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**D.M. TEXTILE MILLS LIMITED**

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**D.M. TEXTILE  
MILLS LIMITED**

SAY NO TO CORRUPTION

**INTERIM CONDENSED  
FINANCIAL INFORMATION  
FOR THE FIRST QUARTER  
ENDED**

**SEPTEMBER 30,**

**2015**

# D.M. TEXTILE MILLS LIMITED

## Company's Information

### BOARD OF DIRECTORS

**CHAIRMAN &  
CHIEF EXECUTIVE:** Mian Habib Ullah

**DIRECTORS:** Mr. Shahid Aziz (Nominee of NIT)  
Mr. Hussain Ahmad Ozgen  
Mr. Hussain Ahmad Qureshi  
Syed Obaid-ul-Haq  
Rao Khalid Pervaiz  
Mr. Shahid Hussain

### AUDIT COMMITTEE:

**CHAIRMAN:** Mr. Hussain Ahmad Qureshi  
**MEMBERS:** Mr. Shahid Aziz  
Syed Obaid ul Haq

### HUMAN RESOURCE & REMUNERATION COMMITTEE:

**CHAIRMAN:** Mr. Hussain Ahmad Ozgen  
**MEMBERS:** Mr. Shahid Aziz  
Rao Khalid Pervaiz

**ACTING COMPANY SECRETARY  
& CHIEF FINANCIAL OFFICER** Rao Khalid Pervaiz

**BANKERS:** Faysal Bank Limited  
Meezan Bank Ltd.  
Habib Metropolitan Bank  
Muslim Commercial Bank Limited

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

**LEGAL ADVISER:** M/s Hassan & Hassan  
Advocates PAAF Building, 7-D,  
Kashmir Egerton Road, Lahore.

**REGISTRAR:** Corplink (Pvt) Ltd.  
Wing Arcade, 1-K, Commercial  
Model Town, Lahore.

**REGISTERED OFFICE  
& MILLS AT:** Industrial Area, Westridge, Rawalpindi.  
Telephone: 051-5181981  
051-5181977-78  
Fax: 051-5181979  
E-mail: dmtm@dmtextile.com.pk  
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Website: www.dmtextile.com.pk

# D.M. TEXTILE MILLS LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed financial statements for the first quarter ended September 30, 2015.

### 1. Net Profit/(Loss)

During the period ended 30 September 2015, the Company suffered a net loss of Rs.(2.279) Million as compared to previous period net loss of Rs. (8.850) Million.

### 2- Comparative financial results are given below:

First Quarter Ended	Rupees	
	30-September-15	30-September-14
Gross Sales	-	3,541,369
Cost of Sales	(4,210,763)	(7,781,963)
Gross Profit/(Loss)	(4,210,763)	(4,240,594)
Gross Profit / (Loss) Rate (%)	-	(119.74)
Selling, Admin & Other operating Expenses	(2,789,671)	(3,244,825)
Other Operating Income	5,289,722	1,582,562
Financial and Other Charges	(568,784)	(2,946,776)
Profit / (Loss) before taxation	(2,279,496)	(8,849,633)
Profit / (Loss) after taxation	(2,279,496)	(8,849,633)
Basic Earning/(Loss) per share in Rs	(0.75)	(2.90)
Breakup Value per share in Rs	181.30	161.63

### 3- Debt Servicing

The management has successfully settled its liabilities with NIB Bank Ltd and CEO of the company is in the process of negotiating with other financial institutions & debt providers to reduce the financial liabilities of the company.

### 4- Dividend

The Directors have not recommended any dividend due to losses.

### 5- Future Prospects & Plans

Due to continuing energy & marketing crises and high inflation costs, the Mills could not resume its production process. The management is trying to avail suppliers' credit for raw material and batter machinery to resume the operations of the Mills.

*For and on behalf of the Board of Directors*



Mian Habib Ullah  
**Chief Executive**  
Rawalpindi: October 27, 2015



Hussain Ahmad Qureshi  
**Director**

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET

	(Un-Audited)	(Audited)
	30 September 2015	30 June 2015
NOTE	Rupees	Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
5,000,000 ordinary shares of Rupees 10 each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>		
	30,524,290	30,524,290
<b>Accumulated loss</b>		
	1,135,777	(5,100,495)
<b>Total equity</b>		
	31,660,067	25,423,795
<b>Surplus on revaluation of property, plant and equipment - net of deferred income tax</b>		
	521,738,279	530,254,047
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
<b>Liabilities against assets subject to finance lease</b>		
	-	-
<b>Employees' retirement benefit</b>		
	9,819,289	9,951,359
<b>Deferred income tax liability</b>		
	51,845,415	51,845,415
<b>Deferred mark-up</b>		
	-	-
	61,664,704	61,796,774
<b>CURRENT LIABILITIES</b>		
<b>Trade and other payables</b>		
	83,796,735	88,940,451
<b>Accrued mark-up</b>		
	20,340,778	19,889,996
<b>Short term borrowings</b>		
	17,894,006	24,410,377
<b>Current portion of non-current liabilities</b>		
	1,693,372	2,112,034
	123,724,891	135,352,858
<b>Total liabilities</b>		
	185,389,595	197,149,632
<b>CONTINGENCIES AND COMMITMENTS</b>		
6		
<b>TOTAL EQUITY AND LIABILITIES</b>		
	<u>738,787,941</u>	<u>752,827,474</u>

The annexed notes form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

# D.M. TEXTILE MILLS LIMITED

## AS AT 30 SEPTEMBER 2015

	(Un-Audited)	(Audited)
	30 September 2015	30 June 2015
NOTE	Rupees	Rupees
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
7	676,470,873	696,187,775
<b>Advance against property</b>		
8	-	-
<b>Due from related party</b>		
	15,302,370	15,302,370
<b>Long term deposits</b>		
	24,423,761	24,423,761
	<u>716,197,004</u>	<u>735,913,906</u>
<b>CURRENT ASSETS</b>		
<b>Stores, spare parts and loose tools</b>		
	5,694,603	5,694,603
<b>Stock-in-trade</b>		
	401,553	401,553
<b>Trade debts</b>		
	-	-
<b>Advances</b>		
	234,435	259,185
<b>Short term deposits</b>		
	2,000,000	2,000,000
<b>Other receivables</b>		
	10,423,702	7,110,246
<b>Short term investments</b>		
	1,151,699	1,142,000
<b>Cash and bank balances</b>		
	2,684,945	305,981
	<u>22,590,937</u>	<u>16,913,568</u>
<b>TOTAL ASSETS</b>		
	<u>738,787,941</u>	<u>752,827,474</u>

  
DIRECTOR

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

		(Un-Audited) 30 September 2015	(Un-Audited) 30 September 2014
	NOTE	Rupees	Rupees
SALES		-	3,541,369
COST OF SALES	9	(4,210,763)	(7,781,963)
GROSS (LOSS) / PROFIT		(4,210,763)	(4,240,594)
DISTRIBUTION COST		(180,000)	(197,720)
ADMINISTRATIVE EXPENSES		(2,609,671)	(3,011,745)
OTHER EXPENSES		-	(35,360)
		(2,789,671)	(3,244,825)
		(7,000,434)	(7,485,419)
OTHER INCOME		5,289,722	1,582,562
LOSS FROM OPERATIONS		(1,710,712)	(5,902,857)
FINANCE COST		(568,784)	(2,946,776)
LOSS BEFORE TAXATION		(2,279,496)	(8,849,633)
TAXATION		-	-
LOSS AFTER TAXATION		(2,279,496)	(8,849,633)
LOSS PER SHARE - BASIC AND DILUTED (Rupees)		(0.75)	(2.90)

The annexed notes form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

	(Un-Audited) 30 September 2015 Rupees	(Un-Audited) 30 September 2014 Rupees
LOSS AFTER TAXATION	(2,279,496)	(8,849,633)
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the year - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(2,279,496)	(8,849,633)

