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D.M. INDUSTRIES LIMITED

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

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D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

INTERIM CONDENSED FINANCIAL INFORMATION FOR THE HALF YEARLY ENDED

December 31,

2019



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

Company's Information

BOARD OF DIRECTORS

CHAIRMAN	Mr. Shahid Hussain
CHIEF EXECUTIVE:	Mian Habib Ullah
DIRECTORS:	Mr. Shahid Aziz (Nominee of NIT) Mr. Hussain Ahmad Ozgen Mr. Sami Ullah Mr. Amer Zeb Mr. Abrar Alam

AUDIT COMMITTEE:

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

**HUMAN RESOURCE &
REMUNERATION COMMITTEE:**

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

**ACTING COMPANY SECRETARY
& CHIEF FINANCIAL OFFICER**

Rao Khalid Pervaiz

BANKERS:

Faysal Bank Limited
Meezan Bank Ltd.
Habib Metropolitan Bank
Muslim Commercial Bank Limited

AUDITORS:

M/s Riaz Ahmed & Company
Chartered Accountants
2-A, ATS Centre, 30-West
Fazal-ul-Haq Road, Blue Area,
Islamabad. Ph: 051-2274121, 2274122

LEGAL ADVISER:

M/s Hassan & Hassan Advocates
House CB-360, Lane-4, Quaid-e-Azam Colony,
Dhamial Road, Rawalpindi.

REGISTRAR:

Corplink (Pvt) Ltd.
Wing Arcade, 1-K, Commercial
Model Town, Lahore.
Phone: 042-35916714, 35916719
Fax: 042-36869037

REGISTERED OFFICE:

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

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

VISION STATEMENT

We envision ourselves as a leading company known for its values, good business practices and optimum quality standards in diversified products & services with sustained growth.

MISSION STATEMENT

To provide quality products and services to our customers and to explore new era to achieve the highest level of success.

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

CHAIRMAN'S REVIEW

Dear Shareholders,

I am pleased to present the half yearly financial statements along with Directors' Report & Auditors' Review Report for the period ended 31-12-2019. Recently the Company altered its Memorandum & Articles of Association and also changed the name as "D.M. Industries Ltd" to reflect the new principal line of business which has been more explicitly explained in Note-1 of this report. The Management is continuously trying its level best to utilize the available resources for the betterment of the Company. Management has positive intention and capability to revive the company.

We sincerely acknowledge and appreciate the contributions of the employees and cooperation by the financial institutions and other debt providers.



Rawalpindi:
February 28, 2020

Chairman of the Board of Directors

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of D.M. Industries Limited (Formerly D.M. Textile Mills Limited)
Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of D.M. INDUSTRIES LIMITED (formerly D.M. TEXTILE MILLS LIMITED) as at 31 December 2019 and the related condensed interim statement of profit or 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 condensed interim financial statements for the half year then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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

As more fully explained in Note 14 to the condensed interim financial statements, the Company advanced an amount of Rupees 51.150 million against purchase of property. The property could not be transferred in the Company's name due to the want of completion of legal formalities. Directions were given for transferring the property in the name of the Company within thirty days of the order of Securities and Exchange Commission of Pakistan (SECP) dated 29 November 2007. SECP also ordered to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million if invested with any scheduled bank, on daily product basis in the relevant period and directed that this amount be deposited proportionately, in the Company's account, by directors who are penalized under the order. The Chief Executive Officer (CEO) of the Company filed an appeal before the Lahore High Court (LHC), Rawalpindi Bench whereby stay order was granted to suspend the operation of above said order. The Board of Directors of the Company, after getting valuation of the property at forced sale value of Rupees 72.007 million from M/s NAKMS Associates (Private) Limited, resolved in its meeting held on 23 April 2014 that the right in property along with fixtures and fittings be offered to the CEO at the fixed floor price of Rupees 75 million. Whereas, as per Capital Development Authority (CDA), the property has already been transferred in the name of CEO through a court decree. The LHC, Rawalpindi Bench in its interim order dated 06 February 2015 granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company in any form or manner whatsoever. Meanwhile, the case has been transferred to the Islamabad High Court (IHC), Islamabad and on 03 May

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

2016, IHC, on submission of CEO, ordered to transfer the property in the name of the Company within sixty days. The CEO filed a petition before the IHC to seek relief on the grounds that the said property has already been attached in the cases titled The Bank of Punjab versus Bilal Fibers Limited and The Bank of Punjab versus Bilal Textiles (Private) Limited wherein the CEO was a guarantor. Meanwhile, the Board of Directors and the shareholders in their meetings held on 09 October 2016 and 31 October 2016 respectively resolved to reverse the transaction of sale of property to CEO, subject to completion of legal formalities and in accordance with rules / laws / procedures. The Company filed a suit before the court of Senior Civil Judge (West), Islamabad dated 17 October 2017 against the CEO while making SECP and CDA parties to the case for directions to transfer the property in the name of the Company, which is pending adjudication. Meanwhile, IHC, Islamabad vide its order dated 16 November 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days. The Company also filed an appeal before the LHC, Lahore Bench in May 2018 for detachment of the property, so the property can be transferred in the name of the Company, which is pending adjudication. The Securities and Exchange Commission of Pakistan filed an appeal before the Islamabad High Court (IHC), Islamabad, dated 13 September 2018 for execution of IHC decision dated 16 November 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which should have been earned on the amount of Rupees 51.150 million, if invested with any schedule bank on daily product basis in the relevant period, and further requested the IHC to send notice to Lahore High Court, Lahore, for release of the property. The matter is pending adjudication. The Bank of Punjab filed an appeal before the Islamabad High Court, Islamabad to set-aside orders dated 03 May 2016 and 16 November 2017. The matter is pending adjudication. We could not ensure compliance with the above stated directions and satisfy ourselves as to the use of forced sale value of the property for adjustment of the advance against property.

