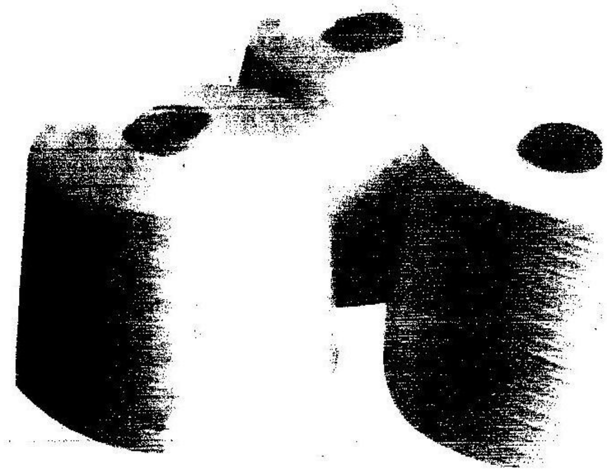
ANNUAL REPORT
2020



MIAN TEXTILE
INDUSTRIES LIMITED

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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	: SARWARS Chartered Accountants
Audit Committee	: Mr. Haroon Majid Chairman : Mian Waqar Ahmad Member : Ms. Ayesha Jehangir Member
HR & Remuneration Committee	: Mr. Maqsood Ahmed Sajid Chairman : Mrs. Nargis Jehangir Member : Ms. Ayesha Jehangir 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
Shares Registrar	: Hameed Majeed Associates (Pvt.) Ltd. H.M House 7-Bank Square, Lahore. Tel: 37235081-82 Fax: 37358817

MISSION & VISION STATEMENT

To Do A Viable Trading Business Mainly In Textile Products Keeping In View The Current Market Condition And/or Otherwise To Find A Potential Acquirer For The Acquisition Of Majority Shareholding/merger Of The Company For The Revival Of The Operations Of The Company In The Best Interest Of All The Shareholders Of The Company.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

ar ending June 30, 2020

ıe Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 (other than one Nominee director) as following:

   a) Male 5
   b) Female 2

2. The composition of the Board is as follows:

Category	Names
Executive Directors:	Mian Muhammad Jehangir
Non-Executive Directors:	Mian Waheed Ahmad
	Mian Waqar Ahmad
	Mrs. Nargis Jehangir
	Ms. Ayesha Jehangir
Independent Directors	Mr. Haroon Majid
	Mr. Maqsood Ahmed Sajid

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. No casual vacancy occurred on the board during the year.

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

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies has been maintained.

7. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

8. The meetings of the board were presided over by the Chairperson and, in her absence, by a director elected by the board for this purpose. The Board has complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the Meetings of the Board.

9. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with Act and these Regulations.

10. Having minimum 14 years of education by all of directors and minimum 15 years of experience by 4 out of 7 directors on the board make them exempt from any director's training program

    Since the company is facing financial crunch these days due to closure of its manufacturing operation and sale of its Factory premises because of some irrepressible factors, so the training program for remaining directors is being deferred. However, the company intends to arrange for orientation course for the remaining directors in future.

11. During the period, there is no replacement of CFO, Company Secretary, and Head of Internal Audit of the Company.

12. CFO and CEO duly endorsed the financial statements before approval of the Board..

13. The board has formed two committees comprising of the members given below:

    a) Audit Committee:

    It comprises of three members, of whom all three are non-executive directors and the chairman of the committee is an independent director. The committee met 4 times during the year and the attendance was as follows:

Name of Member		Meetings Attended
Mr. Haroon Majid	(Chairman)	4
Mian Waqar Ahmad	(Member)	4
Ms. Ayesha Jehangir	(Member)	4

    b) Human Resource and Remuneration Committee:

    It comprises of three members. All members are non-executive directors and the chairman of the committee is an independent director. The Committee met twice during the year and the attendance of the meeting is as follows:

Name of Member		Meetings Attended
Mr. Maqsood Ahmed Sajid	(Chairman)	2
Mrs. Nargis Jehangir	(Member)	2
Ms. Ayesha Jehangir	(Member)	2

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

15. The board has set up an effective internal audit function, which has been effectively implemented.

16. The statutory auditors have confirmed that they have been given a satisfactory rating under the quality control review programme of the ICAP and registered with Audit Oversight Board of Pakistan, that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

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

19. The Company intends to disclose its significant policies on website in near future.

For and on behalf of the Board

Lahore:
October 03, 2020

Chief Executive

SARWARS
Chartered Accountants

TEL: 35 78 29 20
35 78 29 22
Fax: 35 77 38 25
E-mail: sarwars@sarwarsca.com
sarwars.sca@gmail.com
Off: # 12-14, 2nd Floor, Lahore Center, 77-D, Main Boulevard, Gulberg-III, Lahore.

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Mian Textile Industries Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Mian Textile Industries Limited** for the year ended June 30, 2020, in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

Place: Lahore
Date: October 05, 2020

SARWARS
CHARTERED ACCOUNTANTS
Audit Engagement Partner: Rashid Sarwar

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting of the Shareholders of **Mian Textile Industries Limited** will be held on **Wednesday October 28, 2020** at **10:30 AM** at the Registered Office of the Company at 29-B/7, Model Town, Lahore to transact the following business:-

Ordinary Business:

1. To confirm the minutes of the last Annual General Meeting of the Shareholders of the Company held on October 26, 2019.
2. To receive, consider and adopt the audited financial statements of the company together with the Director's and Auditor's reports thereon for the year ended June 30, 2020.
3. To appoint Auditors and fix their remuneration for the year ending on June 30th 2021.
4. To transact any other business with the permission of the Chairman.

By order of the Board

Muhammad Masud Mufti
Company Secretary

Lahore:
Dated: October 06, 2020

Notes:

a) The share transfer books of the Company will remain closed from October 21, 2020 to October 28, 2020 (both days inclusive). Transfers received in order at the Registered Office of the Company up to the close of business on October 20, 2020 will be in time to affect the voting rights at the meeting.

b) Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her CNIC with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. Representatives of corporate members should bring the usual documents required for such purpose.

c) The Shareholders are requested to notify the Company, the change in their address, if any, immediately to the Company's Registrar Hameed Majeed Associates (Pvt.) Ltd. - H. M. House 7, Bank Square, Lahore.

d) Members are requested to provide by mail or email, photocopy of their CNIC and their email address to enable the Company to comply with the relevant laws.

DIRECTOR'S REPORT TO THE SHAREHOLDERS

n behalf of the Board of Directors of Mian Textile Industries Limited, I am pleased to welcome you to the 34th Annual General Meeting of e Company and submit their report together with audited financial statements of the Company and Auditor's Report thereon for the :ar ended June 30, 2020.

ıe Financial results of the Company for the year ended are summarized below:

	2020 (Rs. in '000')	2019 (Rs. in '000')
Trading income	-	2,116
Operating Loss	(14,199)	(21,312)
Finance cost	3	9
Loss before tax from continuing operations	(14,614)	(15,829)
Taxation	-	(26)
Loss after tax from continuing operations	(14,614)	(15,855)
Post tax profit from discontinued operations	-	109,657
Total Profit / (Loss) after tax	(14,614)	93,802
Comprehensive Income for the year	(14,614)	93,802
E.P.S	(0.66)	4.24

uture outlook

he Company intended to do viable trading business mainly in textile products. But in view of present aggravated condition of economy, ıe trading business does not seem profitable.

he Directors informed the company that they have received an offer dated February 14, 2020 from Mr. Ali Arif (the potential acquirer) for ıe acquisition of 74.15% shares of the Directors and their relatives and that they are in negotiations with the potential acquirer in this egard.

)n March 06, 2020, the Chief Executive received a letter from Next Capital Limited stating that on behalf of Mr. Ali Arif (the acquirer) they ereby submit Acquirer's Public Announcement of Intention to acquire 74.15% shares and control of Mian Textile Industries Limited and hat they have been appointed as Manager to Offer by the acquirer (Mr. Ali Arif).

he Public Announcement of Intention was also published in the newspapers on March 10, 2020.

)n March 26, 2020, Mr. Ali Arif also submitted the future business plan for the revival of Mian Textile Industries Ltd. to the SECP and 'akistan Stock Exchange (PSX).

After March-2020, no negotiation or any further progress took place in the process of proposed acquisition due to outbreak of pandemic of Coronavirus (Covid-19) in the world and lockdown announced by the Government.

As per Regulations, the acquirer was required to make public announcement of offer through the Manager to Offer within 180 days of naking the public announcement of intention but they failed to do so.

'he majority shareholders of the Company are pursuing the matter with proposed acquirer through Next Capital Limited (the Manager to)ffer).

Now as the stipulated time has already been lapsed, the majority shareholders have started to look for some other potential acquirers and in this regard, initial discussion with a couple of parties is underway.

The Directors/majority shareholders are hopeful that they shall be able to find a potential acquirer for the acquisition of majority shareholding or merger for the revival of the operations of the Company in the best interest of all shareholders.

Dividend

In view of the brought forward losses and operational loss sustained, the directors have not recommended any dividend for the period ended as at June 30, 2020.

Notes

Furthermore, we give hereunder our comments on the observations recorded by the company's auditors in their report.

Emphasis of Matter Paragraph:

The Directors/majority shareholders are hopeful that they shall be able to find a potential acquirer for the acquisition of majority shareholding or merger for the revival of the operations of the Company in the best interest of all shareholders.

As required, the Company has provided the list of members to the SECP. The company intends to give notice to the concerned shareholders in this connection. The company after exhausting all possible means will commence the process of complying with the requirements of Section 244 of the Companies Act, 2017.

CORPORATE AND FINANCIAL REPORTING FRAME WORK

The directors also confirm compliance with Corporate and Financial Reporting Framework of the SECP's Code of Corporate Governance for the following:

a) The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
b) Proper books of accounts have been maintained by the Company;
c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from (if any) has been adequately disclosed;
e) The system of internal control is sound in design and has been effectively implemented and monitored;
f) There company has closed down its manufacturing operations and factory land & complete premises etc has been disposed off. The company being a non-going concern, the financial statements have been prepared under fair market value method against historical cost convention in earlier years.
g) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations of the stock exchange except, if any, as mentioned in the Statement of Compliance.
h) Operating and financial data and key ratios of six years are annexed.
i) A statement showing pattern of shareholding is annexed.
j) During the year, no transaction in the shares of the Company was made by the CEO, directors, CFO, Company Secretary, their spouses & minor children.

