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**D.M. TEXTILE MILLS LIMITED**

Westridge Industrial Area, Rawalpindi.

Telephone: 051-5181981, 5181977-78

E-mail: [dmtm@dmtextile.com.pk](mailto:dmtm@dmtextile.com.pk)

E-mail: [dmtextilemills@yahoo.com](mailto:dmtextilemills@yahoo.com)

Website: [www.dmtextile.com.pk](http://www.dmtextile.com.pk)



**D.M. TEXTILE  
MILLS LIMITED**

**INTERIM CONDENSED  
FINANCIAL INFORMATION  
FOR THE HALF YEARLY  
ENDED**

December 31,

**2023**



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# D.M. TEXTILE MILLS LIMITED

## Company's Information

### BOARD OF DIRECTORS

<b>CHAIRMAN</b>	Mian Habib Ullah
<b>CHIEF EXECUTIVE:</b>	Sami Ullah
<b>DIRECTORS:</b>	Mr. Amer Zeb Mr. Abrar Alam Mr. Syed Hameed ul Haq Mr. Muhammad Suleman Khan Mr. Rao Khalid Pervaiz

### AUDIT COMMITTEE:

<b>CHAIRMAN:</b>	Mr. Amer Zeb
<b>MEMBERS:</b>	Mr. Abrar Alam Mr. Muhammad Suleman Khan

### HUMAN RESOURCE & REMUNERATION COMMITTEE:

<b>CHAIRMAN:</b>	Mr. Muhammad Suleman Khan
<b>MEMBERS:</b>	Mr. Syed Hameed ul Haq Mr. Sami Ullah

### 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. Ph: 051-2274121, 2274122

### LEGAL ADVISER:

Malik Sheheryar Qamar Afzal  
Afzal & Afzal  
208-B, Tufail Road, Opp. Fatima Jinnah  
University, Katchery Chowk, Rawalpindi.

### REGISTRAR:

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

### REGISTERED OFFICE:

Westridge Industrial Area, Rawalpindi.  
Telephone: 051-5181981, 5181977-78  
E-mail: [dmtm@dmtextile.com.pk](mailto:dmtm@dmtextile.com.pk)  
E-mail: [dmttextilemills@yahoo.com](mailto:dmttextilemills@yahoo.com)  
Website: [www.dmttextile.com.pk](http://www.dmttextile.com.pk)

# **D.M. TEXTILE MILLS LIMITED**

## **VISION STATEMENT**

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

## **MISSION STATEMENT**

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

# **D.M. TEXTILE MILLS LIMITED**

## **CHAIRMAN'S REVIEW REPORT**

I am pleased to present the half yearly financial statements along with Directors' Report & Auditors' Review Report for the period ended 31-12-2023. The Management is continuously trying its level best to utilize the available resources for the betterment of the Company. Management has positive intention and capability to revive the company.

I acknowledge and appreciate the contributions of the employees for betterment of the Company.

Rawalpindi:  
February 28, 2024

  
Chairman of the Board of Directors

# D.M. TEXTILE MILLS LIMITED

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of D.M. Textile Mills Limited

### Report on review of Condensed Interim Financial Statements

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of D.M. TEXTILE MILLS LIMITED (the Company) as at 31 December 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the condensed interim financial statements). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2023.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Basis for Adverse Conclusion

(i) The Company sustained net loss of Rupees 5.777 million during the half year ended 31 December 2023. As of 31 December 2023, the Company's current liabilities exceeded its current assets by Rupees 110.828 million. The Company remained unable to arrange fresh financing for working capital and other purposes. The mill remained closed since 2014 and could not resume the operations till the date of this report. As at the reporting date, the Company had a few employees. We were not provided with any workable business plan for sale of freehold land and / or arrangement of financing for development of manufacturing facilities as well as operational activities. The management of the Company did not provide us its assessment of going concern assumption used in preparation of these condensed interim financial statements and the future financial projections indicating the economic viability of the Company. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. These condensed interim financial statements (and notes thereto) do not disclose this fact. These condensed interim financial statements have been prepared on the going concern basis.

