

DEWAN FAROOQUE SPINNING MILLS LIMITED DIRECTORS' REPORT

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL

IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)

The Board of Directors of your Company is pleased to present unaudited condensed interim financial statements for the nine months ended March 31, 2020 in compliance with the requirements of section 237 of the Companies Act, 2017 and code of corporate governance issued by Securities and Exchange Commission of Pakistan.

Operating results and performance:

Company's net revenue for nine months was Rs. 386.737 million as compared to net revenue of Rs. 349.038 million of the corresponding period of last year. Company suffered gross loss of Rs. 49.244 million as compared to the gross loss of Rs. 55.735 million of comparable period of last year despite of the overall impact of increased cost including the effect of Power Cost, increase in minimum wage rate as well as impact of devaluation of Pakistani currency whereas operating expenses of the company remained at Rs. 25.452 million. Finance Cost has also increased to Rs.61.721 million as compared to Rs.47.798 million of comparable period of last year because KIBOR had gone up from 9.17% to 13.75% over last year. The company continued the production of yarn on contract basis to keep the company operational.

The company approached its lenders for further restructuring of its liabilities, which is in process.

The outbreak of Covid-19 and triggering lockdowns has caused socio-economic problems to the country as the livelihood opportunities have been squeezed all of a sudden on the social front. Further due to the measures taken by the Government to control the pandemic has also badly affected the economic activity and businesses have come to a halt not only in Pakistan but globally as well.

Due to Covid-19 and Pandemic situation the Government had announced lockdown due to which Our Company had also ceased operation & our offices were also closed so we were unable to prepare 3rd Quarter financial statements of the Company for the quarter ended March 31, 2020. However, we support the efforts and measures taken by our Government during this time of crisis. The Government has also taken some positive steps like deferring loan repayments, providing salary loans, substantial decrease in KIBOR and speeding up of refunds, but these measures still fall short to keep the textile industry afloat. The closure of some industries may render postponement of new investment decisions in the country.

Future Outlook

There are a lot of uncertainties in the foreseeable future so we cannot confirm the outcome of current situation as already there are prediction of negative growth for current year. Management is confident that we will manage to minimize any negative reflection of this in the upcoming accounts. However, as the Government has allowed some of the Industries, including Textile sector to operate under strict guidelines, so we have also restarted our plant for survival of our Mill. We suggest that the government should immediately devise the post-coronavirus period policies to protect the interests of adversely affected industries, creation of amicable business environment for the employment opportunities across the country and providing tax relief for at least couple of years.

Conclusion

With grace of Allah Almighty, the management of the company will put its best endeavors to bring better results in forthcoming quarter. In conclusion, we bow beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved Prophet Muhammad (Peace be upon him) for the continued showering of his blessings, Guidance, strength, health and prosperity to us, our company, country and nation, and also pray to Almighty Allah to bestow peace, Harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah; Ameen: Summa Ameen

LO-MY LORD IS INDEED HEARER OF PRAYER (HOLY QURAN)



Dewan Abdul Baqi Farooqui
Chief Executive Officer & Director

By and under Authority of the Board of Directors



Syed Maqbool Ali
Director

Dated: September 25, 2020

ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے
اگر تم شکر ادا کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2020ء کو ختم ہونے والی نو ماہ کی مدت کیلئے کمپنیز ایکٹ 2017ء کے سیکشن 237 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس کی تعمیل کرتے ہوئے غیر میعاد عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں۔

عملی نتائج اور کارکردگی:

نو ماہ کی مدت کے دوران کمپنی کی خالص آمدنی میں مبلغ 386.737 ملین روپے کا اضافہ ہوا جس کا موازنہ گذشتہ سال کی اسی مدت کے خالص منافع مبلغ 349.038 ملین روپے سے کیا جاسکتا ہے۔ کمپنی کو مبلغ 49.244 ملین روپے کا مجموعی خسارہ ہوا جس کا موازنہ گذشتہ سال کی اسی مدت کے مجموعی خسارے مبلغ 55.735 ملین روپے سے کیا جاسکتا ہے جو کہ اضافی لاگت بشمول بجلی کی لاگت، کم سے کم اجرت کی شرح میں اضافہ کے ساتھ ساتھ پاکستانی روپے کی قدر میں کمی کے اثرات کے باعث ہوا جبکہ کمپنی کے عملی اخراجات 25.452 ملین روپے رہے۔ مالیاتی اخراجات میں 61.721 ملین روپے کا اضافہ ہوا جس کا موازنہ گذشتہ سال کی اسی مدت کے اخراجات مبلغ 47.798 ملین روپے سے کیا جاسکتا ہے جس کی وجہ KIBOR گذشتہ سال کے مقابلے میں 9.17 فیصد سے 13.75 فیصد ہو گیا۔ کمپنی کے آپریشن کو جاری رکھنے کیلئے کمپنی نے ٹھیکہ کی بنیاد پر کپاس کے پیداواری عمل کو جاری رکھا۔

کمپنی نے اپنے قرض دہندگان سے اپنی ذمہ داریوں پر مزید تنظیم نو کیلئے رابطہ کیا ہے جو کہ جاری ہے۔

Covid-19 کی وباء کے پھیلنے اور لاک ڈاؤن کے باعث ملک سماجی و معاشی مشکلات کا شکار رہا کیونکہ معاشی امور کے تحت روزگار کے مواقع اچانک ختم ہو گئے۔ اس کے علاوہ حکومت کی جانب سے کورونا کی وباء پر قابو پانے کے اقدامات کے باعث معاشی سرگرمیاں بھی بری طرح متاثر ہوئیں اور نہ صرف پاکستان بلکہ عالمی سطح پر بھی کاروباری سرگرمیاں منجمد ہو گئیں۔

Covid-19 کی وبائی صورتحال کے سبب حکومت نے لاک ڈاؤن کا اعلان کیا جس کے باعث ہماری کمپنی نے آپریشنز بھی بند کر دیئے تھے اور ہمارے دفاتر بھی بند کر دیئے گئے تھے۔ لہذا ہم 31 مارچ 2020ء کو ختم ہونے والی سہ ماہی میں کمپنی کے سہ ماہی مالیاتی حسابات تیار کرنے میں ناکام رہے۔ تاہم، ہم اس وقت بحران کے دوران اپنی حکومت کی جانب سے کی جانے والی کوششوں اور اقدامات کی حمایت کرتے ہیں۔ حکومت نے قرض کی ادائیگیوں کو موخر کرنے، قرضوں کی فراہمی، KIBOR میں خاطر خواہ کمی اور کم کی واپسی میں تیزی لانے جیسے کچھ مثبت اقدامات بھی کئے ہیں لیکن ٹیکسٹائل کی صنعت کو برقرار رکھنے کیلئے یہ اقدامات ابھی بھی کم ہیں۔ کچھ صنعتوں کی بندش سے ملک میں سرمایہ کاری کے نئے فیصلے ملتوی ہو سکتے ہیں۔

ہمیں مستقبل میں بہت سی بے یقینیوں کا سامنا ہے لہذا ہم موجودہ صورتحال کی حتمی طور پر تصدیق نہیں کر سکتے جبکہ موجودہ سال میں منفی نمو کی پیش گوئی کی جا رہی ہے۔ تاہم جیسا کہ حکومت نے ٹیکسٹائل کے شعبہ سمیت کچھ صنعتوں کو سخت ہدایات کے تحت کام کرنے کی اجازت دی ہے، لہذا ہم نے اپنی مل کی بقاء کیلئے اپنا پلانٹ دوبارہ شروع کیا۔ ہم تجویز پیش کرتے ہیں کہ حکومت فوری طور پر کورونا وائرس کے بعد کی پالیسیاں مرتب کرے تاکہ منفی طور پر متاثرہ صنعتوں کے مفادات کا تحفظ کیا جاسکے، ملک میں روزگار کے مواقعوں کے لئے خوشگوار کاروباری ماحول پیدا ہو اور کم سے کم دو سال تک ٹیکس میں ریلیف مل سکے۔

نتیجہ:

اللہ تعالیٰ کے فضل و کرم سے کمپنی کی انتظامیہ آئندہ ششماہی میں بہتر نائج کیلئے اپنی پوری کوششیں جاری رکھے گی۔ نتیجہ کے حوالے سے ہم اللہ تعالیٰ رحمن و رحیم سے دعا کرتے ہیں وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کمپنی اور ہمارے ملک پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم ائمہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثمہ آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)


سید مقبول علی
ڈائریکٹر

بورڈ آف ڈائریکٹرز کی جانب سے



دیوان عبدالباقی فاروقی

چیف ایگزیکٹو آفیسر اینڈ ڈائریکٹر

مورخہ: 25 ستمبر 2020ء

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

Notes	Un-Audited Mar. 31, 2020	Audited June 30, 2019
(Rupees)		
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Authorized share capital 100,000,000 (2019: 100,000,000) Ordinary shares of Rs.10/- each	1,000,000,000	1,000,000,000
Issued, Subscribed and Paid-up Capital	977,507,260	977,507,260
Revenue Reserve - Accumulated loss	(1,216,924,018)	(1,123,518,643)
Capital Reserve - Revaluation surplus on property, plant and equipment	1,048,204,434	1,082,860,608
	808,787,676	936,849,225
NON-CURRENT LIABILITIES		
Long term loans	5 209,556,908	197,377,870
Deferred Taxation	177,398,113	191,553,451
Deferred Liability for staff gratuity	10,604,990	7,958,816
CURRENT LIABILITIES		
Trade and other payables	109,817,637	112,212,948
Accrued mark-up	227,529,459	182,647,409
Short term borrowings	199,083,000	214,083,000
Overdue portion of long term liabilities	463,896,977	463,896,977
Provision for taxation	5,801,049	6,036,481
	1,006,128,122	978,876,815
CONTINGENCIES AND COMMITMENTS		
	6 -	-
	2,212,475,809	2,312,616,177
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	7 1,905,613,352	1,984,914,824
Long term deposits	29,852,845	29,771,345
CURRENT ASSETS		
Stores & Spares	24,416,930	25,767,366
Stock-in-trade	361,003	361,003
Trade Debts- Unsecured, Considered Good	83,378,268	97,566,096
Loans and advances- Unsecured, Considered Good	23,814,093	32,463,411
Trade deposits and other receivables- Considered Good	83,394,411	83,731,797
Taxes recoverable	52,375,607	54,557,162
Cash and bank balances	8 9,269,300	3,483,173
	277,009,612	297,930,008
	2,212,475,809	2,312,616,177

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	Nine Months Ended		Quarter Ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	Notes (Rupees)			
Sales / Revenue - Net	386,736,600	349,037,735	130,981,400	116,670,600
Cost of sales / revenue	(435,980,295)	(404,772,369)	(138,247,999)	(134,548,683)
Gross (loss)	(49,243,695)	(55,734,634)	(7,266,599)	(17,878,083)
Operating expenses				
Administrative expenses	(21,802,658)	(36,591,160)	(7,117,626)	(21,626,304)
Selling and distribution expenses	(3,648,986)	(3,705,991)	(1,179,421)	(1,329,363)
	(25,451,644)	(40,297,151)	(8,297,047)	(22,955,667)
Operating (loss)	(74,695,339)	(96,031,785)	(15,563,646)	(40,833,750)
Other charges				
Finance cost	(61,720,499)	(47,797,945)	(20,668,231)	(17,685,635)
Other income	-	7,368	-	-
	(61,720,499)	(47,790,577)	(20,668,231)	(17,685,635)
(Loss) before taxation	(136,415,838)	(143,822,362)	(36,231,877)	(58,519,385)
Taxation				
Current	(5,801,049)	(4,362,972)	(1,964,721)	(1,458,383)
Deferred	14,155,338	15,715,805	4,718,446	5,238,602
	8,354,289	11,352,833	2,753,725	3,780,219
(Loss) after taxation	(128,061,549)	(132,469,529)	(33,478,152)	(54,739,166)
(Loss) per share - Basic and diluted (Rupees)	10 (1.31)	(1.36)	(0.34)	(0.56)

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
	(Rupees)			
(Loss) after taxation	(128,061,549)	(132,469,529)	(33,478,152)	(54,739,166)
Effect of change in tax rates on balance of revaluation on property, plant and equipment	-	7,327,856	-	-
Total comprehensive loss for the period	<u>(128,061,549)</u>	<u>(125,141,673)</u>	<u>(33,478,152)</u>	<u>(54,739,166)</u>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

	<u>March 31,</u> <u>2020</u>	<u>March 31,</u> <u>2019</u>
Note	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(136,415,838)	(143,822,362)
Adjustments for non cash and other items:		
Depreciation	94,291,046	100,798,783
Financial charges	61,720,499	47,797,945
Provision for doubtful debts and advances	-	14,650,380
Provision for gratuity	4,052,579	4,052,579
Cash flow before working capital changes	23,648,286	23,477,325
Working Capital changes		
<i>(Increase)/ Decrease in current assets:</i>		
Stores & spares	1,350,436	1,427,124
Stock in trade	-	85,836
Trade debts	14,187,828	70,186,489
Loans & advances	8,649,318	14,225,929
Trade deposits & other receivables	337,386	(3,864,126)
<i>Increase/ (Decrease) in current liabilities:</i>		
Trade and other payables	(2,395,311)	(8,172,804)
Cash generated from /(used in) operations	45,777,943	97,365,773
Taxes paid	(3,854,926)	(6,636,604)
Gratuity paid	(1,406,405)	(97,101)
Financial charges paid	(4,659,411)	(10,055,575)
	35,857,201	80,576,493
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(14,989,574)	(31,007,168)
Long term deposits	(81,500)	(5,641,300)
Net cash outflow from investing activities	(15,071,074)	(36,648,468)
CASH FLOW FROM FINANCING ACTIVITIES		
Syndicated Long Term Loan	-	-
Net cash Inflow/(out flow) from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	20,786,127	43,928,025
Cash and Cash equivalents at the beginning of the period	(210,599,827)	(266,567,688)
Cash and Cash equivalents at the end of the period	8 (189,813,700)	(222,639,663)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

DEWAN FAROOQUE SPINNING MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

Issued, subscribed and Paid-up Capital	Revenue reserve	Capital Reserve	Total	
	Accumulated loss	Revaluation surplus on property, plant & equipment		
(Rupees)				
Balance as at July 01, 2018	977,507,260	(964,607,537)	1,126,834,919	1,139,734,642
Total comprehensive loss for the period				
(Loss) for the period	--	(132,469,529)	--	(132,469,529)
Other comprehensive income	--	--	7,327,856	7,327,856
	--	(132,469,529)	7,327,856	(125,141,673)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	38,476,626	(38,476,626)	--
Balance as at March 31, 2019	977,507,260	(1,058,600,440)	1,095,686,149	1,014,592,969
Balance as at July 01, 2019	977,507,260	(1,123,518,643)	1,082,860,608	936,849,225
Total comprehensive loss for the period				
(Loss) for the period	--	(128,061,549)	--	(128,061,549)
Other comprehensive income	--	--	--	--
	--	(128,061,549)	--	(128,061,549)
Transfer to accumulated loss in respect of incremental depreciation - net of tax	--	34,656,174	(34,656,174)	--
Balance as at March 31, 2020	977,507,260	(1,216,924,018)	1,048,204,434	808,787,676

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

DEWAN FAROOQUE SPINNING MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2020

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Spinning Mills Limited is incorporated in Pakistan on December 22, 2003 as public limited company, under the Companies Ordinance, 1984. The shares of the company are listed on the Pakistan Stock Exchange Limited. The registered office of the company is located at Dewan Centre, 3-A, Lalazar Beach Hotel, Road, Karachi, Pakistan; while its manufacturing facilities are located at 54 km Multan Road, near the Phool Nagar By-pass, District Kasur, near the city of Lahore in Pakistan. The principal activity of the company is manufacturing and sale of fine quality yarn. Company also manufactures yarn on contract basis. The company has installed capacity of 28,800 spindles.

2 GOING CONCERN ASSUMPTION

The condensed interim financial statements for the nine months ended March 31, 2020 reflect that company sustained net loss after taxation of Rs. 128.062 million (2019: Rs. 210.213 million) and as of that date it has negative reserves of Rs. 1,216.924 million which have eroded its equity and its current liabilities exceeded its current assets by Rs. 729.119 million (2019: 680.947 million). Furthermore, the short term facilities of the company have expired and not been renewed by banks and it had defaulted in repayment of restructured liabilities. Following course, the company is facing litigations with its lenders. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

These condensed interim financial statements have been prepared using going concern assumption as the above conditions are temporary and would reverse in foreseeable future. The company's operating cash flows are positive and sponsors provide the support as and when required in shape of short term loan to meet working capital requirements, as of March 31, 2020, sponsor loan is Rs.124.083 million. The company production have increased as compared to similar period of last year due to certain capital expenditures incurred in preceding financial year, which also mitigate the risks involved. The company approached its lenders for further restructuring of its liabilities, which is in process. Therefore the preparation of condensed interim financial statements using going concern assumption is justified.

3 BASIS OF PREPARATION

3.1 These condensed interim financial statements of the Company for the nine months ended 31 March 2020 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2019.

4 Significant Accounting Policies and Estimates

4.1 The accounting policies and methods of computation adopted and applied in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2019.

4.2 Adoption of standards and amendments effective during the year

The Company has adopted the following accounting standards, the amendments and interpretations of IFRSs which became effective during the current period:

IFRS 3	Business Combinations: Previously held interests in a joint operation
IFRS 9	Prepayment Features with Negative Compensation (Amendments)
IFRS 11	Joint Arrangements: Previously held interests in a joint operation
IFRS 16	Leases
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)
IAS 23	Borrowing Costs - Borrowing
IAS 28	Long-term Interests in Associates
IFRIC 23	Uncertainty over Income Tax

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the condensed interim financial statements.

4.3 Standards, interpretations and amendments to be published approved accounting standards that are not yet effective Standards or Interpretation

IFRS 3	Definition of a Business (Amendments)
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)

IAS 1/IAS 8 Definition of Material (Amendments)

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's unconsolidated condensed interim financial statements except for IFRS 16. The impact of adoption of IFRS 16 are described below:

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Company's books of account.

The amendments that were mandatory for the nine months ended 31 March 2020 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application. The Company is currently evaluating the impact of these standards.

	Mar. 31, 2020	Jun 30, 2019
5 Long term loans		
Sponsor Loan unsecured, interest free - at amortized cost	<u>209,556,908</u>	<u>197,377,870</u>
	<u>209,556,908</u>	<u>197,377,870</u>

6 Contingencies and Commitments

There is no material change in the contingencies and commitments since the last audited financial statements for the year ended June 30, 2019, except that company alongwith other mills have filed petitions in Honorable Lahore High Court against Sui Nothern Gas Pipelines Ltd and others against bills issued over and above US\$ 6.5 per MMBTU, the Honorable Court granted stay against payment of amount over and above US\$ 6.5 per MMBTU.

		Mar. 31, 2020	Jun 30, 2019
7 PROPERTY, PLANT AND EQUIPMENT			Rupees
Operating fixed assets	7.1	<u>1,905,613,352</u>	<u>1,984,914,824</u>
		<u>1,905,613,352</u>	<u>1,984,914,824</u>
7.1 Operating fixed assets			
Opening written down value		1,984,914,824	2,068,556,003
Additions during the period / year	7.2	14,989,574	51,875,294
Disposals during the period - net book value (Vehicles)		-	(168,481)
Depreciation during the period / year		<u>(94,291,046)</u>	<u>(135,347,992)</u>
Closing written down value		<u>1,905,613,352</u>	<u>1,984,914,824</u>
7.2 Additions during the period / year			
Factory Building		-	13,165,335
Non Factory Building		-	8,978,180
Plant & Machinery		14,989,574	29,539,779
Computer Equipment		-	147,000
Office Equipment		-	48,000
		<u>14,989,574</u>	<u>51,878,294</u>
		Mar. 31, 2020	Mar. 31, 2019
8 CASH AND CASH EQUIVALENTS			Rupees
Cash and Bank Balances		9,269,300	6,838,302
Short term Borrowings		<u>(199,083,000)</u>	<u>(229,477,965)</u>
		<u>(189,813,700)</u>	<u>(222,639,663)</u>

9 FINANCE COST

Company has not made the provision of markup for the period amounting to Rs.6.657 million (up to June 30, 2019: Rs.60.426 million) in respect of borrowings of certain banks who have not yet accepted the restructuring proposal. The management of the Company is quite hopeful that these banks will also accept restructuring proposal in near future. Had the provision been made the loss for the period would have been higher by Rs.6.657 million, shareholders' equity would have been lower and accrued markup would have been higher by Rs.67.083 million.

		Mar 31, 2020	Mar. 31, 2019
10 BASIC EARNINGS PER SHARE			Rupees
Loss after taxation		(128,061,549)	(132,469,529)
Weighted average number of ordinary shares		97,750,726	97,750,726
Basic Loss per share		(1.31)	(1.36)

No figure for diluted earning per share has been presented as the company has not yet issued any instruments which would have an impact on basic earning per share when exercised.

		Mar. 31, 2020	Mar. 31, 2019
11 RELATED PARTY TRANSACTIONS			Rupees
Provident Fund		757,716	1,219,630

12 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", statement of financial position has been compared with the balances of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

13 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been authorized for issue on September 25, 2020 by the Board of Directors of the company.



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR