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MIAN TEXTILE
INDUSTRIES LIMITED

29-B/7, Model Town, Lahore.

Ph: 042-35831804-05 Fax: 042-35830844

**REVIEWED INTERIM FINANCIAL
INFORMATION (CONDENSED)
FOR THE HALF YEAR ENDED
DECEMBER 31, 2018**



MIAN TEXTILE
INDUSTRIES LIMITED



COMPANY INFORMATION

Board of Directors:

Chairperson : Mrs. Nargis Jehangir

Chief Executive Officer : Mian Muhammad Jehangir

Directors : Mian Waheed Ahmad
: Mian Waqar Ahmad
: Ms. Ayesha Jehangir
: Mr. Haroon Majid
: Mr. Maqsood Ahmed Sajid

Nominee Director – NIT : Mr. Muhammad Arshad

Company Secretary : Mr. Muhammad Masud Mufti

Chief Financial Officer : Mr. Muhammad Irfan

Auditors : Manzoor Hussain Mir & Co.
Chartered Accountants

Audit Committee	: Mr. Haroon Majid	Chairman
	: Mian Waqar Ahmad	Member
	: Ms. Ayesha Jehangir	Member

HR & Remuneration Committee	: Mrs. Nargis Jehangir	Chairperson
	: Ms. Ayesha Jehangir	Member
	: Mr. Maqsood Ahmed Sajid	Member

Bankers : Habib Bank Limited
: NIB Bank Ltd. (formerly PICIC)
: National Bank of Pakistan
: The Bank of Punjab

**Head Office &
Registered Office** : 29-B/7, Model Town, Lahore
Phone: 35831804-5 (2 lines)
Fax: 35830844
Email: info@miantextile.com

Mills : 48.5 K.m. Multan Road,
Bhai Pheru, Tehsil Chunian,
District Kasur.
Phone: (04943) 540384, 042-35834029

Shares Registrar : Hameed Majeed Associates (Pvt.) Ltd.
H.M House 7-Bank Square, Lahore.
Tel: 37235081-82 Fax: 37358817



DIRECTOR'S REPORT

The Directors of your company are pleased to present before you the condensed interim financial information of the company for the half year ended December 31, 2018. During the period, the company incurred loss of Rs. 11.142 million against comprehensive income of Rs. 53.983 million in the corresponding period which was earned on account of write back of financial liabilities in result of full & final payment of settlement amount against its outstanding liability with Habib bank limited.

The company has settled and paid outstanding liabilities of all the banks/financial institutions by selling of its assets and by the funds/loan provided by the Directors/family associates. Clearance certificates from all the banks have been received; however, redemption of mortgage on property is under process.

In pursuance of the decision of disposal of Land, Building and remaining Plant & machinery/assets of the Company passed by the shareholders in the Extra ordinary general meeting held on 29th April 2017, the conclusion of the same subject to clearance from all the banks/litigations and encumbrances is under process.

The management has already given its comments/reply on all the matters discussed in paragraphs (a) to (e) by the auditors in their report, in the Director's report for the year ended June 30, 2018.

The management appreciates the continued / devoted commitment, dedication and hard work shown by the employees of company in this tough time.

For and on behalf of the Board

Lahore:

February 25, 2019

Mian Muhammad Jehangir

Chief Executive



ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز 31 دسمبر 2018 کو ختم ہونے والی پہلی مختصر ششماہی مالیاتی رپورٹ کرتے ہیں۔ اس دورانیہ میں کمپنی کو 11.142 ملین روپے کا نقصان ہوا جبکہ گزشتہ سال اسی دورانیہ میں کمپنی نے 53.983 ملین روپے کا منافع کمایا تھا جو کہ حبیب بینک لمیٹڈ کی طرف سے سیٹلمنٹ ایگریمنٹ کے نتیجے میں معاف کیے گئے بقیہ قرضے کی مد میں حاصل ہوا تھا۔

کمپنی نے اثاثہ جات کی فروخت اور ڈائریکٹرز / ارشدہ داران سے حاصل کیے گئے قرضہ جات کی بدولت تمام بینکوں کے بقیہ شدہ واجب الادا قرضہ جات ادا کر دیے ہیں۔ تمام بینکوں سے کلیئرنس سرٹیفکیٹ حاصل کئے گئے ہیں جبکہ پراپرٹی پر سے رہن ختم کرانے کا عمل جاری ہے۔

کمپنی کے شیئر ہولڈرز کی 29 اپریل 2017 کو منعقد ہونے والے غیر معمولی اجلاس عام میں کمپنی کی لینڈ، بلڈنگ اور بقیہ مشینری / اثاثہ جات کو فروخت کرنے کی منظوری کے پیش نذر تمام بینکوں / مقدمہ جات کی کلیئرنس کے بعد مکمل کرنے کا عمل جاری ہے۔

انتظامیہ آڈیٹرز رپورٹ کے پیرا گراف (a) تا (e) کے حوالے سے اپنے جوابات 30 جون 2018 کی ڈائریکٹرز رپورٹ میں دے چکی ہے۔

کمپنی کی انتظامیہ اس مشکل وقت میں ملازمین کی محنت اور لگن سے کام کرنے کو سراہتی ہے۔

لاہور

مورخہ 25 فروری 2019

میاں محمد جہانگیر - چیف ایگزیکٹو



MIAN TEXTILE INDUSTRIES LIMITED

MANZOOR HUSSAIN MIR & CO
CHARTERED ACCOUNTANTS

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AL-NOOR BUILDING, 43-BANK SQUARE, LAHORE.

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF MIAN TEXTILE INDUSTRIES LIMITED Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Mian Textile Industries Limited as at December 31, 2018, and the related condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit and loss for the quarters ended December 31, 2018 and December 31, 2017 and the notes forming part thereof have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

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

Basis for qualified conclusion

- (a) Fixed assets held for sale amounting Rs. 295.180 million at note (12) are not presented at current fair value and impairment loss of Rs. 2.715 million charged on such assets is computed on depreciation rates under historical cost basis included in administrative expenses. Other assets including office equipments, furniture & fixture and vehicles not revalued are appearing in these condensed interim financial statements at historical cost at note (10) amounting to Rs. 7.959 million and the company has not followed its procedure for provision of impairment loss as laid down in note (4.4) on fixed assets held for sale and others assets, therefore fair value adjustments related to fixed assets held for sale at note (12) and effect of impairment loss including other assets cannot be ascertained in the absence of revaluation report of independent valuer. The figures of fixed assets in these condensed interim financial statements could be materially affected had the adjustments of current fair value and impairment loss be done.
- (b) Included in short term borrowings reclassified as loan in June 30, 2018 at note (8.2) are Rs. 5 million from Messer Sheikh Noor-ud-Din & Sons (Pvt) Limited of which no confirmation of loan balance is available to us. This amount remained unconfirmed.
- (c) Assets and Liabilities excepting that referred above in Para (a) are stated at Fair Value but statement of condensed interim financial position is not presented in their liquidity order.
- (d) **Qualified conclusion**

Based on our review, except for the matters discussed in above paragraphs (a) to (c), nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



MIAN TEXTILE INDUSTRIES LIMITED

(e) Emphasis of Matter

- (i) Attention is invited to Note 3 of these condensed interim financial statements and annual financial statement of June 30, 2018. In the Extra Ordinary Meeting of shareholders held on 29th April, 2017, it was resolved that the operation of industrial unit was not viable and unit be closed down due to depressed market, uneconomical conditions and political upheavals. These condensed interim financial statement for the half year ended December 31, 2018 and annual financial statements of the company for the year then ended June, 2018 were prepared on the non-going concern basis at fair market value method.

In this half year ended December 31, 2018, the company has done trading business of sales of vehicles of Rs. 2.116 million on which little operating profit of Rs. 0.153 million has been earned. Accumulated losses in this half year ended are Rs. 524.846 million (December 31, 2017: Rs. 514.292 million) and the Company has incurred comprehensive loss of Rs. 11.142 million. Under the circumstances, the company is not going concern and it will not be able to recoup its losses of Rs. 524.846 million for long period from trading business. The management has drawn up its condensed interim financial statements for the half year ended December 31, 2018 on non-going concern basis. Our opinion is not modified in respect of this matter.

- (ii) Attention is invited to Note 12.1 of this condensed interim financial statement and 24.1(iii) of the annual financial statements as on June 30, 2018. The board of directors in the meeting after declaration and discussion has unanimously resolved that highest bid for purchase of complete land, building including school, mosque, power plant, gas generator, electric installations and furniture & fixture be sold to the party offering highest bid of Rs. 410.00 million named 'Abu Yousaf Group' vide their letter dated 05-03-2018. Mian Muhammad Jehangir the Chief Executive of the company is authorized to sign MoU/Agreement etc. with the party and to do all the needful to complete the procedure of disposing off the complete Land, building and other assets etc. and all other related matters subject to clearance from all the banks/litigations and encumbrances. However this matter is in process and is not concluded up till now. The Company anticipates profits of Rs. 100 million on disposal of assets held for sale. Our opinion is not modified in respect of this matter.

The engagement partner on the audit resulting in this independent auditor's report is Manzoor Hussain Mir (FCA).

Lahore: 25 FEB 2019

MANZOOR HUSSAIN MIR & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Manzoor Hussain Mir



MIAN TEXTILE INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

Note	Un-audited Dec. 31, 2018 (-----Rupees in '000'-----)	Audited Jun. 30, 2018 (-----Rupees in '000'-----)
SHARE CAPITAL AND RESERVES		
Authorized Share capital	225,000	225,000
22,500,000 ordinary shares of Rs.10 each		
Issued, subscribed and paid up share capital	221,052	221,052
22,105,200 ordinary shares of Rs.10 each		
Accumulated loss	(524,846)	(514,292)
Surplus on revaluation of		
Property, plant & equipment held for sale	232,647	233,235
	(71,147)	(60,005)
NON-CURRENT LIABILITIES		
Director's bridge financing and loan	38,564	38,564
Deferred liabilities	1,750	3,027
CURRENT LIABILITIES		
Trade and other payables	13,433	12,501
Short term borrowings from related parties	371,717	339,043
Un-claimed dividend	415	415
Income tax payable	2	23
Provision for taxation	26	237
	385,593	352,219
CONTINGENCIES AND COMMITMENTS		
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		
	-	-
	354,760	333,805
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	7,959	5,776
	771	771
LONG TERM SECURITY DEPOSITS		
	8,730	6,547
CURRENT ASSETS		
Trade debts - Considered good	19	569
Loans and advances	118	2,986
Trade deposits and short term prepayments	8,661	6,722
Tax refunds due from Government	11,783	11,606
Cash and bank balances	29,664	6,212
	50,245	28,095
ASSETS HELD FOR SALE		
	295,785	299,163
	354,760	333,805

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

Lahore:

February 25, 2019

MIAN MUHAMMAD JEhangIR
Chief Executive Officer

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer



MIAN TEXTILE INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS - (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended Dec. 31, 2018	Dec. 31, 2017	Quarter ended Dec. 31, 2018	Dec. 31, 2017
Rental income from investment property	-	-	-	-
Trading				
Sale of vehicles	2,116	-	-	-
Cost of trading				
Purchases of vehicles and expenses	(1,963)	-	-	-
Operating profit	153	-	-	-
Operating expenses				
Distribution cost	543	875	271	418
Administrative expenses	11,062	13,476	5,160	6,428
Profit / (loss) from operations	(11,452)	(14,351)	(5,431)	(6,846)
Other operating charges	262	-	-	-
Other income	(602)	(68,340)	(93)	(268)
Finance cost	4	6	1	4
Profit / (loss) before taxation	(11,116)	53,983	(5,339)	(6,582)
Taxation	26	-	-	-
Profit / (loss) after taxation	(11,142)	53,983	(5,339)	(6,582)
Profit / (loss) per share - basic	(0.50)	2.44	(0.24)	(0.30)

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

Lahore:

February 25, 2019

MIAN MUHAMMAD JEhangIR
Chief Executive Officer

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer



MIAN TEXTILE INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half year ended Dec. 31, 2018		Quarter ended Dec. 31, 2018	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
	(-----Rupees in '000'-----)			
	Restated		Restated	
Profit / (loss) after taxation	(11,142)	53,983	(5,339)	(6,582)
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>(11,142)</u>	<u>53,983</u>	<u>(5,339)</u>	<u>(6,582)</u>

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

Lahore:
February 25, 2019

MIAN MUHAMMAD JEANGIR
Chief Executive Officer

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer



MIAN TEXTILE INDUSTRIES LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Particulars	Share Capital	Accumulated Loss	Surplus on revaluation of Property, Plant and Equipment held for sale	Shareholders' Equity
	-----Rupees in '000'-----			
Balance as at Jun. 30, 2017 - Audited (restated)	221,052	(550,652)	226,107	(103,493)
Profit for the year after taxation		53,983	-	53,983
Other comprehensive income for the year				
Transfer from surplus on revaluation of property, plant and equipment held for sale				
- Incremental depreciation		381	(381)	-
- Disposal during the year		(2,016)	2,016	-
Balance as at Dec. 31, 2017 - Un-audited (restated)	221,052	(498,304)	227,742	(49,510)
Profit for the year after taxation		(10,495)	-	(10,495)
Other comprehensive income for the year				
Transfer from surplus on revaluation of property, plant and equipment held for sale				
- Incremental depreciation		380	(380)	-
- Disposal during the year		(5,873)	5,873	-
Balance as at Jun. 30, 2018 - Audited	221,052	(514,292)	233,235	(60,005)
Profit for the year after taxation		(11,142)	-	(11,142)
Other comprehensive income for the year				
Transfer from surplus on revaluation of property, plant and equipment held for sale				
- Incremental depreciation		431	(431)	-
- Disposal during the year		157	(157)	-
Balance as at Dec. 31, 2018 - Un-audited	221,052	(524,846)	232,647	(71,147)

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

Lahore:
February 25, 2019

MIAN MUHAMMAD JEANGIR
Chief Executive Officer

MIAN WAHEED AHMED
Director

MUHAMMAD IRFAN
Chief Financial Officer


**CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Dec. 31, 2018	Dec. 31, 2017
	(-----Rupees in '000'-----)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(11,116)	53,983
Adjustments for:		
- Depreciation	721	387
- Provision for gratuity	184	274
- Impairment loss on plant & machinery	2,715	3,497
- Un-claimed balances written back	-	(68,310)
- (Profit)/Loss on disposal of machinery and vehicle	(340)	(30)
- Finance cost	4	6
	3,284	(64,176)
Operating profit before working capital changes	(7,832)	(10,193)
(Increase) / decrease in current assets		
- Trade debts	550	(37)
- Loans and advances	2,868	(5,232)
- Trade deposits, prepayments and other receivables	(1,939)	48
- Tax refunds due from Government	(267)	(3)
(Decrease) / Increase in current liabilities		
- Trade and other payables	932	1,245
Net working capital changes	2,144	(3,980)
Cash generated from operations	(5,688)	(14,173)
- Financial charges paid	(4)	(6)
- Gratuity paid	(1,461)	(20)
- Income tax paid	(167)	(29)
	(1,632)	(55)
Net Cash from Operating Activities	(7,320)	(14,228)
CASH FLOWS FROM INVESTING ACTIVITIES		
- Fixed capital expenditure	(3,057)	(1,844)
- Sale proceeds from disposal of vehicle	400	750
- Sale proceeds from disposal of assets held for sale	755	1,473
Net Cash (used in)/from Investing Activities	(1,902)	379
CASH FLOWS FROM FINANCING ACTIVITIES		
- Short term borrowings	32,674	1,491
- Liabilities associated with non-current asset held for sale	-	15,445
Net Cash used in Financing Activities	32,674	16,936
Net Increase in Cash and Cash Equivalents	23,452	3,087
Cash and cash equivalents at the beginning of the period	6,212	9,333
Cash and Cash Equivalents at the End of the Period	29,664	12,420

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

Lahore:

February 25, 2019

MIAN MUHAMMAD JEHangIR
Chief Executive Officer

MIAN WAHEED AHMED
Director

MUHAMMAD IREAN
Chief Financial Officer


**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**
1. LEGAL STATUS AND NATURE OF BUSINESS

Mian Textile Industries Limited, "the Company", was incorporated in Pakistan on December 01, 1986 as a Public Limited Company under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017). Its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 29-B/7, Model Town, Lahore and its manufacturing facilities are located at 48.5 K.M. Multan Road, Bhai Pheru, Tehsil Chunian, District Kasur. The Company was principally engaged in the business of manufacturing, sale and export of textile products. It was resolved by share-holders in their extra-ordinary meeting held on 29th April, 2017 that operation of manufacturing unit was not viable and unit be closed down. The Chief Executive has been authorised to sell all the fixed assets comprising of Land, Building and other remaining spinning Plant and Machinery so as to pay out the outstanding loans of banks and directors and their family members. In 2017 the company had rental income for leasing out building from July 2016 to January 2017. Whereas in this condensed interim financial period ended December 31, 2018 the industrial building remained vacant through out the period and there was no leasing income. In this condensed interim financial period, trading business was conducted and sales are amounting to Rs. 2.116 million (December 31, 2017: Nil).

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are un-audited. It has been prepared and is being submitted to the members as required by section 237 of the Companies Act, 2017. The condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan and have been reviewed by the auditors as required by the Codes of Corporate Governance. These condensed interim financial statements do not include all the statements required for annual financial statements and therefore, should be read conjunction with the annual financial statements for the year ended June 30, 2018.

2.3 These condensed interim financial statements comprise of the condensed interim statement of financial position as at December 31, 2018 and the condensed interim statement of profit and loss, the condensed interim statement of changes in equity, the condensed interim statement cash flows and notes thereto for the six months period then ended which have been subjected to a review in accordance with the listing regulation but not audited. These condensed interim financial statements also included the condensed interim statement of profit and loss for the quarter ended December 31, 2018 which have neither been reviewed nor audited.

2.4 The comparative statement of financial position presented in these condensed interim financial statements, as at June 30, 2018 has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2018 whereas the comparative condensed interim statement of profit and loss, condensed interim statement of changes in equity and condensed interim statement of cashflows for the six months period ended December 31, 2017 have been extracted from condensed interim financial statements of the Company for the six months period then ended, which were subjected to a review but not audited. The comparative condensed interim statement of profit and loss for the quarter ended December 31, 2017 included in these condensed interim financial statements was neither subjected to a review nor audited.



2.5 There were certain other new standards and amendments to the international accounting and reporting standards which came effective during the period but are considered not to be relevant or did not have any significant impact on the accounting policy of the Company.

3. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS ON NON- GOING CONCERN ASSUMPTION

3.1 The company being a Non-going concern, the interim financial statements have been prepared under fair market value method against historical cost convention in earlier years. Assets and liabilities are stated at fair value except for furniture and fixture, office equipment and vehicles are stated on historical cost convention.

3.2 In the Extra Ordinary meeting of shareholders held on 29th April 2017, it was resolved that operation of industrial unit was not viable and unit be closed down due to depressed market, uneconomical conditions, political upheavals and continuous losses sustained. Chief Executive has been authorized to sell out the fixed assets of the Company. Fixed assets, classified as "Assets held for sale", comprising of land, building, plant and machinery were re-valued in the year ended June 30, 2017 by the approved consultants are shown at the fair market value and adjustment wherever necessary have been made in the current assets and current liabilities and shown at their fair value.

3.3 Fixed assets were got revalued by the company in 2017. A perusal of Note No. 12.1 shows that fixed assets with book value of Rs. 0.662 million were disposed off for Rs. 0.400 million sustaining loss of Rs. 0.262 million (December 31, 2017: loss of Rs. 0.662 Million). Assets classified as "assets held of sale" and other assets are subject to impairment test. Also refer to Note No. 4.10 & 24.3 of annual financial statement for the year ended June 30, 2018. In view of loss sustained, the company should have got revalued its fixed assets in 2018. In the absence of which it is not possible to ascertain impairment loss in 2018.

3.4 For further details Note. 3 of annual financial statements for the year ended June 30, 2018 may be pursued.

3.5 In this condensed interim financial statements the Company has incurred a comprehensive loss of Rs. 11.142 Million during the half year ended December 31, 2018 (December 31, 2017: comprehensive income was Rs. 53.983 Million). The profit in condensed interim financial statement ended December 31, 2017 was mainly on account of (i) un-claimed balances written off at Rs. 0.252 million, (ii) deferred mark up waived by the HBL bank limited Rs. 44.245 million and (iii) principal financial liability waived off Rs. 23.813 million aggregating to Rs. 68.31 million. Accumulated losses are Rs. 524.846 Million (June 30, 2018: Rs. 514.292 Million). The current liabilities of the Company exceeded over current assets by Rs. 335.348 Million (June 30, 2018: Rs. 324.124 Million) as at the condensed interim statement of financial position date. These condensed interim financial statements are prepared on non-going concern basis under fair market value as stated in annual audited financial statements of the Company for the preceding financial year ended June 30, 2018 at Note. (3) and there is no change in basis of preparation of condensed interim financial statement as at December 31, 2018.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Except for disclosed in note. 4.2 below, the accounting policies and methods adopted for preparation of this condensed interim financial statements are the same as those were followed in the preparation of annual financial statements of the Company for the preceding financial year ended June 30, 2018.

4.2 Change in accounting policy

The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets, which was not in accordance with the IFRS requirements. Accordingly, in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity. Also refer to Note 5 of annual financial statements for the year ended June 30, 2018.



Increases in the carrying amounts arising on revaluation of land, building, plant & machinery and gas generator, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decrease that reverse previous increases of the same assets are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus on property, plant and equipment to unappropriated profit.

The change in accounting policies has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

The effect of change in accounting policy is summarized below:

	For the half year ended December 31, 2017		
	Previously reported	Re-stated	Re-statement
	Rupees		
Condensed interim statement of comprehensive income			
Other comprehensive income			
- Incremental depreciation charged during the period	381	-	(381)
- Disposal of Plant & Machinery	(2,016)	-	2,016
	(1,635)	-	1,635
For the quarter ended December 31, 2017			
- Incremental depreciation charged during the period	(84)	-	84
- Disposal of Plant & Machinery	(2,227)	-	2,227
	(2,311)	-	2,311

Effect on statement of changes in equity

Transferred from surplus on Revaluation of Fixed assets to accumulated losses:

- Incremental depreciation charged during the period	-	381	381
- Disposal of Plant & Machinery	-	(2,016)	(2,016)
	-	(1,635)	(1,635)

For the quarter ended December 31, 2017

	For the quarter ended December 31, 2017		
	Previously reported	Re-stated	Re-statement
	Rupees		
Effect on statement of changes in equity			
Transferred from surplus on Revaluation of Fixed assets to accumulated losses:			
- Incremental depreciation charged during the period	-	84	84
- Disposal of Plant & Machinery	-	2,227	2,227
	-	2,311	2,311

4.3 Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less cost to sell, if their carrying value is to be recovered principally through a sale transaction with in one year of the date of statement of financial position rather than through continuing use and depreciation on such assets cease. Refer to Note No. 12.

4.4 The management assesses at each statement of financial position date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year. Refer to Note No. 3.3 & 12.1.

4.5 All the fixed assets as stated above were being offered for sale therefore, the investment property was transferred to "Assets held for sale" as on 30-06-2017. Refer to Note No. 3.



Un-Audited Audited
Dec. 31, 2018 Jun. 30, 2018
(Rupees in thousand)

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT

Opening balance	233,235	208,562
Revaluation loss transfer to profit and loss	-	17,546
Opening balance - Restated	233,235	226,108
Incremental depreciation	(431)	(762)
Disposal during the year	(157)	7,889
	<u>232,647</u>	<u>233,235</u>

5.1 As a result of revaluation of property, plant and equipment carried out in 30-06-2017 the forced sale value of freehold land was Rs. 119.00 million, building on freehold land Rs. 117.374 million and plant & Machinery Rs. 27.345 million respectively aggregating to Rs. 263.719 million were determined by approved Independent valuer - Hamid Mukhtar & Co. (Pvt) Ltd.

6. DEFERRED LIABILITIES

Staff retirement benefits - unfunded gratuity scheme	<u>1,750</u>	<u>3,027</u>
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7. TRADE AND OTHER PAYABLES

	<u>13,433</u>	<u>12,501</u>
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8. SHORT TERM BORROWING**From related parties - unsecured**

Loan from Chief Executive	102,761	99,564
Other related parties	<u>268,956</u>	<u>239,479</u>
	<u>371,717</u>	<u>339,043</u>

8.1 Loans of Rs. 40.00 million from family associates were arranged by Mian Muhammad Jehangir (Chief Executive) against his personal guarantees for providing working capital to the Company. This matter has been considered by the Board of Directors in their meeting held on 27-04-2018 and it has been resolved that these loans be transferred to the account of Mian Muhammad Jehangir as per mutual understanding between Mian Muhammad Jehangir and the related parties, and these are no more liability of the Company to those family members but the Company will only be responsible to pay it back to Chief Executive.

8.2 Other related parties:

Mr. Ch. Yaqoob	243,956	214,479
Sarwars & Sons	20,000	20,000
Sheikh Noor-ud-Din & Sons (Pvt) Limited	<u>5,000</u>	<u>5,000</u>
	<u>268,956</u>	<u>239,479</u>

8.3 These loans amounting to Rs. 268.956 millions obtained from other related parties carrying no markup. It is treated as short term with mutual consent. No terms and conditions / repayment period are settled yet.

9. CONTINGENCIES AND COMMITMENTS

There are no significant changes in contingencies since the last audited published financial statements.

10. PROPERTY, PLANT AND EQUIPMENT

Opening balance (at book value)	5,776	5,035
Additions during the period/year (at cost)		
Office equipment	-	53
Furniture and fixture	58	314
Vehicles	<u>2,999</u>	<u>1,562</u>
	<u>3,057</u>	<u>1,929</u>
	<u>8,833</u>	<u>6,964</u>



Un-Audited Audited
Dec. 31, 2018 Jun. 30, 2018
(Rupees in thousand)

Transfer / Disposal during the period/year (at book value)

Vehicles	(153)	(326)
	<u>8,680</u>	<u>6,638</u>

Depreciation charged for the period/year (net of disposals)

	(721)	(862)
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Closing balance (at book value)

	<u>7,959</u>	<u>5,776</u>
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11. LOANS AND ADVANCES

	<u>118</u>	<u>2,986</u>
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12. ASSETS HELD FOR SALE**12.1 Non current assets held for sale****Investment property held for sale**

Opening balance :		
Freehold land	28,000	28,000
Factory building on freehold land	<u>51,911</u>	<u>56,117</u>
	<u>79,911</u>	<u>84,117</u>
Adjustments during the year:		
Non-recurring expenses relating to building capitalized	-	200
Impairment loss on building	-	(4,406)
	<u>79,911</u>	<u>79,911</u>

Non-operating assets held for sale:

Opening balance		
Freehold land	112,000	
Factory building on freehold land	<u>90,601</u>	
Plant and machinery	<u>16,046</u>	361
	<u>218,647</u>	<u>361</u>
Transfer during the year:		
Freehold land	-	112,000
Factory building on freehold land	-	90,601
Plant and machinery	-	36,099
	-	<u>238,700</u>

Adjustments during the year:	218,647	239,061
Non-recurring expenses relating to plant & machinery capitalized	-	1,979
Disposal of plant & machinery	(663)	(21,127)
Impairment loss on plant & machinery	(2,715)	(1,266)
Non-operating assets held for sale	<u>215,269</u>	<u>218,647</u>
Non current assets held for sale	<u>295,180</u>	<u>298,558</u>

Store & spares held for sale

Opening balance	605	703
Disposed off / written off during the year	-	(98)
	<u>605</u>	<u>605</u>
	<u>295,785</u>	<u>299,163</u>

During the year ended June 30, 2017 all the fixed assets had been offered for sale in pursuance of extra-ordinary meeting of the share-holders held on 29th April 2017 and these assets are accordingly classified as "Assets held for sale" as on 30-06-2017. Also refer to Note. 3 above.



The board of directors in the meeting after declaration and discussion has unanimously resolved that highest bid for purchase of complete land, building including school, mosque, power plant, gas generator, electric installations and furniture & fixture be sold to the highest bid of Rs. 410.00 million offered by Abu Yousaf Group vide their letter dated 05-03-2018. Mian Muhammad Jehangir the Chief Executive of the company is authorised to sign MoU/Agreement etc. with the party and to do all the needful to complete the procedure of disposing off the complete Land, building and other assets etc and all other related matters subject to clearance from all the banks/litigations and encumbrances. However, this matter is in process and is not concluded up till date of audit report.

In this condensed interim financial period the Company has sold machinery held for sale of book value Rs. 0.662 Million for Rs. 0.400 Million on loss Rs. 0.262 Million (December 31, 2017: loss of Rs. 0.662 Million). Revaluation surplus adjusted against loss on disposal was of Rs. 0.157 Million. Also refer to Note No. 3.3.

In light of Bid referred to above the management anticipate a profit of Rs. 100 million and that they will be able to realize more than the fair market value of Rs. 295.785 million (June 30, 2017: Rs. 299.162 million) disclosed by this interim condensed financial statements. Selling expenses will also be very nominal. It is expected that sales transactions will be completed within next 12 months from the date of announcement.

Also refer to Note No. 5.1.

13. TAXATION

13.1 In this condensed interim financial period December 31, 2018, as the company has done trading business and in view of losses, the provision of minimum tax u/s 113 is made on sale of vehicles at the rate 1.25% amounting to Rs. 0.026 million.

13.2 According to the management, the tax provision made in the financial statements is sufficient. A comparison of last three condensed interim financial period ended December 31, 2015, 2016 and 2017 the company has earned income from leasing out land, building and machinery which falls taxable u/s 39(1) clause (f) which are adjustable against the brought forward losses. Income taxable u/s 39 is not hit by the mischief of section 113. No provisions were raised for these interim condensed financial periods.

Provision for taxation	Tax year	Provision for taxation
Dec. 31, 2017	2017	N/A
Dec. 31, 2016	2016	N/A
Dec. 31, 2015	2015	N/A

Income tax return for tax year 2017 was filed within prescribed time limit. Income tax assessments have been completed up to income year ended June 30, 2017 (tax year 2017) as deemed assessment. Losses available for carry forward to tax year 2018 are amounting to Rs. 113.441 million (2017: Rs. 113.543 million).

14. RELATED PARTY TRANSACTIONS

The related parties and associated undertakings comprise of related group companies, associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

Nature of transactions	Relationship with the company	Un-Audited Dec. 31, 2018	Un-Audited Dec. 31, 2017
		(Rupees in thousand)	Restated
Rent of office premises	Director	450	472
Short term borrowing	Chief executive	3,197	191
Short term borrowing	Other related parties	29,477	12,500



15. DATE OF AUTHORIZATION FOR ISSUE

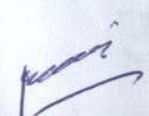
This condensed interim financial statements was authorised for issue on February 25, 2019 by the Board of Directors of the Company.

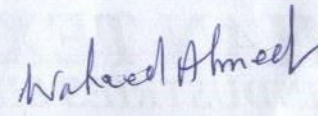
16. GENERAL


- School was run by management of "Welfare waqf" and not by the Company. Its accounts are recorded in our books as a custodian of funds. Expenses are charged against its fee and not included in Company's income or expenses.
- Figures have been rounded off to the nearest thousands of rupees, and
- Corresponding figures for the period/ previous year have been rearranged wherever necessary, for the purposes of comparison. However, no significant rearrangements have been made in these condensed interim financial statements.

Lahore:

February 25, 2019


MIAN MUHAMMAD JEHANGIR
 Chief Executive Officer


MIAN WAHEED AHMED
 Director


MUHAMMAD IRFAN
 Chief Financial Officer