BOARD MEETING

During the financial year under consideration, five meetings were held and the attendance by the respective directors was as follows:

S.No.	Name of Directors	No. of meetings attended
1	Mian Muhammad Jehangir	5
2	Mian Waheed Ahmad	5
3	Mian Waqar Ahmad	-
4	Mrs. Nargis Jehangir	1
5	Ms. Ayesha Jehangir	5
6	Mr. Haroon Majid	1
7	Mr. Maqsood Ahmed Sajid	1
8	Mr. Muhammad Arshad (Nominee-NIT)	3

Leave of absence was granted to Directors who could not attend the Board meetings.

COMPOSITION OF THE BOARD OF DIRECTORS ("THE BOARD")

Category	Names
Executive Directors:	Mian Muhammad Jehangir
Non-Executive Directors:	Mian Waheed Ahmad
	Mian Waqar Ahmad
	Mrs. Nargis Jehangir
	Ms. Ayesha Jehangir
Independent Directors	Mr. Haroon Majid
	Mr. Maqsood Ahmed Sajid

The total numbers of directors are 7 (other than one Nominee director) comprising of 2 Female and 5 Male directors. However, no remuneration is paid to Non-executive directors.

AUDIT COMMITTEE

The Board constituted an Audit Committee comprising the following Directors:

1.	Mr. Haroon Majid	Chairman
2.	Mian Waqar Ahmad	Member
3.	Ms. Ayesha Jehangir	Member

HUMAN RESOURCES & REMUNERATION COMMITTEE

The Board constituted an HR&R Committee comprising the following Directors:

1.	Mr. Maqsood Ahmed Sajid	Chairman
2.	Mrs. Nargis Jehangir	Member
3.	Ms. Ayesha Jehangir	Member

AUDITORS

The auditors M/s SARWARS Chartered Accountants will retire at the conclusion of the Annual General Meeting. The auditors of the Company shall be appointed in the forthcoming AGM for the next year ending on 30th June 2021 and their remuneration shall be fixed.

PATTERN OF SHAREHOLDINGS

A statement-showing pattern of shareholding as on June 30, 2020 is annexed.

ACKNOWLEDGEMENT

We like to place on record our gratitude to the regulatory authorities and the shareholders for their continued support. We also appreciate the efforts and dedication shown by the staff for managing the company's affairs during this tough time.

ON BEHALF OF THE BOARD

Place: Lahore
Date: October 03, 2020

MIAN MUHAMMAD JEHANGIR
Chief Executive

بورڈ آف ڈائریکٹرز کی ترتیب:

کیٹگری	نام
ایگزیکٹیو ڈائریکٹر	میاں محمد جہانگیر
نان ایگزیکٹیو ڈائریکٹر	میاں وحید احمد
	میاں وقار احمد
	مسز نرگس جہانگیر
	مس عائشہ جہانگیر
آزاد ڈائریکٹر	مسٹر ہارون ماجد
	مسٹر مقصود احمد ساجد

ڈائریکٹرز کی کل تعداد سات ہے جو کہ دو خواتین اور پانچ مرد ڈائریکٹرز پر مشتمل ہے۔ جبکہ نان ایگزیکٹیو ڈائریکٹر کو معاوضہ ادا نہیں کیا جاتا۔

آڈٹ کمیٹی:

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی قائم کی ہے اور مندرجہ ذیل ڈائریکٹرز اس کے اراکین ہیں۔

1	مسٹر ہارون ماجد	چیئرمین
2	میاں وقار احمد	رکن
3	مسمات عائشہ جہانگیر	رکن

HR کمیٹی:

بورڈ آف ڈائریکٹرز نے HR کمیٹی قائم کی ہے اور مندرجہ ذیل ڈائریکٹرز اس کے اراکین ہیں۔

1	مسٹر مقصود احمد ساجد	چیئرمین
2	مسز نرگس جہانگیر	رکن
3	مسمات عائشہ جہانگیر	رکن

آڈیٹرز:

میسرز سرورز چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس میں ریٹائر ہو جائیں گے۔ کمپنی کے آڈیٹر آئندہ ہونے والے سالانہ اجلاس عام میں سال 30 جون 2021 کے لیے مقرر ہوں گے اور اُن کا معاوضہ بھی مقرر کیا جائے گا

حصہ داران کی تفصیل:

30 جون 2020 کو حصہ داران کی تفصیل لف ہے۔

اعتراف:

کمپنی کی انتظامیہ، ملازمین محنت اور لگن سے کام کرنے کیلئے تعریف کے مستحق ہیں ہم اپنے قابل قدر حصص داران، اور مالیاتی اداروں کے تعاون، مدد، مسلسل حمایت اور اعتماد کے شکر گزار ہیں۔

مورخہ 03 اکتوبر 2020

میاں محمد جہانگیر
چیف ایگزیکٹو آفیسر

خصوصی توجہ کے معاملات کا پیراگراف

کمپنی کے ڈائریکٹرز اُمید کرتے ہیں کی معاملات کی بحالی اور اس کے شیئرز ہولڈرز کی بہتری کو مدِ نظر رکھتے ہوئے وہ جلد مزید ممکنہ خریدار تلاش کرنے میں کامیاب ہو جائیں گے۔ کمپنی نے ممبران کی لسٹ SECP کو فراہم کردی ہے جس کی SECP سے تصدیق موصول ہونے کے بعد کمپنی ممبران کو نوٹس جاری کرے گی، کمپنی کی طرف سے کمپنیز ایکٹ 2017 کے سیکشن 244 کی ضروریات پوری کرنے کا عمل جاری ہے۔

کارپوریٹ اور فنانشل فریم ورک پر تعمیل کا بیان:

انتظامیہ کارپوریٹ اور فنانشل فریم ورک پر عمل درآمد کے بارے میں بخوبی آگاہ ہے اور بشمول درج ذیل نظم وضبط کی تعمیل کرتی ہے۔

A مالیاتی گوشوارے واضح طور پر معاملات کی حالت، آپریشنوں کے نتائج، اثاثوں کے بہاؤ اور ایکوئٹی میں تبدیلی بیان کرتے ہیں۔

B کمپنی کی طرف سے باقاعدہ اکاؤنٹ کی کتابوں کا بندوبست کیا گیا ہے۔

C مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ کی پالیسیاں مسلسل استعمال میں لائی گئی ہیں اور اکاؤنٹنگ کے تخمینے مناسب اور حقیقت پسندانہ سوچ رکھتے ہوئے لگائے گئے ہیں۔

D مالیاتی گوشواروں کی تکمیل انٹرنیشنل سٹینڈرڈ کو مدِ نظر رکھ کر کی گئی ہے۔

E کمپنی کی اندرونی کنٹرول کا نظام مضبوط ہے اور موثر طریقے سے لاگو کیا گیا ہے اور قابلیت رکھنے والے اندرونی آڈیٹر کی نگرانی میں ہیں۔

F کمپنی نے اپنا مینوفیکچرنگ آپریشن بند کر دیا ہے اور مکمل فیکٹری لینڈ بلڈنگ وغیرہ بیچ دیا ہے۔ نان گوئنگ کنسرن ہونے کی وجہ سے کمپنی کی مالیاتی رپورٹس کو مناسب مارکیٹ کی قیمت کے تحت تیار کیا گیا ہے۔

G کورپوریٹ گورننس کی بہترین پریکٹس سے انحراف نہیں کیا گیا ماسوائے اُس کے جو کہ سٹیٹمنٹ آف کمپلائنس میں درج کی گئی۔

H چھ سالہ کلیدی آپریٹنگ اور مالیاتی اعداد و شمار لف ہیں۔

I شیئر ہولڈنگ کے پیٹرن کی سٹیٹمنٹ لف ہے۔

J دوران سال ڈائریکٹرز، سی ای او کمپنی سیکرٹری یا ان کی اہلیہ اور نابالغ بچوں نے کمپنی کے شیئرز میں ٹریڈنگ نہیں کی۔

بورڈ آف ڈائریکٹرز کے اجلاس:

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد کیے گئے تھے ہر ایک کی طرف سے حاضری کی تفصیل یہ ہے۔

جناب میاں محمد جہانگیر	5
جناب میاں وحید احمد	5
جناب میاں وقار احمد	-
محترمہ مسز نرگس جہانگیر	1
محترمہ عائشہ جہانگیر	5
جناب ہارون ماجد	1
جناب مقصود احمد ساجد	1
جناب محمد ارشد	3

جو ڈائریکٹر بورڈ میں شرکت نہیں کر سکتے تھے ان کی رخصت دی گئی تھی۔

ڈائریکٹرز رپورٹ

میاں ٹیکسٹائل انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے میں آپ کو کمپنی کی طرف سے چوبیسویں سالانہ میٹنگ میں خوش آمدید کہتا ہوں اور کمپنی کے ڈائریکٹرز سالانہ عام اجلاس کے سامنے 30 جون 2020 کو ختم ہونے والے سال کے لئے آڈٹ شدہ اکاؤنٹس کے ساتھ ساتھ اپنی رپورٹ پیش کرنا چاہیں گے۔

مالیاتی جائزہ	2019	2020
	(ملین روپے)	(ملین روپے)
تجارتی آمدنی	2,116	-
آپریٹنگ نقصان	(21,312)	(14,199)
مالی لاگت	9	3
نقصان قبل از ٹیکس	(15,829)	(14,614)
ٹیکس	(26)	-
نقصان بعد از ٹیکس	(15,855)	(14,614)
منافع برائے بند شدہ معاملات	109,657	-
مجموعی منافع/(نقصان)	93,802	(14,614)
فی شیئر آمدنی	4.24	(0.66)

مستقبل کا تصور:

کمپنی نے ٹریڈنگ (بالخصوص ٹیکسٹائل مصنوعات) کرنے کی نیت کی لیکن معیشت کے بگڑتے ہوئے حالات میں ٹریڈنگ کرنا منافع بخش نہیں ہے۔

فروری 2020 میں ڈائریکٹرز نے کمپنی کو مطلع کیا کہ انہیں علی عارف صاحب (ممکنہ خریدار) کی طرف سے ڈائریکٹرز اور اُن کے رشتہ داران کے 74.15% شیئرز خریدنے کی پیشکش موصول ہوئی ہے اور یہ کہ اس سلسلہ میں خریدار کے ساتھ مذاکرات جاری ہیں۔ مورخہ 6 مارچ 2020 کو کمپنی کے چیف ایگزیکٹو کو نیکسٹ کیپٹل لمیٹڈ کی جانب سے ایک خط موصول ہوا جس میں ممکنہ خریدار کی طرف سے کمپنی کے 74.15% شیئرز خریدنے کی نیت کا اعلان کیا اور یہ کہ علی عارف صاحب کی جانب سے انہیں منیجر ٹو آفر مقرر کیا گیا ہے۔ اُن کی جانب سے شیئرز خریدنے کی نیت کا اعلان مورخہ 10 مارچ 2020 کی اخبارات میں بھی شائع کیا گیا۔ مورخہ 26 مارچ 2020 کو علی عارف صاحب کی جانب سے میاں ٹیکسٹائل انڈسٹری لمیٹڈ کی بحالی کا منصوبہ بھی (ایس ای سی پی) اور پاکستان سٹاک ایکسچینج کو ارسال کیا گیا۔ جب کہ مارچ 2020 کے بعد کورونا وائرس (کوویڈ-19) کی وبا پھیل جانے اور حکومت کی جانب سے لاک ڈاؤن کے سبب اس ممکنہ خریداری کے بارے میں کوئی مزید مذاکرات یا پیش رفت نہ ہو سکی۔ قانون کے مطابق ممکنہ خریدار کو 180 دنوں میں عوامی پیشکش کا اعلان کرنا تھا لیکن ایسا نہ ہو سکا۔ کمپنی کے ڈائریکٹرز نیکسٹ کیپٹل لمیٹڈ کے ذریعے ممکنہ خریدار سے رابطہ کرنے کی کوشش کر رہے ہیں۔ اب متعین وقت کے گزر جانے کے بعد ڈائریکٹرز نے دوسرے ممکنہ خریداروں سے مذاکرات شروع کر دیے ہیں۔ کمپنی کے ڈائریکٹرز اُمید کرتے ہیں کہ معاملات کی بحالی اور اس کے شیئرز ہولڈرز کی بہتری کو مدِ نظر رکھتے ہوئے وہ جلد مزید ممکنہ خریدار تلاش کرنے میں کامیاب ہو جائیں گے۔

منافع میں حصہ:

پچھلے سالوں کے نقصان اور رواں مالی سال میں آپریشنل نقصان کی صورت میں ڈائریکٹرز نے ڈیویڈنڈ دینے کی سفارش نہیں کی۔

نوٹس:

مزید براں کمپنی کے آڈیٹر کی طرف سے آڈٹ رپورٹ میں اٹھائے گئے نکات کے حوالے سے ڈائریکٹران کے جوابات درج ذیل ہیں۔

PERFORMANCE OF LAST SIX YEARS AT GLANCE
(RUPEES IN '000')

	2020	2019	2018	2017	2016	2015
				Restated	Restated	
FINANCIAL DATA						
PROFIT & LOSS ACCOUNT						
Sales	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit/(loss)	-	-	-	-	-	-
Rental income from investment property	-	-	-	17,179	27,399	30,753
Trading income	-	2,116	18,958	-	-	-
Operating profit/(loss)	(14,199)	(21,312)	(24,525)	(30,518)	(12,160)	(4,816)
Profit/(loss) before taxation	(14,614)	93,828	43,521	40,687	81,555	(30,631)
Profit/(loss) after taxation	(14,614)	93,802	43,488	42,858	81,555	(30,631)
Comprehensive income for the year	(14,614)	93,802	43,488	47,985	86,450	(26,397)
BALANCE SHEET						
Paid up capital	221,052	221,052	221,052	221,052	221,052	221,052
Fixed assets	2,635	3,267	304,334	328,213	392,531	415,083
Current assets	28,004	77,292	28,095	27,707	24,176	30,913
Current liabilities	12,740	44,005	352,219	419,000	450,769	226,555
KEY RATIOS						
Gross profit/(loss) ratio	-	-	-	-	-	-
Operating profit/(loss) ratio	-	-1007.07%	-129.37%	-177.65%	-44.38%	-15.66%
Net profit/(loss) ratio	-	4432.45%	229.40%	249.48%	297.66%	-99.60%
Current ratio	1 : 2.20	1 : 1.76	1 : 0.08	1 : 0.07	1 : 0.05	1 : 0.14
Earning/(loss) per share (Rs.)	(0.66)	4.24	1.97	1.94	3.69	(1.39)

Pattern of Shareholding for Mian Textile Industries Limited As on:- 30-Jun-2020

No. of Share Holders	Shareholdings From	To	Total Number of Share Held	Percentage of Total Capital
336	1 -	100	24,041	0.11
743	101 -	500	320,658	1.45
230	501 -	1000	213,558	0.97
230	1001 -	5000	611,031	2.76
67	5001 -	10000	511,400	2.31
20	10001 -	15000	257,930	1.17
17	15001 -	20000	306,800	1.39
7	20001 -	25000	164,200	0.74
5	25001 -	30000	145,600	0.66
4	30001 -	35000	129,800	0.59
4	40001 -	45000	168,600	0.76
4	45001 -	50000	198,000	0.90
3	50001 -	55000	156,800	0.71
1	55001 -	60000	57,000	0.26
1	65001 -	70000	67,295	0.30
3	85001 -	90000	266,500	1.21
1	90001 -	95000	93,000	0.42
1	95001 -	100000	100,000	0.45
1	135001 -	140000	138,000	0.62
3	145001 -	150000	450,000	2.04
1	150001 -	155000	154,000	0.70
1	165001 -	170000	168,000	0.76
1	200001 -	205000	205,000	0.93
1	230001 -	235000	233,500	1.06
1	305001 -	310000	308,800	1.40
1	420001 -	425000	420,900	1.90
1	605001 -	610000	605,578	2.74
1	1760001 -	1765000	1,762,309	7.97
1	1950001 -	1955000	1,952,800	8.83
1	2180001 -	2185000	2,185,000	9.88
1	3565001 -	3570000	3,566,198	16.13
1	6160001 -	6165000	6,162,902	27.88
1,693			**22,105,200**	**100.00**

Form 34
Mian Textile Industries Ltd.
Patten of Holding of Shares
Held by the Shareholders as at 30/06/2020

Categories of Shareholders	Numbers	Shares Held	%
- Individuals	1,651	4,235,092	19.16
- Investment Companies	3	33,800	0.15
- Insurance Companies	1	420,900	1.90
- Financial Institution	3	53,315	0.24
- Joint Stock Companies	14	264,050	1.19
- Modaraba Companies	4	21,000	0.10
- Mutual Funds	3	675,234	3.05
- CEO, Directors, Spouses & Relatives	11	16,390,209	74.15
- Others	3	11,600	0.05
TOTAL:	**1,693**	**22,105,200**	**100.00**

CATEGORIES OF SHAREHOLDERS AS ON JUNE 30, 2020

	No. of Shares		%
ASSOCIATED COMPANY		Nil	-
NIT AND ICP			
i) National Bank Of Pakistan, Trustee Department	728,549		
ii) Investment Corporation of Pakistan	12,900		
		741,449	3.35
DIRECTORS			
i) Mian Muhammad Jehangir	6,162,902		27.88
ii) Mian Waheed Ahmad	2,185,000		9.88
iii) Mian Waqar Ahmad	154,000		0.70
iv) Mrs. Nargis Jehangir	3,566,198		16.13
v) Ms. Ayesha Jehangir	1,912,309		8.65
vi) Mr. Haroon Majid	500		0.00
vii) Mr. Maqsood Ahmed Sajid	500		0.00
		13,981,409	63.25
DIRECTORS' SPOUSES & MINOR CHILDRENS/RELATIVES		2,408,800	10.90
PUBLIC SECTOR COMPANIES AND CORPORATIONS		275,650	1.25
BANKS DEVELOPMENT FINANCIAL INSTITUTIONS NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS		462,800	2.09
GENERAL PUBLIC		4,235,092	19.16
		22,105,200	**100.00**

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE:

Mian Muhammad Jehangir	6,162,902	27.88
Mrs. Nargis Jehangir	3,566,198	16.13
Mian Waheed Ahmad	2,185,000	9.88
Mian Khurram Jehangir	1,952,800	8.83
Ms. Ayesha Jehangir	1,912,309	8.65

DURING THE FINANCIAL YEAR THE TRADING IN SHARES OF THE COMPANY BY THE CEO, DIRECTORS, CFO, COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDERN IS AS FOLLOW:

Nil

SARWARS
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MIAN TEXTILE INDUSTRIES LIMITED

Opinion

We have audited the annexed financial statements of **MIAN TEXTILE INDUSTRIES LIMITED** (the Company), which comprises the statement of financial position as at June 30, 2020, and the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit and loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss and total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter Paragraph

Attention is invited to Note 3 of the financial statements. In the Extra Ordinary Meeting of shareholders held on 29 April, 2017, it was resolved that the operation of industrial unit is not viable and unit be closed down due to depressed market, uneconomical conditions and political upheavals.. The Company has incurred current year operating loss of Rs. 14.6 million and accumulated losses of Rs.201.8 million yet so far and it seems unable to recoup its losses in normal course of business.

The management has drawn up its financial statements of the year ended June 30, 2020 on non-going concern basis. Our opinion is not modified in respect of this matter.

As disclosed in note no. 13.1 of the financial statements, the company is in the process of complying with the requirements of section 244 of the Companies Act, 2017 relating to unclaimed dividend. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

There is no key audit matter worth reportable.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the company and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting. When such use is inappropriate and management uses an alternative basis of accounting, we conclude whether the alternative bases used by management are acceptable in the circumstances. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use, refer to note no. 3.1 of the financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

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

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

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

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

Report on Other Legal and Regulatory Requirements
Based on our audit, we further report that in our opinion:

(a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX) of 2017);

(b) the statement of financial position, the statement of profit and loss and the statement comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;

(c) investment made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on audit resulting in this independent auditor's report is Rashid Sarwar (FCA).

Place: Lahore

SARWARS
CHARTERED ACCOUNTANTS

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MIAN TEXTILE INDUSTRIES LTD. *Annual Report 2020*

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2020		2019	
		Book value	Estimated Realisable/ settlement value	Book value	Estimated Realisable/ settlement value
ASSETS					
Cash And Bank Balances	5	7,952,622	7,952,622	57,523,854	57,523,854
Tax Refunds Due From Government	6	16,780,010	16,780,010	16,276,952	16,276,952
Trade Debts	7	1,701,921	1,701,921	1,917,229	1,917,229
Loan And Advances	8	-	-	2,549	2,549
Long Term Deposits And Deferred Cost	9	679,367	679,367	679,367	679,367
Trade Deposits And Short Term Prepayments	10	1,569,402	1,569,402	1,571,152	1,571,152
Assets Held For Sale	11	604,649	604,649	604,649	604,649
Property, Plant And Equipment	12	2,635,000	2,635,000	3,266,753	3,266,753
TOTAL ASSETS		**31,922,971**	**31,922,971**	**81,842,507**	**81,842,507**
LIABILITIES					
Trade And Other Payables	13	7,910,530	7,910,530	9,044,177	9,044,177
Borrowings	14	590,265	590,265	34,934,500	34,934,500
Deferred Liabilities	15	4,239,329	4,239,329	4,040,432	4,040,432
Provision For Taxation		-	-	26,453	26,453
TOTAL LIABILITIES		**12,740,124**	**12,740,124**	**48,045,562**	**48,045,562**
NET ASSETS		**19,182,847**	**19,182,847**	**33,796,945**	**33,796,945**
REPRESENTED BY:-					
Authorized share capital 22,500,000 Ordinary shares of Rs. 10/- each		225,000,000	225,000,000	225,000,000	225,000,000
Issued, subscribed and Paid Up Capital	16	221,052,000	221,052,000	221,052,000	221,052,000
Reserves		(201,869,153)	(201,869,153)	(187,255,055)	(187,255,055)
Share Holders' Equity		**19,182,847**	**19,182,847**	**33,796,945**	**33,796,945**
Contingencies & Commitments	17	-	-	-	-
		19,182,847	**19,182,847**	**33,796,945**	**33,796,945**

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

MIAN MUHAMMAD JEHANGIR Chief Executive	MIAN WAHEED AHMED Director	MUHAMMAD IRFAN Chief Financial Officer

MIAN MUHAMMAD JEHANGIR Chief Executive	MIAN WAHEED AHMED Director	MUHAMMAD IRFAN Chief Financial Officer

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	NOTES	2020 (RUPEES)	2019 (RUPEES)
Income From Trading	18	-	2,116,250
Cost Of Trading	19	-	(1,963,248)
Operating Profit		-	**153,002**
Operating Expenses			
Distribution Cost	20	-	1,101,650
Administrative Expenses	21	14,198,946	20,363,570
		14,198,946	**21,465,220**
Operating Loss		**(14,198,946)**	**(21,312,218)**
Other Operating Charges	22	412,389	4,446,350
~~Other Operating Income~~	23	-	9,938,525
Finance Cost	24	2,762	8,978
Loss before Tax from continuing operations		**(14,614,097)**	**(15,829,021)**
Taxation	25	-	26,453
Loss after Tax from continuing operations		**(14,614,097)**	**(15,855,474)**
Post Tax profit from Discontinued Operations	23.1	-	109,657,238
Total profit/(loss) after tax		**(14,614,097)**	**93,801,764**
Earning/(loss) Per Share	28	**(0.66)**	**4.24**

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

MIAN MUHAMMAD JEHANGIR	MIAN WAHEED AHMED	MUHAMMAD IRFAN
Chief Executive	Director	Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	2020 Rupees	2019 Rupees
Profit/(Loss) for the year after taxation	(14,614,097)	93,801,764
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	**(14,614,097)**	**93,801,764**

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

MIAN MUHAMMAD JEHANGIR	MIAN WAHEED AHMED	MUHAMMAD IRFAN
Chief Executive	Director	Chief Financial Officer

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 (Rupees)	2019 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(loss) before taxation		**(14,614,097)**	**93,828,217**
Adjustments for non-cash and other items:			
Depreciation		634,502	1,483,800
Provision for gratuity		369,372	5,382,371
Loss/(Gain) on disposal of property, plant and equipment		-	(2,683,429)
Profit on disposal of assets held for sale		-	(109,657,238)
Provision for doubtful receivables		212,389	4,446,350
Non- recurring expenses add back		-	1,978,709
Impairment loss on property held for sale		-	2,714,520
Finance cost		2,762	8,978
		1,219,025	**(96,325,939)**
Operating profit before working capital changes		**(13,395,072)**	**(2,497,722)**
Adjustments for Working Capital Changes			
(Increase) / decrease in current assets:			
Stores and spares		-	-
Trade debts		153,581	(5,794,439)
Loans and advances		2,549	2,983,904
Trade deposits, prepayments and other receivables		1,750	1,150,974
Tax refunds due from Government		(664,748)	378,277
(Decrease) / increase in current liabilities:			
Trade and other payables		(1,133,647)	(3,894,968)
Income tax payable		-	-
Net working capital changes		**(1,640,515)**	**(5,176,252)**
Finance cost paid		(2,762)	(8,978)
Gratuity paid		(170,475)	(4,369,436)
Income tax paid		(15,424)	(5,286,483)
		(188,661)	**(9,664,897)**
Net cash generated from/ (used in) operating activities		**(15,224,248)**	**(17,338,870)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment purchased		(2,750)	(5,876,690)
Long term deposits		-	92,210
Proceeds from disposal of property, plant and equipment		-	6,707,500
Proceeds received against security deposits		-	4,000,000
Proceeds from disposal of Assets Held For Sale		-	406,400,000
Net cash (used in) / generated from investing activities		**(2,750)**	**411,323,020**
CASH FLOWS FROM FINANCING ACTIVITIES			
Director's bridge finance loan		-	(38,563,713)
Short term bank borrowings		-	-
Short term related party loans		(34,344,235)	(304,108,415)
Long term deposits		-	-
Net cash (used in)/ generated from financing activities		**(34,344,235)**	**(342,672,128)**
Net Increase/ (Decrease) in Cash and Cash Equivalents		**(49,571,233)**	**51,312,022**
Cash and Cash Equivalents at the beginning of the Year		57,523,854	6,211,832
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**7,952,622**	**57,523,854**
Cash and bank balances	5	**7,952,622**	**57,523,854**

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

MIAN MUHAMMAD JEHANGIR	MIAN WAHEED AHMED	MUHAMMAD IRFAN
Chief Executive	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

Particulars	Share Capital	Accumulated Loss	Surplus on revaluation of PPE	Shareholder's Equity
	(------Rupees------)			
Balance as at June 30, 2018	**221,052,000**	**(514,291,655)**	**233,234,836**	**(60,004,819)**
Total profit for the year after taxation	-	93,801,764	-	93,801,764
Total comprehensive income for the year		-		-
Transfer from surplus on revaluation of PPE				
- Incremental depreciation	-	-	-	-
- De-recognized during the year	-	233,234,836	(233,234,836)	-
Balance as at June 30, 2019	**221,052,000**	**(187,255,055)**	**-**	**33,796,945**
Balance as at June 30, 2019	**221,052,000**	**(187,255,055)**	**-**	**33,796,945**
Loss for the year after taxation	-	(14,614,097)	-	(14,614,097)
Total comprehensive income for the year		-		-
Balance as at June 30, 2020	**221,052,000**	**(201,869,152)**	**-**	**19,182,847**

MIAN MUHAMMAD JEHANGIR	MIAN WAHEED AHMED	MUHAMMAD IRFAN
Chief Executive	Director	Chief Financial Officer

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2020

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. 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 were 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 is resolved by share-holders in their extra-ordinary meeting held on 29th April, 2017 that the operation of manufacturing unit is not viable and unit to 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 leased out its building for the period from July 2016 to January 2017 and earned rental income . Whereas in remaining period till the date of disposal, the said properties remained vacant. In year 2019, the company carried out trading business relating to sale of vehicles, whereas in year 2020, no business activity was conducted.

The company has been classified as Large sized entity as per the Directives of ICAP and regulations of SCEP and Companies Act, 2017.

1.1 SUMMARY OF SIGNIFIACNT TRANSACTIONS AND EVENTS EFFECTING THE COMPANY'S STATEMENT OF FINANCIAL POSITION AND PERFORMANCE

Summary of significant events and trasnactions are duly disclosed in note 28.

BASIS OF PREPARATION

2 STATEMENT OF COMPLIANCE

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

International Financial Reporting Standards (IFRS Standards), 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 IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1 Standards, amendments or interpretations that became effective during the year

The Company has adopted IFRS 16 'Leases' with effect from 01 July 2019. IFRS 16 "Leases" has replaced IAS 17 "Leases",the former lease accounting standard,and h become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases.Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

2.2 New / revised accounting standards, amendments to published accounting standards, and interpretations that are effective from,

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

Standard or Interpretation		Effective Date (annual reporting periods
IAS 1	Presentation of financial statements (Amendments)	January 1, 2020
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2020
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 39	Financial Instruments: Recognition and Measurement (Amendments)	January 1, 2020
IFRIC 23	Accounting treatment when there is uncertainty over income tax treatment under IAS 12	January 1, 2019
IFRS 7	Financial instruments: disclosures (Amendments)	January 1, 2020
IFRS 9	Financial instruments (Amendments)	January 1, 2020
IFRS -16	Covid-19 - Related concessions (Amendments)	June 1, 2020
IAS 19	Amendments to "Employee benefits"	January 1, 2019

The management anticipates that adoption of above new standards and amendments of the standards will have no material impact on the Company's financial statements in the period of initial application.

Improvements to Accounting Standards Issued by the IASB
IFRS 2 Share based payments-Definitions of vesting conditions
IFRS 3 Business Combinations- Accounting for contingent consideration in a business combination
IFRS 3 Business Combination- Scope exception for joint ventures
IFRS 8 Operating Segments- Aggregation of operating segments
IFRS 8 Operating Segments- Reconciliation of total of the reportable segments' assets to the entity's assets
IFRS 13 Fair Value Measurements- Scope of paragraph 52 (portfolio exception)
IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets- Revaluation method- proportionate

Restatements of accumulated depreciation/ amortization
IAS 24 Related Party Disclosure – Key management personnel and applicable accounting policies
IAS 40 Investment Property – Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above amendments, improvements to accounting standards and interpretations will not have any effect on the financial statements in the period of initial application and relating to disclosure of financial statements without effecting consistent accounting policy subject to applicability.

The Act Amendment in Fourth Schedule Notification Date: July 29, 2019

SECP brought certain alterations in Fourth Schedule of the Act with regard to preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in these financial statements of the Company as at March 31, 2020.

2.3 Further, the following new standards have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan;

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 17 Insurance contracts

2.4 The following interpretation issued by the IASB has been waived out by SECP

- IFRIC 12 Service concession arrangement
- Insurance contracts

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

3.1 The company being a Non-going concern, the financial statements have been prepared under fair market value method against historical cost convention . Assets and liabilities are stated at fair value other than specifically disclosed.

3.2 In the Extra Ordinary meeting of shareholders held on 29th April 2017, it was resolved that operation of industrial unit is 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 by the approved consultants in 2017 ,which were taken in accounts at the fair market value and same were disposed off in the last year except stores and spares.

3.2.2 The company has not carried out any business activity /commercial operations during the year under audit and all assets have been sold except stores and spares and liabilities settled to the extent and manner as reported.