Qualified Conclusion

Based on our review, with the exception of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to Note 1 to the condensed interim financial statements, which more fully explains that the Company has changed its principal line of business and steps taken for revival of business. The new principal line of business is to construct and to establish warehouses for providing facilities for storage and for other purposes on proprietary as well as rental basis and ancillary activities. These condensed interim financial statements have been prepared using going concern basis of accounting. Our conclusion is not qualified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Raheel Arshad.


RIAZ AHMAD & COMPANY
Chartered Accountants

ISLAMABAD
Date: February 28, 2020

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

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed interim financial statements for the half-year ended 31 December, 2019.

1. Net Profit/(Loss)

During the period Company had a net profit of Rs. 33.731 Million as compared to previous period net loss of (Rs. 3.979) Million.

2- Comparative financial results are given below:

Half Year Ended	Rupees	
	31 December 2019	31 December 2018
Revenue	13,866,554	-
Administrative & General Expenses	(13,769,156)	(13,350,147)
Other Expenses	(642,300)	(624,335)
Other Income	21,407,267	11,713,622
Gain from Fair Value Adjustment on Investment Property	19,164,051	-
Profit / (Loss) from Operations	40,026,416	(2,260,860)
Financial Cost	(205,814)	(323,220)
Profit / (Loss) before Taxation	39,820,602	(2,584,080)
Taxation	(6,089,910)	(1,394,938)
Profit / (Loss) after taxation	33,730,692	(3,979,018)
Earning/(Loss) per share Basic & Diluted	11.05	(1.30)

Directors have granted specific approval for following transactions/adjustments.

	Rupees
Liabilities written back	387,501
Changes in accounting policies as stated in Note 3.2 and rectification of prior period error as stated in Note-4.	
Related party transaction as disclosed in condensed interim financial statements	

3- Debt Servicing

As per settlement agreement with Faysal Bank Ltd, company has satisfactorily paid-off its entire liabilities and registered charge on the assets of the company has been released. Further, Management of the company is in the process of negotiating with other debt providers/suppliers so as to further reduce the liabilities of the company.

4- Dividend

The Directors have not recommended any dividend. Profit declared in the Profit & Loss Statement is un-realized profit due to gain on account of waiver of accrued markup against entire settlement with Faysal Bank Ltd and gain from fair value adjustment on investment property.

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

5- Future Prospects & Plans

During the period, following the due procedures, the Company altered its Memorandum & Articles of Association and also changed the name as "D.M. Industries Ltd" to reflect the new principal line of business. It is more explicitly explained in Note-1 of this report. The Management is continuously trying its level best to utilize the available resources. Income has been increased and financial cost has been decreased. Despite of the problems, Company is paying back the outstanding liabilities. Management has positive intention and capability to revive the company.

6. Remarks on Independent Auditors' Review Report

As for as the auditors' remarks regarding Property/House 8, Street 71, F-8/3, Islamabad are concerned; the management is trying its level best to resolve the matter at the earliest..

7. General

There is no adverse impact of the Company's business on the environment and Company is aware of its corporate social responsibilities.

8- Acknowledgement

The Directors wish to place on record their acknowledgement for the cooperation extended by the financial institutions. Appreciation is also due to the employees of the company for their hard work and devoted efforts for the betterment of the company.

For and behalf of the Board of Directors



Chief Executive



Director

Rawalpindi: February 28, 2020

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

ڈائریکٹرز رپورٹ

معزز ممبران

31 دسمبر 2019 کو ختم ہونے والے ششماہی مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ 33.731 ملین روپے منافع ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 3.979 ملین روپے کا خسارہ ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے		تفصیل
2018 دسمبر 31	2019 دسمبر 31	
-	13,866,554	ریونیو
(13,974,482)	(14,411,456)	انتظامی اور دیگر اخراجات
11,713,622	21,407,267	دیگر آمدن
-	19,164,051	گین فیئر ویلیو ایڈجسٹمنٹ انویسٹمنٹ پر اپرٹی
(323,220)	(205,814)	مالی چارجز
(1,394,938)	(6,089,910)	ٹیکس
(3,979,018)	33,730,692	منافع (خسارہ) بعد از ٹیکس
(1.30)	11.05	فی شیئر آمدن (خسارہ) روپے