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

  
CHIEF EXECUTIVE

  
DIRECTOR

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL EQUITY
	----- (Rupees) -----		
<b>Balance as at 30 June 2014 - Audited</b>	30,524,290	(100,060,680)	(69,536,390)
Surplus on revaluation realised on disposal of land	-	39,481,745	39,481,745
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	2,457,387	2,457,387
Profit for the year	-	53,477,883	53,477,883
Other comprehensive loss for the year	-	(456,830)	(456,830)
Total comprehensive income for the year ended 30 June 2014	-	53,021,053	53,021,053
<b>Balance as at 30 June 2015 - Audited</b>	30,524,290	(5,100,495)	25,423,795
Surplus on revaluation realised on disposal of property plant and equipments	-	8,515,768	8,515,768
Loss for the period	-	(2,279,496)	(2,279,496)
Other comprehensive loss for the period	-	-	-
Total comprehensive income for the period ended 30 September 2015	-	(2,279,496)	(2,279,496)
<b>Balance as at 30 September 2015 - Un-audited</b>	30,524,290	1,135,777	31,660,067

The annexed notes form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

	NOTE	(Un-Audited) 30 September 2015 Rupees	(Un-Audited) 30 September 2014 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in from operations	10	(10,006,421)	(1,192,948)
Finance cost paid		(81,664)	(761,192)
Deferred mark-up paid		(455,000)	(455,000)
Income tax paid		(54,510)	(42,554)
Gratuity paid		(132,070)	(167,900)
<b>Net cash used in from operating activities</b>		<u>(10,729,665)</u>	<u>(2,619,594)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		19,625,000	-
Profit on Investment		-	96,985
Long term Deposits		-	-
<b>Net cash from investing activities</b>		19,625,000	96,985
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from:			
Short term borrowings		-	3,904,114
Repayment of:			
Finance Lease		-	(991,940)
Short term borrowings		(6,516,371)	-
long term finances		-	(433,170)
<b>Net cash financing activities</b>		<u>(6,516,371)</u>	<u>2,479,004</u>
<b>Net Increase / (decrease) in cash and cash equivalents</b>		2,378,964	(43,605)
<b>Cash and cash equivalents at the beginning of the period</b>		305,981	134,458
<b>Cash and cash equivalents at the end of the period</b>		<u>2,684,945</u>	<u>90,853</u>

The annexed notes form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

# D.M. TEXTILE MILLS LIMITED

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2015

### 1 THE COMPANY AND ITS OPERATIONS

D. M. Textile Mills Limited is a public limited Company incorporated in Pakistan under the Companies Act, 1913 (Now Companies Ordinance, 1984) and listed on Karachi and Islamabad Stock Exchanges in Pakistan. Its registered office is situated at Westridge, Rawalpindi. The Company is engaged in the business of manufacturing, sale and trading of cotton, polyester, viscose and blended yarn.

### 2 BASIS OF PREPARATION

These Interim Financial Information is unaudited but subject to limited scope review by the statutory auditors and are being submitted to share holders as required u/s 245 of the Companies Ordinance, 1984. This Interim Financial Information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2015.

### 3 ACCOUNTING POLICIES AND COMPUTATION METHODS

The Accounting Policies and methods of computations adopted for the preparation of the Interim Financial Information are the same as applied in the preparation of the preceding annual published Financial Statements of the company for the year ended 30 June 2015.

### 4 CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

Judgments and Estimates made by the management in the preparation of this Interim Financial Information are the same as those applied to the preceding annual published Financial Statements of the company for the year ended 30 June 2015.

	(Un-Audited) 30 September 2014 Rupees	(Audited) 30 June 2015 Rupees
Note		
<b>5 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
Future minimum lease payments	658,531	658,531
Less: Unamortized finance charges	-	-
Present value of future minimum lease payments	658,531	658,531
Less: Current portion shown under current liabilities	658,531	658,531
	-	-

- 5.1 It represents last instalment payable to the lessor under the settlement agreement. In case of default in payment by the Company the lessor may cancel the settlement agreement. Consequently, the lessor will be entitled to recover outstanding amount as per books of ledger. Taxes, repairs and insurance cost are to be borne by the Company. Its is secured against charge on leased assets and personal guarantees of sponsor directors.

### 6 CONTINGENCIES AND COMMITMENTS

#### 6.1 Contingencies

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the company for the year ended 30 June 2015.

# D.M. TEXTILE MILLS LIMITED

		(Un-Audited) 30 September 2015 Rupees	(Audited) 30 June 2015 Rupees
Note			
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	647,128,689	660,486,424
Assets subject to finance lease	7.2	29,342,184	35,701,351
		676,470,873	696,187,775
<b>7.1 OPERATING FIXED ASSETS</b>			
Opening written down value		660,486,424	713,491,978
Add: Transferred from leased assets(Note 8.1)		5,987,747	
		666,474,171	713,491,978
Less: Book Value of deletions during the period / year	7.1.1	17,112,187	42,089,227
Less: Depreciation charge for the period / year		2,233,295	10,916,327
		647,128,689	660,486,424
<b>7.1.1 Book value of deletions during the period / year</b>			
Plant & Machinery		17,112,187	42,089,227
<b>7.2 ASSETS SUBJECT TO FINANCE LEASE</b>			
Opening book Value		35,701,351	60,706,894
Less: Depreciation charge for the period / year		371,420	2,587,955
Less: Transferred to owned assets(Note 8.1)		5,987,747	22,417,588
		29,342,184	35,701,351

### 8 DUE FROM RELATED PARTY

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

The C.E.O also filed an appeal under section 485 of the Companies Ordinance, 1984 read with Section 34 of the Securities and Exchange Commission of Pakistan Act, 1997 before the Lahore High Court, Rawalpindi Bench whereby stay order was granted to suspend the operation of above said impugned order. The Lahore High Court, Rawalpindi Bench, in its interim order dated 10 February 2015, has granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company.

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

# D.M. TEXTILE MILLS LIMITED

	(Un-Audited) 30 September 2015 Rupees	(Un-Audited) 30 September 2014 Rupees
<b>9 COST OF SALES</b>		
Salaries, wages and other benefits	829,876	792,078
Fuel and power	704,621	597,899
Insurance	-	22,522
Repair and maintenance	397,364	155,262
Labour welfare	31,422	22,328
Depreciation	2,247,480	3,076,109
	<u>4,210,763</u>	<u>4,666,198</u>
<b>Work-in-process</b>		
Opening stock	-	128,995
Closing stock	-	(128,995)
	<u>-</u>	<u>-</u>
Cost of goods manufactured	<u>4,210,763</u>	<u>4,666,198</u>
Finished goods		
Opening stock	-	1,907,524
Closing stock	-	(152,059)
	<u>-</u>	<u>1,755,465</u>
	<u>4,210,763</u>	<u>6,421,663</u>
Cost of raw material sold	-	1,360,300
Cost of goods sold	<u>4,210,763</u>	<u>7,781,963</u>
<b>10 CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,279,496)	(8,849,633)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	2,604,715	3,465,821
Return on fixed deposit	-	(15,943)
Finance cost	568,784	2,946,776
Gain on sale of property, plant and equipment	(2,512,813)	-
<b>Cash flows from operating activities before working capital changes</b>	<u>(1,618,810)</u>	<u>(2,452,979)</u>
Working capital changes decrease / (increase) in current assets		
Stock in trade	-	3,115,765
Trade debts	-	115,883
Advances	24,750	(76,079)
Short term Investments	(9,699)	-
Other receivables	(3,258,946)	54,152
Decrease in trade and other payables	(5,143,716)	(1,949,690)
	<u>(8,387,611)</u>	<u>1,260,031</u>
	<u>(10,006,421)</u>	<u>(1,192,948)</u>

# D.M. TEXTILE MILLS LIMITED

## 11 TRANSACTIONS WITH RELATED PARTIES

Related parties comprises of associated undertakings, other related parties and key management personnel, Detail of Transaction with related parties other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	(Un-Audited) 30 September 2015 Rupees	(Un-Audited) 30 September 2014 Rupees
<b>Chief executive Officer</b>		
Loan obtained during the period	1,582,565	915,886
Payment against outstanding balance	5,598,936	4,820,000
<b>Remuneration to CEO and Directors</b>	800,220	800,220

## 12 FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2015.

## 13 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

This condensed interim financial information was approved by the Board of Directors and authorized for issue on **October 27, 2015**.

## 14 CORRESPONDING FIGURES

Figures of the prior period has been re-arranged wherever necessary for the purpose of comparison, however, no significant re-arrangement have been made.

## 15 GENERAL

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

  
CHIEF EXECUTIVE

  
DIRECTOR