3.2.3 The management after close of its manufacturing unit decided to do trading business of all kinds of textile products.The company vide object clauses No. 6 and 27 of Memorandum of Association is authorised to conduct trading business of all kinds of cloth or carry on any other trade or business whether manufacturer or other-wise.

3.3 As the company disposed off its CGU (cash geenrating unit), therefore According to IFRS 5 an Entity needs to comply with the following Disclosure requirements;

a) A Single Amount in the Statement of Comprehensive Income Comprising the Total of:
I) The Post-Tax Profit or Loss of Discountinued Operations and
II) The Post-Tax Gain or Loss Recognised on the Measurement to Fair Value less Cost to Sell or On the Disposal of the Assets or Disposal Groups(s) Constituting the Discountinued Operations.
See Note 11.1

b) As analysis of the single amount in (a) into:
I) The Revenue, Expense and Pre-Tax Profit or Loss of Discountinued Operations;
II) The Related Income Tax Expense as Required by Para 81(h) of IAS 12;
III) The Gain or Loss Recognised on the Measurement to Fair Value less Costs to Sell or on the Disposal of the Assets or Disposal Group(s) Constituting the Discontinued Operation and
IV) The Related Income Tax Expense as Required by Para 81(h) of IAS 12.
See Note 23

c) The Net Cash Flow Attributable to the Operarting, Investing and Financing Activies of Discountinued Operations.
See Note 23

All other requirements of IFRS 05 has been met/ applied to the extent and manner applicable to the company.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Functional and presentation currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

4.2 Significant estimates and judgments

The preparation of financial statements in conformity with approved International Financial Reporting Standards (IFRS) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The accounting estimates and underlying assumptions are reviewed on an ongoing basis except for change in assumption stated above at Note No. 3.1. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Taxation (note. 4.7)
- Useful life of depreciable assets (note. 4.8)

- Investment property (note. 4.9)
- Impairment (note. 4.10)
- Slow moving inventory (note. 4.11, 4.12)
- Provisions for doubtful receivables (note. 4.13)
- Fair value measurement (note. 4.20)

However, the management believes that the change in outcome of the estimates has been disclosed with effect on the amount disclosed in the financial statements as stated above in Note 3.1.

4.3 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognised as finance cost.

4.4 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its employees according to the terms of their employment. Under this scheme, gratuity is paid to the retiring employees on the basis of their last drawn basic salary for each completed year of service.

4.5 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid or given in the future for goods and services received or to be delivered or for any other amount, whether or not billed to the Company.

4.6 Contingencies

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

4.7 Taxation

Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss

<u>Current</u>

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

<u>Deferred</u>

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

Temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary diuerences and it is probable that thev will not reverse in the foreseeable future; and

Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

4.8 Property, plant and equipment

4.8.1 <u>Operating fixed assets</u>

<u>Owned assets</u>

Property, plant and equipment are stated at cost/revalued amounts less accumulated depreciation and identified impairment losses, if any. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to the construction and erection period and directly attributable cost of bringing the assets to working condition.

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. Revalued amount has been determined by an independent professional valuer on the basis of open market value of the asset based on estimated

gross replacement cost, depreciated to reflect the residual service potential of the asset having paid due regard to age, condition and obsolescence. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Cost in relation to self constructed assets includes direct cost of material, labor and other allocable expenses.

Increase in the carrying amount arising on revaluation of land, building and plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in revaluation surplus in shareholders' equity, to the extent that increase reverse a decrease previously recognised in the statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increase of the same asset are first recognised in the other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of 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 un-appropriated profit.

Depreciation is charged to income by applying reducing balance method without taking into account any residual value at the rates specified in Note 12.1. The remaining useful life of the depreciable assets and depreciation method are reviewed periodically to ensure that the depreciation method and periods of depreciation are consistent with the expected pattern of economic benefits from property, plant and equipment. Full month's depreciation is charged on additions to fixed assets during the month, where as no depreciation is charged on the assets disposed off during the month. The Company reviews the value of the assets for possible impairment on annual basis. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Gains or losses on disposal of property, plant and equipment are included in current year's income.

Normal repairs and maintenance are charged to Profit and Loss Account as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, other than those kept as stand by, are retired.

4.8.2 <u>Lease</u>

<u>Policy Applicable after 01 july 2019</u>

<u>Right of Use Asset</u>

The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

<u>Lease Liability</u>

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Variable lease payments are recognised in the profit or loss in the period in which the condition that triggers those payments occurs

4.8.2 <u>Non-Current assets held for sale</u>

Assets that meet the criteria (as per IFRS 5) 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 balance sheet rather then through continuing use and depreciation on such assets cease. Refer Note No. 11.

4.9 Investment property

Properties which are held to earn rentals or for capital appreciation or for both are classified as investment properties. Investment properties are initially recognized at cost, being the fair value of the consideration given. Subsequently these are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. Also refer to Note No. 4.20.

Any gain or loss arising from a change in fair value is charged to profit or loss. Rental income from investment properties is accounted for as described in note 4.18.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of fixed assets. Upon disposal of the item, the related surplus on revaluation is transferred to retained earnings (accumulated loss). Any loss arising in this manner is immediately charged to profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

An item of Investment property is derecognized either when disposed of or permanently withdrawn from use and no future economic benefits is expected from its disposal.

4.10 Impairment

The management assess at each balance sheet 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 .

Share capital and dividend

Ordinary shares are classified as equity and recognised at their face value. Dividend distribution to the shareholders is recognised as liability in the period in which it is declared

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at banks.

Earnings per Share

The Company presents basic earnings per share (EPS). Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period and segregation between continued and discontinued operations is disclosed separately wherever applicable. Diluted EPS is calculted by taking the effects of any dilutive instruments issued by the company.

4.11 Stores and spares

These are valued at lower of weighted average cost and net realizable value except for items in transit that are valued at cost comprising the invoice value plus incidental charges paid thereon till the balance sheet date. Provision is made against obsolete and slow moving items.

4.12 Stock in trade

Basis of valuation are as follows:

Particulars	**Mode of valuation**
Store & spares	At weighted average cost.

Currently stores and spares are held for disposal as per IFRS 05, therefore it is carried at lower of cost or fair value less estimated cost to sell.

4.13 Trade debts and other receivables

Receivables are carried at original invoice amount less an estimate made for doubtful receivable balances based on review of outstanding amounts at year end. Bad debts are written off when identified. Also refer note no. 29. as the company has adopted ECL model of IFRS 09.

4.14 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on the accrual basis. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to income in the period in which these are incurred.

4.15 Foreign currency translations

Transactions in foreign currencies are accounted for in Pak rupees at the rates of exchange prevailing at the date of transaction as per IAS 21. Monetary assets and liabilities in foreign currencies are translated at rates of exchange prevailing at the balance sheet date and in case of forward exchange contracts at the committed rates. Gains or losses on exchange are charged to income statement.

4.16 Financial instruments

Financial Assets

Classification: The Company classifies its financial assets in the following measurement categories:

- Amortised cost where the effective interest rate method will apply;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVTOCI)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Further, financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership

Measurement: At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Debt instruments: Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classify its debt instruments

Amortised cost: Financial assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the contractual terms of the financial asset give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

Equity instruments: The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established

Financial Liabilities

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

Fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

Other financial liabilities: After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously

Impairment

Financial assets: The Company assesses on a historical as well as on a forward looking basis the expected credit losses (ECL) as associated with its trade debts, deposits, advances, other receivables and cash and bank balances carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables while general 3-stage approach for deposits, advances and other receivables and cash and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company)

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 365 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial dificulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial dificulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial dificulties.

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions

Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis :

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate suficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

Non-financial asset

Assets that have an indefinite useful life are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/amortization are reviewed for impairment at each statement of financial position date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each statement of financial position date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

4.17 Related party transactions

All transactions with related parties are measured at arm's length prices determined in accordance with the Comparable Un-controlled Price Method except in circumstances where it is not in the interest of the Company to do so.See note no.28

4.18 Revenue recognition IFRS 15

The company has adopted IFRS 15 that replaces previous standards/interpretations and it has prescribed five step model approach for revenue recognition.

Revenue is recognized on the following basis.

(i) Local sales are recorded when goods are delivered to customers and invoices raised.
(ii) Export sales are booked on shipment basis on receipt of bill of lading.
(iii) Processing charges are recorded when goods are delivered to customers and invoices raised.
(iv) Gain on 'sale and lease-back' transactions that result in finance lease, is deferred and amortized over the lease term.
(v) Dividend income is recognized when the right to receive payment is established.
(vi) Profits on short term deposits is accounted for on time apportioned basis on the principal outstanding and at the rate applicable.
(vii) Rental income from investment properties is credited to profit or loss on accrual basis.

4.19 Off setting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amounts and the company intends to either settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.20 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

	2020 (Rupees)	2019 (Rupees)
5 CASH AND BANK BALANCES		
In Hand	41,842	391
With Banks :		
Current Accounts	7,910,780	57,523,463
Deposit Account	-	-
	7,910,780	57,523,463
	7,952,622	57,523,854

6 TAX REFUNDS DUE FROM GOVERNMENT

	Note	2020 (Rupees)	2019 (Rupees)
Income tax:			
Opening advance tax	6.1	16,764,714	11,605,718
Income tax deposited / deducted at source		15,424	5,158,996
Less:Last year Provision adjustment		26,453	-
		16,753,685	**16,764,714**
Sales Tax:			
Advance sale tax		664,748	-
Less: Provision for doubtful recovery		(638,423)	(487,762)
		26,325	**(487,762)**
Total		**16,780,010**	**16,276,952**

6.1 Tax Demand

Tax year	Principal	Additional Tax	Total
2006	1,957,679	1,736,966	3,694,645
2010	2,981,407	2,236,876	5,218,283
2010	173,466	-	173,466
	5,112,552	**3,973,842**	**9,086,394**

6.1.1 Company has availed amnesty on Principal amount of tax demand for the year 2006 and 2010 amounting Rs. 5,112,552 on June 28, 2019. The appeals for these tax years are also pending before the appellate authorities, therefore company has treated this amount as advance tax in previous year till the decision of appeals.