ڈائریکٹرز نے مندریہ ذیل ٹرانزیکشن ایڈجسٹمنٹ کی خصوصی منظوری دی ہے۔

روپے

387,501

• قابل ادائیگی رقم کی معافی

• انٹرنیشنل مالی رپورٹنگ سٹینڈرڈز کی وجہ سے کی گئی اکاؤنٹنگ پالیسیوں میں

تبدیلیاں جیسا کہ نوٹ نمبر 3.2 میں بتایا گیا ہے اور گذشتہ عرصہ کے غلطی کی

درستگی جیسا کہ نوٹ نمبر 4 میں بتایا گیا ہے۔

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• ریلیفڈ پارٹی سے کی گئی ٹرانزیکشنز جیسا کہ اس رپورٹ میں دکھایا گیا ہے۔

فیصل بینک کے ساتھ معاہدہ کے مطابق کمپنی نے تمام واجبات تسلی بخش طریقے سے ادا کر دیئے ہیں اور کمپنی کے اثاثہ جات پر رجسٹرڈ چارج واکنڈر ہو گیا ہے۔ مزید برآں انتظامیہ دوسرے قرض داروں سے گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

ڈائریکٹرز نے ڈیویڈنڈ تجویز نہیں کیا ہے۔ اس رپورٹ میں دکھایا گیا منافع اصل میں فیصل بینک کے ساتھ معاہدے کے مطابق اکروڈ مارک اپ کی معافی اور گین فیئر ویلیو ایڈجسٹمنٹ انویسٹمنٹ پر اپرٹی ہے۔

اس عرصہ کے دوران متعلقہ طریقہ کار کو اپناتے ہوئے، کمپنی نے اپنے میمورنڈم اور آرٹیکل آف ایسوسی ایشن میں تبدیلی کی ہے اور نئے پرنسپل لائسن آف بزنس کو ظاہر کرنے کے لئے کمپنی کا نام بھی تبدیل کیا ہے جو کہ ڈی۔ ایم انڈسٹریز لمیٹڈ ہے جس کی مزید تفصیل اس رپورٹ کے نوٹ نمبر 1 میں دی گئی ہے۔ انتظامیہ متواتر کوشش کر رہی ہے کہ دستیاب وسائل کو بہترین طریقے سے استعمال کیا جائے۔ آمدن بڑھی ہے اور مالی بوجھ کم ہوا ہے۔ دشواریوں کے باوجود کمپنی نے واجبات ادا کئے ہیں۔ انتظامیہ کی تیت مثبت ہے اور کمپنی کی بحالی کی صلاحیت رکھتی ہے۔

آڈیٹرز جائزہ رپورٹ برائے ممبران پر بورڈ آف ڈائریکٹرز کا بیان:

جہاں تک جائیداد مکان نمبر 8 گلی نمبر 71 سیکٹر 8-3/F اسلام آباد کے متعلق آڈیٹرز کے ریمارکس کا تعلق ہے تو انتظامیہ اس معاملہ کو جلد از جلد حل کرنے کی بھرپور کوشش کر رہی ہے۔

کمپنی کے کاروبار کا ماحول پر کوئی برا اثر نہیں ہے اور کمپنی اپنی کارپوریٹ سماجی ذمہ داریوں سے واقف ہے۔

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


ڈائریکٹر


چیف ایگزیکٹو

راولپنڈی: 28 فروری 2020

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

		Un-audited 31 December 2019	Audited 30 June 2019 Restated Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 5,000,000 (30 June 2019: 5,000,000) ordinary shares of Rupees 10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital			
3,052,429 (30 June 2019: 3,052,429) ordinary shares of Rupees 10 each		30,524,290	30,524,290
Revenue reserve - accumulated loss		(46,874,420)	(80,857,642)
Capital reserve - surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	5	575,602,156	569,362,149
Total equity		559,252,026	519,028,797
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	-	-
Liability against assets subject to finance lease	7	-	-
Lease liability	8	-	-
Employees' retirement benefit		3,748,471	3,355,644
Deferred income tax liability		8,735,111	5,396,730
		12,483,582	8,752,374
CURRENT LIABILITIES			
Trade and other payables		104,089,422	97,200,154
Accrued mark-up		-	20,767,825
Short term borrowings		3,399,278	4,803,735
Current portion of non-current liabilities	9	658,531	2,424,791
Unclaimed dividend		144,947	144,947
Taxation - net		5,886,092	3,550,367
		114,178,270	128,891,819
Total liabilities		126,661,852	137,644,193
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	10	685,913,878	656,672,990
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	229,257,265	230,300,506
Investment properties	12	353,301,030	334,136,979
Right-of-use assets	13	1,319,814	-
Advance against property	14	-	-
Due from related party	15	-	-
Long term investment		7,142,203	6,924,048
Long term deposits		24,414,434	24,414,434
		615,434,746	595,775,967
CURRENT ASSETS			
Advances		13,000	15,000
Current portion of due from related party	15	17,619,962	17,619,962
Short term deposits		2,000,000	2,000,000
Other receivables		4,004,977	4,017,327
Short term investment		1,159,561	1,194,924
Cash and bank balances		4,537,530	822,625
		29,335,030	25,669,838
Non-current assets classified as held for sale	16	41,144,102	35,227,185
		70,479,132	60,897,023
TOTAL ASSETS		685,913,878	656,672,990

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2019 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- Rupees -----			
REVENUE	13,866,554	-	7,045,672	-
ADMINISTRATIVE AND GENERAL EXPENSES	(13,769,156)	(13,350,147)	(8,664,799)	(8,481,406)
OTHER EXPENSES	(642,300)	(624,335)	(642,300)	(100,000)
OTHER INCOME	21,407,267	11,713,622	21,067,324	5,802,245
GAIN FROM FAIR VALUE ADJUSTMENT ON INVESTMENT PROPERTY (NOTE 12)	19,164,051	-	19,164,051	-
PROFIT / (LOSS) FROM OPERATIONS	40,026,416	(2,260,860)	37,969,948	(2,779,161)
FINANCE COST	(205,814)	(323,220)	(14,630)	(73,021)
PROFIT / (LOSS) BEFORE TAXATION	39,820,602	(2,584,080)	37,955,318	(2,852,182)
TAXATION				
- CURRENT	(3,217,041)	(2,664,644)	(1,601,089)	(1,319,559)
- DEFERRED	(2,872,869)	1,269,706	(3,151,778)	43,293
	(6,089,910)	(1,394,938)	(4,752,867)	(1,276,266)
PROFIT / (LOSS) AFTER TAXATION	33,730,692	(3,979,018)	33,202,451	(4,128,448)
EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED	11.05	(1.30)	10.88	(1.35)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019
(UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	----- Rupees -----			
PROFIT / (LOSS) AFTER TAXATION	33,730,692	(3,979,018)	33,202,451	(4,128,448)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Surplus on revaluation of property, plant and equipment	6,958,049	-	6,958,049	-
Related deferred income tax liability	(465,512)	-	(465,512)	-
	6,492,537	-	6,492,537	-
Items that may be reclassified subsequently to profit or loss				
Other comprehensive income for the period - net of tax	6,492,537	-	6,492,537	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	40,223,229	(3,979,018)	39,694,988	(4,128,448)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019
(UN-AUDITED)

	SHARE CAPITAL	REVENUE RESERVE - ACCUMULATED LOSS	CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	TOTAL EQUITY
	----- (Rupees) -----			
Balance as at 30 June 2018 - (Audited)	30,524,290	(75,583,279)	571,260,712	526,201,723
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,011,049	(1,011,049)	-
Loss for the period	-	(3,979,018)	-	(3,979,018)
Other comprehensive loss for the period	-	-	-	-
Total comprehensive loss for the period	-	(3,979,018)	-	(3,979,018)
Balance as at 31 December 2018 - (Un-audited)	30,524,290	(78,551,248)	570,249,663	522,222,705
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,011,050	(1,011,050)	-
Loss for the period	-	(3,545,423)	-	(3,545,423)
Other comprehensive income for the period	-	168,386	-	168,386
Total comprehensive loss for the period	-	(3,377,037)	-	(3,377,037)
Balance as at 30 June 2019 - (Audited) as previously reported	30,524,290	(80,917,235)	569,238,613	518,845,668
Impact of restatement (Note 4)	-	59,593	123,536	183,129
Balance as at 30 June 2019 - (Audited) restated	30,524,290	(80,857,642)	569,362,149	519,028,797
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	252,530	(252,530)	-
Profit for the period	-	33,730,692	-	33,730,692
Other comprehensive income for the period	-	-	6,492,537	6,492,537
Total comprehensive income for the period	-	33,730,692	6,492,537	40,223,229
Balance as at 31 December 2019 - (Un-audited)	30,524,290	(46,874,420)	575,602,156	559,252,026

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019
(UN-AUDITED)

	NOTE	HALF YEAR ENDED	
		31 December 2019	31 December 2018
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	17	7,904,292	3,871,457
Finance cost paid		(172,074)	(178,286)
Income tax paid		(881,316)	(1,170,279)
Gratuity paid		-	(139,600)
Net cash generated from operating activities		6,850,902	2,383,292
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	3,360,000
Interest received		68,460	57,050
Net cash from investing activities		68,460	3,417,050
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(1,800,000)	(1,800,000)
Short term borrowings - net		(1,404,457)	(4,005,089)
Net cash used in financing activities		(3,204,457)	(5,805,089)
Net increase / (decrease) in cash and cash equivalents		3,714,905	(4,747)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		822,625	51,109
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		4,537,530	46,362

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

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

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019
(UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

D.M. Industries Limited (formerly D.M. Textile Mills Limited) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). The registered office and head office is situated at Westridge, Industrial Area, Rawalpindi.

The Company was engaged in the business of manufacturing, sale and trading of cotton, polyester, viscose and blended yarn. The Board of Directors and shareholders of the Company in their meetings held on 27 April 2019 and 31 May 2019 respectively, resolved that principal line of business of the Company will be to construct and to establish warehouses for providing facilities for storage and for other purposes on proprietary as well as rental basis and ancillary activities. Further, it was resolved to adopt new name i.e. D.M. Industries Limited.