(ii) As more fully explained in Note 8 to the condensed interim financial statements, the Company advanced an amount of Rupees 51.150 million against purchase of property. The property could not be transferred in the Company's name due to the want of completion of legal formalities. Directions were given for transferring the property in the name of the Company within thirty days of the order of Securities and Exchange Commission of Pakistan (SECP) dated 29 November 2007. SECP also ordered to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million if invested with any scheduled bank, on daily product basis in the relevant period and directed that this amount be deposited proportionately, in the Company's account, by directors who are penalized under the order. The Chief Executive Officer (CEO) of the Company filed an appeal before the Lahore High Court (LHC), Rawalpindi Bench whereby stay order was granted to suspend the operation of above said order. The Board of Directors of the Company, after getting valuation

# D.M. TEXTILE MILLS LIMITED

of the property at forced sale value of Rupees 72.007 million from M/s NAKMS Associates (Private) Limited, resolved in its meeting held on 23 April 2014 that the right in property along with fixtures and fittings be offered to the CEO at the fixed floor price of Rupees 75 million. Whereas, as per Capital Development Authority (CDA), the property has already been transferred in the name of CEO through a court decree. The LHC, Rawalpindi Bench in its interim order dated 06 February 2015 granted adjournment with the directions not to transfer / alienate the property / undertaking of the Company in any form or manner whatsoever. Meanwhile, the court case has been transferred to the Islamabad High Court (IHC), Islamabad and on 03 May 2016, IHC, on submission of CEO, ordered to transfer the property in the name of the Company within sixty days. The CEO filed a petition before the IHC to seek relief on the grounds that the said property has already been attached in the cases titled The Bank of Punjab versus Bilal Fibers Limited and The Bank of Punjab versus Bilal Textiles (Private) Limited wherein the CEO was a guarantor. Meanwhile, the Board of Directors and the shareholders in their meetings held on 09 October 2016 and 31 October 2016 respectively resolved to reverse the transaction of sale of property to CEO, subject to completion of legal formalities and in accordance with rules / laws / procedures. The Company filed a suit before the court of Senior Civil Judge 1st class (West), Islamabad dated 17 October 2017 against the CEO while making SECP and CDA parties to the case for directions to transfer the property in the name of the Company. Civil Judge 1st Class (West), vide order dated 13 July 2023, partially decreed the case of the Company in alternate to the extent of recovery of remaining amount from the C.E.O. The Company filed an appeal before IHC, Islamabad against the said order. On 25 October 2023 IHC, Islamabad, suspended the operation of the impugned judgment and decree dated 13 July 2023 until the next date of hearing. Meanwhile, IHC, Islamabad vide its order dated 16 November 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days. The Company also filed an appeal before the LHC, Lahore Bench in May 2018 for detachment of the property, so the property can be transferred in the name of the Company, which is pending adjudication. The SECP filed an appeal before the IHC, Islamabad, dated 13 September 2018 for execution of IHC decision dated 16 November 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which could have been earned on the amount of Rupees 51.150 million, if invested with any schedule bank on daily product basis in the relevant period, and further requested the IHC to send notice to LHC, Lahore, for release of the property. The matter is pending adjudication. The Bank of Punjab filed an appeal before the IHC, Islamabad to set-aside orders dated 03 May 2016 and 16 November 2017. The matter is pending adjudication. On 24 May 2022, the Company filed an application before IHC, Islamabad praying that The Bank of Punjab and Bilal Fibers Limited and Bilal Textiles (Private) Limited have entered into a settlement agreement, hence, the said property may please be declared as lawful property of D.M. Textile Mills Limited. The matter is pending adjudication. We could not ensure compliance with the above stated directions and satisfy ourselves as to the use of forced sale value of the property for adjustment of the advance against property.

#### Adverse Conclusion

Our review indicates that, because of the management's use of the going concern assumption in these condensed interim financial statements is inappropriate and the significance of the matter stated in paragraph (ii) above, as described in the *Basis for Adverse Conclusion* paragraph, these condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

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

#### **RIAZ AHMAD & COMPANY**

#### **Chartered Accountants**



ISLAMABAD

Date: February 28, 2024

UDIN Number: RR202310777OwDiQThX

# D.M. TEXTILE MILLS LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed interim financial statements for the half-year ended 31 December, 2023.

### **Net Profit/(Loss)**

During the period Company had a net loss of Rs. 5.777 Million as compared to previous period net loss of Rs. 14.271 Million.

### **Comparative financial results are given below:**

Half Year Ended	Rupees	
	31 December 2023	31 December 2022
Administrative & General Expenses	(23,077,483)	(27,195,526)
Other Expenses	(667,000)	(746,400)
Other Income	18,020,934	13,844,932
(Loss)/Profit from Operations	(5,723,549)	(14,096,994)
Financial Cost	(53,229)	(174,490)
(Loss)/Profit before Taxation	(5,776,778)	(14,271,484)
Taxation	-	-
(Loss)/Profit after taxation	(5,776,778)	(14,271,484)
(Loss)/ Earning per share Basic & Diluted	(1.89)	(4.68)

Directors have also granted specific approval for the related party transactions/adjustments, directors' remuneration and capital expenditure as disclosed in the condensed interim financial statements.

Provision for employees gratuity Rs.512,692/=

### **Debt Servicing**

Entire Liabilities of the financial institutions have been paid off. Management is negotiating with other debt providers/suppliers so as to further reduce the liabilities of the Company.

### **Dividend**

The Directors have not recommended dividend due to loss.

### **Future Prospects & Plans**

The management is trying its level best to utilize the available resources. Further, the management has positive intention and capability to revive the company.

### **Remarks on Independent Auditors' Review Report**

The Company has successfully settled all of its liabilities towards financial institution. Further, due to regular income and efforts to utilize the available resources to pay-off the remaining liabilities & revival of the Company, the management has prepared the accounts on going concern basis.

# D.M. TEXTILE MILLS LIMITED

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

The Board of Directors is of the view that the Company follows the approved accounting standards as applicable in Pakistan and the accounts do give a true and fair view of the state of Company's affairs as at 31 December 2023 in the light of the facts stated above.

### **Corporate Social Responsibility**

The company is aware of its corporate and social responsibilities and doing its best within the available resources.

### **Director's Remuneration Policy**

The Company pays remuneration to two of its Executive Directors as disclosed in Notes of the financial statements.

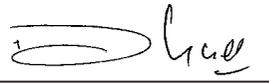
### **Acknowledgement**

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

*For and behalf of the Board of Directors*

  
\_\_\_\_\_  
Chief Executive Officer

Rawalpindi: February 28, 2024

  
\_\_\_\_\_  
Director

# D.M. TEXTILE MILLS LIMITED

## ڈائریکٹرز رپورٹ

معزز ممبران،

31 دسمبر 2023 کو ختم ہونے والے ششماہی مالیاتی گوشوارے (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ 5,776,778 روپے کا خسارہ ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 14,271,484 روپے کا خسارہ ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے		تفصیل
31 دسمبر 2022	31 دسمبر 2023	
(27,195,526)	(23,077,483)	انتظامی اور جزل اخراجات
(746,400)	(667,000)	دیگر اخراجات
13,844,932	18,020,934	دیگر آمدن
(14,096,994)	(5,723,549)	اپریٹنگ کا منافع (خسارہ)
(174,490)	(53,229)	مالی اخراجات
(14,271,484)	(5,776,778)	منافع (خسارہ) قبل از ٹیکس
-	-	ٹیکس
(14,271,484)	(5,776,778)	منافع (خسارہ) بعد از ٹیکس
(4.68)	(1.89)	فی شیئر آمدن (خسارہ) روپے (Basic & Diluted)

ڈائریکٹرز نے ریلیٹیو پارٹی ٹرانزیکشنز / ایڈجسٹمنٹ، ڈائریکٹرز ریٹرنیشن اور کیپیٹل اخراجات جیسا کہ ان گوشواروں میں دکھائے گئے ہیں کی خصوصی منظوری بھی دی ہے۔

Rs.512,692

Provision for employees gratuity

کمپنی نے تمام مالیاتی اداروں کے واجبات ادا کر دیئے ہیں۔ انتظامیہ دوسرے قرض داروں / سپلائرز سے گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

# D.M. TEXTILE MILLS LIMITED

ڈائریکٹرز نے خسارہ کی وجہ سے ڈیویڈنڈ تجویز نہیں کیا ہے۔

انتظامیہ متواتر کوشش کر رہی ہے کہ دستیاب وسائل کو بہترین طریقے سے استعمال کیا جائے۔ انتظامیہ کی نیت مثبت ہے اور کمپنی کی بحالی کی صلاحیت رکھتی ہے۔

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

کمپنی نے نامیابی سے تمام مالی اداروں کے واجبات ادا کر دیئے ہیں۔ مستقل آمدن اور بقا واجبات کی ادائیگی کے لئے دستیاب وسائل کے استعمال اور کمپنی کی بحالی کی کوششوں کی وجہ سے انتظامیہ نے گوشوارے Going Concern کی بنیاد پر بنائے ہیں۔

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

بورڈ آف ڈائریکٹرز کا ماننا ہے کہ کمپنی منظور شدہ اکاؤنٹنگ سینڈرز پر عمل کرتی ہے جو کہ پاکستان میں رائج ہیں۔ اور گوشوارے اوپر دیئے گئے حقائق کی روشنی میں درست اور منصفانہ طور پر کمپنی کے معاملات کو پیش کرتے ہیں۔

