

**BOOK
POST**

PRINTED MATTER
(UNDER CERTIFICATE OF POSTING)



If Undelivered Please Return to:

D.M. TEXTILE MILLS LIMITED

Industrial Area, Westridge, Rawalpindi.

Telephone: 051-5181981, 5181977-78

Fax: 051-5181979

E-mail: dmtm@dmtextile.com.pk

E-mail: dmtextilemills@yahoo.com

Website: www.dmtextile.com.pk



**D.M. TEXTILE
MILLS LIMITED**

SAY NO TO CORRUPTION

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

September 30,

2016

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. Shahid Hussain
MEMBERS: Mr. Shahid Aziz
Mr. Hussain Ahmad Qureshi

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
MCB 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
Office No. 38, 1st Floor, Al-Abbas Market,
Adamjee Road, Rawalpindi.

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

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

D.M. TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed financial statements for the first quarter ended 30 September, 2016.

1. Net Profit/(Loss)

During the period the company suffered a net loss of (Rs. 2.742) Million as compared to previous period net loss of (Rs. 2.279) Million.

2- Comparative financial results are given below:

First Quarter Ended	Rupees	
	30 September 2016	30 September 2015
Gross Sales	-	-
Cost of Sales	-	(4,210,763)
Gross Profit/(Loss)	-	(4,210,763)
Gross Profit/(Loss) Rate (%)	-	-
Selling, Admin & Other operating Expenses	(5,829,136)	(2,789,671)
Other Operating Income	3,496,093	5,289,722
Financial and Other Charges	(409,410)	(568,784)
Profit / (Loss) after taxation	(2,742,453)	(2,279,496)
Basic Earning/(Loss) per share in Rs	(0.90)	(0.75)
Breakup Value per share in Rs	186.40	181.30

3- Debt Servicing

During the last financial year, Settlement Agreement with M/s Faysal Bank Ltd has been reached against full & final payment of Rs.17.544 Million and Company also paid off the entire balance liabilities of MCB Bank Ltd satisfactorily. Further, CEO of the company is in the process of negotiating with other debt providers so as to reduce the financial liabilities of the company.

4- Dividend

The Directors have not recommended any dividend due to loss.

5- Future Prospects & Plans

Due to continued market recession and high inflation costs, the Mills has temporarily suspended its production process. The management is hopeful to settle all of its outstanding liabilities with debt providers which will further reduce burden of financial cost. Management has positive intention and capability to start production subject to continuous availability of gas/electricity, improvement in market and suppliers credit for raw material & new machinery so that production comes into profit.

6- Acknowledgement

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

For and behalf of the Board of Directors



Mian Habib Ullah
Chief Executive
Rawalpindi: October 28, 2016



Rao Khalid Pervaiz
Director

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET

		(Un-Audited) 30 September 2016	(Audited) 30 June 2016
	NOTE	Rupees	Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 ordinary shares of Rupees 10 each		<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed and paid-up share capital		30,524,290	30,524,290
Accumulated loss		(64,227,615)	(61,485,162)
Total equity		<u>(33,703,325)</u>	<u>(30,960,872)</u>
Surplus on revaluation of property, plant and equipment - net of deferred income tax		602,661,894	602,661,894
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	7,440,754	8,136,890
Liabilities against assets subject to finance lease	6	-	-
Employees' retirement benefit		9,839,462	9,839,462
Deferred income tax liability		22,476,930	22,476,930
Deferred mark-up		-	-
		<u>39,757,146</u>	<u>40,453,282</u>
CURRENT LIABILITIES			
Trade and other payables		81,961,154	83,042,828
Accrued mark-up		21,343,023	21,275,680
Short term borrowings		13,382,993	10,760,361
Current portion of non-current liabilities		3,302,260	3,185,439
		<u>119,989,430</u>	<u>118,264,308</u>
Total liabilities		<u>159,746,576</u>	<u>158,717,590</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u>728,705,145</u>	<u>730,418,612</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 2016

		(Un-Audited) 30 September 2016	(Audited) 30 June 2016
	NOTE	Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	677,962,527	679,890,756
Advance against property		-	-
Due from related party		-	-
Long term deposits		24,403,761	24,403,761
		<u>702,366,288</u>	<u>704,294,517</u>
CURRENT ASSETS			
Advances		288,585	305,985
Current portion of due from related party		16,823,426	16,823,426
Short term deposits		2,000,000	2,000,000
Other receivable		5,982,772	5,721,692
Short term investments		1,142,000	1,142,000
Cash and bank balances		102,074	130,992
		<u>26,338,856</u>	<u>26,124,095</u>
TOTAL ASSETS		<u>728,705,145</u>	<u>730,418,612</u>


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENCED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

		(Un-Audited) 30 September 2016	(Un-Audited) 30 September 2015
	NOTE	Rupees	Rupees
SALES		-	-
COST OF SALES	10	-	(4,210,763)
GROSS (LOSS) / PROFIT		-	(4,210,763)
DISTRIBUTION COST		-	(180,000)
ADMINISTRATIVE EXPENSES		(5,829,136)	(2,609,671)
		(5,829,136)	(2,789,671)
		(5,829,136)	(7,000,434)
OTHER INCOME		3,496,093	5,289,722
LOSS FROM OPERATIONS		(2,333,043)	(1,710,712)
FINANCE COST		(409,410)	(568,784)
LOSS BEFORE TAXATION		(2,742,453)	(2,279,496)
TAXATION		-	-
LOSS AFTER TAXATION		(2,742,453)	(2,279,496)
LOSS PER SHARE - BASIC AND DILUTED (Rupees)		(0.90)	(0.75)

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


CHIEF EXECUTIVE


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENCED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2016

	(Un-Audited) 30 September 2016 Rupees	(Un-Audited) 30 September 2015 Rupees
LOSS AFTER TAXATION	(2,742,453)	(2,279,496)
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	<u>(2,742,453)</u>	<u>(2,279,496)</u>

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 2016

	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL EQUITY
	----- (Rupees) -----		
Balance as at 30 June 2015 - Audited	30,524,290	(5,100,495)	25,423,795
Surplus on revaluation realised on disposal of land	-	-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	2,252,869	2,252,869
Loss for the year	-	(58,829,011)	(58,829,011)
Other comprehensive loss for the year	-	191,475	191,475
Total comprehensive income for the year ended 30 June 2016	-	(58,637,536)	(58,637,536)
Balance as at 30 June 2016 - Audited	30,524,290	(61,485,162)	(30,960,872)
Surplus on revaluation realised on disposal of property plant and equipments	-	-	-
Loss for the period	-	(2,742,453)	(2,742,453)
Other comprehensive loss for the period	-	-	-
Total comprehensive income for the period ended 30 September 2016	-	(2,742,453)	(2,742,453)
Balance as at 30 September 2016 - Un-audited	<u>30,524,290</u>	<u>(64,227,615)</u>	<u>(33,703,325)</u>

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 2016

NOTE	(Un-Audited) 30 September 2016 Rupees	(Un-Audited) 30 September 2015 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in from operations	11	(1,695,804)	(10,006,421)
Finance cost paid		(171,383)	(81,664)
Deferred mark-up paid		-	(455,000)
Income tax paid		(259,363)	(54,510)
Gratuity paid		-	(132,070)
Net cash used in operating activities		<u>(2,126,550)</u>	<u>(10,729,665)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		<u>225,000</u>	<u>19,625,000</u>
Net cash generated from investing activities		225,000	19,625,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Short term borrowings		-	-
Repayment of:			
Finance Lease		-	-
Short term borrowings		2,622,632	(6,516,371)
long term finances		(750,000)	-
Net cash generated from / (used in financing activities)		<u>1,872,632</u>	<u>(6,516,371)</u>
Net (decrease)/ Increase in cash and cash equivalents		(28,918)	2,378,964
Cash and cash equivalents at the beginning of the period		130,992	305,981
Cash and cash equivalents at the end of the period		<u>102,074</u>	<u>2,684,945</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 2016

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 Pakistan Stock Exchange. 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 and is 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 2016.

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 2016.

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 2016.

	(Un-Audited) 30 September 2016	(Audited) 30 June 2016
Note	Rupees	Rupees
5 LONG TERM FINANCING		
From Faysal Bank Limited - secured	10,084,483	10,663,798
Less: Current portion shown under current liabilities	<u>2,643,729</u>	<u>2,526,908</u>
	<u>7,440,754</u>	<u>8,136,890</u>

5.1 During the year ended 30 June 2016, the Company entered into settlement agreement with Faysal Bank Limited. Pursuant to the agreement, short term borrowing including related accrued mark-up were reduced to Rupees 17.544 million. The Company paid down payment of Rupees 4.044 million. Remaining amount is interest free and is payable in 48 monthly installments (12 installments of Rupees 250,000, 12 installments of Rupees 275,000 and 24 installments of Rupees 300,000) commenced from January 2016. In case of default, the settlement agreement or any of its arrangement shall stand cancelled / withdrawn. Consequently, the Bank will be entitled to recover outstanding amount as per books of ledger.

In accordance with the requirements of IAS 39 'Financial Instruments: Recognition and Measurement' it has been stated at present value using effective interest rate of 6.52%.

These are secured against registered hypothecation charge of Rupees 50 million, second supplement agreement of hypothecation on all future and current assets, stocks of raw material, work in process, finished goods, plant and machinery, equipment tools and stores and spares.

D.M. TEXTILE MILLS LIMITED

	(Un-Audited) 30 September 2016	(Audited) 30 June 2016
Note	Rupees	Rupees
6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	658,531	658,531
Less: Unamortized finance charges	-	-
Present value of future minimum lease payments	<u>658,531</u>	<u>658,531</u>
Less: Current portion shown under current liabilities	<u>658,531</u>	<u>658,531</u>
	-	-
6.1 It represents last installment payable to the lessor under the settlement agreement. Taxes, repairs and insurance costs are to be borne by the Company. It is secured against charge on leased assets and personal guarantees of sponsor directors.		
7 CONTINGENCIES AND COMMITMENTS		
7.1 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 2016.		
8 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	8.1 677,373,820	679,293,141
Assets subject to finance lease	8.2 588,707	597,615
	<u>677,962,527</u>	<u>679,890,756</u>
8.1 OPERATING FIXED ASSETS		
Opening written down value	679,293,141	660,486,424
Add: Transferred from leased assets (Note 8.1)	-	33,253,388
	<u>679,293,141</u>	<u>693,739,812</u>
Less: Book Value of deletions during the period / year	8.1.1 12,567	27,327,536
Less: Revaluation Surplus/ Impairment Loss	-	(23,238,738)
Less: Depreciation charge for the period / year	1,906,754	10,357,873
	<u>677,373,820</u>	<u>679,293,141</u>
8.1.1 Book value of deletions during the period / year		
Vehical	12,567	-
Plant & Machinery	-	27,327,536
	<u>-</u>	<u>27,327,536</u>
8.2 ASSETS SUBJECT TO FINANCE LEASE		
Opening book Value	597,615	35,701,351
Less: Depreciation charge for the period / year	8,908	115,058
Less: Revaluation Surplus/ Impairment Loss	-	1,735,290
Less: Transferred to owned assets (Note 8.1)	-	33,253,388
	<u>588,707</u>	<u>597,615</u>
9 DUE FROM RELATED PARTY		
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.		

D.M. TEXTILE MILLS LIMITED

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 06 February 2015, granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company meanwhile. However, the court, through its order dated 09 December 2015 transferred the case to Islamabad High Court, Islamabad.

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

However, the C.E.O in the case proceedings before the Islamabad High Court, Islamabad on 03 May 2016 has submitted to transfer the property in the name of the Company within sixty days therefrom. Necessary legal formalities in this regard are in process.

	(Un-Audited) 30 September 2016 Rupees	(Un-Audited) 30 September 2015 Rupees
10 COST OF SALES		
Salaries, wages and other benefits	-	829,876
Fuel and power	-	704,621
Insurance	-	-
Repair and maintenance	-	397,364
Labour welfare	-	31,422
Depreciation	-	2,247,480
	-	4,210,763
Work-in-process		
Opening stock	-	-
Closing stock	-	-
	-	-
Cost of goods manufactured	-	4,210,763
Finished goods		
Opening stock	-	-
Closing stock	-	-
	-	4,210,763
Cost of raw material sold	-	-
Cost of goods sold	-	4,210,763

D.M. TEXTILE MILLS LIMITED

	(Un-Audited) 30 September 2016 Rupees	(Un-Audited) 30 September 2015 Rupees
11 CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,742,453)	(2,279,496)
Adjustments for non-cash charges and other items:		
Depreciation	1,915,662	2,604,715
Finance cost	409,410	568,784
Gain on sale of property, plant and equipment	(212,433)	(2,512,813)
Cash flows from operating activities before working capital changes	(629,814)	(1,618,810)
Working capital changes decrease / (increase) in current assets		
Advances	17,400	24,750
Short term investments	-	(9,699)
Other receivables	(1,716)	(3,258,946)
Decrease in trade and other payables	(1,081,674)	(5,143,716)
	(1,065,990)	(8,387,611)
	(1,695,804)	(10,006,421)

12 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:

Chief Executive Officer

Loan obtained during the period	3,838,500	1,582,565
Payment against outstanding balance	315,868	5,598,936

Remuneration to CEO and Directors

	708,000	800,220
--	---------	---------

13 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 2016.

14 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

This condensed interim financial information was approved by the Board of Directors and authorized for issue on **October 28, 2016**.

15 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.

16 GENERAL

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


CHIEF EXECUTIVE


DIRECTOR