

**Condensed Interim
Un-Audited Financial Statements
For the Nine Months Ended
March 31, 2019**



DAR ES SALAAM

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COMPANY INFORMATION

Board of Directors	Mrs. Nilofar Mukhtar Mr. Faisal Mukhtar Mrs. Mahwesh Faisal Mukhtar Ms. Abida Mukhtar Mr. Muhammad Gul Nawaz Mr. Muhammad Yousaf Mr. Ejaz Hussain	Chairperson & Director Chief Executive Officer
Audit Committee	Mr. Muhammad Gul Nawaz Mrs. Mahwesh Faisal Mukhtar Mrs. Nilofar Mukhtar	Chairman Member Member
HR & Remuneration Committee	Mr. Muhammad Yousaf Mrs. Mahwesh Faisal Mukhtar Mrs. Nilofar Mukhtar	Chairman Member 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 Hassan Naeem & 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	176-N, Scotch Corner, Upper Mall Lahore. Phones: (042) 35878643-44 Fax : (042) 35878642	
Factory	10th Km Muridke-Sheikupura Road, Muridke.	

Director Report

Directors of Dar es Salaam Textile Mills Limited (the Company) present the 3rd quarter financial information for the period ended March 31, 2019.

Overview and Performance

With the new government in place, the current financial year remains challenging for the spinning industries. Unlike the promised stability, it has brought unprecedented devaluation of the Pak rupee, increasing utility rates and intermittent textile policies, combined with the declining foreign reserves continues to challenge the textile sector.

Earnings per share of your Company for the period ended March 31, 2019 was Rupee (14.99) as compared to Rupees (4.60) for the corresponding period last year.

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

In lieu of Extra Ordinary General Meeting held on April 30, 2018, the management has worked towards the sale of land, building and plant and machinery and other assets. 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 being an alternate business plan as approved and recommended by the Board of Directors of the Company.

At present, the Company has partially executed the plan by disposing off part of plant and machinery whereas efforts are being made to dispose off land, building and remaining part of plant and machinery to pay off its liabilities. However, the management believes that current market scenario requires a change in the alternate business plan. Given the fluctuation in our currency and instability of prices, the management is evaluating other options besides the trading of yarn. Moreover, if the sale of land and building does not take place within stipulated time period as per approval of the shareholders, the management is also working to revive the Company by utilizing its land and building to generate enough revenue to convert the Company into a profitable company.

Your directors are continuing their efforts to prepare a best possible solution for the benefit of all the stakeholders. We would like to thank all our shareholders for their continued support.

For and on behalf of the Board



Faisal Mukhtar
Chief Executive Officer

ڈائریکٹر جائزہ رپورٹ

دارالسلام ٹیکسٹائل ملز لمیٹڈ (کمپنی) کے ڈائریکٹر 31 مارچ، 2019 کو ختم ہونے والے مدت کے لیے تیسرے سہ ماہی کی مالی رپورٹ پیش کرتے ہیں۔

جائزہ اور کارکردگی

نئی حکومت کے ساتھ موجودہ مالی سال سپنرز کی صنعتوں کے لیے چیلنج رہی ہے وعدہ استحکام کے برعکس اس نے پاکستان کے روپے کی کمی کی مثال تشخیص افادیت کی شرع اور متعدد ٹیکسٹائل کی پالیسیوں میں اضافہ کیا ہے جس کے ساتھ ساتھ غیر ملکی ذخائر میں ٹیکسٹائل کے شعبے کو چیلنج جاری ہے

31 مارچ 2019 کو ختم ہونے والی مدت میں آپ کی کمپنی کا نقصان فی حصہ 14.99 ہے جبکہ گزشتہ سال اسی مدت کے لیے 4.60 روپے تھا

جائیداد، پلانٹ اور دیگر سامان اور اختلاط کاروباری منصوبہ بندی

30 اپریل 2018 کو منعقدہ اضافی اہم اجلاس میں مینجمنٹ، زمین، عمارت، پلانٹ اور مشینری اور دیگر اثاثوں کی فروخت کی طرف کام کیا ہے کمپنی کے ذمہ داریوں کو ادا کرنے کے لیے اثاثوں کی فروخت سے متعلق آمدنی کے استعمال کو بورڈ آف ڈائریکٹر کی منظوری اور سفارش کے طور پر متبادل کاروباری منصوبہ بنانے کے لیے استعمال کیا گیا تھا۔

اس وقت کمپنی میں پلانٹ اور مشینری کے حصے سے ٹمنے کے لیے جزوی طور پر منصوبے کو معطل کر دیا ہے جبکہ اس کی ذمہ داریوں کو بند کرنے کے لیے پلانٹ اور مشینری کے باقی زمین، عمارت اور باقی حصوں کو بند کرنے کی کوشش جاری ہے۔ تاہم انتظامیہ کا خیال ہے کہ موجودہ مارکیٹ کے منظر میں متبادل کاروباری منصوبہ میں تبدیلی کی ضرورت ہے اس کے علاوہ حصص کی منظوری کے مطابق مقرر کردہ وقت کی مدت کے اندر زمین اور عمارت کی فروخت نہیں ہوتی تو یہ انتظام کمپنی کو اپنے زمین اور عمارت کا استعمال کر کے آمدنی پیدا کرنے کے لیے کمپنی کو ایک منافع بخش میں تبدیل کرنے کے لیے ذریعے بھی بحال کرنے کے لیے کام کر رہا ہے۔

آپ کے ڈائریکٹر تمام حصول داروں کے فائدے کے لیے بہترین حل تیار کرنے کے لیے اپنے کوششوں کو جاری رکھے ہوئے ہیں۔ ہم اپنے تمام حصص داروں کی ان کی مسلسل حمایت کے لیے شکریہ ادا کرنا چاہتے ہیں۔

بورڈ کمپنی پر اعتماد اور مسلسل تعاون کے لیے تمام قابل قدر حصول یافتگان کا شکریہ گزار رہے۔


فیصل مختار


ڈائریکٹر، چیف ایگزیکٹو آفیسر

Condensed Interim Statement of Financial Position (Un-audited)
As at March 31, 2019

	<i>Note</i>	Un-audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Non-current assets			
Property plant & equipment	8	-	377,545,052
Intangibles		255,054	296,706
Long term security deposits		1,426,354	1,426,354
Deferred tax asset		-	62,446,507
		<u>1,681,408</u>	<u>441,714,619</u>
Current assets			
Stores and spares		-	2,938,850
Assets held under disposal group		367,326,741	-
Advances, deposits, prepayments and other receivables	9	18,238,152	36,861,592
Tax refunds due from Government		28,546,624	28,484,224
Cash and bank balances		472,342	18,889,427
		<u>414,583,859</u>	<u>87,174,093</u>
Current liabilities			
Trade and other payables		134,642,474	151,002,402
Short term borrowings		148,775,352	148,775,352
Current portion of long term loan	10	123,086,099	150,722,611
Mark-up accrued		109,448,831	109,448,831
		<u>515,952,756</u>	<u>559,949,196</u>
Working capital employed		<u>(101,368,897)</u>	<u>(472,775,103)</u>
		<u>(99,687,490)</u>	<u>(31,060,484)</u>
Non-current liabilities			
Long term loan	10	-	-
Deferred tax liability		-	-
		-	-
Contingencies and commitments			
	11		
Net capital employed		<u>(99,687,490)</u>	<u>(31,060,484)</u>
Represented by:			
Share capital and reserves			
Authorized share capital (15,000,000 Ordinary shares of Rs. 10 each)		150,000,000	150,000,000
Share capital		80,000,000	80,000,000
Accumulated losses		(273,974,587)	(477,720,843)
Surplus on Revaluation of Fixed Assets-net of Tax			290,778,259
Loan from sponsors		94,287,097	75,882,097
		<u>(99,687,490)</u>	<u>(31,060,487)</u>
Surplus on revaluation of fixed assets - net of tax	12	-	404,611,214
		<u>(99,687,490)</u>	<u>373,550,727</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Shahid Amin Chaudry
Chief Financial Officer


Faisal Mukhtar
Chief Executive Officer



Abida Mukhtar
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)
For nine months ended March 31, 2019

	Note	Nine Months ended		Quarter ended	
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
		Rupees	Rupees	Rupees	Rupees
		(Un-audited)		(Un-audited)	
Cost of sales	14	3,386,557	36,418,420	-	-
Gross loss		(3,386,557)	(36,418,420)	-	-
Operating expenses:					
Administrative expenses		9,269,250	8,962,461	2,525,836	15,083,419
Distribution cost		-	-	-	-
		9,269,250	8,962,461	2,525,836	15,083,419
Operating loss		(12,655,807)	(45,380,881)	(2,525,836)	(15,083,419)
Finance cost		(20,836)	(249,653)	(6,030)	(14,462)
Other income	15	12,375,376	10,065,203	492,482	3,775,317
Other operating charges		(24,284,230)	(1,216,263)	-	-
Loss before taxation		(24,585,497)	(36,781,594)	(2,039,384)	(11,322,564)
Taxation	16	(95,345,156)	-	-	-
Loss after taxation		(119,930,653)	(36,781,594)	(2,039,384)	(11,322,564)
Other comprehensive income for the period					
<u>Items that will never be reclassified to comprehensive income</u>					
Incremental depreciation for the period		1,960,166	18,621,138	-	5,576,200
Total comprehensive loss for the period		(117,970,487)	(18,160,456)	(2,039,384)	(5,746,364)
Earnings per share - basic and diluted		(14.99)	(4.60)	(0.25)	(1.42)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


Shahid Amin Chaudry
 Chief Financial Officer


Faisal Mukhtar
 Chief Executive Officer

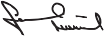

Abida Mukhtar
 Director

Condensed Interim Statement of Cash Flows (Un-audited)
For nine months ended March 31, 2019

	31-Mar-19 Rupees	31-Mar-18 Rupees
Cash flow from operating activities		
Loss before taxation	(24,585,497)	(36,781,594)
Adjustments for:		
Depreciation	3,386,555	36,418,420
Amortization	41,652	51,543
Finance cost	20,836	249,653
Credit Balances Written Back	(9,754,372)	(4,547,025)
Provision for doubtful debts	16,467,428	
Gain on sale of equipment	(333,882)	
Loss on disposal of stores & Spares	1,288,850	921,735
Loss on transfer of assets under disposal group	6,527,950	-
Loss before working capital changes	(6,940,481)	(3,687,268)
Working capital changes		
Stores and spares	1,650,000	-
Advances, deposits, prepayments and other receivables	2,156,014	(13,613,121)
Tax refunds due from Govt.		-
Trade and other payables	(6,605,556)	13,752,464
	(2,799,542)	139,343
Cash used in operations	(9,740,023)	(3,547,925)
Finance cost paid	(20,837)	(249,654)
Taxation paid	(62,400)	-
	(83,237)	(249,654)
Net cash used in operating activities	(9,823,259)	(3,797,579)
Cash flow from investing activities		
Proceeds against assets held under disposal group	637,686	
Long Term Deposits	-	323,104
Net cash generated from investing activities	637,686	323,104
Cash flow from financing activities		
Long term loans	(27,636,512)	10,000,000
Loan from Sponsors	18,405,000	31,871,737
Net cash used in financing activities	(9,231,512)	41,871,737
Net decrease in cash and cash equivalents	(18,417,085)	38,397,262
Cash and cash equivalents at beginning of the period	18,889,427	300,648
Cash and cash equivalents at the end of the period	472,342	38,697,910

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


 Shahid Amin Chaudry
 Chief Financial Officer


 Faisal Mukhtar
 Chief Executive Officer



 Abida Mukhtar
 Director

Condensed Interim Statement of Changes in Equity (Un-audited)
For nine months ended March 31, 2019

	Share capital Rupees	Accumulated losses Rupees	Revaluation Surplus Rupees	Loan from directors Rupees	Total Rupees
Balance as at July 01, 2017	80,000,000	(441,570,624)	369,378,280	47,540,360	55,348,016
Total comprehensive loss for the period	-	(12,414,092)			(12,414,092)
Loan from Sponsors				7,043,737	7,043,737
Balance as at Mar 31, 2018	80,000,000	(453,984,716)	369,378,280	54,584,097	49,977,661
Balance as at July 01, 2018	80,000,000	(477,720,841)	290,778,259	75,882,097	(31,060,485)
Total comprehensive loss for the period	-	(117,970,487)			(117,970,487)
Loan from Sponsors				18,405,000	18,405,000
Reversal deferred tax liability on account of revaluation surplus		32,898,649			32,898,649
Incremental Depreciation			(1,960,166)		(1,960,166)
Reversal of revaluation surplus on assets classified as held for sale -net of tax		288,818,093	(288,818,093)		-
Balance as at March 31, 2019	80,000,000	(273,974,586)	-	94,287,097	(99,687,489)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


 Shahid Amin Chaudry
 Chief Financial Officer


 Faisal Mukhtar
 Chief Executive Officer


 Abida Mukhtar
 Director

Notes to the Condensed Interim Financial Information (Un-audited) For nine months ended March 31, 2019

1 Reporting entity

Dar Es Salaam Textile Mills Limited ("the Company") was incorporated in Pakistan on September 28, 1989 as public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and was subsequently listed on the Karachi and Lahore Stock Exchanges in 1991. The registered office of the Company is situated at 176 N, Scotch Corner Upper Mall, Lahore. The principal activity of the Company is to manufacture and sale of yarn.

2 Significant matters

2.1 During the period the Company incurred loss amounting to Rs.117.970 million and has accumulated losses amounting to Rs. 273.974 million (2018: Rs. 459.731 million) at the period end. In addition, the Company's current liabilities exceed current assets by Rs.101.368 million (2018: Rs. 499.389 million) at the period end.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The condensed interim financial information 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. The Company is confident that it will continue to be supported by the sponsors, the lenders and also be able to reschedule remaining of its existing over-due borrowings as well. Management expects that:

- the Company will continue to get support of sponsors;
- the Company will continue to get support of its lenders and will be able to obtain relaxation in payment terms of its over-due borrowings; and
- the Company will be able to generate adequate liquidity through new short term borrowings and will be successful in utilising such funds to increase its operations and achieve its budgeted targets for production of yarn.

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

3 Basis of preparation

3.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. Accounting Standards comprise of such International Financial reporting Standards (IFRS standards) issued by the International Accounting Standards Board (IASB) as are notified under Companies Act 2017. Wherever, provisions of and directives issued Companies Act, 2017 or the requirements of the said directives take precedence. During the previous year, the Companies Act 2017 ("the Act") differ from IFRS standards, the provisions of issued under the Companies Act 2017, has been followed.

The disclosures made in this condensed interim financial information of the Company have, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting thus these do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended June 30, 2018. These condensed interim financial information are un-audited and are being submitted to the shareholders as required by Exchange of Pakistan.

The comparative financial position presented in these interim financial information have been extracted from the audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the half year ended March 31, 2018, which were not audited.

3.2 Functional and presentation currency

The condensed interim financial information are presented in Pak Rupees which is the functional and presentation currency of the Company.

4 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

4.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2018 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements, except for the following:

IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The Company's current

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15, 'Revenue from contracts with customers': (effective for periods beginning on or after January 1, 2018). This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The Company has early adopted this standard for its annual period beginning July 01, 2018. The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of un-appropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of un-appropriated profit in the period of initial application is nil.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company.

4.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

4.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

- IFRS 9, 'Financial instruments': (effective for periods beginning on or after January 1, 2018). This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. This standard replaces the guidance in IAS 39, 'Financial instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. The Company is yet to assess the full impact of the standard.
- Amendment to IFRS 9, 'Financial Instruments', on prepayment features with negative compensation': (effective for periods beginning on or after January 1, 2019). This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. The Company is yet to assess the full impact of the amendment. Subsequent to reporting date; the SECP vide SRO 229(I)/2019 dated February 14, 2019 has extended effective date for implementation of IFRS on or after June 30, 2019.
- IFRS 16, 'Leases': (effective for periods beginning on or after January 1, 2019). This standard has been notified by the SECP to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the current guidance in IAS 17, 'Leases' and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to

recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The Company is yet to assess the full impact of this standard.

- IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after January 1, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is yet to assess the full impact of this interpretation.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

5 Accounting policies

The accounting policies and methods of computation adopted in the presentation of these condensed interim financial information are the same as those adopted in the preparation of audited annual financial statements of the Company for the preceding year ended June 30, 2018.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were either not relevant to the Company's operations or did not have any impact on the accounting policies of the Company.

6 Accounting estimates and judgements

The preparation of condensed interim financial information required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those applied to in the financial statements for the year ended June 30, 2018

7 Taxation

Provisions in respect of taxation is estimated and is subject to final adjustments in the annual audited financial statements. Deferred tax impact in the condensed interim financial information including on revaluation of fixed assets, has not been accounted for.

8 Property, plant & equipment

	Note	Un-audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Property, plant and equipment	8.1	-	377,545,052
		-	377,545,052
8.1 Property and equipment			
Opening balance		377,545,052	611,549,444
Additions during the period / year		-	183,334,451
		377,545,052	794,883,895
Less:			
Disposals/Adjustments during the period		-	1,151,878,870
Depreciation charged during the period	9.1	3,386,555	-
Transferred to assets held for sale		374,158,497	(734,540,027)
		377,545,052	417,338,843
		-	377,545,052

8.20 During the period depreciation has been allocated to cost of sales

9 Intangible assets

Cost		1,874,241	1,874,241
Opening accumulated amortization		1,577,535	1,507,064
Amortization for the period / year	9.1	41,652	70,471
Closing accumulated amortization		1,619,187	1,577,535
		255,054	296,706

9.1 Amortization has been charged to admin expenses only

10 Deferred Taxation			Un-audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Deferred tax asset			-	62,446,507
10.1	Opening balance	Charge for the quarter	Change/ rever for the period	Closing balance
----- Rupees -----				
<u>2019</u>				
Accelerated depreciation	10,995,740	-	(10,995,740)	-
Unused tax losses and tax credits	(107,694,296)	-	107,694,296	-
Surplus on revaluation of property plant & equipment	34,252,049	1,353,400	(32,898,649)	-
	<u>(62,446,507)</u>	<u>1,353,400</u>	<u>63,799,907</u>	
<u>2018</u>				
Accelerated depreciation	53,966,364	-	(42,970,624)	10,995,740
Unused tax losses and tax credits	(74,926,217)	-	(32,768,079)	(107,694,296)
Surplus on revaluation of property, equipment	27,823,121	-	6,428,928	34,252,049
	<u>6,863,268</u>	<u>-</u>	<u>(69,309,775)</u>	<u>(62,446,507)</u>

10.1.1 Deferred tax asset on unused tax losses and tax credits is not recognised because the Company expects probable profits in future

11 Assets held under disposal group	Un-audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
Assets held under disposal group	367,326,741	-
11.1 Opening balance	-	
Transfer from property and equipment	367,630,545	-
	367,630,545	
Less		
Disposal / adjustments during the period	303,804	-
	<u>367,326,741</u>	<u>-</u>

11.2 During the period property and equipment were classified as assets held for sale. These assets are expected to be disposed off in the next 12 months.

12 Long term loans - secured	Note	Un-audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
<u>From commercial banks</u>			
- Bank of Punjab		12,412,177	14,380,177
- United Bank Limited (NIDF-V)		-	7,068,476
- United Bank Limited (NIDF-VI)		1,399,964	20,000,000
- United Bank Limited LG Encashment		10,000,000	10,000,000
- National Bank of Pakistan		78,749,958	78,749,958
- National Bank of Pakistan (CF swap)		15,976,000	15,976,000
- National Bank of Pakistan (Frozen mark-up)		4,548,000	4,548,000
		<u>123,086,099</u>	<u>150,722,611</u>
Less: Current maturity		(123,086,099)	(150,722,611)
		<u>-</u>	<u>-</u>

12.1 During the period an amount of Rs 1.97 million and Rs 25.67 million was repaid to Bank of Punjab and United Bank Limited respectively. However, there are no changes in the terms of the terms of loans as referred in note 16 of the audited financial statements of the Company for the year ended June 30, 2018.

13 Contingencies and commitments

13.1 Contingencies

13.1.1 There is no change in status of contingencies as disclosed in note 19.1 of the audited financial statement of the Company for the year ended June 30, 2018.

13.1.1.1 National Bank of Pakistan has lodged a frivolous claim against the Company with respect to certain LCs facilities sanctioned by the bank about 7/8 years back. The NAB has taken up this matter with the company and act of the NAB has been challenged by the Company through Writ Petition before the Honorable Lahore High Court, Lahore. The Writ Petition is pending adjudication before the Division Bench of Lahore High Court and an Injunctive Order has been passed. NAB has preferred an appeal before Honorable Supreme Court of Pakistan. The management is confident that the case shall be decided in favour of the Company.

13.2 Commitments

The expired letter of guarantees amounting to Rs 20.00 million and Rs 0.597 million from United Bank Limited and Faysal Bank limited respectively have not been returned by SNGPL for onward submission to the banks for cancellation.

14 Surplus on revaluation of fixed assets-net of tax	Un-audited	Audited
	31-Mar-19 Rupees	30-Jun-18 Rupees
Opening balance	325,030,308	397,201,401
		183,334,451
	325,030,308	580,535,852
Transferred to accumulated loss on account of incremental depreciation	(3,313,566)	(25,268,555)
Revaluation loss plant & machinery upto surplus available	-	(230,236,989)
	321,716,742	325,030,308
Less: Related deferred tax liability	32,898,649	34,252,049
Less: Reversal of surplus on assets classified to hold for sale	(288,818,093)	-
	-	290,778,259

15 Other income	Note	Nine Months Ended		Quarter Ended	
		31-Mar-19 Rupees	31-Mar-18 Rupees	31-Mar-19 Rupees	31-Mar-18 Rupees
		(Un-audited)		(Un-audited)	
Profit on disposal of assets held under disposal group		333,882	-	-	-
Rental Income		407,500	70,000	208,000	70,000
Profit on Bank deposit		-	2,477	-	2,477
Credit Balances written back	13.1	9,754,372	4,547,025	-	3,237,003
Sale of agricultural produce	13.20	1,879,622	5,445,701	284,482	565,837
		12,375,376	10,065,203	492,482	3,875,317

13.1 This represent trade payables written back by the Company during the period.

16 Other operating expenses	Note	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
		Rupees	Rupees	Rupees	Rupees
Loss on sale of stores and spares		1,288,850	-	-	-
Loss on transfer of assets under disposal group		6,527,952	-	-	-
Provision for doubtful debts	16.1	16,467,428	-	-	-
		24,284,230	-	-	-

16.1 This represents provision against lease receivables from Sally Textile Mills Limited

17 Taxation

Current tax for the period has not been calculated as the company has incurred gross loss as per the provisions of Income Tax Ordinance, 2001.

18 Financial instruments and related disclosures**18.1 Financial risk factors**

The company's activities expose it to following financial risks

Credit Risk

Liquidity Risk

Market Risk

The management has overall responsibility for the establishment and oversight of the company's risk management.

18.2 Fair value of financial assets and liabilities

The carrying value of financial assets and liabilities reflected in these condensed financial statements approximate their fair values

19 Earnings per share - basic and diluted

	31-Mar-19 Rupees	31-Mar-18 Rupees
	(Un-audited)	
Loss for the period	(119,930,653)	(36,781,594)
Weighted average no of shares	8,000,000	8,000,000
Earnings per share	<u>(14.99)</u>	<u>(4.60)</u>

20 Related party disclosure

The related parties comprise directors of the company and associated undertakings. Details of transactions with related parties are as follows

Relationship	Nature of transaction	31-Mar-19 Rupees	30-Jun-18 Rupees
Directors	Loan from sponsors	94,287,097	75,882,097

Relationship	Nature of Transaction	31-Mar-19 Rupees	31-Mar-18 Rupees
Director	Payment against expenses	18,405,000	31,871,737


21 Date of authorization

These financial information were authorized for issue on April 26, 2019 by the board of directors of the Company.

22 General

Figures have been rounded off to the nearest rupee.


 Shahid Amin Chaudry
 Chief Financial Officer


 Faisal Mukhtar
 Chief Executive Officer


 Abida Mukhtar
 Director



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