7 TRADE DEBTS

	Note	2020	2019
Local - Considered Good		1,701,920	1,917,229
- Considered Doubtful	7.1	19,273,560	20,101,754
Less Provision for doubtful Debts		(19,273,560)	(20,101,754)
		1,701,920	1,917,229
		1,701,920	**1,917,229**

7.1 Refer to contingencies and commitments note no. 17.4 and 17.5.

8 LOAN AND ADVANCES

	2020	2019
Advances to Staff	-	2,549
	-	2,549

9 LONG TERM DEPOSITS AND DEFERRED COST

	2020	2019
SECURITY DEPOSITS		
Deposits with utility companies	679,367	679,367
	679,367	**679,367**

10 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2020	2019
Security Deposit (SNGPL)	1,535,902	1,535,902
Prepayments	33,500	35,250
	1,569,402	**1,571,152**

11 ASSETS HELD FOR SLAE AND DISCONTINUED OPERATIONS

	Note	2020	2019
Store & spares held for sale	11.2	604,649	604,649
		604,649	**604,649**

11.1 The management is still fully committed to sale of assets held for disposal and established criteria is met as per IFRS 05 and is of the view that stores, spares are already at its scrap value and fairly stated. Therefore , no impairment is required and value as at June 30, 2020 is approximate to its fair value.

Non current asset held for sale	2020 (Rupees)	2019 (Rupees)
Opening non- current assets held for sale		
Freehold land	-	28,000,000
Factory building on freehold land	-	51,911,247
	-	**79,911,247**
	-	79,911,247
Closing non-current assets held for sale	-	**79,911,247**
Operating assets held for sale:		
Opening balance :	-	218,646,847
Transfer during the year:		
Furniture and fixture	-	2,225,991
Office equipments	-	650,330
Arms and Ammunition	-	1,576
	-	2,877,897
Closing balance	-	221,524,744
Total Assets available for sale	-	**301,435,991**
Adjustments during the year:		
Non-recurring expenses reversed	-	(1,978,709)
Disposal of assets	-	(296,742,762)
Impairment loss	-	(2,714,520)
	-	(301,435,991)
	-	(301,435,991)
Closing total assets held for sale	-	-

11.2 Store & spares held for sale

	2020	2019
Opening balance	604,649	604,649
Transfer during the year	-	-
	604,649	604,649
Disposed off / written off during the year	-	-
	604,649	**604,649**

Detail of assets disposed off in previous year:
(Mode of sale is negotiation with parties concerned.)

Particulars	Cost / Revalued Amount	Acc Dep	Book Value	Sale Proceeds	Gain / (Loss)
Copier Aficio 4500(HO)	53,000	(15,544)	37,456	37,000	(456)
Generator (HO)	40,365	(37,739)	2,626	11,500	8,874
Fridge (PEL) HO	8,000	(6,804)	1,196	1,000	(196)
	101,365	(60,087)	41,278	49,500	8,222
LZM-5382	865,000	(718,545)	146,455	655,000	508,545
LXV-2349	382,006	(375,484)	6,522	100,000	93,478
LEE-116	1,625,932	(1,403,920)	222,012	1,300,000	1,077,988
LEA-8099	1,562,000	(435,191)	1,126,809	1,400,000	273,191
LEB-217	2,464,530	(205,378)	2,259,152	2,450,000	190,848
LEA-11-8116	805,500	(583,658)	221,842	753,000	531,158
	7,704,968	(3,722,175)	3,982,793	6,658,000	2,675,207
Grand Total	7,806,333	(3,782,262)	4,024,071	6,707,500	2,683,429

Particulars	Cost / Revalued Amount	Acc Dep	Book Value	Sale Proceeds	Gain / (Loss)
Land	140,000,000	-	140,000,000	161,580,000	21,580,000
Building	140,374,564	-	140,374,564	240,819,000	100,444,436
Generator/ Electric install etc	12,823,634	4,166	12,827,800	7,000,000	(5,827,800)
Furn/Fix/Equip/Arms	10,927,890	(8,049,992)	2,877,898	601,000	(2,276,898)
	304,126,088	(8,045,826)	296,080,262	410,000,000	113,919,738
Simplex Frame	666,667	(4,167)	662,500	400,000	(262,500)
	304,792,755	(8,049,993)	296,742,762	410,400,000	113,657,238
Security deposit			4,000,000	-	(4,000,000)
Grand Total	304,792,755	(8,049,993)	300,742,762	410,400,000	109,657,238

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12 FIXED ASSETS

		2020 (Rupees)	2019 (Rupees)
Property, plant and equipment	12.1	2,635,000	3,266,753
		2,635,000	3,266,753

12.1 Property, Plant & Equipment

Particulars	COST / FAIR VALUE					Rate	DEPRECIATION						WDV As at 30/06/2020
	As at 01/07/2019	Additions	Disposals During the year	Transfer to Held for Sale	As at 30/06/2020	%	Accumulated As at 01/07/2019	Adj for Trf to held for Sale	Acc on Disposal	On Addition	Charge for the Year	Accumulated As at 30/06/2020	
Furniture & Fixture	343,414	2,750	-	-	346,164	10%	252,347	-	-	160	9,107	261,613	84,550
Office equipment	350,679		-	-	350,679	10%	252,060	-	-	-	9,862	261,922	88,757
Vehicles	5,704,140	-	-	-	5,704,140	20%	2,627,468	-	-	-	615,334	3,242,802	2,461,338
Arms & Ammunition	6,000	-	-	-	6,000	10%	5,605	-	-	-	40	5,644	356
2020	6,404,233	2,750	-	-	6,406,983		3,137,480	-	-	160	634,342	3,771,982	2,635,000

Particulars	COST / FAIR VALUE					Rate	DEPRECIATION						WDV As at 30/06/2019
	As at 01/07/2018	Additions	Disposals During the year	Transfer to Held for Sale	As at 30/06/2019	%	Accumulated As at 01/07/2018	Adj for Trf to held for Sale	Acc on Disposal	On Addition	Charge for the Year	Accumulated As at 30/06/2019	
Furniture & Fixture	7,587,752	303,850	(8,000)	(7,540,188)	343,414	10%	5,452,281	(5,314,196)	(6,804)	12,314	108,752	252,347	91,067
Office equipment	3,698,260	109,500	(93,365)	(3,363,716)	350,679	10%	2,978,552	(2,713,386)	(53,283)	4,192	35,985	252,060	98,619
Vehicles	7,945,768	5,463,340	(7,704,968)	-	5,704,140	20%	5,027,190	-	(3,722,175)	746,013	576,441	2,627,468	3,076,672
Arms & Ammunition	29,986	-	-	(23,986)	6,000	10%	27,911	(22,410)	-	-	104	5,605	395
2019	19,261,766	5,876,690	(7,806,333)	(10,927,890)	6,404,233		13,465,934	(8,049,992)	(3,782,262)	762,518	721,282	3,137,480	3,266,753

12.1.1 The company has carried out revaluation of its fixed assets as at June 30, 2019 by an approved valuer. The values determined by the valuer are approximate to the carrying values, hence no impairment loss has been recognized, therefore written down value of the assets as at June 30, 2019 is equal to its net realizable value.

12.1.2 The management is of the view that the carrying values of fixed assets as at June 30, 2020 are approximate to its net realizable values, therefore no impairment is required.

13 TRADE AND OTHER PAYABLES

	Note	2020 (Rupees)	2019 (Rupees)
Creditors			
For Goods		-	-
For Expenses		1,263,659	636,880
		1,263,659	**636,880**
Accrued Liabilities		6,109,752	7,191,730
Advances from Customers & others		120,265	580,281
Unclaimed Dividend	13.1	415,333	415,333
Other Payables			
Tax deducted at source		1,521	5,701
Sales Tax Payable		-	214,252
		1,521	**219,953**
		7,910,530	**9,044,177**

13.1 The Company has provided the list of members with details of unclaimed dividends to the SECP. The company intends to give notice to the concerned shareholders in this connection. The company after exhausting all possible means will commence the process of complying with the requirements of Section 244 of the Companies Act, 2017.

14 SHORT TERM BORROWING

	Note	2020 (Rupees)	2019 (Rupees)
From related parties-Unsecured			
Loan from Chief Executive	14.1	590,265	34,934,500
		590,265	**34,934,500**

14.1 During the year an amount of Rs. 34,344,235/- against total amount of outstanding loan of Rs. 34,934,500/- has been settled off with the Chief Executive.

15 DEFERRED LIABILITIES

	Note	2020 (Rupees)	2019 (Rupees)
Gratuity	15.1	4,239,329	4,040,432
		4,239,329	**4,040,432**

15.1 GRATUITY

	2020 (Rupees)	2019 (Rupees)
Opening balance	4,040,432	3,027,497
Add: Provision for the year	369,372	5,382,371
	4,409,804	**8,409,868**
Less: Paid/adjusted during the year	170,475	4,369,436
	4,239,329	**4,040,432**

Refer policy note no. 4.4.

16 SHARE CAPITAL

	2020 (Rupees)	2019 (Rupees)
Authorized capital		
22,500,000 (2019: 22,500,000) ordinary Shares of Rupees 10 each	**225,000,000**	**225,000,000**
Issued, subscribed and paid up share capital		
22,105,200 (2019: 22,105,200) ordinary Shares of Rupees 10 each, fully paid up in cash	**221,052,000**	**221,052,000**

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

17 CONTINGENCIES AND COMMITMENTS

17.1 Writ petition filed against WAPDA on refusal of request for reduction of load was disposed off by the court with the direction to approach WAPDA authorities. The matter is still pending with the said authority.

17.2 Appeal filed by Company to ATIR for tax year 2010 against various curtailment & add backs confirmed by CIR(A) made by DCIR vide Order u/s 122(5A) is pending. Demand of Rs. 0.173 million is illegal and not provided.DCIR while making revised assessment vide Order u/s 124/161/205(3) dated 23-06-2014 levied tax of Rs. 1.957 million for tax year 2006 u/s 161 and Rs. 4.533 million for additional tax u/s 205(3) on said disputed demand Appeal before CIR(A) is yet not decided. However rectification was carried out by the taxation officer u/s 221 vide Order dated 17-09-2015 and all demand was reduced to Rs. 3.695 million.

17.3 That reference titled "Mian Textile etc Vs NHA etc" was filed by the Mian Textile which was decided by the Senior Civil Judge Kasur on 06-

11-2018.That the total land was acquired by the NHA was 203-Marla out of which the land owned by the Mian Textile is 100-Marla, Honorable Court while accepting the reference granted the compensation of the acquired land @ 35,000/- per Marla along with 15% compulsory charges and 8% of compound interest front the date of taking over possession till payment. That Mian Textile filed execution/petition which is pending in the court of Senior Civil Judge, Kasur and next date of hearing is 20-09-2019.That Mian Textile has filed R.F.A before the Honorable Lahore High Court in which on 26-03-2018. Lahore High Court ordered that Mian Textile can receive compensation deposited in the court. That Mian Textile filed application in the court of Senior Civil Judge, Kasur for withdrawal of amount decreed by the court. That the NHA has been appearing in the court and in lingering on the matter by one pretext or the other but now the Honorable Court has finally ordered the NHA/respondents to deposit the decreetarial amount in the court till date of hearing.

17.4 This suit was filed by the company against Tariq Anwar Bhutta of J.S Textile on the basis of dishonored cheques for total Rs. 7.400 million of said J.S Textile in favor of the company. This suit has been decreed in favor of the company and ~~presently execution of~~ the same is pending before the Court of Additional Session Judge Lahore.

17.5 This is a suit filed by the company against M/s Green Corporation for the recovery of Rs. 25,802,303/-. This suit is pending adjudication before the Civil Court Lahore, Wherein defendant had been proceeded exparte and case has been decreed in favor of the company on 9-04-2019 and now the execution proceedings of the said decree are pending. The company is vigilantly pursuing this case. There is no scope of any loss to the company in the instant matter.

The legal consultants are of the view that they are pursuing all these cases vigorously and hoping its settlement in company's favor , therfore as per management no provision is required as per IAS 37.

		Note	2020 (Rupees)	2019 (Rupees)
18	**TRADING INCOME**			
	Trading of vehicles		-	2,116,250
			-	**2,116,250**
19	**Cost of Trading**			
	Purchases		-	1,963,248
			-	**1,963,248**
20	**DISTRIBUTION COST**			1,080,600
	Salaries allowances and other benefits		-	
	Miscellaneous		-	21,050
			-	**1,101,650**
21	**ADMINISTRATIVE EXPENSES**			
	Staff salaries and benefits		6,068,711	10,629,352
	Travelling and conveyance		40,299	49,990
	Rent, rate and taxes		981,400	1,014,870
	Repair and maintenance		108,445	69,365
	Insurance		105,776	254,929
	Utilities		1,227,741	948,004
	Printing and stationery		121,795	121,571
	Fee and subscription		524,860	476,500
	Vehicles running and maintenance		648,363	1,134,020
	Entertainment		206,871	266,684
	Newspapers and journals		22,444	22,743
	Postage and telegram		32,712	20,944
	Telecommunication		175,814	182,070
	Press advertisements		35,560	32,000
	Legal and professional charges		2,297,500	1,126,250
	Auditor's remuneration	21.1	200,000	211,500
	Depreciation	12.1	634,502	1,483,800
	Misc.Expenses		766,133	-
	Non-operational expenses	21.2	-	2,318,978
			14,198,946	**20,363,570**

Staff salaries and benefits also includes provision for gratuity.

21.1 Auditor's remuneration

	2020 (Rupees)	2019 (Rupees)
Statutory audit fee	150,000	150,000
Audit/Review fee	50,000	61,500
	200,000	**211,500**

			2020 (Rupees)	2019 (Rupees)
21.2	**Non-operational expenses**			
	Salaries, wages and benefits		-	72,056
	Fuel and power		-	320,287
	Insurance		-	148,029
	Telecommunication		-	40
	Other expenses		-	63,160
	Impairment loss		-	1,715,406
			-	2,318,978

22 OTHER OPERATING CHARGES

	2020	2019
Provision for doubtful receivables	212,389	4,446,350
Miceltaneous	200,000	-
	412,389	4,446,350

23 OTHER OPERATING INCOME

	Note	2020	2019
Un-claimed balances written back		-	2,958,261
Profit on disposal of assets held for sale	23.1	-	109,657,238
Profit on disposal of fixed assets		-	2,683,429
Miscellaneous income		-	4,296,835
		-	119,595,763

23.1 Income From Discontinued Operations

	2020	2019
Profit on disposal of assets held for sale	-	109,657,238
	-	109,657,238
Tax on Income From Discontinued Operations (No tax was charged as the company had carried forward losses to be adjusted against gain on disposal of fixed assets other than land and Gain on disposal of land is exempt due to time constraints)	-	-
Post Tax Profit From Discontinued Operations	-	109,657,238

23.2 Net Cash Flows From Discontinued Operations Atributable to

	2020	2019
Operating Activities		
Gain on Disposal	-	109,657,238
Financing Activities		
Loan paid from disposal proceeds	-	304,108,415
Investing Activities		
Disposal proceeds	-	406,400,000

23.3 As the company ceased its commercial operations from since many years , therefore there is no revenue, expenses attributable separately to assets held for disposal that may require separate disclosure as per IFRS 05.

24 FINANCE COST

	2020	2019
Bank charges	2,762	8,978
	2,762	8,978

25 TAXATION

	2020	2019
Current Tax	-	26,453

The Company has not carried out any busines/commercial activtiy during the year and it has not earned any income from any other source, therefore company has no taxable income on which provision of taxation could be recognized.

Deferred Tax

Deferred tax asset is not recognized in these financial statements as the Company is sustaining heavy losses and is assessed under the deeming section 113 of the Income Tax Ordinance. Major timing differences are not expected to reverse for a foreseeable future and there is no assurance that future taxable profits would be sufficient to realize the benefit of brought forward losses.

26 Earning/(loss) per share - basic & diluted

		2020 (Rupees)	2019 (Rupees)
Profit / (Loss) for the year	Rupees	(14,614,097)	93,801,764
Weighted average number of ordinary shares	Number	22,105,200	22,105,200
Earning/ (loss) per share	Rupees	(0.66)	4.24

26.1 There is no dilutive effect on the basic earnings per share of the Company as the Company has no such commitments that would result in dilution of earnings of the Company.

Classification of EPS into continued and Discontinued operation relating to previous year.

	Loss after tax from continuing operation	Profit after tax from discontinuing operations	Total
Profit/(loss) after tax	(15,855,474)	109,657,238	93,801,764
Weighted average number of ordinary shares	22,105,200	22,105,200	22,105,200
Earning/ (loss) per share	(0.72)	4.96	4.24

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE OFFICERS

Particulars	2020			2019		
	Chief Executive	Directors		Chief Executive	Directors	
		Executive	Non-Executive		Executive	Non-Executive
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial remuneratio	896,000	-	-	896,000	760,000	-
House rent allowance	358,400	-	-	358,400	304,000	-
Medical	89,600	-	-	89,600	76,000	-
Reimbursed expenses	136,009	-	-	167,882	215,600	-
	1,480,009	-	-	1,511,882	1,355,600	-
Number of persons	1	-	-	1	1	

27.1 In addition to above, meeting fee of Rs. 7.50 thousand (2019: Rs. 32.50 thousand) was paid to one (2019: three) directors during the year.

27.2 The Chief Executive Officer is provided with Company maintained vehicles.

27.3 The Company considers its Chief Executive and Executive Director as its key management personnel.

28 RELATED PARTY TRANSACTIONS

The related party comprise associated companies, staff retirement funds, directors and other key management personnel. The company in the normal course of business carries out transactions with various related parties. The company enters into transactions with related parties on the basis of mutually agreed terms. Significant balances and transactions with related parties are as follows:

Nature of Transactions	Relationship with the company	2020 Rupees	2019 Rupees
Directors' bridge finance	Chief executive	-	(38,563,713)
Short term loan	Other related parties	-	(239,478,709)
Short term loan	Chief executive	(34,344,235)	(64,629,706)
Lease rent	Director	(960,000)	(900,000)
Balances due to Related Parties			
Short term Borrowings	Chief executive	590,265	34,934,500
Accrued Liability (Rent)	Director	53,000	41,500

29 FINANCIAL INSTRUMENTS

29.1 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT POLICIES

The Company has devised policies for risk areas where it could be subjected to a financial loss or where it expects to make market gains. The Company takes exposure to expand trading business of all kinds, obtain sufficient funds to fulfill the demands, meet working capital requirements and to gain benefit of mark-up rate spread available in the money market. Due to the nature of business of the Company, it is inherent that the Company liabilities will remain sensitive to external factors beyond the control of management. Therefore, the management secures the financial liabilities of the Company through collateralization of its property, plant and equipment. Such collateralization are disclosed in relevant notes (if any) to these financial statements.

The management provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk interest rate risk, credit risk and liquidity risk.

Risk Management Framework

The Board of Directors (BoD) has the overall responsibility for the establishment and oversight of the Company's risk management framework. The BoD has established a Board Finance Committee (the Committee), which is responsible for developing and monitoring the Company's risk management policies. The Committee regularly reports to the BoD on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board Audit Committee (BAC) oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The BAC is assisted in its oversight role by the internal audit function. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the BAC

The Company's principal financial liabilities other than derivatives, mainly comprise bank loans, overdrafts and trade payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade and other receivables, cash and bank balances, short-term deposits, etc. which arise directly from its operations.

(a) Market Risk

Market risk is the risk where parties to the financial instruments are subjected to risk of changes in fair values of their financial assets and liabilities due to circumstances reasonably beyond their control. The carrying value of all the financial instruments reflected in these financial statements approximates to their fair values.

(i) Currency Risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not subject to currency risk .

Sensitivity Analysis

If the functional currency, at reporting date, has weakened/ strengthened by 5% against the USD with all other variables held constant, the impact on loss after taxation for the year would have been Rs. Nil (2019: nil) higher/lower, mainly as a result of exchange gains/ losses on translation of foreign exchange denominated financial instruments.

(ii) Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price risk since it has no portfolio of commodity suppliers. No equity instrument held by the Company which are traded on a regular basis on the stock exchange and historically, it does not have a direct correlation with the equity index of the Karachi Stock Exchange (KSE). Therefore, it has not any possible impact of increase / decrease in the KSE Index on the Company's profit after taxation for the year and on equity (fair value reserve).

(iii) Interest Rate Risk

Interest rate risk represents the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no interest bearing financial instruments outstanding at the year end.

At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is as follows:

Floating Rate Instruments

Financial Assets

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect the profit and loss of the Company.

(b) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.The company attempts to control credit risk by monitring crdit exposures,limiting transcations with specific counter parties and continually assesing the credit worthiness of the counter parties.

Concentration of credit risk arises when number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by changes in economic,political and other conditions.Concentration of credit risk indicates the relative sensitivity of company's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts and balances with banks.To manage exposure credit risk in respect of trade debts management performs credit reviews taking into account customer financial position,past experince and other relevant factor, where consider necessary ,advance payments are obtained from certain parties. The managment has set maximum credit period of 60 days to reduce credit risk.Credit risk in bank balance is limited as a counter parties are banks with reasonably high credit ratings.

In respect of other counterparties,due company's long standing business relationship with them management does not expect non-performance by these counterparties on their obligation to the company.

Out of total financial assets of Rs.11,869,812 (2019: Rs. 61,658,902), financial assets are subject to nil credit risk. The carrying amount of financial assets at reporting date is as follows.

	2020 Rupees	2019 Rupees
Long term deposits	679,367	679,367
Trade debts	1,701,920	1,917,229
Loans and advances	-	2,549
Trade deposits	1,535,902	1,535,902
Cash and Bank Balances	7,952,622	57,523,854
	11,869,812	61,658,902

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

Banks	Rating			Jun-20	Jun-19
	Long term	Short Term	Agency	Rupees	Rupees
HABIB BANK LTD	AAA	A-1+	JCR-VIS	6,861	7,422
UNITED BANK LTD	AAA	A-1+	JCR-VIS	20,894	12,528
SONERI BANK LTD	AA-	A1+	PACRA	3,414	3,414
MEEZAN BANK LIMITED	AA+	A-1+	JCR-VIS	17,103	16,541
PICIC NIB BANK LTD	Not available	Not available		9,304	9,304
BANK ALFALAH LTD	AA	A1+	PACRA	13,163	13,163
ASKARI COMM. BANK LTD	AA	A-1+	JCR-VIS	8,073	8,073
AL-BARAKA ISLAMIC BANK	A	A1	PACRA	7,825,981	57,442,116
MUSLIM COMMERCIAL BANK LTD	AAA	A1+	PACRA	5,988	5,988
Habib Metropolitan Bank	AA+	A1+	PACRA	-	4,914
Cash In Hand				41,842	391
				7,952,622	57,523,854

The Company has established a credit policy for its industrial and retail customers under which each new customer is analyzed individually for credit worthiness before the Company enters into a commercial transaction. The Company's review includes identity checks, minimum security deposits, bank guarantees and in some cases bank references. Credit limits are established for each customer in accordance with the security deposit or bank guarantee received, which represents the maximum open amount without requiring approval from the higher management; customer limits are reviewed on a regular basis and once the credit limits of individual customers are exhausted, further transactions are discontinued.

The Company recognises ECL for trade debts using the simplified approach described below,

	91-180 Days	181-365 Days	More than 365 Days	Total
	2%	5%	10%	
Balance as at June 30, 2020	881,824	881,824	-	1,763,648
Loss allowance	(17,636)	(44,091)	-	(61,728)
Balance as at June 30, 2019	958,615	958,615	-	1,917,229
Loss allowance	-	-	-	-

ECL on other receivables/others is calculated using general approach.

As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables, short term prepayments, trade deposits and advances is minimal and thus based on historical trends adjusted to reflect current and forward looking information, loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables was determined as follows:

	2020	2019
Gross carrying amount	1,569,402	1,573,701
Loss allowance	-	-

The credit risk related to balances with banks, in term deposits, savings accounts and current accounts, is managed in accordance with the Company's policy of placing funds with approved financial institutions and within the limits assigned in accordance with the counter party risk policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counter party failure.

(c) Liquidity Risk

Liquidity Risk is a risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Since many years, the Company is facing liquidity problems. Currently, the Company manages its liquidity risk by maintaining cash. At 30th June, 2020, the Company had Rs. Nil (2019: Rs. Nil) available borrowing limits from financial institutions and Rs. 7.952 million (2019: 57.53 million) cash and bank balances. Following are the contractual maturities of financial liabilities. The amounts disclosed in the table are undisclosed cash flows:

Current maturities of financial liabilities as at 30th June, 2020

	Carrying Amount	Contractual Values	Less than One Year	One to Five Years	More than Five years
			Rupees		
Trade and other payables	7,910,530	7,910,530	7,910,530	-	-
Loan from Chief Executive	590,265	590,265	590,265	-	-
Deferred Liabilities	4,239,329	4,239,329	4,239,329	-	-
	12,740,124	**12,740,124**	**12,740,124**	-	-

Current maturities of financial liabilities as at 30th June, 2019

	Carrying Amount	Contractual Values	Less than One Year	One to Five Years	More than Five years
			Rupees		
Trade and other payables	9,044,177	9,044,177	9,044,177		-
Short term borrowings from others	34,934,500	34,934,500	34,934,500	-	-
Directors' bridge finance & loan	38,563,713	38,563,713	38,563,713		
Deferred Liabilities	4,040,432	4,040,432	4,040,432	-	-
	86,582,822	**86,582,822**	**86,582,822**	-	-

There are no such transactions that are above 1 year.
The contractual cash flows relating to the above financial liabilities have been determined on the basis of actual disbursment having no markup.
Reconciliation of movement of liabilities to cashflows arising from financing activities is as follows:

	Short-Term Borrowings Used For Cash Management Purpose	**Total**
Balance as at July 1,209	34,934,500	34,934,500
Changes from financing cash flows	34,344,235	34,344,235
Repayment of loan	-	-
Proceeds from loan	-	-
Receipts of security deposit	-	-
Disbursement of secuirty deposit		
Total changes from financing activities		
Interest expenses	-	-
Interest Paid	-	-
Exchange loss	-	-
Amortization of transaction cost	-	-
Finance cost capitalized	-	-
Changes in running finance	-	-
Total loan related		
Other Changes		
Balance as at June 30,2020	**590,265**	**590,265**

	2020	**2019**
Long Term Debt	-	-
Total Equity	19,182,847	33,796,945
Gearing Ratio Percentage	-	-

29.2 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying value of all the Financial Assets & Liabilities reported in financial statements approximate to their fair value. Fair value is determined on the basis of objective evidence at each reporting date.

29.3 FINANCIAL INSTRUMENTS BY CATEGORIES

	2020 Rupees	**2019 Rupees**
Loans and Advances		
Long term deposits	679,367	679,367
Trade debts	1,701,920	1,917,229
Loans and advances	-	2,549
Trade deposits	1,569,402	1,535,902
Cash and Bank Balances	7,952,622	57,523,854
	11,903,312	**61,658,901**
Financial Liabilities as at Amortized Cost		
Deferred liabilities	4,239,329	4,040,432
Trade and other payables	7,910,530	9,044,177
	12,149,859	13,084,609

29.4 CAPITAL RISK MANAGEMENT

While managing capital, the Company prepared its accounts as a Non-Going Concern basis and resolved to close its industrial unit which is not viable, enhances shareholders' wealth and meets shareholders' expectations. The Company ensures its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising the option of issuing right shares or repurchase shares, if possible, selling property, plant and equipment.

30 SEGMENT INFORMATION

During the year 2020 the company has earned revenue Rs. Nil as compared to Rs. 2.12 million in previous year from sale of vehicles. The company has no other operational segments, therefore no segmentation is required as per IFRS 08.

31 NUMBER OF EMPLOYEES

	2020	**2019**
Average No. of workers per month		
- Factory	-	1
- Other than factory	7	7
	7	8
As at 30th June		
- Other than factory	11	11
	11	11

32 IMPACT OF COVID - 19 ON THE FINANCIAL STATEMENTS

In March , the World Health Organization declared Coronavirus disease (COVID-19) a pandemic, and its spread has gained momentum and general lockdowns have been imposed in most parts of the country. The Government lifted ban on most of the businesses by moving towards the smart lock down at the end of April, 2020 These measures lead to uncertainty of an overall economic slowdown and disruptions to various businesses, however the management is of the opinion that the mitigating plans and actions proposed by the Government of Pakistan and State Bank of Pakistan will be sufficient to restore the economy in the broader sense as it was before. As the result of such measures, the business activities gained momentum . On the basis of current and prospective financial situation by taking in account the management best estimates and assumptions relating to projections subject to consistent accounting policies being applied, an impairment review was carried out by the management and it has been ascertained that no impairment of financial assets was required as per IAS 36, IFRS 05 and IFRS 09. However the management has prepared its finanical statements on non-going concern basis (fair value basis) and ceased its commercial operations, therefore outbreak of COVID-19 had no significant financial impacts that may require separate disclosure in these financial statements.

33 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved and authorized for issue by the Board of Directors of the company in its meeting held on October 03, 2020.

34 Reclassification

The company has reclassified items subject to provisions of IFRS 05/and others significant matters to the extent and manner as applicable in comparative financial statements to bring in comparison to the current financial statements. See note no. 23.1. and 26.

34 CORRESPONDING FIGURES

(i) Figures have been rounded off to the nearest Rupee,
(ii) Corresponding figures have been re-arranged / reclassified, wherever necessary, to facilitate comparison.
(iii) The company is of the view that as per circular no. 14 2016 dated April 21, 2016 issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index" needs not to be separately disclosed, as there are no any component fall on All shares Islamic Index as at the reporting date.

35 GENERAL

The management of Mian Textile Industries Limited ,in February ,2020 received a proposal for acquisition of 74.15% shares of the Directors and their relatives , however later on the acquirer defaulted in the procedures of acquisition. No further negotiations have been carried out again with such potential acquirer.

36 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There are no significant events that may require disclosure and adjustments in the financial statements.

MIAN MUHAMMAD JEHANGIR	MIAN WAHEED AHMED	MUHAMMAD IRFAN
Chief Executive	Director	Chief Financial Officer

PROXY FORM
(34th ANNUAL GENERAL MEETING)

I/We ______________________________ son/daughter/wife of ______________________ of ______________ being member (s) of MIAN TEXTILE INDUSTRIES LTD, holder of ______________________ ordinary shares of the Company, under Folio No./Participant's ID/CDC sub account No. _____ hereby appoint ________________ of ______________ failing him/her ____________ of ________________ who is/are member(s) of MIAN TEXTILE INDUSTRIES LTD. under Folio No./Participant's ID/CDC sub account No. ______ respectively, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **34th** Annual General Meeting of the Company to be held on October 28, 2020 and/or any adjournment thereof.

As witness my/our hand this ________________ day of October, 2020.

Signed in the presence of;

Witness ______________________

Name ______________________

Occupation ______________________

Address ______________________

____

____

Signature of Shareholder (s) on revenue stamp worth Rupees 5/-

The signature should agree with the specimen registered with the Company.

IMPORTANT:

1. This Proxy Form, duty completed and signed, must be received at the Registered Office of the Company, 29-B/7 Model Town, Lahore. Not less than 48 hours before the time of holding the meeting.
2. No person shall act as Proxy unless he/she is a member of the Company, except that a Corporation/Company may appoint a person who is not a member.
3. If a member appoints more than one Proxy and more than one instruments of Proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. In case of Proxy for an individual beneficial Owner of CDC, attested copies of beneficial Owner's NIC or passport, Account and Participant's I.D. Nos. must be deposited along with the Form of Proxy. In case proxy for corporate member, he/she should bring the usual documents required of such purpose.
5. Shareholders are requested to notify change in their address, if any.