کمپنی اپنی کارپوریٹ اور سماجی ذمہ داریوں سے آگاہ ہے اور دستیاب وسائل کے مطابق کوشش کرتی ہے۔ کمپنی اپنے دواگیٹیکٹو ڈائریکٹرز کو اجرت دیتی ہے جیسا کہ ان گوشواروں میں ظاہر کیا گیا ہے۔ ڈائریکٹرز مالیاتی اداروں کے تعاون کے مشکور ہیں۔ کمپنی کے ملازمین داد کے مستحق ہیں کہ انھوں نے کمپنی کی بہتری کے لئے لگن اور محنت سے کام کیا۔



ڈائریکٹر



چیف ایگزیکٹو

راولپنڈی: 28 فروری 2024

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	NOTE	Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
5,000,000 (30 June 2023: 5,000,000) ordinary shares of Rupees 10 each		50,000,000	50,000,000
<b>Issued, subscribed and paid-up share capital</b>			
3,052,429 (30 June 2023: 3,052,429) ordinary shares of Rupees 10 each		30,524,290	30,524,290
<b>Reserves</b>			
Capital reserve - surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	5	576,721,799	577,020,729
Revenue reserve - unappropriated profit		35,164,314	40,642,162
<b>Total reserves</b>		611,886,113	617,662,891
<b>Total equity</b>		642,410,403	648,187,181
<b>NON-CURRENT LIABILITY</b>			
Employees' retirement benefit - gratuity		4,992,555	4,479,863
Deferred income tax liability		-	-
		4,992,555	4,479,863
<b>CURRENT LIABILITIES</b>			
Trade and other payables		108,958,485	107,143,706
Due to related parties		15,919,443	16,269,443
Unclaimed dividend		144,947	144,947
Taxation - net		5,138,802	6,988,489
		130,161,677	130,546,585
<b>Total liabilities</b>		135,154,232	135,026,448
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		777,564,635	783,213,629
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	292,446,620	293,719,979
Investment properties		449,425,000	449,425,000
Advance against property	8	-	-
Long term investments		7,204,415	6,881,915
Long term deposits		9,155,034	9,155,034
		758,231,069	759,181,928
<b>CURRENT ASSETS</b>			
Advances		413,600	3,272,200
Due from related party		17,619,962	17,619,962
Short term deposit		-	-
Other receivables		20,000	1,588,206
Short term investments		1,232,266	1,288,381
Cash and bank balances		47,738	262,952
		19,333,566	24,031,701
<b>TOTAL ASSETS</b>		777,564,635	783,213,629

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	----- Rupees -----			
ADMINISTRATIVE AND GENERAL EXPENSES	(23,077,483)	(27,195,526)	(7,817,067)	(12,772,409)
OTHER EXPENSES	(667,000)	(746,400)	(667,000)	(746,400)
	(23,744,483)	(27,941,926)	(8,484,067)	(13,518,809)
OTHER INCOME	18,020,934	13,844,932	8,402,200	6,772,278
LOSS FROM OPERATIONS	(5,723,549)	(14,096,994)	(81,867)	(6,746,531)
FINANCE COST	(53,229)	(174,490)	(52,598)	(173,150)
LOSS BEFORE TAXATION	(5,776,778)	(14,271,484)	(134,465)	(6,919,681)
TAXATION	-	-	-	-
LOSS AFTER TAXATION	(5,776,778)	(14,271,484)	(134,465)	(6,919,681)
LOSS PER SHARE - BASIC AND DILUTED	(1.89)	(4.68)	(0.04)	(2.27)

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2023	31 December 2022	31 December 2023	31 December 2022

----- Rupees -----

<b>LOSS AFTER TAXATION</b>	(5,776,778)	(14,271,484)	(134,465)	(6,919,681)
<b>OTHER COMPREHENSIVE INCOME</b>				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(5,776,778)</u>	<u>(14,271,484)</u>	<u>(134,465)</u>	<u>(6,919,681)</u>

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

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Share capital	Capital reserve - Surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax	Revenue reserve - Unappropriated profit	Total reserves	Total equity
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----- Rupees -----

<b>Balance as at 30 June 2022 - audited</b>	30,524,290	577,710,000	54,267,494	631,977,494	662,501,784
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to unappropriated profit- net of deferred income tax	-	(387,846)	387,846	-	-
<b>Loss for the period</b>	-	-	(14,271,484)	(14,271,484)	(14,271,484)
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(14,271,484)	(14,271,484)	(14,271,484)
<b>Balance as at 31 December 2022 - un-audited</b>	30,524,290	577,322,154	40,383,856	617,706,010	648,230,300
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to unappropriated profit- net of deferred income tax	-	(301,425)	301,425	-	-
<b>Profit for the period</b>	-	-	78,374	78,374	78,374
Other comprehensive loss for the period	-	-	(121,493)	(121,493)	(121,493)
<b>Total comprehensive loss for the period</b>	-	-	(43,119)	(43,119)	(43,119)
<b>Balance as at 30 June 2023 - audited</b>	30,524,290	577,020,729	40,642,162	617,662,891	648,187,181
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to unappropriated profit- net of deferred income tax	-	(298,930)	298,930	-	-
<b>Loss for the period</b>	-	-	(5,776,778)	(5,776,778)	(5,776,778)
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(5,776,778)	(5,776,778)	(5,776,778)
<b>Balance as at 31 December 2023 - un-audited</b>	30,524,290	576,721,799	35,164,314	611,886,113	642,410,403

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# D.M. TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

	NOTE	HALF YEAR ENDED	
		31 December	31 December
		2023	2022
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	9	1,256,272	(1,747,201)
Finance cost paid		(53,229)	(174,490)
Income tax paid		(1,849,687)	(1,201,551)
<b>Net cash used in operating activities</b>		<b>(646,644)</b>	<b>(3,123,242)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		431,430	71,845
<b>Net cash from investing activities</b>		<b>431,430</b>	<b>71,845</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(215,214)</b>	<b>(3,051,397)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>262,952</b>	<b>4,253,329</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>47,738</b>	<b>1,201,932</b>

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# D.M. TEXTILE MILLS LIMITED

## SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2023 (UN-AUDITED)

### 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 the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). The registered office and head office is situated at Westridge, Industrial Area, Rawalpindi. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

PSX vide Notice No. PSX/N-1222 dated 02 November 2020 placed the Company on defaulters' segment with effect from 03 November 2020 due to non-compliance with PSX Regulations.

### 2 BASIS OF PREPARATION

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

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

### 3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

	Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
<b>5 CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX</b>		
<b>- Property, plant and equipment</b>		
Balance at the beginning of the period / year	268,612,032	269,301,303
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(421,028)	(970,804)
Related deferred income tax liability	122,098	281,533
	(298,930)	(689,271)
Balance at the end of the period / year	268,313,102	268,612,032
<b>- Investment properties</b>		
Revaluation surplus	313,858,182	313,858,182
Related deferred income tax liability	(5,449,485)	(5,449,485)
	308,408,697	308,408,697
	576,721,799	577,020,729



# D.M. TEXTILE MILLS LIMITED

	Un-audited 31 December 2023 Rupees	Audited 30 June 2023 Rupees
ii) <b>Period / year end balances</b>		
<b>Due to related parties:</b>		
Mian Sami Ullah - CEO	5,271,308	6,321,308
Sam Corporation (Private) Limited, Associated Company	700,000	700,000
DM Ventures Associates	9,948,135	9,248,135

## 11 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### (i) Fair value hierarchy

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

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

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

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

## 12 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

### (i) Fair value hierarchy

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

At 31 December 2023	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	273,220,000	-	273,220,000
Non-factory buildings	-	8,487,970	-	8,487,970
Electric installations	-	2,223,001	-	2,223,001
Furniture, fixtures and office equipment	-	127,649	-	127,649
Vehicles	-	8,388,000	-	8,388,000
	-	292,446,620	-	292,446,620
Investment properties - land and building	-	449,425,000	-	449,425,000
<b>Total non-financial assets</b>	-	741,871,620	-	741,871,620

At 30 June 2023	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	273,220,000	-	273,220,000
Non-factory buildings	-	8,705,610	-	8,705,610
Electric installations	-	2,340,000	-	2,340,000
Furniture, fixtures and office equipment	-	134,369	-	134,369
Vehicles	-	9,320,000	-	9,320,000
	-	293,719,979	-	293,719,979
Investment properties - land and building	-	449,425,000	-	449,425,000
<b>Total non-financial assets</b>	-	743,144,979	-	743,144,979

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

# D.M. TEXTILE MILLS LIMITED

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

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

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

## Valuation processes

The Company engages external, independent and qualified valuers to determine the fair values of the Company's property plant and equipment and investment properties after regular intervals. The fair values of property, plant and equipment and investment properties, have been determined by Danish Enterprises and Construction (the valuer) as at 30 June 2022 and 30 June 2023 respectively.

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

## 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 2023.

## 14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on February 28, 2024.

## 15 CORRESPONDING FIGURES

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

No significant reclassification / rearrangement of corresponding figures has been made.

## 16 GENERAL

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER