company were held; attendance by each member is as under

No.	Name	Attendance
1	Muhammad Gul Nawaz	4
2	Ms. Mahwesh Faisal Mukhtar	4
3	Mrs Nilofar Mukhtar	4

HR and Remuneration Committee

During the year, one meeting of HR and Remuneration Committee of the company was held; attendance by each member is as under.

No.	Name	Attendance
1	Mr. Muhammad Yousaf	1
2	Mrs Nilofar Mukhtar	1
3	Ms. Mahwesh Faisal Mukhtar	1

Internal Financial Controls

A system of sound internal control is established and implemented at all levels within the Company. The system of internal control is sound in design for ensuring achievement of company's objectives, operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Financial Statements

The financial statements of the company have been duly audited and signed by the auditors of the Company, M/S Rizwan & Company Chartered Accountants, and their report is attached with the financial statements. Auditors of the Company have given an adverse opinion despite the removal of certain qualifications and discussions of solid steps taken to see through the business plan that was approved in the Extra Ordinary General Meeting. Notwithstanding the current environment in the textile sector, the company's management is confident that it will be able to fulfil its plan within the next six months. The response of your Directors with respect to it are as follows:

Adverse Opinion	Justification
The Company has suspended its operations in 2014 and had decided to dispose off all of its property, plant and equipment for implementation of alternate business plan with the approval of shareholders in its meeting held on April 30, 2018. Further, as at reporting date; the Company's accumulated loss stood at Rupees 293.786 million, its equity has been eroded fully and its current liabilities exceeded its current assets by Rupees 119.691 million. Moreover, the financial results show adverse key financial ratios and cases against the Company by the banking companies (as fully explained in note 22) for recovery of the loan amounts. The Company has not been able to pay long term financing and short-term borrowing obtained from banking companies amounting to Rupees 156.645 million and Rupees 116.220 million and accrued markup thereon. At present, the Company is unable to implement approved alternate business plan for future periods envisaged in the shareholders meeting held on April 30, 2018. These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may not be able to realize its assets and discharge its liabilities in normal course of business. However, as described in note 2.2 to these financial statements have been prepared under the going concern assumption. Because of the circumstances and events as mentioned herein, in our opinion, the Company cannot be considered to be a going concern and thus the preparation of these financial statements on a going concern basis is inappropriate.	The management of the Company tried its utmost efforts to restart plant but due to inability to raise investment in the unit to update old and outdated machinery, continuous losses in the past few years that had eroded equity, unfavourable debt ratios, and pressure from creditors, it was not a viable option. Therefore, an alternate business plan was discussed with the Board of Directors meeting on April 6th 2018 and approved by the shareholders in its meeting held on April 30, 2018. The plan is two-pronged, first step is to dispose-of plant and machinery and use the proceeds to pay down partial debt. In the second phase, the management will focus on selling off the land and Building and plant and other assets and commence trading of yarn. Subsequent to approval of the shareholders meeting, the Company has partially disposed off its plant and machinery. The Company is making its efforts to dispose land and building which is subject to execution of settlement agreement. Upon realization of proceeds; the Company shall be implemented alternate business plan as envisaged and approved by the shareholders.

In our opinion, the financial statements should reflect adjustments to reduce the value of assets to their recoverable amount and to provide any further liabilities that may arise. These adjustments are likely to be substantial, and in view of further qualifications discussed in the following paragraphs below we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy.	
As disclosed in note 15, the Company has recognised accrued markup on short term borrowings and long-term financing to the extent of Rupees 54.127 million and Rupees 54.302 million respectively. As per confirmations received from various banks, the Company has recognised aggregate accrued mark up of Rupees 108.429 million against aggregate accrued mark up of Rupees 47.500 million for which no adjustment has been made on the plea that it will be incorporated upon final settlement/extinguishment of short term and long-term borrowings. Moreover, the Company had not charged the markup / cost of funds on long term financing and short-term borrowings during the year. The effect of this matter has not been adjusted appropriately in these financial statements.	Auditors were provided with letters from banks stating the principal amount and mark up. The mark up amount accrued in the Company's accounts do not reflect the settled mark-up amount. The difference in mark-up shall be settled upon execution of settlement with the Banks.
As disclosed in note 14, the Company has trade and other payables amounting to Rupees 133.990 million. Out of total, trade and other payables amounting to Rupees 107.693 million could not be verified in the absence of direct confirmation. Further as disclosed in note 25, during the period liabilities of Rupees 16.815 million has been written back which could not be verified in absence of underlying record and confirmations from the relevant parties. The cumulative effect of this matter has neither been determined not adjusted in these financial statements.	Most of these amounts are older than five-years and are time barred in accordance with the Limitation Act. Nevertheless, the management provided details and address of parties for confirmation and provided required information with regard to amount written back.
We could not verify the unclaimed dividend payable pertaining to financial years ended on June 30, 2000 and June 30, 2001 amounting to Rupees 1,159,777 in absence of underlying record with the Company. The effect of this matter has not been adjusted appropriately in these financial statements.	The Company issued out a dividend in the Fiscal Year 2000 and FY 2001. Over the years, a small portion of the dividend remains payable. During the past two decades, the company management has issued out dividend warrants at shareholder request.

As highlighted earlier, the Management of the Company is in process of restructuring and considers the adverse opinion to be unmerited.

Pattern of Shareholding

The Company is listed on Pakistan Stock Exchange Limited. The pattern of shareholding as at June 30, 2019 along with disclosure as required under the Code of Corporate Governance is included in this Annual Report. The Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children have not traded in the shares of the Company.

Statutory Auditors of the Company

The present auditors' M/S Rizwan & Company, Chartered Accountants will retire on conclusion of Annual General Meeting being held on October 28, 2019. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the year ending June 30, 2020.

Status of disposal of property, plant and equipment and alternate business plan:

The Company held an Extra Ordinary General Meeting on April 30, 2018 to approve the sale / lease of land, building, plant and machinery in order to settle its obligation towards financial institutions and trade and other payables and to approve an alternate business plan as recommended by the board of directors. Approval was accorded by the shareholders for utilization of the proceeds from sale of assets to repay the liabilities of the Company and to utilize the remaining proceeds to start alternate business plan as approved and recommended by the Board of Directors of the Company. The Company has not yet been able to implement alternate business plan as approved by the shareholders in absence of serious buyers to fetch best price from sale of land and building and remaining plant and machinery and settlement of obligations towards lenders and other parties.

At present, the Company has partially executed the plan by disposing off certain part of plant and machinery whereas efforts are being made to dispose off land, building and reaming part of plant and machinery to pay off its liabilities. Proceeds from sale of machinery were utilized for repayment of Bank Loan. Status of disposal of assets as per S.R.O. 423(I)/2018 dated April 03, 2018 is as under:

	Amount Rupees
Book value of assets sold	62,990,570
Loss on disposal	26,402,884
Sale proceeds	36,586,686
Utilization of disposal proceeds	36,046,921
Book value of remaining assets to be sold	370,367,660

Your Directors are continuing their efforts to prepare a best possible solution for the benefit of all the stakeholders.

Directors' Remuneration

The remuneration of the directors is determined by the Board as per provisions of section 170 of the Companies Act, 2017 on the basis of standards in the market and reflects demand to competencies and efforts in the light of the scope of their work and responsibilities of the directors. Remuneration of Chief Executive is reviewed annually by the board of directors. During the year ended June 30, 2019, no remuneration and/fee is paid to chief executive officer, executive directors, non-executive directors and independent directors for performing their duties and attending the meetings of board of directors and/or committees of the board.

Chairperson's Review

The accompanied Chairperson's review deals with the performance of the Company for the year ended 30 June 2019 and future outlook. The directors endorse the contents of the review.

Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, technicians, staff and workers who have vigorously to meet the target. Your directors also extend their appreciation to the company's banker, buyers and suppliers for their cooperation.

For and on behalf of the Board

Lahore: October 05, 2019

FAISAL MUKHTAR
Chief Executive Officer

ABIDA MUKHTAR
Director

ڈائریکٹرکی رپورٹ

دارالسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 جون ، 2019 کو ختم ہونے والے سال کیلئے آپ کی کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے کے ساتھ 29 ویں سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

معاشی آؤٹ لک / کاروبار ، رسک اور چیلنجز۔

مالیاتی سال 2018-19 پاکستانی معیشت کے لئے ایک پریشان کن سال ہے۔ ملکی کرنسی کی قدر میں کمی واقع ہوئی ہے اور صرف ایک سال کے دوران اس کی قیمت میں 35 فیصد کی کمی واقع ہوئی ہے ، تیل کی قیمتوں میں اضافے اور دیگر افادیت کے ساتھ مل کر ایڈ ٹیکسٹ ٹیکس اور تبادلہ اس کا نتیجہ مقامی معیشت کے لئے ایک مشکل وقت تھا۔ بہرحال ، انتظامیہ کو امید ہے کہ وہ اپنے کاروبار کو 2019-2020 کے پہلے دو حلقوں میں شروع کرے گی۔

تفصیل	30 جون 2019 (PKR)	30 جون 2018 (PKR) (Restated)
-	-	
-	-	
	-	
مالیاتی لاگت	(24,853)	(263,573)
دوسری آمدنی	(20,379,568)	10,444,969
دوسرے آپریٹنگ اخراجات۔	(7,018,677)	(118,866,667)
ٹیکس ادائیگی	-	13,379,285
ٹیکس ادائیگی کے بعد نقصان	(4934,359)	(177,146,837)

مستقبل کا جائزہ

30 اپریل ، 2018 کو حصص یافتگان سے حاصل شدہ منظوری کے بدلے ، کمپنی نے اس منصوبے کو جزوی طور پر نافذ کیا ہے اور وہ اپنی ذمہ داریوں کو ادا کرنے کے لئے زمین ، عمارت اور مشینری کو ضائع کرنے کی سمت کام کر رہی ہے۔ انتظامیہ نے زمین اور عمارت کے تصفیے کو مقررہ مدت کے اندر مکمل کرنے کی پوری کوشش کی۔ کچھ جماعتیں ابھی بھی انتظامیہ کے ساتھ تبادلہ خیال کر رہی ہیں اور ہمیں اعتماد ہے کہ کاروباری منصوبے پر عمل کاروبار ہم بہت کم وقت میں زمین اور عمارت کو ٹھکانے لگانے میں کامیاب ہوجائیں گے اور کمپنی کی بحالی کے ل درآمد کروائیں گے۔

مزید برآں ، جیسا کہ آڈیٹرز کی رپورٹ میں دکھایا گیا ہے ، انتظامیہ نے آڈیٹرز کے کچھ مخصوص تحفظات کو دور کرنے کے لئے پوری کوشش کی ہے اور آڈیٹر کی منفی رائے کے باوجود ، اسے یقین ہے کہ یہ مستقبل قریب میں ایک مثبت نچلی خط کو یقینی بنائے گی۔

(CSR) کارپوریٹ سماجی ذمہ داری

کمپنی اپنی معاشرتی ذمہ داریوں کو اعلی ترجیح دیتی ہے اور اس حقیقت کے باوجود کہ اس نے اپنے کاروبار کرنے میں لاگت میں اضافہ کیا ہے اس کے باوجود کارپوریٹ طرز عمل کے اعلی ترین معیار پر کاربند ہے۔ کمپنی مشترکہ قدر رکھنے اور صحت مند کام کی جگہ رکھنے پر یقین رکھتی کے اقدامات پر زیادہ مالی اخراجات نہیں کئے جارہے ہیں۔ کمپنی CSR ہے۔ چونکہ اس وقت کے لئے کمپنی کی کاروائیاں معطل کردی گئیں ہیں لہذا نے اپنے متبادل کاروباری منصوبوں پر عمل درآمد کرنے کا مقصد صحت کی دیکھ بھال ، تعلیم ، ماحولیاتی تحفظ ، پانی اور حفظان صحت ، بچوں کی فلاح و بہبود ، بنیادی ڈھانچے کی ترقی اور دیگر سماجی بہبود کی سرگرمیوں کے شعبوں میں اپنے سی ایس آر اقدامات کو جاری رکھنا ہے

پارٹی سے متعلق لین دین

30 جون 2019 کو ختم ہونے والے مالی سال کے دوران پارٹی سے متعلقہ تمام لین دین کو آڈٹ کمیٹی اور بورڈ کے سامنے اپنے جائزہ کے لئے رکھا گیا تھا اور بعد میں اس کی منظوری دی گئی تھی۔ آڈٹ کمیٹی کے ذریعہ ان لین دین کا جائزہ لیا گیا اور بورڈ کے ذریعہ اس کی منظوری دی گئی۔ یہ تمام لین دین منتقلی کی قیمتوں کے تعین کے طریقوں اور بورڈ سے منظور شدہ متعلقہ فریقوں کے لئے پالیسی کے مطابق تھا۔

ضابطہ اخلاق

کمپنی اپنے حصص یافتگان ، صارفین اور معاشرے کے اعتماد کو مستحکم کرنے اور پائیدار ترقی کی تلاش اور کارپوریٹ ویلیو کو بڑھانے کے لئے کمپنی کے بنیادی اصول کی بنا پر کارپوریٹ گورننس کو اپنے انتظام کے لئے ایک سب سے اہم کام کے طور پر بڑھانا چاہتی ہے۔

کارپوریٹ اور مالی رپورٹنگ کا فریم ورک

کمپنی کے انتظام کے ذریعہ تیار کردہ مالی بیانات اس کی امور کی منصفانہ حیثیت ، اس کے کاموں ، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کا نتیجہ پیش کرتے ہیں۔ کمپنی اچھی کارپوریٹ گورننس کے لئے پرعزم ہے۔ نوٹ کے ساتھ مالیاتی بیانات کمپنیز ایکٹ ، 2017 کی شقوں کے مطابق تیار کیے گئے ہیں۔ ان مالی بیانات کی تیاری کے سلسلے میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے اور مالی بیانات کی تیاری میں اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی گئیں ہیں۔

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل۔

کارپوریٹ گورننس کے نئے کوڈ میں مقامی کمپنیوں کو عالمی اصولوں کے مطابق حکمرانی لانے کے لئے مختلف تبدیلیوں کا اشارہ کیا گیا ہے۔ کمپنی نے نئے ضابطہ اخلاق میں ترامیم کو نافذ کرنے کے لئے اقدامات اٹھائے ہیں۔ آزاد ڈائریکٹرز کی نمائندگی بورڈ کے تنظیم نو کے ساتھ منسلک ہوگئی ہے جو اگلے انتخابات کے بعد ڈائریکٹرز کے انتخاب سے کہیں زیادہ نہیں ہے۔ بورڈ آف ڈائریکٹرز کے لئے معاوضہ کی پالیسی (ایگزیکٹو ، اچھی کارپوریٹ گورننس good نان ایگزیکٹو اور آزاد ڈائریکٹرز کے لئے) تیار کی جارہی ہے۔ بورڈ اپنی کاروائیوں میں شفافیت کے حصول کے ل کو شامل کرنے اور اس پر عمل کرنے پر بہت زور دیتا ہے ، تاکہ اہم اسٹیک ہولڈرز کے اعتماد کو بڑھاسکے۔ اس پالیسی کا مقصد یہ یقینی بنانا ہے کہ ایگزیکٹو اور غیر ایگزیکٹو ڈائریکٹرز جامع معاوضے کے معیار کے تحت چلائے جائیں جو کہ کمپنی کی اسٹریٹجک رہنمائی اور کامیابی کے لئے اہلیت اور شراکت پر مبنی ہے۔ کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان جوڑا گیا ہے۔

بورڈ آف ڈائریکٹر

بورڈ آف ڈائریکٹرز سات ممبروں پر مشتمل ہے ، جس میں مختلف قسم کے ڈائریکٹرز کی قانونی نمائندگی ہے ، جس میں ایک آزاد ڈائریکٹر ، غیر ایگزیکٹو ڈائریکٹرز اور ایگزیکٹو ڈائریکٹرز شامل ہیں جیسا کہ درج کمپنیوں (کارپوریٹ گورننس کا ضابطہ) ضابطہ ، 2017 کی ضرورت ہے۔ بورڈ اہم کاروباری سرگرمیوں پر عملدرآمد اور قانون کے ذریعہ مقرر کردہ دیگر امور سمیت اہم انتظامی امور کے سلسلے میں اسٹریٹجک فیصلے کرنے کا ذمہ دار ہے۔ یہ فیصلے معاملات پر قائم کردہ معیارات کے مطابق غور و فکر کرنے کے بعد کیے جاتے ہیں: خطرات کا اندازہ لگانے اور زمینی حقائق پر مناسب غور کرنے کے بعد۔ بورڈ طرز عمل کی رہنما اصولوں کی نگرانی اور نگرانی کا بھی ذمہ دار ہے۔

بورڈ میٹنگ اور حاضری۔

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاسوں میں ہر ڈائریکٹر کی حاضری ہوئی جس کو ذیل میں دکھایا گیا ہے۔

نمبر شمار	نام	حاضری
1	مسز نیلوفر مختار	4
2	فیصل مختار	4
3	مسز مہیوش فیصل مختار	4
4	محترمہ عابدہ مختار	4
5	اعجاز حسین	4
6	محمد یوسف	4
7	محمد گل نواز	4

آڈٹ کمیٹی کا اجلاس اور حاضری۔

سال کے دوران کمپنی کی آڈٹ کمیٹی کے پانچ اجلاس ہوئے۔ ہر ممبر کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	نام	حاضری
1	محمد گل نواز	4
2	مسز مہیوش فیصل مختار	4
3	مسز نیلوفر مختار	4

ایچ آر اور معاوضہ کمیٹی

سال کے دوران ، کمپنی کی ایچ آر اور معاوضہ کمیٹی کا ایک اجلاس ہوا۔ ہر ممبر کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	نام	حاضری
1	محمد یوسف	1
2	مسز مہیوش فیصل مختار	1
3	مسز نیلوفر مختار	1

داخلی مالیاتی کنٹرول۔

کمپنی کے اندر ہر سطح پر صوتی اندرونی کنٹرول کا ایک نظام قائم اور نافذ ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد کی حصول ، آپریشنل تاثیر اور استعداد ، قابل اعتماد مالی رپورٹنگ اور قوانین ، ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لئے ڈیزائن میں مستحکم ہے

مالیاتی گوشوارے

کمپنی کے مالی بیانات کا باقاعدگی سے آڈٹ کیا گیا ہے اور کمپنی کے آڈیٹرز ، ایم / ایس رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے دستخط کیے ہیں ، اور ان کی رپورٹ مالی بیانات کے ساتھ منسلک ہے۔ اضافی عام جنرل میٹنگ میں منظوری دی جانے والی کاروباری منصوبہ بندی کے ذریعے دیکھنے کے لئے کچھ اہلیتوں کے خاتمے اور ٹھوس اقدامات پر تبادلہ خیال کے باوجود کمپنی کے آڈیٹرز نے ایک متنازعہ رائے دی ہے۔ ٹیکسٹائل کے شعبے میں موجودہ ماحول کے باوجود ، کمپنی کی انتظامیہ کو یقین ہے کہ وہ اگلے چھ ماہ کے اندر اپنے منصوبے کو پورا کرسکے گی۔ اس کے سلسلے میں آپ کے ڈائریکٹرز کا جواب ذیل میں ہے۔

غیرمعمولی رائے	تفصیلی جواز
کمپنی نے 2014 میں اپنی کاروائیاں معطل کردی ہیں اور 30 اپریل ، 2018 کو منعقدہ اس میٹنگ میں شیئر ہولڈرز کی منظوری سے متبادل کاروباری منصوبے پر عمل درآمد کے لئے اپنی تمام جائیداد ، پلانٹ اور سامان ضائع کرنے کا فیصلہ کیا تھا۔ مزید ، اطلاع دہندگی کی تاریخ کے مطابق ، کمپنی کا جمع شدہ نقصان 293.786 ملین روپے رہا ، اس کی ایکویٹی مکمل طور پر ختم ہوگئی ہے اور اس کی موجودہ واجبات اس کے موجودہ اثاثوں سے بڑھ کر 119.691 ملین روپے ہے۔ مزید برآں ، مالیاتی نتائج قرض کی رقم کی وصولی کے لئے بینکاری کمپنیوں کے ذریعہ کمپنی کے خلاف منفی اہم مالی تناسب اور مقدمات ظاہر کرتے ہیں (جیسا کہ نوٹ 22 میں مکمل طور پر بیان کیا گیا ہے)۔ کمپنی بینکاری کمپنیوں سے حاصل کردہ طویل مدتی مالی اعانت اور قلیل مدتی قرض ادا نہیں کر سکی ہے جس کی مالیت 156.645 ملین روپے ہے اور اس پر 116.220 ملین روپے جمع ہوئے ہیں۔ فی الحال ، کمپنی 30 اپریل ، 2018 کو منعقدہ حصص یافتگان کی میٹنگ میں زیر غور آنے والے آئندہ ادوار کے لئے منظور شدہ متبادل کاروباری منصوبے پر عمل درآمد کرنے سے قاصر ہے۔ یہ شرائط اور واقعات مادی غیر یقینی صورتحال کی نشاندہی کرتے ہیں جس سے کمپنی کی تشویش کی حیثیت سے جاری رکھنے کی صلاحیت کے بارے میں اہم شک پیدا ہوسکتا ہے۔ اور اس وہ اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے it ل مطابق اپنی ذمہ داریوں کو نبھانے کے قابل نہیں ہوسکتا ہے۔ تاہم ، جیسا کہ نوٹ 2.2 میں ان مالیاتی بیانات کی تشریح مفروضے کے تحت تیار کیا گیا ہے۔ مذکورہ حالات اور واقعات کی وجہ سے ، جو ہماری رائے میں ، کمپنی کو تشویشناک نہیں سمجھا جاسکتا ہے اور اس طرح تشویش کی بنیاد پر ان مالی بیانات کی تیاری نامناسب ہے۔ ہماری رائے میں ، مالی بیانات میں اثاثوں کی وصولی کو کم کرنے ایڈجسٹمنٹ کی عکاسی کرنا چاہئے اور اس سے پیدا ہونے to کے ل والی مزید واجبات کی فراہمی کرنا چاہئے۔ یہ ایڈجسٹمنٹ کافی ہونے کا امکان ہے ، اور مندرجہ ذیل پیراگراف میں زیر بحث آنے والی مزید قابلیت کے پیش نظر ہم مناسب ڈگری کے ساتھ مطلوبہ ایڈجسٹمنٹ کی مقدار اور شرائط کا تعین کرنے سے قاصر ہیں۔	کمپنی کی انتظامیہ نے پلانٹ کو دوبارہ شروع کرنے کے لئے اپنی پوری کوشش کی لیکن پرانی اور پرانی مشینری کو اپ ڈیٹ کرنے کے لئے یونٹ میں سرمایہ کاری بڑھانے میں ناکامی کی وجہ سے ، پچھلے کچھ سالوں میں مسلسل نقصانات جو ایکویٹی ، منفی قرضوں کے تناسب کو ختم کر چکے تھے ، اور قرض دہندگان کا دباؤ ، یہ ایک قابل عمل آپشن نہیں تھا۔ لہذا ، 6 اپریل 2018 کو بورڈ آف ڈائریکٹرز کی میٹنگ میں ایک متبادل کاروباری منصوبے پر تبادلہ خیال کیا گیا اور 30 اپریل ، 2018 کو منعقدہ اس میٹنگ میں شیئر ہولڈرز نے اس کی منظوری دی۔ یہ منصوبہ دو جہتی ہے ، پہلا قدم پلانٹ اور مشینری کو ٹھکانے لگانا ہے۔ اور حاصل شدہ رقم جزوی قرض ادا کرنے کے لئے استعمال کریں۔ دوسرے مرحلے میں ، انتظامیہ زمین اور عمارت اور پلانٹ اور دیگر اثاثوں کی فروخت اور سوت کی تجارت شروع کرنے پر توجہ دے گی۔ حصص یافتگان کی میٹنگ کی منظوری کے بعد ، کمپنی نے اپنے پلانٹ اور مشینری کو جزوی طور پر ختم کردیا ہے۔ کمپنی زمین اور عمارت کو ٹھکانے لگانے کے لئے اپنی کوششیں کر رہی ہے جو معاہدے کے معاہدے پر عمل درآمد سے مشروط ہے۔ آمدنی کی وصولی پر؛ اس کمپنی کو متبادل کاروباری منصوبہ لاگو کیا جائے گا جیسا کہ شیئر ہولڈرز کے ذریعہ تصور اور منظوری دی گئی ہو۔
جیسا کہ نوٹ 15 میں انکشاف کیا گیا ہے ، کمپنی نے بالترتیب 54.127 ملین اور روپے 54.302 ملین روپے کی حد تک مختصر مدت کے ادھار اور طویل مدتی فنانسنگ پر حاصل شدہ مارک اپ کو تسلیم کیا ہے۔ مختلف بینکوں سے موصولہ تصدیقوں کے مطابق ، کی مجموعی 108.429ملین روپے کمپنی نے مجموعی طور پر طور پر حاصل کردہ مارک اپ کی مد میں 47.500 ملین روپے کی مجموعی قیمت کو تسلیم کرلیا ہے جس کے لئے اس التجا میں کوئی ایڈجسٹمنٹ نہیں کی گئی ہے کہ حتمی تصفیہ / بجھانے پر اسے شامل کیا جائے گا۔ قلیل مدتی اور طویل مدتی قرضے۔ مزید یہ کہ کمپنی نے سال کے دوران طویل مدتی فنانسنگ اور قلیل مدتی قرضوں پر فنڈز	آڈیٹرز کو بینکوں کے ذریعہ خطوط فراہم کیے گئے تھے جن میں لکھا گیا تھا کہ اس میں اصل رقم اور مارک اپ ہیں۔ کمپنی کے کھاتوں میں جمع شدہ مارک اپ کی رقم تصویری نشان کی رقم کو ظاہر نہیں کرتی ہے۔ ای او جی پر عملدرآمد کے وقت II ایم میں پیش کردہ کاروباری منصوبے کے مرحلہ .اس تغیر کو حل کیا جائے گا۔

کے مارک اپ / لاگت وصول نہیں کی تھی۔ ان مالیاتی بیانات میں اس معاملے کا اثر مناسب طریقے سے ایڈجسٹ نہیں کیا گیا ہے۔	
جیسا کہ نوٹ 14 میں انکشاف کیا گیا ہے ، کمپنی کے پاس تجارت 133.990 ملین روپے کی تجارت اور دیگر ادائیگی ہے۔ مجموعی طور پر ، تجارت اور 107.693 ملین روپے کی دیگر ادائیگیوں کی براہ راست تصدیق کی عدم موجودگی میں توثیق نہیں ہوسکی۔ جیسا کہ نوٹ 25 میں انکشاف کیا گیا ہے ، اس عرصے کے دوران 16.815 ملین روپے کی واجبات واپس لکھ دی گئیں جن کی متعلقہ فریقوں کی طرف سے بنیادی ریکارڈ اور تصدیق کی عدم موجودگی کی تصدیق نہیں ہوسکتی ہے۔ اس معاملے کا مجموعی اثر ان مالی بیانات میں ایڈجسٹ نہ کرنے کا فیصلہ کیا گیا ہے۔	ان میں سے زیادہ تر مقدار پانچ سال سے زیادہ پرانی ہے اور حد ایکٹ کے مطابق وقت پر پابندی عائد ہے۔ اس کے باوجود ، انتظامیہ نے تصدیق کے لئے فریقین کی تفصیلات اور پتہ فراہم کیا اور واپس لکھی ہوئی رقم کے حوالے سے مطلوبہ معلومات فراہم کیں.
ہم کمپنی کے پاس بنیادی ریکارڈ کی عدم موجودگی میں 30 جون ، 2000 اور 30 جون 2001 کو ختم ہوئے مالی سالوں سے متعلق دعویدار منافع کی توثیق نہیں کرسکے۔ ان مالیاتی بیانات میں اس معاملے کا اثر مناسب طریقے سے ایڈجسٹ نہیں کیا گیا ہے۔ جس کا تخمینہ 1.159 ملین روپے ہیں ،	کمپنی نے مالی سال 2000 اور مالی سال 2001 میں ایک منافع جاری کیا۔ سالوں کے دوران ، اس منافع کا ایک چھوٹا سا حصہ قابل ادائیگی رہا۔ پچھلے دو دہائیوں کے دوران ، کمپنی مینجمنٹ نے شیئردارک کی درخواست پر ڈیویڈنڈ وارنٹ جاری کیا ہے.

جیسا کہ پہلے روشنی ڈالی گئی ہے ، کمپنی کی انتظامیہ تنظیم نو کے عمل میں ہے اور منفی رائے کو مستردسمجھتی ہے۔

شیئرہولڈنگ کاپیٹرن

کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہے۔ اس سالانہ رپورٹ میں کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ انکشافات کے ساتھ ساتھ 30 جون ، 2019 کو شیئر ہولڈنگ کا انداز بھی شامل ہے۔ ڈائریکٹرز ، سی ای او ، سی ایف او ، کمپنی سکریٹری ، ہیڈ آف انٹرنل آڈٹ اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہیں کی ہے۔

آڈیٹر۔

موجودہ آڈیٹرز ایم / ایس۔ رضوان اینڈ کو چارٹرڈ اکاؤنٹنٹس ریٹائر ہوکر سال october 28-2019 کے لئے کمپنی کے آڈیٹر کی حیثیت سے دوبارہ تقرری کے لئے خود کو پیش کرنے کے اہل ہیں۔ آڈٹ کمیٹی نے مذکورہ بالا آڈیٹرز ایم / ایسریزوان کمپنی چارٹرڈ اکاؤنٹنٹس کو 30 جون ، 2019 کو ختم ہونے والے سال کے بیرونی آڈیٹر کی حیثیت سے تقرری کی سفارش کی ہے۔

پراپرٹی ، پلانٹ اور آلات اور متبادل کاروباری منصوبہ کو ضائع کرنے کی صورتحال

کمپنی نے مالیاتی اداروں اور تجارت اور دیگر قابل ادائیگیوں کے بارے میں اپنی ذمہ داری کو طے کرنے اور متبادل تجارتی منصوبے کی منظوری کے لئے اراضی ، عمارت ، پلانٹ اور مشینری کی فروخت / لیز کی منظوری کے لئے 30 اپریل ، 2018 کو ایک غیر معمولی عمومی اجلاس منعقد کیا۔ بورڈ آف ڈائریکٹرز کے ذریعہ حصص یافتگان کی طرف سے اثاثوں کی فروخت سے حاصل ہونے والی رقوم کو کمپنی کی ذمہ داریوں کی ادائیگی کے لئے استعمال کرنے اور کمپنی کے بورڈ آف ڈائریکٹرز کے ذریعہ منظور شدہ اور تجویز کردہ متبادل کاروباری منصوبہ شروع کرنے کے لئے بقیہ رقم کو استعمال کرنے کے لئے منظوری دی گئی۔ کمپنی ابھی تک متبادل کاروباری منصوبے پر عمل درآمد نہیں کر سکی ہے جیسا کہ حصص یافتگان کی منظوری کے مطابق سنجیدہ خریداروں کی عدم موجودگی میں اراضی اور عمارت اور بقیہ پلانٹ اور مشینری کی فروخت سے بہترین قیمت حاصل کرنے اور قرض دہندگان اور دیگر فریقوں کے ساتھ ذمہ داریوں کے تصفیے کا عمل جاری ہے۔

کمپنی کے کچھ حصص کو ضائع کرکے جزوی طور پر اس منصوبے کو عملی جامہ پہنچایا فی الحال ، کمپنی نے پلانٹ اور مشینری کے کچھ حص ہے جبکہ اپنی ذمہ داریوں کو ادا کرنے کے لئے پلانٹ اور مشینری کا کچھ حصہ زمین ، عمارت اور نام تبدیل کرنے کی کوشش کی جارہی ہے۔
مشینری کی فروخت سے حاصل ہونے والی رقم بینک لون کی ادائیگی کے لئے استعمال ہوئی۔ ایس آر او کے مطابق اثاثوں کے تصرف کی صورتحال مورخہ 03 اپریل ، 2018 درج ذیل ہے (I) 423

تفصیل	قیمت پاکستانی روپے
فروخت شدہ اثاثوں کی کتاب قیمت	62,990,570
ضائع ہونے پر نقصان	26,402,884
فروخت آگے بڑھتی ہے۔	36,586,686
ضائع کرنے کا کام آگے بڑھتا ہے۔	**36,046,921**
فروخت ہونے والے باقی اثاثوں کی کتاب قیمت	**370,367,660**

ایک بہترین ممکنہ حل تیار کرنے کے لئے اپنی کوششیں جاری رکھے ہوئے ہیں۔ ہم اپنے a آپ کے ڈائریکٹرز تمام اسٹیک ہولڈرز کے فائدے کے ل تمام حصص یافتگان کی مسلسل حمایت کے لئے ان کا شکریہ ادا کرنا چاہوں گا۔

ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کا معاوضہ مارکیٹ میں معیارات کی بنیاد پر کمپنیز ایکٹ ، 2017 کی دفعہ 170 کی دفعات کے مطابق مقرر کیا جاتا ہے اور ان کے کام اور اس کی ذمہ داریوں کی وسعت کی روشنی میں اہلیت اور کوششوں کے مطالبے کی عکاسی کرتا ہے۔ ڈائریکٹرز چیف ایگزیکٹو کے معاوضے کا ہر سال بورڈ آف ڈائریکٹرز کے ذریعے جائزہ لیا جاتا ہے۔ 30 جون ، 2019 کو ختم ہونے والے سال کے دوران ، چیف ایگزیکٹو آفیسر ، ایگزیکٹو ڈائریکٹرز ، نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو اپنے فرائض کی انجام دہی اور بورڈ آف ڈائریکٹرز اور / یا کمیٹیوں کے اجلاسوں میں شرکت کرنے پر معاوضہ اور / فیس ادا نہیں کی جاتی ہے

چیئرپرسن کا جائزہ

چیئر پرسن کا ہمراہ جائزہ 30 جون 2019 کو ختم ہونے والی سال کی کمپنی کی کارکردگی اور آئندہ کے نظریہ سے متعلق ہے۔ ڈائریکٹرز جائزہ کے مشمولات کی توثیق کرتے ہیں۔

اعتراف

آپ کے ڈائریکٹرز تعریف کے ساتھ ریکارڈ کرتے ہیں ، کمپنی کے منیجرز ، ٹیکنیشنز ، عملہ اور کارکنوں کی کاوشوں کو جنہوں نے ہدف کو پورا کرنے کے لئے بھرپور کوشش کی ہے۔ آپ کے ڈائریکٹرز ان کے تعاون پر کمپنی کے بینکر ، خریداروں اور سپلائرز سے بھی ان کی تعریف کرتے ہیں۔

بزریعہ بورڈ آف ڈائریکٹرز

لاہور: اکتوبر2019,07	**فیصل مختار** **چیف ایگزیکٹو آفیسر**	**عابدہ مختار** **ڈائریکٹر**

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) June 30, 2019

Dar Es Salaam Textile Mills Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("the Regulations") in the following manner:

I. The total number of Directors are seven as per the following:

II.

a) Male: Four

b) Female: Three

III. The composition of the Board of Directors ("the Board") is as follows:

Category	Names of Individuals
Independent Directors	Muhammad Gul Nawaz
	Mr. Muhammad Yousaf Khan
Other Non-Executive Directors	Mrs. Nilofar Mukhtar
	Mrs. Mahwesh Faisal Mukhtar
	Mr. Ejaz Hussain
Executive Director	Mr. Faisal Mukhtar
	Ms. Abida Mukhtar

IV. The directors have confirmed that none of them is serving as a director in more than five listed companies including this Company (excluding the listed subsidiaries of holding Companies where applicable);

V. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

VI. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with dates on which they were approved or amended has been maintained.

VII. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act 2017, ("the Act") and these Regulations.

VIII. The meetings of the Board were presided over by the Chairperson and, in his/her absence, by a director elected by the Board for this purpose. The Board have complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

IX. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these regulations.
The requirement is not applicable to the Company, as no remuneration was paid to any of the Directors of the Company for the period ended June 30, 2019"

X. During the year; no training was imparted with regard to the DTP.
The Company will ensure compliance of the requirement of DTP in financial year ending on June 30, 2020 in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017"

XI. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.

XII. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

XIII. The Board has formed committees comprising of members as given below

a. Audit Committee

i.	Ch Muhammad Gul Nawaz	Chairman
ii.	Ms. Mehwash Faisal Mukhtar	Member
iii.	Mrs. Nilofar Mukhtar	Member

b. HR and Remuneration Committee

i.	Muhammad Yousaf	Chairman
ii.	Ms. Mehwash Faisal Mukhtar	Member
iii.	Mrs. Nilofar Mukhtar	Member

XIV. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

XV. The frequency of meetings of the aforesaid committees were as per following:

a)	Audit Committee:	Quarterly
b)	HR and Remuneration Committee:	Annually

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

XVII. The statutory auditors of the Company have confirmed that they have given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all of its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

XIX. We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board

Nilofar Mukhtar

Mr. Nilofar Mukhtar
Chairperson

Lahore: October 05, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT
On the Statement of Compliance with Listed Companies (Code Of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the "Regulations) prepared by the Board of Directors of Dar Es Salaam Textile Mills Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Reference Paragraph	Description
19 & 20	Appropriate arrangements for orientation courses and training for the directors have not been carried out as required by regulation 19 and 20 which is non-compliance of the Regulations.
25	The Company Secretary and Chief Financial Officer of the Company is the same individual that is a non-compliance of the Regulations.

Rizwan & Co

Rizwan & Company
Chartered Accountants
Engagement Partner: Imran Bashir

Lahore : October 05, 2019

KEY OPERATING FINANCIAL DATA

Rs 1n 000	2019	2018 Restated	2017 Restated	2016 Restated	2015	2014
Sales	-	-	-	-	32,585	1,363,715
Gross Profit (Loss)	-	(39,647)	(51,717)	(57,088)	(81,759)	(120,100)
Profit & Loss Before Taxation	(4,934)	(157,240)	(80,343)	(81,524)	(80,697)	(123,246)
Profit & Loss After Taxation	(4,934)	(73,920)	(81,066)	(55,785)	(65,891)	(110,228)
Shareholder,s Equity + Revaluation	(119,690)	(101,758)	82,293	138,860	168,645	234,536
Fixed Assets (Net)	-	-	611,547	664,779	723,583	792,217
Total Assets	(118,264)	(101,758)	669,189	746,550	798,827	898,673
Total Liabilities	516,444	559,949	593,759	637,593	630,586	664,136
Current Assets	396,764	458,175	55,623	79,671	73,594	104,806
Current Liabilities	516,444	559,949	586,895	607,689	578,442	553,637
Profitibility						
Gross Profit (Loss)	0%	0%	0%	0%	(250.91)	(8.81)
Profit & (Loss) Before Taxation	0%	0%	0%	0%	(247.65)	(9.04)
Profit & (Loss) After Tax	0%	0%	0%	0%	(202.21)	(8.08)
Return to Equity						
Return on Equity Before Tax	N/A	N/A	N/A	N/A	N/A	N/A
Return to Equity after Tax	N/A	N/A	N/A	N/A	N/A	N/A
Earning Per Share		-9.24	-10.13	-6.97	-8.24	-13.78
Liquidity / Leverage						
Current Ratio	(76.82)	(15.57)	(9.48)	(13.11)	(12.72)	(18.93)
Braek upValue Per Share	(14.78)	(3.88)	10.29	17.36	21.08	29.32
Total Liabilities to Equity	(4.36)	(18.03)	7.22	4.59	3.74	2.83

THE COMPANIES ACT, 2019
(Section 227(2)(F)
PATTERN OF SHAREHOLDING

FORM 34

1.1 Name of the Company DAR-ES-SALAAM TEXTILE MILLS LTD.

2.1. Pattern of holding of the shares held by the shareholders as at 30-06-2019

4. No. of Shareholders	------Shareholding------ From	To	Total Shares Held
141	1	100	6,964
936	101	500	456,588
52	501	1,000	50,565
58	1,001	5,000	144,963
19	5,001	10,000	148,922
5	10,001	15,000	63,700
4	15,001	20,000	77,000
1	20,001	25,000	24,391
3	25,001	30,000	77,500
1	30,001	35,000	33,000
1	35,001	40,000	36,500
1	40,001	45,000	44,750
1	110,001	115,000	112,291
1	145,001	150,000	150,000
1	165,001	170,000	168,568
1	240,001	245,000	241,750
1	255,001	260,000	259,287
1	300,001	305,000	302,500
1	515,001	520,000	516,750
1	760,001	765,000	762,229
1	770,001	775,000	775,000
1	820,001	825,000	824,125
1	1,300,001	1,305,000	1,301,960
1	1,420,001	1,425,000	1,420,697
1234			8,000,000

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	4,169,532	52.1192
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	-	-
2.3.3 NIT and ICP	263,487	3.2936

2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	649	0.0081
2.3.5 Insurance Companies	-	-
2.3.6 Modarabas and Mutual Funds	259,287	3.2411
2.3.7 Share holders holding 10% or more	3,858,532	48.2317
2.3.8 General Public		
a. Local	3,508,391	43.8549
b. Foreign	0	-
2.3.9 Others (to be specified)		
1- Joint Stock Companies	32,194	0.4024
2- Pension Funds	24,391	0.3049
3- Trust	1,356	0.0170

DAR-ES-SALAAM TEXTILE MILLS LIMITED
Catagories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2019

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)			
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MRS. NILOFAR MUKHTAR	868,875	10.8609
2	MRS. MEHWESH FAISAL MUKHTAR	302,500	3.7813
3	MR. FAISAL MUKHTAR	1,662,447	20.7806
4	MST. ABIDA MUKHTAR	1,327,210	16.5901
5	MR. MUHAMMAD EJAZ AKBER KHAN (CDC)	2,500	0.0313
6	MR. EJAZ HUSSAIN	2,500	0.0313
7	MR. MUHAMMAD YOUSUF	500	0.0063
8	MR. MUHAMMAD RAFIQ KHAN	500	0.0063
9	CH. MUHAMMAD GUL NAWAZ	2,500	0.0313
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		25,040	0.3130
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	MR. FAISAL MUKHTAR	1,662,447	20.7806
2	MRS. ABIDA MUKHTAR	1,327,210	16.5901
3	MISS NELOFAR MUKHTAR	868,875	10.8609
4	MR. TAHIR MUZAFFAR RAJA (CDC)	775,000	9.6875
5	AHMED SAUD KHAN MANJ (CDC)	762,229	9.5279
6	CH. AHMED MUKHTAR (PHY + CDC)	685,318	8.5665

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

S.No	NAME	SALE	PURCHASE

Dear Sir, please check the sale/purchase at your end

INDEPENDENT AUDITORS' REPORT
Report on the Audit of Financial Statements

Opinion

We have audited the annexed financial statements of Dar Es Salaam Textile Mills Limited ("the Company"), which comprise the statement of financial position as at June 30, 2019, statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs for the period ended June 30, 2019 and of the loss, other comprehensive loss, changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

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

a) The Company has suspended its operations in 2014 and had decided to dispose off all of its property, plant and equipment for implementation of alternate business plan with the approval of shareholders in its meeting held on April 30, 2018. Further, as at reporting date; the Company's accumulated loss stood at Rupees 293.786 million, its equity has been eroded fully and its current liabilities exceeded its current assets by Rupees 119.691 million. Moreover, the financial results show adverse key financial ratios and cases against the Company by the banking companies (as fully explained in note 22) for recovery of the loan amounts. The Company has not been able to pay long term financing and short term borrowing obtained from banking companies amounting to Rupees 156.645 million and Rupees 116.220 million and accrued markup thereon. At present, the Company is unable to implement approved alternate business plan for future periods envisaged in the shareholders meeting held on April 30, 2018.

   These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may not be able to realize its assets and discharge its liabilities in normal course of business. However, as described in note 2.2 to these financial statements have been prepared under the going concern assumption. Because of the circumstances and events as mentioned herein, in our opinion, the Company cannot be considered to be a going concern and thus the preparation of these financial statements on a going concern basis is inappropriate. In our opinion, the financial statements should reflect adjustments to reduce the value of assets to their recoverable amount and to provide any further liabilities that may arise. These adjustments are likely to be substantial, and in view of further qualifications discussed in the following paragraphs below we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy.

b) As disclosed in note 15, the Company has recognised accrued markup on short term borrowings and long-term financing to the extent of Rupees 54.127 million and Rupees 54.302 million respectively. As per confirmations received from various banks, the Company has recognised aggregate accrued mark up of Rupees 108.429 million against aggregate accrued mark up of Rupees 47.500 million for which no adjustment has been made on the plea that it will be incorporated upon final settlement/extinguishment of short term and long-term borrowings. Moreover, the Company had not charged the markup / cost of funds on long term financing and short-term borrowings during the year. The effect of this matter has not been adjusted appropriately in these financial statements.

c) As disclosed in note 14, the Company has trade and other payables amounting to Rupees 133.990 million. Out of total, trade and other payables amounting to Rupees 107.693 million could not be verified in the absence of direct confirmation. Further as disclosed in note 25, during the period liabilities of Rupees 16.815 million has been written back which could not be verified in absence of underlying record and confirmations from the relevant parties. The cumulative effect of this matter has neither been determined not adjusted in these financial statements.

d) We could not verify the unclaimed dividend payable pertaining to financial years ended on June 30, 2000 and June 30, 2001 amounting to Rupees 1,159,777 in absence of underlying record with the Company. The effect of this matter has not been adjusted appropriately in these financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key audit matter	How our audit addressed the key audit matter
Contingencies and Company's exposure to litigation risk The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. In our judgement, the Company has significant litigation cases and other contingencies, details of which are disclosed in notes 22 to the annexed financial statements. Given the nature and amounts involved in such cases and contingencies, and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses and the contingency crystallizes,	- Obtaining understanding of the Company's processes and controls over litigations throug meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee. - Reading correspondence of the Company with regulatory departments and the Company's external counsel, where available. Where relevant, also assessing external legal advices obtained by the Company. - Discussing open matters and developments with the management of the Company. - Obtained direct external confirmations from legal advisors and others, where appropriate on material cases, and assessing the replies received thereto. - Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures made in the annexed financial statements.

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

Management is responsible for the other information. The other information comprises the information incurred in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) Except for the matters referred in paragraphs (a) to (d); proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) because of the significant matters described in basis for adverse opinion section, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Except for the matters referred in paragraphs (a) to (d); expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

Other Matter

The financial statements of Company for the year ended June 30, 2018, were audited by another auditor who expressed a modified opinion on those statements on October 05 2018.

The engagement partner on the audit resulting in this independent auditor's report is Imran Bashir.

Rizwan & Co

Lahore : October 05, 2019

Rizwan and Company
Chartered Accountants

Dar Es Salaam Textile Mills Limited

Statement of Financial Position

As at June 30, 2019

	Note	2019	(Restated) 2018
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	-	-
Intangible assets	7	-	296,706
Long term deposits	8	1,426,354	1,426,354
Deferred taxation	18	-	-
		1,426,354	1,723,060
Current Assets			
Stores and spares	9	-	2,938,850
Advances, deposits, prepayments and other receivables	10	2,115,119	36,861,592
Tax refunds due from government	11	4,056,968	8,961,380
Advance income tax		19,585,244	19,522,844
Non-current assets held for sale	12	370,713,296	371,017,100
Cash and bank balances	13	283,435	18,873,757
		396,754,062	458,175,523
Current liabilities			
Trade and other payables	14	133,990,187	149,842,628
Unclaimed dividend		1,159,777	1,159,777
Accrued markup	15	108,429,327	109,448,831
Short term borrowings	16	116,220,088	140,869,096
Current portion of long term financing	17	156,645,197	158,613,197
Provision for taxation		-	-
		516,444,576	559,933,529
Working capital employed		(119,690,514)	(101,758,006)
Non-current liabilities		-	-
NET CAPITAL EMPLOYED		(118,264,160)	(100,034,946)
Represented by:			
Share capital and reserves			
Authorized share capital			
15,000,000 (2018: 15,000,000) ordinary shares of Rs. 10 each		150,000,000	150,000,000
Issued, subscribed and paid up share capital	19	80,000,000	80,000,000
Accumulated loss		(293,786,257)	(255,917,043)
Revaluation surplus	20	-	-
Loan from sponsors	21	95,522,097	75,882,097
TOTAL EQUITY		(118,264,160)	(100,034,946)
CONTINGENCIES AND COMMITMENTS	22	-	-

The annexed notes from 1 to 36 form an integral part of these financial statements.

Lahore: October 05, 2019	Faisal Mukhtar Chief Executive Officer	Shahid Amin Chief Financial Officer	Abida Mukhtar Director

Dar Es Salaam Textile Mills Limited
Condensed Statement of Comprehensive Income
For the year ended June 30, 2019

	Note	2019	(Restated) 2018
		(Rupees)	
Sales		-	-
Cost of sales		-	-
Gross profit / (loss)		-	-
Administrative expenses	23	(18,270,397)	(55,082,281)
Other operating expenses	24	(7,018,677)	(118,866,667)
		(25,289,074)	(173,948,948)
		(25,289,074)	(173,948,948)
Other income	25	20,379,568	10,444,969
Loss from operations		(4,909,506)	(163,503,979)
Finance costs	26	(24,853)	(263,573)
Loss before taxation		(4,934,359)	(163,767,552)
Taxation	27	-	(13,379,285)
Loss after taxation		(4,934,359)	(177,146,837)
Earnings per share	28	(16.6.7)	(2,214.33)

The annexed notes from 1 to 36 form an integral part of these financial statements.

Lahore: October 05, 2019

Faisal Mukhtar	Shahid Amin	Abida Mukhtar
Chief Executive Officer	Chief Financial Officer	Director

Dar Es Salaam Textile Mills Limited
Statement of Comprehensive Income
For the year ended June 30, 2019

	2019	(Restated) 2018
	(Rupees)	
Loss after taxation	(4,934,359)	(177,146,837)
Items that will not be reclassified to comprehensive income:		
Incremental depreciation - net of tax	-	17,687,989
Total comprehensive loss for the year	(4,934,359)	(159,458,848)

The annexed notes from 1 to 36 form an integral part of these financial statements.

Lahore: October 05, 2019

Faisal Mukhtar	Shahid Amin	Abida Mukhtar
Chief Executive Officer	Chief Financial Officer	Director

Dar Es Salaam Textile Mills Limited

Statement of Cash Flows

For the year ended June 30, 2019

CASH FLOW FROM OPERATING ACTIVITIES	Note	2019	(Restated) 2018
		(Rupees)	
Loss before taxation		(4,934,359)	(163,767,552)
Adjustments for non-cash charges/items:			
Depreciation	6	-	41,671,322
Amortization	7	59,341	70,471
Finance costs	26	24,853	263,573
Impairment on inatangibles		237,365	-
Loss of transfer of assets to disposal group		-	6,527,952
Gain on sale of non-current asset held for sale		(333,882)	-
Credit balances written back		(16,814,510)	(4,547,025)
Loss on disposal of plant and machinery		-	25,447,917
Loss on revaluation of plant and machinery		-	85,682,615
Debit balances written off		5,492,462	1,208,183
		(11,334,371)	156,325,008
Cash flows before working capital changes		(16,268,730)	(7,442,544)
(Increase) / decrease in current assets:			
Stores and spares		2,938,850	-
Advances, deposits, prepayments and other receivables		(6,217,356)	(3,938,569)
Tax refunds due from government		4,904,412	-
Increase / (decrease) in current liabilities:			
Trade and other payables		962,069	(23,812,123)
Changes in working capital		2,587,975	(27,750,692)
Cash used in operating activities		(13,680,755)	(35,193,236)
Income tax paid		(62,400)	(231,764)
Finance costs paid		(24,853)	(440,653)
		(87,253)	(672,417)
Net cash used in operating activities		(13,768,008)	(35,865,653)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	34,300,000
Proceeds from sale of non-current assets held for sale		637,686	-
Long term deposits		-	223,104
Net cash generated from investing activities		637,686	34,523,104
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from sponsors		19,640,000	28,341,737
Short term borrowings		(23,132,000)	(17,890,586)
Long term financing		(1,968,000)	9,480,177
Net cash (used in) / generated from financing activities		(5,460,000)	19,931,328
Net (decrease) / increase in cash and cash equivalents		(18,590,322)	18,588,779
Cash and cash equivalents at the beginning of the year		18,873,757	284,978
Cash and cash equivalents at the end of the year	13	283,435	18,873,757

The annexed notes from 1 to 36 form an integral part of these financial statements.

Lahore: October 05, 2019	Faisal Mukhtar Chief Executive Officer	Shahid Amin Chief Financial Officer	Abida Mukhtar Director

Dar Es Salaam Textile Mills Limited

Statement of Changes in Equity

For the year ended June 30, 2019

	(Restated)				
	Share capital	Accumulated loss	Revaluation surplus	Loan from sponsors	Total
	(Rupees)				
Balance as at July 01, 2017	80,000,000	(421,488,502)	369,378,280	47,540,360	75,430,138
Loss for the year	-	(177,146,837)	-	-	(177,146,837)
Other comprehensive income for the year	-	17,687,989	-	-	17,687,989
Total comprehensive loss for the year	-	(159,458,848)	-	-	(159,458,848)
Transferred to accumulated loss on account of incremental depreciation- net of tax	-	-	(17,687,989)	-	(17,687,989)
Revaluation surplus on land and building - net of tax	-	-	153,208,367	-	153,208,367
Revaluation deficit on plant and machinery - net of tax	-	-	(214,120,400)	-	(214,120,400)
Reversal of deferred tax liability on account of revaluation surplus	-	34,252,049	-	-	34,252,049
Reversal off revaluation surplus on assets classified as held for sale - net of tax	-	290,778,258	(290,778,258)	-	-
Transactions with sponsors					
Loan received from sponsors	-	-	-	28,341,737	28,341,737
Balance as at June 30, 2018 - restated	80,000,000	(255,917,043)	-	75,882,097	(100,034,946)
Effect of change in accounting policy	-	(32,934,855)	-	-	(32,934,855)
Balance as at June 30, 2018, as adjusted	80,000,000	(288,851,898)	-	75,882,097	(132,969,801)
Loss for the year		(4,934,359)			(4,934,359)
Other comprehensive income / (loss) for the year		-			-
Total comprehensive loss for the year	-	(4,934,359)	-	-	(4,934,359)
Transactions with sponsors					
Loan received from sponsors	-	-	-	19,640,000	19,640,000
Balance as at June 30, 2019	80,000,000	(293,786,257)	-	95,522,097	(118,264,160)

The annexed notes from 1 to 36 form an integral part of these financial statements.

Lahore: October 05, 2019	Faisal Mukhtar Chief Executive Officer	Shahid Amin Chief Financial Officer	Abida Mukhtar Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

Dar Es Salaam Textile Mills Limited
Notes to the Financial Statements
For the year ended June 30, 2019

1 THE COMPANY AND ITS OPERATIONS

Dar Es Salaam Textile Mills Limited ("the Company") was incorporated in Pakistan on September 28, 1989 as public unlisted company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The address of registered office of the Company is 54-C III, Gulberg III, Lahore. The Company is listed in Pakistan Stock Exchange. The Company is engaged in the business of manufacturing and sale of yarn.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of such InternationalFinancial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act) and provisions of and directives issued under the Companies Act, 2017. However, provisions of and the directives issued under the Companies Act, 2017 have been followed where those provisions are not consistent with the requirements of the IFRSs as notified under the Companies Act, 2017.

2.2 Going concern assumption

The Company has closed its operation since 2014 and reported accumulated loss of Rupees 293.786 million (2018: Rupees 255.917 million). The current liabilities exceeded its current assets by Rupees 119.691 million (2018: Rupees 101.758 million) as of reporting date. In order to settle the liabilities towards lenders and other creditors, the Company in Extra Ordinary General Meeting held on April 30, 2018 approved alternate business plan, settlement with lenders by disposal of property, plant and equipment. The alternate business plan that resulted into a feasible solution was to enter the yarn trading business in the next 24 months. The plan was based on the disposal of plant & machinery, land and building and repay loans to lenders, creditors and to meet working capital requirements for alternate business plan. The Company has already disposed off plant and machinery and is making all of its efforts to settle its obligations to lenders from proceeds realized on disposal of property, plant and equipment and utilize surplus funds for implementation of alternate business plan. At present, the Company has partially executed the plan and is working towards disposal of land, building and other assets to settle its liabilities with the lenders and creditors. The management is confident that it will execute the disposal with in stipulated timeline and will obtain fresh approval from shareholders, if required, for sale of land, building and implementation of business plan after sale of land and building.

In view of the above, these financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability in the future based on the plans drawn up by the management for this purpose and bringing its liabilities to serviceable level and availability of adequate working capital through support from sponsors. Management is of the view that the Company will continue to get support of sponsors.

The financial statements consequently do not include any adjustment relating to the realization of the assets and liquidation of its liabilities that might be necessary would the Company be unable to continue as a going concern.

2.3 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS

a) Standards, interpretations and amendments to published approved accounting standards that are effective in current year.

The following accounting standards became effective during the year as applicable in Pakistan for the first time for the period beginning on or after July 1, 2018 and are relevant to the Company.

- IFRS 9 'Financial instruments'. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit and loss with the irrevocable option at inception to present changes in fair value in OCI and not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities
- IFRS 15 'Revenue from contracts with customers'. IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The other new standards, amendments and interpretations to published standards and interpretations that are mandatory for the financial year which began on July 01, 2018 are considered not to be relevant or to have any significant impact on the Company's financial reporting and operations and are therefore not disclosed in these financial statements.

b) New accounting standards, amendments and IFRIC interpretations that are not yet effective.

The following standards, amendments and interpretations of approved accounting standards that will be effective for the periods beginning on or after January 01, 2019, that may have an impact on the financial statements of the Company.

- IFRS 16 'Leases' (effective for annual period beginning on or after January 01, 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as ?nance or operating leases. The management is in the

- IFRIC 23 ‘Uncertainty over Income Tax Treatments’ (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.
- Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after January 01, 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash ?ows to meet the SPPI criterion - i.e. the cash ?ows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that ?nancial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's ?nancial statements.
- Amendments to IAS 23 Borrowing Costs (effective for annual periods beginning on or after January 01, 2019) clarify that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non – qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.
- IAS 12 Income taxes (effective for annual periods beginning on or after January 01, 2019) - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity.
- Amendments to IAS 19 'Employee Bene?ts'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 01, 2019). The amendments clarify that on amendment, curtailment or settlement of a de?ned bene?t plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on the Company's ?nancial statements.
- Amendment to IFRS 3 'Business Combinations' - De?nition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the dif?culties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together signi?cantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past ?nancial statements.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the de?nition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose ?nancial statements in accordance with IFRS Standards.

- On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of speci?c IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains speci?c scope outs.
- Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
  - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the de?nition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
  - IAS 12 Income Taxes - the amendment clari?es that all income tax consequences of dividends (including payments on ?nancial instruments classi?ed as equity) are recognized consistently with the transaction that generates the distributable pro?ts.
  - IAS 23 Borrowing Costs - the amendment clari?es that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above new standards, amendments and interpretations are not likely to have an impact on the Company's financial statements. There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

2.4 Functional and presentation currency

These financial statements are presented in Pak rupees, which is the functional and presentation currency for the Company.

3 CORRECTION OF PRIOR PERIOD ERROR

The Company used to recognize non-current assets held for sale as property, plant and equipment in previous reporting period. However, the Company had obtained approval from shareholders in previous reporting period. During the year, the Company, on the basis of IFRS 5 - 'Non-current assets held for sale and discontinued operations'; the Company has decided to recognize non-current assets held for sale retrospectively. Moreover, the Company is also required to transfer revaluation reserves to accumulated loss as per requirement of IAS 16 - 'Property, plant and equipment'.

Deferred tax asset was recognised to the extent that it is probable that future taxable profits will be available against which this asset can be utilized. As stated in financial statements of last year, a material uncertainty exist that may cause significant doubt on the Company's ability to continue as a going concern. Since probability of future taxable profits are remote as per going concern assumptions, deferred tax asset had erroneously recognised in previous year.

These errors have now been corrected retrospectively under provisions of International Accounting Standard 8 (Accounting Policies, Changes in Accounting Estimates and Errors). Cumulative effect of correction of fundamental error in corresponding period is presented

Description	As at 30 June 2018		
	As reported	As re-stated	Re-statement
	(Rupees)		
Effect on statement of financial position			
Property, plant and equipment	377,545,052	-	377,545,052
Non-current assets held for sale	-	-	-
Accumulated loss	(477,720,843)	(255,917,043)	(221,803,800)
Deferred taxation	62,446,507	-	62,446,507
Effect on statement of profit or loss			
Other operating expenses	(112,338,715)	(118,866,667)	6,527,952
Taxation	83,319,270	(13,379,285)	96,698,555

Effect on statement of other comprehensive income

There was no impact on other comprehensive income as a reults of the retrospective application of correction of prior period error.

Effect on statement of Changes Equity			
Opening accumulated loss	(421,488,502)	(421,488,502)	-
Net loss for the year	(56,232,341)	(177,146,837)	120,914,496
Other comprehensive income / (loss)	-	17,687,989	(17,687,989)
Reversal of deferred tax on revaluation surplus	-	34,252,049	(34,252,049)
Reversal of revaluation surplus	-	290,778,258	(290,778,258)
Closing accumulated loss	(477,720,843)	(255,917,043)	(221,803,800)

Effect on statement of cash flows

There was no cash flow impact as a reults of the retrospective application of correction of prior period error.

4.1 These financial statements have been prepared under the historical cost convention.

4.2 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with the approved accounting standards require 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. Revisions to accounting estimates are recognized in the period in which estimate is revised and in any future periods affected. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

a) *Taxation*

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment and appellate stages and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

b) *Useful lives, patterns of economic benefits and impairments*

Managementhas made estimates of residual values, useful lives and recoverable amounts of certain items of property, plant and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment loss.

c) *Provision for expected credit loss for trade debts, advances and other receivables*

The Company reviews its ECL trade debts, advances and other receivables at each reporting date to assess whether provision should be recorded in the statement of profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may

d) *Provision for slow moving / obsolete items*

The Company reviews the carrying values and impairment of stores and spares to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of the provision involves the use of estimates with regard to future estimated use and respective fair value of stores and spares.

e) *Recoverable amount of assets / cash generating units and impairment*

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount, if there is any such indication. In making estimates of future cash flows from investments in subsidiary and associate, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

f) *Fair value of non-current asset held for sale*

Fair value of non-current asset held for sale is determined using market value basis. Any change in the estimate might effect carrying amount of non-current asset held for sale with corresponding effect on the statement of profit or loss.

g) *Revaluation*

Revaluationof fixed assets is carried out by independentvaluer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

h) *Contingencies*

The Company has disclosed its contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the signi?cant accounting policies consistently applied in the preparation of these ?nancial statements are the same as those applied in earlier periods

5.1 Changes in significant accounting policies

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from July 01, 2018 which are effective from annual periods beginning on or after July 01, 2018 and for reporting period / year ending on or after June 30, 2019

The details of new signi?cant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

5.1.1 IFRS 15 - Revenue from contracts with customers

On May 28, 2014, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standards ("IFRS") 15 "Revenue from Contracts with Customers" which provides a uni?ed ?ve-step model for determining the timing, measurement and recognition of revenue. The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and the

The Company has adopted IFRS 15 with effect from July 01, 2018 as notified by the Securities and Exchange Commission of Pakistan. The Company is recognising its revenue / other income already as per current standard. Therefore, the adoption of IFRS 15 which replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations, did not have an impact on the timing and amounts of revenue recognition of the Company. Therefore, adoption of IFRS 15 at July 01, 2018, did not have an effect on the ?nancial statements of the Company.

5.1.2 IFRS 9 - Financial Instruments

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classi?cation and measurement of ?nancial assets and ?nancial liabilities, derecognition of ?nancial instruments, impairment of ?nancial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. The Company has applied IFRS 9 'Financial Instruments' with the effect from July 1, 2018 as notified by Securities and Exchange Commission of Pakistan. The details of new signi?cant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

In respect of retrospective application of IFRS 9, the Company has adopted modified retrospective approach as, permitted by this standard, according to which the Company is not required to restate the prior year results. Difference between the previous carrying amount and the revised carrying amount as at July 01, 2018 was recognised in opening retained earnings.

a) Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements of IAS 39 for the classification and measurement of financial liabilities. The Company's deposits, trade and other receivables (financial assets) were all classified as financial assets measured at amortised cost under IAS 39. However, it eliminates the previous IAS 39 categories for ?nancial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classi?es ?nancial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through pro?t or loss (FVTPL); and
- measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a ?nancial asset is held; and
- The designation and revocation of previous designation of certain ?nancial assets as measured at FVTPL.

A ?nancial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through pro?t or loss:

- it is held within business model whose objective is to hold assets to collect contractual
- its contractual terms give rise on speci?ed dates to cash ?ows that are solely payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash ?ows and selling ?nancial assets; and
- Its contractual terms give rise on speci?ed dates to cash ?ows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of pro?t or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All ?nancial assets not classi?ed as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a ?nancial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or signi?cantly reduces an accounting mismatch that would otherwise arise.

A ?nancial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Under IFRS 9, the business model under which each portfolio of financial assets held has been assessed. The Company has portfolios in each of the three business models under IFRS 9: to collect the contractual cash flows (measured at amortised cost), to sell the contractual cash flows (measured at fair value through profit or loss), and both to collect and to sell the contractual cash flows (measured at fair value through other comprehensive income).

There is no significant impact of IFRS 9 on the classification and measurement of financial assets for the year ended June 30, 2019 other than that long term deposits which are classified under the category of amortised cost, with movements through other comprehensive income or the statement of profit or loss on the basis of entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The adoption of IFRS 9 did not have a signi?cant effect on the Company's accounting policies related to ?nancial liabilities.

b) **Hedge accounting**

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended June 30, 2019.

c) **Impairment of financial assets**

IFRS 9 replaces the ‘incurred credit loss’ model of IAS 39 with an ‘expected credit loss’ model. The expected credit loss model requires the Company to account for expected losses as a result of credit risk on initial recognition of financial assets and to recognise changes in those expected credit losses at each reporting date. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

Under IFRS 9, loss allowances are measured on either of the following basis:

- 12 months expected credit losses: These are expected credit losses that result from possible default events within the 12 months after the reporting date; and

- Lifetime expected credit losses: These are expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are applied to all financial assets not measured at fair value through profit or loss. An allowance in respect of expected credit loss for receivables from operating lease amounting to Rupees 32,934,855 has been recognised as effect in opening accumulated loss during the year. There were no other transition adjustments arising from the change in impairment basis.

Lifetime expected credit loss is only recognised if the credit risk at the reporting date has increased significantly relative to the credit risk at initial recognition. Further, the Company considers the impact of forward looking information (such Company's internal factors and economic environment of the country of customers) on expected credit loss.

Measurement of expected credit losses

Expected credit losses are a probability-weightedestimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity and the cash flows that the Company expects to receive).

Presentation of impairment

Provision against financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the new impairment model

For assets within the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile.

The table below shows the amount of adjustment for each financial statement line item affected by the application of IFRS 9 at July 01, 2018.

	Previously reported	Impact (Rupees)	After adjustment
Receivable against operating lease	32,934,855	(32,934,855)	-
Total effect on net assets		**(32,934,855)**	
Accumulated loss	(255,917,043)	(32,934,855)	(288,851,898)
Total effect on equity		**(32,934,855)**	

The accounting policies that apply to ?nancial instruments are stated in note 5.12 to the ?nancial statements.

5.2 Taxation

Current

Provision for taxation is based on taxable income at current rates after taking into account tax rebates, exemption and credits available, if any or minimum tax on turnover or alternate corporate tax on accounting profit and tax paid under final tax regime under relevant provisions of Income Tax Ordinance, 2001. The charge for current tax also includes adjustments to tax payable, where considered necessary, in respect of previous years. The amount of unpaid income tax in respect of annual or prior periods is recognized as liability and any excess paid over what is due in respect of current or prior periods is recognized as an asset.

Deferred

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation by the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax

Deferred tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

5.3 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transactions costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of borrowings on effective interest rate.

5.4 Trade and other payables

Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received.

5.5 Provisions and contingencies

A provision is recognized in financial statements when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of an expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where reliable estimate of the amount of obligation cannot be made. A contingent liability is disclosed, unless the

5.6 Property, plant and equipment

Owned

Property, plant and equipment (except freehold land, buildings on freehold land and plant & machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold land and plant & machinery are stated at revalued amounts less accumulated depreciation and impairment losses, if any. Cost of operating fixed assets comprises historical cost, borrowing cost and other expenditure pertaining to the acquisition,

Surplus on revaluation of property, plant and equipment is recognised to the extent of the incremental depreciation charged on the revalued assets the related surplus on revaluation of property, plant and equipment (net of deferred taxation) is transferred directly to inappropriate profit.

Residual value and the useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting

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

Depreciation

Depreciation is charged to statement of profit or loss using the reducing balance method except for plant and machinery on which depreciation is charged on production hours basis and leasehold land on which depreciation is charged on straight line basis so as to write off the cost over the expected useful life of assets at rates, which are disclosed in notes to the financial statements. Depreciation on additions to property, plant and equipment is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed of.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in statement of profit or

5.7 Stores, spares and loose tools

These are stated at lower of cost or net realizable value. Cost is determined by using the moving average method. Items in transit are valued at cost comprising invoice value, plus other charges paid thereon. Provision is also made for slow moving and obsolete items.

5.8 Stock in trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realizable

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less net estimated costs of

5.9 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime expected credit losses that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

5.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current or deposit accounts held with banks. Running finance facilities, if any, availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

5.11 Advances, deposits and prepayments

These are initially recognized at cost, which is the fair value of consideration given. Subsequent to the initial recognition assessment is made at each reporting date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment losses recognized for the difference between the recoverable amount and the

5.12 Financial instruments

5.12.1Initial Recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

a) Classification of financial assets

The Company classifies its financial instruments at fair value through profit and loss, at fair value through other comprehensive income, or at amortised cost. The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are recognised subsequently at amortised cost. Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at 'fair value through other comprehensive income'. By default, all other financial assets are subsequently measured at 'fair value through profit or loss'.

b) **Classification of financial liabilities**

The Company classifies its financial liabilities at fair value through profit or loss, or at amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Company has opted to measure them at fair value through profit or loss.

5.12.2 **Subsequent measurement**

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognise a financial liability at fair value through profit or loss, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at fair value through profit or loss.

5.12.3 **Impairment of financial assets at amortised cost**

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

5.12.4 **Derecognition**

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

5.12.5 **Off setting of financial assets and liabilities**

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.13 **Foreign currency translation**

Assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at balance sheet date or at the contracted rates while foreign currency transactions are recorded at the rates of exchange prevailing at the transaction date or at the contracted rates. Exchange gains and losses are charged to the statement of profit or loss.

5.14 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the

- Revenue from sale of goods is recognised when or as control of goods or services have been transferred to a customer either over time or at a point in time, when the performance
- Returns on deposit accounts at amortised cost are recognised using effective interest rate method
- Revenue under Rental arrangement is recognized over the time upon satisfaction of performance obligations. The Company's contract performance obligations are ful?lled over the time possession of property is with the customer.

5.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to statement of profit or loss whenever incurred. Finance cost is accounted for on accrual basis.

5.16 Intangible assets - Software

Software is stated at cost less accumulated amortization and any identified impairment loss. An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be

Software is amortized using reducing balance method at the rates given in notes to the financial statements. Amortization is charged to statement of profit or loss from the month in which the asset is available for use. Amortization on additions is charged on pro-rata basis from the month in which asset is put into use, while for disposals, amortization is charged up to the month of disposal.
Subsequent expenditure on intangible asset is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All expenditures are charged to income as and when incurred. Gain or loss arising on disposal and retirement of intangible asset is determined as a difference between the net disposal proceeds and carrying amount of the asset is recognized as income or expense in the statement of profit or loss

Software is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

5.17 Related party transactions

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm’s length.

5.18 Dividends

Dividend distribution to the Company’s shareholders is recognized as a liability in the period in which dividends are approved by the Board of Directors or Company’s shareholders as the case maybe.

5.19 Share capital

Ordinary shares are classified as share capital.

5.20 Earnings per share ('EPS')

Basic EPS is calculated by dividing the profit / (loss) attributable to ordinary shares of the Company by the weighted average number of shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post tax effect of changes in profit and loan attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into

5.21 Impairment of assets - Non financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets or cash generating unit.
An impairment loss is recognised if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit or loss. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed carrying amount that would have been determined, net of depreciation and amortization, if no

5.22 Non current assets held for sale

Non-current assets that are expected to be recovered primarily through sale or distribution rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter the assets are measured at the lower of their carrying amount

6 PROPERTY AND EQUIPMENT

Operating fixed assets - tangible

	Owned assets							Total
	Freehold land	Building on freehold land	Plant and machinery	Generators and fittings	Furniture and fittings	Office equipment	Computers	
	----------Rupees----------							
Cost								
Balance as at July 01, 2017	43,733,830	251,226,264	923,742,987	245,215,883	4,382,653	19,894,182	4,215,150	1,492,410,949
Additions during the year	-	-	-	-	-	-	-	-
Revaluation surplus / (deficit)	82,914,170	100,420,281	(246,195,723)	(69,723,881)	-	-	-	(132,585,153)
Adjustment	-	(118,815,545)	(617,297,264)	(158,412,002)	-	-	-	(894,524,811)
Disposals during the year	-	-	(60,250,000)	-	-	-	-	(60,250,000)
Transfers	(126,648,000)	(232,831,000)	-	(17,080,000)	(4,382,653)	(19,894,182)	(4,215,150)	(405,050,985)
Balance as at June 30, 2018 - restated	-	-	-	-	-	-	-	-
Balance as at July 01, 2018	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	-	-	-	-	-	-	-	-
Depreciation								
Balance as at July 01, 2017	-	113,651,791	592,425,781	151,366,900	3,120,767	17,021,418	3,274,848	880,861,505
Charge for the year	-	8,062,032	25,373,566	7,468,553	123,664	551,358	92,149	41,671,322
Adjustment	-	(118,815,545)	(617,297,264)	(158,412,002)	-	-	-	(894,524,811)
Depreciation on disposals	-	-	(502,083)	-	-	-	-	(502,083)
Transfers	-	(2,898,278)	-	(423,451)	(3,244,431)	(17,572,776)	(3,366,997)	(27,505,933)
Balance as at June 30, 2018 - restated	-	-	-	-	-	-	-	-
Rate of depreciation	0%	5%	10%	10%	10%	20%	10%	
Balance as at July 01, 2018	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-
Reversal of depreciation	-	-	-	-	-	-	-	-
Balance as at June 30, 2019	-	-	-	-	-	-	-	-
Rate of depreciation	0%	5%	10%	10%	10%	20%	10%	
Written down value as at June 30, 2018 - restated	-	-	-	-	-	-	-	-
Written down value as at June 30, 2019	-	-	-	-	-	-	-	-

6.1 Depreciation charge on operating fixed assets has been allocated to administrative expenses.

		Note	2019	(Restated) 2018
			(Rupees)	
7	INTANGIBLE ASSETS			
	Computer software	7.1	-	296,706
7.1	Cost			
	Opening balance		1,874,241	1,874,241
	Additions during the year - at cost		-	-
	Closing balance		1,874,241	1,874,241
	Amortization			
	Opening balance		(1,577,535)	(1,507,064)
	Amortization for the year	7.2	(59,341)	(70,471)
	Closing balance		(1,636,876)	(1,577,535)
	Net Book Value		237,365	296,706
	Impairment loss		(237,365)	-
	Closing carrying value		-	296,706

7.2 Intangibles were being amortized at the rate of 20% (2018: 20%) and has been allocated to administrative expenses. During the year, impairment loss has been charged to income as per the requirement of IAS 38 - Intangible Assets.

		2019	(Restated) 2018
		(Rupees)	
8	LONG TERM DEPOSITS		
	Long term deposits	1,426,354	1,426,354

This deposit has been given against utility companies. These are classified as 'amortised cost' under the requirement of IFRS 9 'Financial Instruments - Recognition and Measurement'. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

		Note	2019	(Restated) 2018
			(Rupees)	
9	STORES AND SPARES			
	Stores		-	595,053
	Spares		-	1,779,816
	Packing material		-	563,981
			-	2,938,850
10	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
	Unsecured and Considered good:			
	Advances to:			
	- Employees against salary		503,079	127,579
	- Suppliers		878,649	-
	Prepayments		-	425,834
	Deposits with bank against settlement		135,791	-
	Margin against bank guarantee		597,600	3,349,324
			2,115,119	3,902,737
	Receivable against operating lease	10.1	32,934,855	32,958,855
	Allowance for expected credit losses	10.2	(32,934,855)	-
			-	32,958,855
			2,115,119	36,861,592

10.1 This represents receivables from Sally Textile Mills Limited against lease of factory. Appropriate allowance for expected credit loss has been provided in accordance with IFRS 9 - Financial Instruments - Recognition and Measurement.

		2019	(Restated) 2018
		(Rupees)	
10.2	**Impairment allowance**		
	Opening balance	-	-
	Effect of change in accounting policy	32,934,855	-
	Charge for the year	-	-
	Closing balance	32,934,855	-
11	TAX REFUNDS DUE FROM GOVERNMENT		
	Sales tax refundable	4,056,968	8,961,380
12	NON-CURRENT ASSETS HELD FOR SALE		
	Freehold land	125,381,520	125,381,520
	Building on freehold land	227,633,395	227,633,395
	Other fixed assets	17,698,381	18,002,185
		370,713,296	371,017,100
	Opening carrying value	371,017,100	-
	Transfer from property, plant and equipment	-	371,017,100
	Disposal during the year	(303,804)	-
	Closing carrying value	370,713,296	371,017,100

12.1 In accordance with the approval of the shareholders in its meeting held on April 30, 2018, the Company has classified freehold land measuring total area of 15.831 acres and covered area of 250,417 square feet, situated at 10 KM, Muridke-Sheikhupura Road, Tehsil Ferozewala, District Sheikhupura, building on freehold land alongwith other remaining fixed assets as Held for Sale in accordance with IFRS-5, "Non-current Assets Held for Sale and Discontinued Operations". For further information, refer to note 3. Pursuance to advertisement published by the Company on April 30, 2019 for disposal of land and building; due diligence for sale of land and building by the potential buyer is still under process and we are hopeful that remaining assets, i.e. land, building and other assets would be sold after taking fresh approval from the shareholders in near future.

		2019	(Restated) 2018
		(Rupees)	
13	CASH AND BANK BALANCES		
	Cash in hand	58	73,728
	Cash at bank - current accounts	283,377	18,800,029
		283,435	18,873,757
14	TRADE AND OTHER PAYABLES		
	Trade creditors	103,284,224	121,218,178
	Accrued liabilities	20,375,811	11,556,928
	Withholding tax payable	247,683	284,382
	Others	10,082,469	16,783,140
		133,990,187	149,842,628

		Note	2019	(Restated) 2018
			(Rupees)	
15	ACCRUED MARKUP			
	Short term borrowings		54,127,329	55,146,833
	Long term financing		54,301,998	54,301,998
			108,429,327	109,448,831
16	SHORT TERM BORROWINGS			
	From banking companies - secured:			
	Short term borrowings	16.1	116,220,088	140,869,096

16.1 These facilities were obtained from various banking companies for working capital requirements and were secured against first joint pari passu charge over current assets of the Company, pledge of stocks and personal guarantees of sponsors / directors of the Company, at reporting date balance of stock in trade does not support these pledge amounts. These finance facilities carry mark up of ranging from one to six months KIBOR plus a spread of 1.75 to 3.50 percent per annum (2018: one to six months KIBOR plus a spread of 1.75 to 3.50 percent per annum), payable quarterly.

		Note	2019	(Restated) 2018
			(Rupees)	
17	LONG TERM FINANCING			
	Demand finances from banking companies - secured:			
	- The Bank of Punjab	17.2	12,412,177	14,380,177
	- United Bank Limited	17.3	14,959,062	14,959,062
	- United Bank Limited	17.4	20,000,000	20,000,000
	- United Bank Limited (Forced Demand Finance)	17.5	10,000,000	10,000,000
	- National Bank of Pakistan	17.6	78,749,958	78,749,958
	- National Bank of Pakistan (CF swap)	17.7	15,976,000	15,976,000
	- National Bank of Pakistan (Frozen mark-up)	17.8	4,548,000	4,548,000
			156,645,197	158,613,197
	Current portion taken as current liability		(156,645,197)	(158,613,197)
			-	-
17.1	Balance at beginning of year		158,613,197	149,133,020
	Adjustment / Bank Guarantee encashed during the year		-	10,000,000
			158,613,197	159,133,020
	Repayment during the year		(1,968,000)	(519,823)
	Balance at the end of year		156,645,197	158,613,197

17.2 This represents demand finance facility having credit limit of Rupees 12.412 million (2018: Rupees 14.380 million) availed from the Bank of Punjab for swapping of demand finance facilities from United Bank Limited. It carries mark up at the rate of average 6 month KIBOR plus 350 basis points with floor installment of Rupees 3 million each. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

17.3 This represents demand finance facility having credit limit of Rupees 14.959 million (2018: Rupees 14.959 million) availed from United Bank Limited for restructuring financial requirements. As per scheduled terms, it carries mark up at the rate of 6 month KIBOR plus 200 basis points with no floor and cap. The loan was repayable from June 18, 2012 in 15 equal quarterly installments of Rupees 1.868 million each. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting

17.4 This represents demand finance facility having credit limit of Rupees 20 million (2018: Rupees 20 million) converted from FE-25 / NICF Pledge for restructuring of financial requirements by United Bank Limited on June 3, 2013. It carries mark up rate of 3 months KIBOR plus 150 basis points. The loan is repayable in equal quarterly installments coinciding with existing NIDF-V loan. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

17.5 This represents forced demand finance facility having credit limit of Rupees 10 million (2018: Rupees 10 million) against bank guarantee encashment.

17.6 This represents demand finance facility having credit limit of Rupees 78.750 million (2018: Rupees 78.750 million) sanctioned by National Bank of Pakistan for reprofiling of company's balance sheet / swapping of short term debt of Standard Chartered Bank (Pakistan) Limited and United Bank Limited. It carries mark up rate of 6 month KIBOR plus 150 basis points. The loan is repayable in six years including two years of grace period from December 3, 2012 in 8 equal biannual installments of 11.25 million each. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

17.7 These represent outstanding balances of cash finance pledge facility and outstanding markup thereon after restructuring of the said facilities by National Bank of Pakistan as on April 8, 2013. The converted cash finance facility carries mark up at the rate of 1 month KIBOR plus 200 basis points. The loan was payable in equal quarterly installments till December 31, 2013. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

17.8 These represent outstanding balances of frozen markup demand finance pledge facility by the National Bank of Pakistan as on April 08, 2013 and was secured against pledged cotton bales. The loan was payable in equal quarterly installments till December 31, 2013. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

		2019	(Restated) 2018
		(Rupees)	
18	DEFERRED TAXATION		
	This is composed of:		
	Taxable / (deductible) temporary differences		
	Tax depreciation	(1,910,619)	10,995,740
	Allowance for expected credit loss	(9,551,108)	-
	Unused tax losses	(66,710,476)	(107,694,296)
	Deferred tax asset	(78,172,203)	(96,698,556)
	Deferred tax asset not recognized	78,172,203	96,698,556
		-	-

Deferred tax asset on tax losses available for carry forward are recognized to the extent that the realization of related tax benefits through future taxable interests is probable. Accordingly, the Company has not recognized deferred tax assets of Rupees 83.943 million (2018: Rupees 96.699 million) in respect of unused tax losses primarily due to unabsorbed tax depreciation as sufficient tax interests would not be available to set these off in the foreseeable future. As of reporting date; unabsorbed tax depreciation comprises of Rupees 182.807 million (2018: Rupees 182.037 million).

		Note	2019	(Restated) 2018
			(Rupees)	
19	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**			
	8,000,000 (2018: 8,000,000) Ordinary shares of Rupees 10 each fully paid in cash	19.1	80,000,000	80,000,000

19.1 Movement to the issued, subscribed and paid-up share capital of the Company is as follows:

2019	2018		2019	(Restated) 2018
(No. of Shares)			(Rupees)	
8,000,000	8,000,000	Opening balance	80,000,000	80,000,000
-	-	Issued during the year	-	-
8,000,000	8,000,000	Closing balance	80,000,000	80,000,000

20 REVALUATION SURPLUS

	2019	2018
Opening balance	-	397,201,401
Revaluation surplus on land and building	-	183,334,451
	-	580,535,852
Revaluation deficit on plant and machinery upto surplus available	-	(230,236,989)
	-	350,298,863
Less:		
Incremental depreciation on revalued property, plant and equipment	-	(25,268,555)
Related deferred tax liability	-	(34,252,049)
Reversal of surplus on non-current assets due to derecognition	-	(290,778,259)
	-	-

Freehold land, building on freehold land, and plant and machinery were revalued by approved external, independent property valuer, having appropriate professional qualification. The replacement cost method was used to determine fair market value of the above assets. Due to derecognition of fixed assets, the Company has transferred remaining revaluation reserves net of tax to accumulated loss in 2018.

Incremental depreciation charged on revalued property, plant and equipment had been transferred to the statement of changes in equity to record realization of surplus to the extent of incremental depreciation. Incremental depreciation represents the difference between the actual depreciation on building and plant & machinery and the equivalent depreciation based on the historical cost of these assets.

21 LOAN FROM SPONSORS

The loan has been obtained from sponsors of the Company to meet the liquidity requirements of the Company, which is unsecured and interest free. There is neither fixed tenure of loan nor there is any schedule for repayment of loan. The repayment is at the discretion of the Company. In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

22.1.1 In Tax Year 2005 ending on September 30, 2004 and June 30, 2005 respectively; the Department did not give credit of tax deducted on exports under Section 154 amounting to Rupees 6,617,590 and Rupees 4,250,270 against minimum tax liability for the tax years under reference. The Company filed an appeal against the orders of the Department issued under Section 122 of the Income Tax Ordinance, 2001 before CIR(A-1) but rejected the plea of the Company. The Company preferred an appeal before the Appellate Tribunal Inland Revenue which is pending for adjudication.

22.1.2 The Company filed Income Tax Return for the Tax Year 2009 by declaring taxable loss of Rupees 14,534,816 for the year and claimed brought forward losses of Rupees 123,213,497. The assessment Order under Section 122 (5A) of the Income Tax Ordinance, 2001 was finalized by the Department at taxable income of Rupees 137,646,895 and computed tax payable of Rupees 47,443,907. The Company preferred an appeal before Commissioner Appeals [CIR(A)] whereby CIR concluded the matter by deletion of proration of expenses, deletion of loan (Rupees 55,600,000), cash payments (Rupees 100,455,778)andunderstatement of imports (Rupees 11,565,330), School expenses (Rupees 349,422) and confirmation of addition of retirement (Rupees 3,166,000) benefits and department being aggrieved with the decision of CIR filed an appeal before ATIR which is pending for adjudication.

22.1.3 As a result of assessment order under Section 122(5A), the tax liability of Rupees 1,594,999 was created. The case has been responded by the company at its own. Further, the taxpayer filed an appeal before Commissioner Inland Revenue and the appeal was decided that the tax demand created was adjusted against the Tax Credit under Section 65B amounting to Rupees 3,603,276 .Thus the tax demand assessed by the learned DCIR was deleted, but the loss was amended as per the additions of learned DCIR on account of Exchange Loss of Rupees 1,990,851.

22.1.4 The Company filed Income Tax Return for the Tax Year 2012 and paid minimum tax at the rate of 0.5% on the basis of Sindh High Court Judgment. However, the Department disputed the same and charged minimum tax at the 1% resulting in additional minimum tax liability of Rupees 3,527,145. Further, the Department levied penalties under Section 182 (1)(5) of the Ordinance amounting to Rupees 176,357 and Rupees 881,786 for non-payment of tax for first and second defaults respectively. The Company being aggrieved filed and appeal before CIR (A-I) whereby CIR (A-I) directed DCIR to delete the penalties after verification of available refunds. No further action is taken by the department so far.

22.1.5 The Company was selected for audit under section 214D, the correspondences on legal ground with the Department are in process.

22.1.6 The SNGPL levied surcharge of Rupees 8,213,847 under Gas Infrastructure Development Cess on industrial undertakings during FY 2012 to May 2015. Lahore High Court passed an order and directed to constitute a High Power Committee of SNGPL to look into the case of industrial undertaking. The matter is still pending.

22.1.7 Faysal Bank Limited filed a suit against the Company and its management for recovery of Rupees 22,697,054 before the Banking Courts, Lahore. Said suit was decreed but was challenged by the Company on May 16, 2017 before the Division Bench of Lahore High Court, Lahore vide RFA No. 107003/2017. Said appeal is still pending for adjudication and the final outcome of this matter depends upon the decision of this appeal. The Bank has filed an Execution Petition before the Banking Court No. II Lahore which is also pending adjudication. The Company is vigilantly pursuing this case.

22.1.8 National Bank of Pakistan has filed a suit against the Company and its management before the Lahore High Court Lahore vide COS No. 167921/2018, wherein the Bank claimed recovery of Rupees 100.628 million. The suit is still pending for adjudication. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case.

22.1.9 United Bank Limited has filed a suit against the Company and its management before the Lahore High Court Lahore vide COS No. 221677/2018, wherein the Bank has claimed for recovery of Rupees 183.709 million from the Company. This suit is still pending for adjudication. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case.

22.1.10 National Bank of Pakistan has lodged a frivolous and time barred claim of Rupees 51.48 million based upon the LC's facilities sanctioned about 7/8 years back. National Accountability Bureau has also taken up this matter, which act of the NBP and the NAB has been challenged in a Writ Petition No. 221742/2018 before the Lahore High Court, Lahore. Writ Petition along with other similar matters were allowed by the full Bench of Lahore High Court, Lahore on December 24, 2018. The NAB has assailed this judgment in Supreme Court of Pakistan vide CPLA No. 1478/2019, which is pending adjudication and there are good chances of a favourable result in this case. There is no scope of any fiscal loss to

22.1.11 The Company has filed a suit against National Bank of Pakistan, before the Lahore High Court, Lahore vide COS No. 220828/2018, challenging Bank's alleged claim based upon the LC's facilities sanctioned about 7/8 years back. The claim of the Bank is baseless and time barred. This suit is still pending adjudication. There is no scope of any fiscal loss to the Company in the instant matter. This case is being vigorously pursued by the Company.

22.1.12 Securities and Exchange Commission of Pakistan has initiated show cause proceedings against the Company under Section 301 of the Companies Act, 2019. The Company has submitted detailed reply to the show cause notice along with revival plan of the Company upon disposal of land and building and settlement of loans with lenders and creditors. The Company is making all its efforts to revive the Company by implementing revised business plan with the approval of board of directors. We are hopeful that show cause proceedings shall be dropped in near future.

22.2 Commitments

22.2.1 There are expired Letter of guarantees to Sui Northern Gas Pipelines Company Limited (SNGPL) amounting to Rupees 20.647 million (2018: Rupees 20.647 million) and Rupees 0.598 million (2018: Rupees 0.598 million) from United Bank Limited and Faysal Bank Limited respectively for the various amounts expired. These guarantees have not yet been returned by the Sui Northern Gas Pipelines Company Limited for onward submissions to the banks for cancellation.

		2019	(restated) 2018
23 ADMINISTRATIVE EXPENSES	Note	(Rupees)	
Salaries, wages and other benefits		5,744,252	5,129,854
Rent, rates and taxes		127,017	186,686
Utilities		1,397,362	1,872,622
Traveling and conveyance		235,745	304,752
Vehicle running and maintenance		482,260	269,472
Printing and stationery		97,860	171,303
Postage, telephone and telegram		65,151	81,027
Legal and professional		7,900,200	2,012,600
Fee and subscription		479,583	648,758
Registrar services		139,164	175,022
Entertainment		77,105	120,270
Medical expenses		30,000	10,940
Advertisement		86,670	119,480
Depreciation	6.1	-	41,671,322
Amortization of intangible assets	7.1	59,341	70,471
Auditors' remuneration	23.1	796,000	450,000
Repair and maintenance		442,559	71,650
Others		110,128	1,716,052
		18,270,397	55,082,281

23.1 Auditors' Remuneration

UHY Hassan Naeem & Co.		
Annual audit fee	-	350,000
Half yearly review	100,000	100,000
Rizwan and Company		
Annual audit fee	696,000	-
	796,000	450,000

24 OTHER OPERATING EXPENSES

Loss on revaluation of plant and machinery		-	85,682,615
Loss on disposal of property, plant and equipment		-	25,447,917
Loss on sale of store and spares		1,288,850	-
Impairment on intangibles		237,365	-
Debit balances written off	24.1	5,492,462	1,208,183
Loss on transfer of assets to disposal group		-	6,527,952
		7,018,677	118,866,667

24.1 This includes sales tax amounting to Rupees 4,904,412 (2018: Rupees Nil) written off during the year.

		2019	(restated) 2018
		(Rupees)	
25	**OTHER INCOME**		
	Income from agricultural produce	**2,005,676**	5,218,369
	Gain on sale of non-current asset held for sale	**333,882**	-
	Rental income	**1,225,500**	240,000
	Income on bank deposit	**-**	247,243
	Bad debts recovered	**-**	192,332
	Credit balances written back	**16,814,510**	4,547,025
		20,379,568	10,444,969
26	**FINANCE COSTS**		
	Bank charges and commission	**24,853**	263,573
27	**TAXATION**		
	Charge for the year:		
	- Current	**-**	-
	- Deferred	**-**	13,379,285
		-	13,379,285

27.1 Assessment up to tax year 2018 is finalized (deemed assessment) and the available tax losses of the Company are Rupees 249.94 million (2018: Rupees 244.51 million).

27.2 Current year tax is charged on the basis of turnover under Section 113 or Alternate Corporate Tax (ACT) on accounting interest under section 113C of Income Tax Ordinance, 2001, whichever is higher. During the year, owing to previous year's losses; the Company is not required to provide provision for taxation. Relationship between income tax expense and accounting interest for current year is not meaningful due to application of ACT.

			2019	2018
28	**EARNINGS PER SHARE**			
	Loss attributable to ordinary shareholders	*(Rupees)*	**(4,934,359)**	(177,146,837)
	Weighted average number of ordinary shares outstanding during the year	*(Number)*	**8,000,000**	8,000,000
	Earnings per share	*(Rupees)*	**(16.6.7)**	(2,214.33)

28.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at reporting date which would have any effect on the earnings per share if the option to convert is exercised.

29 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

The aggregate amount charged in the accounts for remuneration, allowances including all benefits to the Chief Executive Officer, Directors and other Executive of the Company are as follows:

	June 30, 2019	June 30, 2018
Description	Executive	Executive
	(Rupees)	
Managerial remuneration	**1,560,000**	-
Other benefits	**-**	-
	1,560,000	-
No. of persons	**1**	1

29.1 No remuneration was paid to Chief Executive, directors during the year whereas no meeting fee was paid to directors for attending board meeting or its committee (2018: Nil).

30 RELATED PARTIES AND RELATED PARTY TRANSACTIOS

Related parties comprise of directors of the Company, their close relatives and key management personnel. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

30.1 Name and nature of relationship

Sponsors

Ms. Nilofer Mukhtar - Director / Chairman
Ms. Abida Mukhtar - Director
Mr. Ahmed Mukhtar - Close relative

30.2 Transactions with related parties

Nature of Relationship	Nature of Transaction	2019	2018
		(Rupees)	
Sponsors	Loan received	**19,640,000**	28,341,737

31 PROVIDENT FUND RELATED DISCLOSURE

The Company's provident fund ceased to exist from September 30, 2014 and all outstanding dues payable to the employees were paid off, Currently the number of employees are less than the mandatory requirement of employee benefit scheme.

32 FAIR VALUE MEASUREMENTS

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (Unobservable inputs) (level

As at reporting date, the Company has no item to report in these levels.

33 FINANCIAL RISK MANAGEMENT

33.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies and provides principles for overall risk management, as well as policies covering specific areas such as currency risk, equity price risk, interest rate risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The company's audit committee oversees risk management monitors compliance with risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risk faced by the company. Audit committee is into oversight role by internal audit department. Internal audit department undertakes reviews of risk management controls and procedures, results of which are reported to audit committee.

(a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

(i) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risks as at reporting date, therefore, no foreign currency sensitivity is applicable.

(ii) *Interest rate risk*

Interest rate risk represents the risk that fair values of future cash flows of financial instruments which will fluctuate because of change in market interest rates. The Company has no significant long-term interest-bearing financial assets. The Company's interest rate risk arises from financial liabilities. Borrowings obtained at floating rates expose the Company to cash flow interest rate risk.

(iii) *Other price risk*

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for local deposits, other receivables and other financial assets.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2019 (Rupees)	2018 (Rupees)
Long term deposits	8	1,426,354	1,426,354
Deposits and other receivables	10	733,391	36,308,179
Bank balances	13	283,377	18,800,029
		2,443,122	56,534,562

Concentration of credit risk

The company identifies concentrations of credit risk by reference to type of counterparty. Maximum exposure to credit risk by type of counterparty is as follows:

	Note	2019 (Rupees)	2018 (Rupees)
Other receivables	10	-	32,958,855
Banking companies and financial institutions	13	283,377	18,800,029

Out of the total financial assets credit risk is concentrated in other receivables and deposits with banks as they constitute 13.96% (2018: 91.55%) of the total financial assets. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of

The credit quality of Company's bank balances can be assessed with reference to the external credit

Banks	Rating Agency	Short term	Long term	2019 (Rupees)	2018 (Rupees)
Allied Bank Limited	PACRA	A-1+	AAA	-	12,505
Bank Alfalah Limited	PACRA	A-1+	AA+	470	500
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	315	315
Faysal Bank Limited	VIS	A-1+	AA	25,500	25,000
Habib Bank Limited	VIS	A-1+	AAA	24,042	24,042
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	4,179	1,954,669
Kasb Bank Limited	PACRA	A-1	A+	16,888	16,888
Meezan Bank Limited	VIS	A-1+	AA+	226,435	12,113,873
Summit Bank Limited	VIS	A-3	BBB-	34,062	34,062
The Bank of Punjab	PACRA	A-1+	AA	6,744	4,610,570
United Bank Limited	VIS	A-1+	AAA	23,275	23,275
				361,910	18,815,699

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or any other financial assets, or that such obligations will have to be settled in manners unfavorable to the company.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Managementbelieves the liquidity risk to be low.

The table below analyzes the Company's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Note	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
		(Rupees)			
June 30, 2019					
Trade and other payables	14	**133,742,504**	**133,742,504**	**133,742,504**	**-**
Unclaimed dividend		**1,159,777**	**1,159,777**	**1,159,777**	**-**
Accrued markup	15	**108,429,327**	**108,429,327**	**108,429,327**	**-**
Short term borrowings	16	**116,220,088**	**116,220,088**	**116,220,088**	**-**
Current portion of long term financing	17	**156,645,197**	**156,645,197**	**156,645,197**	**-**
		516,196,893	**516,196,893**	**516,196,893**	**-**
June 30, 2018					
Trade and other payables	14	149,558,246	149,558,246	149,558,246	-
Unclaimed dividend		1,159,777	1,159,777	1,159,777	-
Accrued markup	15	109,448,831	109,448,831	109,448,831	-
Short term borrowings	16	140,869,096	140,869,096	140,869,096	-
Current portion of long term financing	17	158,613,197	158,613,197	158,613,197	-
		559,649,147	559,649,147	559,649,147	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates effective as at reporting date. The rates of interest have been disclosed in respective notes to the financial statements.

33.2 Financial instruments by categories

The carrying values of all financial assets and liabilities reflected in financial statements approximate

	Note	2019	2018
		(Rupees)	
Financial assets and liabilities at amortized cost			
Assets as per statement of financial position			
Long term deposits	8	**1,426,354**	1,426,354
Deposits and other receivables	10	**733,391**	36,308,179
Cash and bank balances	13	**283,435**	18,873,757
		2,443,180	56,608,290
Liabilities as per statement of financial position			
Trade and other payables	14	**133,742,504**	149,558,246
Unclaimed dividend		**1,159,777**	1,159,777
Accrued markup	15	**108,429,327**	109,448,831
Short term borrowings	16	**116,220,088**	140,869,096
Current portion of long term financing	17	**156,645,197**	158,613,197
		516,196,893	559,649,147

33.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits to other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous period. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represents short term borrowings, long term financing including current portion obtained by the Company as referred to in notes 16 and 17. Total capital employed includes 'total equity' as shown in the balance sheet plus debt. The Company's strategy, which was unchanged from last period, was to maintain optimal capital structure in order to minimize cost of capital.

Owing to negative equity of the Company as of reporting date; presentation of capital gearing ratio would not be meaningful for the users of the financial statements.

		2019	2018
		(Number)	
34	**NUMBER OF EMPLOYEES**		
	Total number of employees at year end	15	22
	Average number of employees during the year	18	20

35 GENERAL AND CORRESPONDING FIGURES

35.1 The corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and better presentation. Following reclassifications have been made:

Reclassified from component	Reclassified to component	2018 (Rupees)
Trade and other payables	Unclaimed dividend (disclosed on the face of statement of financial position)	1,159,777
Short term security deposits to SNGPL	Margin against bank guarantee	3,349,324
Withholding tax payable	Creditors	6,585,364
Short term borrowings	Current portion of long term financing	7,890,586
Tax refunds due from government	Advance income tax	19,522,844
Depreciation - Cost of sale	Depreciation - Administrative expenses	39,647,449

35.2 Figures have been rounded off to rupees, unless otherwise stated.

36 DATE OF AUTHORIZATION

36.1 These financial statements have been approved and authorized for issue in Board of Directors meeting of the Company held on October 05, 2019.

Lahore: October 05, 2019	Faisal Mukhtar Chief Executive Officer	Shahid Amin Chief Financial Officer	Abida Mukhtar Director

Dar Es Salaam Textile Mills Limited

FORM OF PROXY
ANNUAL GENERAL MEETING

The Company Secretary
Dar Es Salaam Textile Mills Limited
54-C III, Gulberg III, Lahore.

L/F NO.	
NO. OF SHARES	

Dear Sir,

I/We____

of____

being a member of DAR ES SALAAM TEXTILE MILLS LIMITED, hereby appoint

____
(NAME)

of ____

(another member of the Company) to attend, act and vote for me/us and on my/our behalf at the Annual Ordinary General Meeting of the Company to be held on Monday October 28, 2019 at 11:00 A.M. at the 54-C III, Gulberg III, Lahore.
and at any adjournment thereof.

As witness my hand this______________day of________________________2019.

Signature on Revenue
Stamp

(Signature should agree with the specimen
Signature registered with the Company)

Date:_________________

Note: Proxies must be received at the Registered office of the Company mot later than 48 hours before time of holding the meeting duly stamped, Signed and witnessed.

DAR ES SALAAM
TEXTILE MILLS LIMITED
HEAD OFFICE:
54 C III, Gulberg III, Lahore.
Phones: (042) 35878643-44
Fax (042) 35878642
Factory:
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