During the half year ended 31 December 2019, certificate of incorporation on change of name has been issued by the Securities and Exchange Commission of Pakistan (SECP) to give effect to the change of name and certified true copy of altered memorandum of association of the Company has been issued by SECP.

The Company has provided facilities for storage and for other purposes on rental basis, and earned a revenue of Rupees 13.866 million during the half year ended 31 December 2019 and entered into an agreement for sale of land classified as held for sale. Further, during the half year the Company also settled its long term financing with Faysal Bank Limited, consequently, accrued mark-up amounting to Rupees 20.767 million has been written back. Subsequent to the reporting date, the Company continued to earn revenue under its new principal line of business. The management is hopeful that accumulated losses will reduce in near future and current ratio will also improve.

PSX vide Notice No. PSX/N-122 dated 06 February 2019 placed the Company on defaulters' segment with effect from 07 February 2019 due to non-compliance with PSX Regulations. PSX vide Notice No. PSX/N-966 dated 06 August 2019 granted extension upto 28 October 2019 to rectify the non-compliances. PSX vide Notice No. PSX/N-1363 dated 28 October 2019 informed that the Company shared its progress towards rectification, which is being assessed by PSX. Further, PSX vide letter No. PSX/Gen-533 dated 12 February 2020 required updated progress report. The management is confident that it is now in compliance with all requirements of PSX and notice shall be withdrawn.

2 BASIS OF PREPARATION

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

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

" Provisions of and directives issued under the Companies Act, 2017.

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2019 except for the changes in accounting policies as stated in note 3.2 to these condensed interim financial statements.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

3.2 CHANGE IN ACCOUNTING POLICY DUE TO APPLICABILITY OF INTERNATIONAL FINANCIAL REPORTING STANDARD 16 (IFRS 16) AND INTERNATIONAL ACCOUNTING STANDARD 40

The following changes in accounting policy have taken place effective from 01 July 2019.

3.2.1 IFRS 16 - Leases

The Company has adopted IFRS 16 from 01 July 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the statement of income and expenditure. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

IFRS 16 has been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impacts of adoption as at 01 July 2019 are as follows:

	Rupees
Operating fixed assets (leased) decreased by	(1,353,655)
Right-of-use assets increased by	1,353,655
Liability against assets subject to finance lease decreased by	658,531
Lease liability increased by	(658,531)

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to income and expenditure statement if the carrying amount of the right-of-use asset is fully written down.

3.2.2 IAS 40 - Investment property

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognized in the statement of profit or loss for the year in which it arises.

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

4 PRIOR PERIOD ERROR

On 31 May 2019, shareholders of the Company resolved that principal line of business of the Company will be to construct and to establish warehouses for providing facilities for storage and for other purposes on proprietary as well as rental basis and ancillary activities. Further, the Company was earning revenue from operating leases. However, the related property was not recognized as investment property in accordance with International Accounting Standard (IAS) 40 'Investment Property' in the financial statements of year ended 30 June 2019.

Now this error has been rectified in accordance with International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The effect of restatement is as follows:

30 June 2019		
As previously reported	Adjustment	Restated

..... Rupees

Effect on the preceding audited annual published financial statements

Property, plant and equipment	564,203,898	(333,903,392)	230,300,506
Investment properties	-	334,136,979	334,136,979
Accumulated losses	80,917,235	(59,593)	80,857,642
Surplus on revaluation of property, plant and equipment and investment properties	(569,238,613)	(123,536)	(569,362,149)
Deferred income tax liability	(5,346,272)	(50,458)	(5,396,730)

There was no impact on financial statements for the year ended 30 June 2018 accordingly, third statement of financial position has not been presented. Further, there was no cash flow impact as a result of rectification of error.

Un-audited	Audited
31 December	30 June
2019	2019
Rupees	Rupees

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

Opening balance	569,362,149	571,260,712	
Surplus on revaluation of property, plant and equipment	6,958,049	-	-
Related deferred income tax liability	(465,512)	-	-
	6,492,537	-	-
Transferred to accumulated loss in respect of incremental depreciation charged during the period / year	(355,676)	-	(2,848,026)
Related deferred income tax liability	103,146	-	825,927
	(252,530)	-	(2,022,099)
Impact of restatement (Note 4)	-	-	123,536
	575,602,156	569,362,149	

Un-audited	Audited
31 December	30 June
2019	2019
Rupees	Rupees

6 LONG TERM FINANCING

Secured

Opening balance	1,766,260	5,131,086	
Add: Effect of fair value adjustment	33,740	-	235,174
	1,800,000	-	5,366,260
Less: Repaid during the period / year	1,800,000	-	3,600,000
	-	-	1,766,260
Less: Current portion shown under current liabilities	-	-	1,766,260
Closing balance	-	-	-

D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

6.1 The Company entered into settlement agreement with Faysal Bank Limited. Pursuant to the agreement, short term borrowings including related accrued mark-up were reduced to Rupees 17,544 million. The Company paid down payment of Rupees 4,044 million. Remaining amount is interest free and was payable in 48 monthly installments (12 installments of Rupees 250,000, 12 installments of Rupees 275,000 and 24 installments of Rupees 300,000) commenced from January 2016 and ended on 25 October 2019.

During the period, upon completion of the aforesaid settlement agreement, accrued mark-up has been waived off by the Bank as per the terms of the settlement agreement. Accordingly, related accrued mark-up amounting to Rupees 20,767,825 has been written off and credited to other income.

Un-audited 31 December 2019 Rupees	Audited 30 June 2019 Rupees
---	--------------------------------------

7 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments	-	658,531
Less: Un-amortized finance charges	-	-
Present value of future minimum lease payments	-	658,531
Less: Current portion shown under current liabilities - over due	-	658,531
	-	-

7.1 It represents last installment payable to the lessor under the settlement agreement. Taxes, repairs and insurance costs are to be borne by the Company. It is secured against charge on leased assets and personal guarantees of sponsor directors.

7.2 As on 01 July 2019, the Company has adopted IFRS 16, hence, liability against assets subject to finance lease has been classified as lease liability Note 8 to these condensed interim financial statements.

8 LEASE LIABILITY

Total lease liabilities	658,531	-
Less: Current portion shown under current liabilities (Note 9)	(658,531)	-
	-	-

9 CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term financing	-	1,766,260
Finance lease - over due	-	658,531
Lease liability - over due	658,531	-
	658,531	2,424,791

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

10.2 Commitments

	Nil	Nil
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D.M. INDUSTRIES LIMITED

(FORMERLY D.M. TEXTILE MILLS LIMITED)

11 PROPERTY, PLANT AND EQUIPMENT

	Rupees										
	Freehold land	Buildings on freehold land	Non factory buildings	Plant and machinery	Electric installations	Factory equipment	Furniture, fixtures and equipment	Vehicles	Total	Leased Plant and machinery	Grand Total
Year ended 30 June 2019											
Opening net book value	518,451,661	28,000,458	9,023,225	11,348,056	4,296,445	561,116	345,777	1,170,482	873,227,220	1,424,900	874,652,120
Additions	-	-	-	-	-	-	-	900,000	900,000	-	900,000
Disposals:	-	-	-	(25,439,350)	-	-	-	-	(25,439,350)	-	(25,439,350)
Cost / revalued amount	-	-	-	18,585,015	-	-	-	-	18,585,015	-	18,585,015
Accumulated depreciation	-	-	-	(6,854,335)	-	-	-	-	(6,854,335)	-	(6,854,335)
Depreciation charge	-	(2,803,046)	-	(389,127)	(429,645)	(56,112)	(34,578)	(278,973)	(4,422,642)	(71,245)	(4,493,887)
Closing net book value - as previously reported	518,451,661	25,227,412	8,572,064	4,124,584	3,866,800	505,004	311,199	1,791,509	862,860,243	1,353,655	864,213,898
Reversal of depreciation charged	-	233,587	-	-	-	-	-	-	233,587	-	233,587
Transferred to investment properties (Note 4)	-	-	-	-	-	-	-	-	-	-	-
Revalued amount	(308,675,960)	-	-	-	-	-	-	-	(97,994,338)	-	(406,670,318)
Accumulated depreciation	(308,675,960)	-	-	-	-	-	-	-	72,533,339	-	72,533,339
Closing net book value - restated	209,775,691	-	8,572,064	4,124,584	3,866,800	505,004	311,199	1,791,509	228,946,851	1,353,655	230,300,506
Period ended 31 December 2019											
Opening net book value	209,775,691	-	8,572,064	4,124,584	3,866,800	505,004	311,199	1,791,509	228,946,851	1,353,655	230,300,506
Revaluation surplus - net	5,352,836	-	1,605,213	-	-	-	-	-	6,958,049	-	6,958,049
Transferred to right-of-use assets (Note 11.1 and Note 13)	-	-	-	-	-	-	-	-	-	-	-
Revalued amount	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Classified as held for sale:	-	-	-	-	-	-	-	-	-	-	-
Cost / revalued amount	(5,916,917)	-	-	(103,115)	(193,340)	(25,250)	-	(179,151)	(5,916,917)	-	(5,916,917)
Depreciation charge	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	209,211,600	-	9,882,975	4,021,479	3,673,480	479,754	295,639	1,612,358	229,257,265	-	229,257,265
Annual rate of depreciation (%)	-	-	-	-	-	-	-	-	-	-	-

11.1 As on 01 July 2019, the Company has adopted IFRS 16, hence, leased assets have been classified as "right-of-use assets".

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

12 INVESTMENT PROPERTIES

	Land	Building	Total
..... Rupees			
Period ended 31 December 2019			
Fair value as at 01 July 2019	308,675,980	25,460,999	334,136,979
Fair value adjustment	<u>12,512,420</u>	<u>6,651,631</u>	<u>19,164,051</u>
Fair value as at 31 December 2019	<u>321,188,400</u>	<u>32,112,630</u>	<u>353,301,030</u>
Year ended 30 June 2019			
Fair value as at 01 July 2018	-	-	-
Additions during the year (Note 4)	<u>308,675,980</u>	<u>25,460,999</u>	<u>334,136,979</u>
Fair value as at 30 June 2019	<u>308,675,980</u>	<u>25,460,999</u>	<u>334,136,979</u>

12.1 The fair value of investment properties comprising land and buildings situated at Westridge, Industrial Area, Rawalpindi have been determined by an independent valuer, Danish Enterprises as at 31 December 2019.

Forced sale value of these properties as at 31 December 2019 was:

	Rupees
Land	273,010,140
Buildings	<u>27,295,736</u>
	<u>300,305,876</u>

12.2 Particulars of investment properties are as follows:

Description	Address	Covered Area (Sqr feet)	Total Area Marla
Land	Westridge, Industrial Area, Rawalpindi	-	823.56
Buildings	Westridge, Industrial Area, Rawalpindi	188,225	-
		<u>188,225</u>	<u>823.56</u>

13 RIGHT-OF-USE ASSETS

	Plant and machinery Rupees
Net carrying amount 01 July 2019	<u>1,353,655</u>
31 December 2019	<u>1,319,814</u>
Depreciation expense for the period ended 31 December 2019	<u>33,841</u>

14 ADVANCE AGAINST PROPERTY

An amount of Rupees 51.150 million was given by the Company as advance against purchase of property. The property could not be transferred in the Company's name due to the want of completion of legal formalities. With reference to this advance, the Director (Enforcement) of Securities and Exchange Commission of Pakistan (SECP) vide his Order dated 29 November 2007 imposed a penalty of Rupees 100,000 on each of the director except one (nominee NIT) of the Company for contravention of Section 196(2) of the repealed Companies Ordinance, 1984. Further directions were given under section 473 for transferring the property in the name of the Company within thirty days from the Order date. The Chief Executive Officer (C.E.O) of the Company filed a revision application with the Appellate Bench of SECP under section 484 of the repealed Companies Ordinance, 1984 against this Order on 10 January 2008, where the Appellate Bench decided not to interfere with the impugned order.

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

The C.E.O also filed an appeal under section 485 of the repealed Companies Ordinance, 1984 read with Section 34 of the Securities and Exchange Commission of Pakistan Act, 1997 before the Lahore High Court, Rawalpindi Bench whereby stay order was granted to suspend the operation of above said impugned order. The Lahore High Court, Rawalpindi Bench, in its interim order dated 06 February 2015, granted adjournment with the directions not to transfer/ alienate the property/ undertaking of the Company meanwhile. Further, the court, through its order dated 09 December 2015 transferred the case to Islamabad High Court, Islamabad.

The Board of Directors in the meeting held on 23 April 2014, after getting valuation at forced sale value of Rupees 72.007 million of said property from NAKMS Associates (Private) Limited, resolved that the right in property along with fixtures and fittings to be offered to the C.E.O on the basis of "first right of refusal" at the fixed floor price of Rupees 75.00 million. The Board further decided that an amount of Rupees 48.570 million be adjusted from interest free loan given by C.E.O and his close family members to the Company and the balance amount to be paid in three equal annual installments of Rupees 8.810 million commencing from 01 May 2015. Accordingly, agreement was made between the Company and the C.E.O under the directions given by the Board of Directors of the Company.

However, the C.E.O in the case proceedings before the Islamabad High Court, Islamabad on 03 May 2016 has submitted to transfer the property in the name of the Company within sixty days there from. The C.E.O filed a petition before the Islamabad High Court to seek relief on the grounds that the said property has already been attached in the cases titled The Bank of Punjab versus Bilal Fibers Limited and The Bank of Punjab versus Bilal Textiles (Private) Limited wherein the C.E.O was a guarantor. Meanwhile, the Board of directors and the shareholders in their meetings held on 09 October 2016 and 31 October 2016 respectively resolved to reverse the transaction of sale of property to C.E.O, subject to completion of legal formalities and in accordance with rules / law / procedures.

The Company filed a suit before the court of Senior Civil Judge (west), Islamabad dated 17 October 2017 against the C.E.O. while making Securities and Exchange Commission of Pakistan and Capital Development Authority parties to the case for directions to transfer the property in the name of the Company, which is pending adjudication.

Meanwhile, the Islamabad High Court, Islamabad vide its order dated 16 November 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days.

The Company also filed an appeal before the Lahore High Court, Lahore Bench in May 2018 for detachment of the property, so that property can be transferred in the name of the Company, which is pending adjudication.

The Securities and Exchange Commission of Pakistan filed an appeal before the Islamabad High Court (IHC), Islamabad, dated 13 September 2018 for execution of IHC decision dated 16 November 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which should have been earned on the amount of Rupees 51.150 million, if invested with any schedule bank on daily product basis in the relevant period, and further requested the IHC to send notice to Lahore High Court, Lahore, for release of the property. The matter is pending adjudication.

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

	Un-audited	Audited
	31 December	30 June
	2019	2019
	Rupees	Rupees

15 DUE FROM RELATED PARTY

Due from C.E.O	17,619,962	17,619,962
Less: Current portion shown under current assets	<u>(17,619,962)</u>	<u>(17,619,962)</u>
	<u>-</u>	<u>-</u>

It represents receivable from C.E.O against sale of property as more fully explained in Note 14. It was interest free and was repayable in three years ended 30 June 2017.

The maximum amount due from C.E.O at the end of any month during the period was Rupees 17.620 million (30 June 2019: Rupees 17.620 million).

16 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Free hold land	34,666,917	28,750,000
Non-factory building	<u>6,477,185</u>	<u>6,477,185</u>
	<u>41,144,102</u>	<u>35,227,185</u>

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

16.1 These represent freehold land measuring approximately 167 Marla comprising open area and old worker quarters having 31,877 square feet covered area, on the extreme back side of the mills situated at Westridge Industrial Area, Rawalpindi. On 22 October 2019, the Company entered into an agreement for the sale of 167 Marla property at a price of Rupees 42.5 million and earnest money of Rupees 5 million was received. Title of property will be transferred on receipt of entire transaction price.

Non-recurring fair value measurements

Freehold land and non-factory building classified as held for sale was measured at the lower of their carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of freehold land and non-factory building was determined by Danish Enterprises and Construction. This is a level 2 measurement as per the fair value hierarchy.

(Un-audited)

HALF YEAR ENDED	
31 December 2019	31 December 2018

17 CASH GENERATED FROM OPERATIONS	NOTE	Rupees	Rupees
Profit / (loss) before taxation		39,820,602	(2,584,080)
Adjustments for non-cash charges and other items:			
Depreciation		764,559	1,968,568
Provision for gratuity		392,827	320,854
Interest income		(251,252)	(227,800)
Gain on settlement of long term financing		(20,767,825)	-
Gain from fair value adjustment on investment property		(19,164,051)	-
Loss on sale of property, plant and equipment		-	524,335
Finance cost		205,814	323,220
Working capital changes	17.1	6,903,618	3,546,360
		<u>7,904,292</u>	<u>3,871,457</u>
17.1 Working capital changes			
(Increase) / decrease in current assets:			
Advances		2,000	32,001
Other receivables		12,350	(53,260)
		14,350	(21,259)
Increase in trade and other payables		<u>6,889,268</u>	<u>3,567,619</u>
		<u>6,903,618</u>	<u>3,546,360</u>

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18 TRANSACTIONS WITH RELATED PARTIES

18.1 The related parties comprise of associated undertakings and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties are as follows:

(Un-audited)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2019	31 December 2018	31 December 2019	31 December 2018

----- (Rupees) -----

Remuneration to Chief Executive Officer and Directors	2,037,000	1,476,000	1,299,000	768,000
Mian Habib Ullah - C.E.O				
Loan obtained during the period	1,009,000	838,000	694,000	738,000
Adjustment / payment against outstanding balance	2,513,457	1,903,089	268,929	1,808,661
Mrs. Riffat Habib - Close family member of C.E.O				
Adjustment / payment against outstanding balance	-	1,400,000	-	1,400,000
Mr. Sami Ullah - Director				
Loan obtained during the period	1,100,000	65,000	1,100,000	65,000
Adjustment / payment against outstanding balance	-	2,105,000	-	2,030,000
Rental income	132,000	-	66,000	-
			Un-audited	Audited
			31 December	30 June
			2019	2019
			Rupees	Rupees
18.2 Period / year end balances				
Short term borrowings				
Mian Habib Ullah - C.E.O			2,299,278	3,803,735
Mr. Sami Ullah - Director			1,100,000	-
Others - Close friends of C.E.O			-	1,000,000

19 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

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

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

20 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The judgments and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in these condensed interim financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

At 31 December 2019	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	209,211,600	-	209,211,600
Non-factory buildings	-	9,962,975	-	9,962,975
Plant and machinery	-	4,021,479	-	4,021,479
Electric installations	-	3,673,460	-	3,673,460
Factory equipment	-	479,754	-	479,754
Furniture, fixtures and office equipment	-	295,639	-	295,639
Vehicles	-	1,612,358	-	1,612,358
Right-of-use assets	-	1,319,814	-	1,319,814
Investment properties	-	353,301,030	-	353,301,030
	-	583,878,109	-	583,878,109

At 30 June 2019	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	209,775,681	-	209,775,681
Non-factory buildings	-	8,572,064	-	8,572,064
Plant and machinery	-	4,124,594	-	4,124,594
Electric installations	-	3,866,800	-	3,866,800
Factory equipment	-	505,004	-	505,004
Furniture, fixtures and office equipment	-	311,199	-	311,199
Vehicles	-	1,791,509	-	1,791,509
Plant and machinery - leased	-	1,353,655	-	1,353,655
Investment properties	-	334,136,979	-	334,136,979
	-	564,437,485	-	564,437,485

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

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

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

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

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Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's property, plant and equipment and investment properties after regular intervals. The fair values of property, plant and equipment and investment properties were determined by Danish Enterprises and Construction. Fair values of land, buildings and investment properties were determined on 31 December 2019. Fair values of the plant and machinery, electric installations and factory equipment were determined on 02 May 2018, while fair values of the rest of the property, plant and equipment were determined on 02 June 2016.

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

21 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2019.

22 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on 28 February 2020.

23 CORRESPONDING FIGURES

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

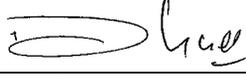
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant reclassification / rearrangement of corresponding figures has been made.

24 GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER