

**BOOK
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D.M. TEXTILE MILLS LIMITED

Industrial Area, Westridge, Rawalpindi.

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**D.M. TEXTILE
MILLS LIMITED**

SAY NO TO CORRUPTION

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

March 31,

2018

D.M. TEXTILE MILLS LIMITED

Company's Information

BOARD OF DIRECTORS

CHAIRMAN: Mr. Shahid Hussain
CHIEF EXECUTIVE: Mian Habib Ullah

DIRECTORS: Mr. Shahid Aziz (Nominee of NIT)
Mr. Hussain Ahmad Ozgen
Mr. Sami Ullah
Mr. Amer Zeb
Rao Khalid Pervaiz

AUDIT COMMITTEE:

CHAIRMAN: Mr. Hussain Ahmad Ozgen
MEMBERS: Mr. Shahid Aziz
Mr. Sami Ullah

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN: Mr. Amer Zeb
MEMBERS: Mr. Sami Ullah
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. Ph: 051-2274121, 2274122

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

REGISTRAR: Corplink (Pvt) Ltd.
Wing Arcade, 1-K, Commercial,
Model Town, Lahore. Ph: 042-3591714,
35916719, Fax: 042-35869037

REGISTERED OFFICE & MILLS AT: Industrial Area, Westridge, Rawalpindi.
Telephone: 051-5181981
051-5181977-78
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Website: www.dmtextile.com.pk

D.M. TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW

Dear Shareholders,

I am pleased to present the nine monthly financial statements along with Directors' Report for the period ended 31-03-2018. Market recession, financial problems and high input costs did not allow us to resume production process. Management is continuously trying to increase the rental income and also upgrading the old building/structure. I am hopeful that financial position will improve gradually.

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

Rawalpindi:
April 27, 2018



SHAHID HUSSAIN
Chairman

D.M. TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you unaudited financial statements for the nine months ended 31 March, 2018.

1. Net Profit/(Loss)

During the period Company suffered a net loss of (Rs. 8.511) Million as compared to previous period net loss of (Rs. 8.077) Million.

2- Comparative financial results are given below:

Half Year Ended	Rupees	
	31 March 2018	31 March 2017
Admin & Other Expenses	(20,729,322)	(18,304,743)
Other Income	15,157,506	11,215,899
Financial and Other Charges	(576,862)	(746,360)
Profit / (Loss) before Taxation	(6,148,678)	(7,835,204)
Profit / (Loss) after taxation	(8,511,001)	(8,077,452)
Basic Earning/(Loss) per share in Rs.	(2.79)	(2.65)

Directors have granted specific approval for following transactions/adjustments

Cost of deletions Plant & Machinery Rupees
5,995,539
Related party transactions as disclosed in condensed interim financial information (Note-14).

Directors also granted general approval for the expenditures including capital expenditure

3- Debt Servicing

As per settlement agreement with Faysal Bank Ltd, company is paying monthly installments regularly. The remaining amount has to be paid in monthly installments upto December 2019. Further, the management is negotiating with other debt providers/suppliers 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 continuing market recession, high input costs and financial problems, the Mills could not resume 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 improvement in market and suppliers credit for raw material & new machinery so that production comes into profit. Management is also looking for alternate business plans. Moreover, company's annual rental income has increased considerably. Management is also continuously trying to increase it further and for this purpose, upgrading the old building/structure.

D.M. TEXTILE MILLS LIMITED

6. General

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

8- Acknowledgement

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

For and behalf of the Board of Directors



Chief Executive
Rawalpindi: April 27, 2018



Director

D.M. TEXTILE MILLS LIMITED

فیصل بینک کے ساتھ معاہدہ کے مطابق کمپنی ماہانہ اقساط باقاعدگی سے ادا کر رہی ہے۔ بقایا رقم ماہانہ اقساط میں 25 دسمبر 2019 تک ادا کر کرنی ہیں۔ مزید برآں انتظامیہ دوسرے قرض داروں سے گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔

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

مسلل مارکیٹ بحران اور ان پٹ لاگت میں اضافہ اور مالی مشکلات کی وجہ سے کمپنی پیداواری صلاحیت کو بحال نہ کر سکی۔ انتظامیہ پر امید ہے کہ دیگر تمام قرض داروں سے معاملات طے ہو جائیں گے جس سے کمپنی کا مالی بوجھ کم ہوگا۔ انتظامیہ کی نیت مثبت ہے اور پیداوار شروع کرنے کی صلاحیت بھی رکھتی ہے بشرطیکہ مارکیٹ بہتر ہو، سپلائرز سے خام مال اور نئی مشینری ادھار ملے تاکہ پیداوار منافع بخش ہو سکے۔ انتظامیہ متبادل کاروبار کے بارے میں بھی سوچ بچار کر رہی ہے۔ مزید برآں کمپنی کی سالانہ کرائے کی آمدن میں مناسب اضافہ ہوا ہے۔ انتظامیہ اسے مزید بڑھانے کے لئے کوشاں ہے اور اس مقصد کے لئے پرانی عمارت کو بہتر کیا جا رہا ہے۔

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

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



ڈائریکٹر



چیف ایگزیکٹو

راولپنڈی: 27 اپریل 2018

D.M. TEXTILE MILLS LIMITED

ڈائریکٹرز رپورٹ

معزز ممبران

31 مارچ 2018 کو ختم ہونے والے نو ماہی مالیاتی حسابات (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ 8.511 ملین روپے کا خسارہ ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 8.077 ملین روپے کا خسارہ ہوا تھا۔ مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے		تفصیل
31 مارچ 2017	31 مارچ 2018	
(18,304,743)	(20,729,322)	انتظامی اور دیگر اخراجات
11,215,899	15,157,506	دیگر آمدن
(746,360)	(576,682)	مالی چارجز
(7,835,204)	(6,148,678)	منافع / (خسارہ) قبل از ٹیکس
(8,077,452)	(8,511,001)	منافع / (خسارہ) بعد از ٹیکس
(2.65)	(2.79)	فی شیئر / (خسارہ) روپے

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

روپے

5,995,539

فروخت - پلانٹ اینڈ مشینری

ریلیٹیو پارٹی سے کی گئی ٹرانزیکشنز جیسا کہ اس رپورٹ کے نوٹ نمبر 14 میں دکھایا گیا ہے۔


ڈائریکٹرز نے تمام اخراجات بمعہ کیپیٹل اخراجات کی منظوری بھی دی ہے۔

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET

	NOTE	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (30 June 2017: 5,000,000) ordinary shares of Rupees 10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital			
3,052,429 (30 June 2017: 3,052,429) ordinary shares of Rupees 10 each		30,524,290	30,524,290
Accumulated loss		(67,039,497)	(61,826,249)
Total equity		(36,515,207)	(31,301,959)
Surplus on revaluation of property, plant and equipment - net of deferred income tax	5	571,720,752	575,018,505
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	2,628,088	5,131,086
Liabilities against assets subject to finance lease	7	-	-
Employees' retirement benefit		10,160,344	10,063,175
Deferred income tax liability		14,138,875	14,855,512
		26,927,307	30,049,773
CURRENT LIABILITIES			
Trade and other payables		83,315,348	81,182,967
Accrued mark-up		20,767,825	20,767,825
Short term borrowings		12,023,459	14,594,370
Current portion of non-current liabilities		3,969,101	3,664,335
		120,075,733	120,209,497
Total liabilities		147,003,040	150,259,270
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		682,208,585	693,975,816

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

AS AT 31 MARCH 2018

	NOTE	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	590,733,143	601,279,761
Advance against property	10	-	-
Due from related party	11	-	-
Long term investment		6,416,181	6,135,445
Long term deposits		24,414,434	24,414,434
		621,563,758	631,829,640
CURRENT ASSETS			
Advances		228,392	183,435
Current portion of due from related party	11	17,619,962	17,619,962
Short term deposits		2,000,000	2,000,000
Other receivables		4,338,352	5,883,907
Short term investment		1,142,000	1,142,000
Cash and bank balances		88,936	89,687
		25,417,642	26,918,991
Non-current assets classified as held for sale	12	35,227,185	35,227,185
		60,644,827	62,146,176
TOTAL ASSETS		682,208,585	693,975,816


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- Rupees -----			
ADMINISTRATIVE AND GENERAL EXPENSES	(17,578,783)	(18,224,743)	(5,551,576)	(5,324,736)
OTHER EXPENSES	(3,150,539)	(80,000)	(2,995,539)	-
	<u>(20,729,322)</u>	<u>(18,304,743)</u>	<u>(8,547,115)</u>	<u>(5,324,736)</u>
	(20,729,322)	(18,304,743)	(8,547,115)	(5,324,736)
OTHER INCOME	15,157,506	11,215,899	4,933,756	3,517,483
LOSS FROM OPERATIONS	(5,571,816)	(7,088,844)	(3,613,359)	(1,807,253)
FINANCE COST	(576,862)	(746,360)	(106,816)	(154,592)
LOSS BEFORE TAXATION	(6,148,678)	(7,835,204)	(3,720,175)	(1,961,845)
TAXATION				
- Current	(3,078,960)	(2,202,756)	(1,095,300)	(745,843)
- Deferred	716,637	1,960,508	-	1,501,025
	<u>(2,362,323)</u>	<u>(242,248)</u>	<u>(1,095,300)</u>	<u>755,182</u>
LOSS AFTER TAXATION	<u>(8,511,001)</u>	<u>(8,077,452)</u>	<u>(4,815,475)</u>	<u>(1,206,663)</u>
LOSS PER SHARE - BASIC AND DILUTED	<u>(2.79)</u>	<u>(2.65)</u>	<u>(1.58)</u>	<u>(0.40)</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FUBABCE OFFICER


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- Rupees -----			
LOSS AFTER TAXATION	(8,511,001)	(8,077,452)	(4,815,475)	(1,206,663)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(8,511,001)</u>	<u>(8,077,452)</u>	<u>(4,815,475)</u>	<u>(1,206,663)</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FUBABCE OFFICER


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL EQUITY
	(Rupees)		
Balance as at 30 June 2016 - Audited	30,524,290	(61,485,162)	(30,960,872)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,967,921	1,967,921
Loss after taxation for the nine months ended 31 March 2017	-	(8,077,452)	(8,077,452)
Other comprehensive loss for the nine months ended 31 March 2017	-	-	-
Total comprehensive loss for the nine months ended 31 March 2017	-	(8,077,452)	(8,077,452)
Balance as at 31 March 2017 - Un-audited	30,524,290	(67,594,693)	(37,070,403)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	688,965	688,965
Profit after taxation for the quarter ended 30 June 2017	-	5,301,982	5,301,982
Other comprehensive loss for the quarter ended 30 June 2017	-	(222,503)	(222,503)
Total comprehensive income for the half year ended 30 June 2017	-	5,079,479	5,079,479
Balance as at 30 June 2017 - Audited	30,524,290	(61,826,249)	(31,301,959)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	3,297,753	3,297,753
Loss after taxation for the nine months ended 31 March 2018	-	(8,511,001)	(8,511,001)
Other comprehensive loss for the nine months ended 31 March 2018	-	-	-
Total comprehensive loss for the nine months ended 31 March 2018	-	(8,511,001)	(8,511,001)
Balance as at 31 March 2018 - Un-audited	30,524,290	(67,039,497)	(36,515,207)

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


CHIEF EXECUTIVE OFFICER


CHIEF FUBABCE OFFICER


DIRECTOR

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

	NOTE	31 March 2018 Rupees	31 March 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	13	3,700,247	(5,647,932)
Finance cost paid		(225,094)	(771,211)
Income tax paid		(1,070,070)	(845,908)
Gratuity paid		(284,923)	(584,200)
Net increase in long term deposits		-	(10,673)
Net cash generated from / (used in) operating activities		2,120,160	(7,859,924)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		-	(788,050)
Proceeds from disposal of property, plant and equipment		3,000,000	6,145,000
Net cash from investing activities		3,000,000	5,356,950
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(2,550,000)	(2,325,000)
Short term borrowings - net		(2,570,911)	4,795,401
Net cash (used in) / from financing activities		(5,120,911)	2,470,401
Net (decrease) / increase in cash and cash equivalents		(751)	(32,573)
Cash and cash equivalents at the beginning of the period		89,687	130,992
Cash and cash equivalents at the end of the period		88,936	98,419

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


CHIEF EXECUTIVE OFFICER


CHIEF FUBABCE OFFICER


DIRECTOR

D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS ENDED 31 MARCH 2018

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. 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

As per the requirements of Circular No. 23 of 2017 dated 04 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) and clarification issued by the Institute of Chartered Accountants of Pakistan via Circular No. 17 of 2017, companies whose financial year, including quarterly and other interim periods, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the repealed Companies Ordinance, 1984 have been followed. This unconsolidated condensed interim financial information should be read in conjunction with the audited annual financial statements of the Company for the year ended 30 June 2017.

3 ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this interim financial information 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 2017.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information 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 this condensed interim financial information, 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 2017.

5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED INCOME TAX

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
Opening balance	575,018,505	602,661,894
Deferred tax adjustment due to change in tax rate	-	436,836
Reversal of surplus on revaluation	-	(25,423,339)
Transferred to accumulated loss in respect of incremental depreciation charged during the period / year	(4,711,076)	(3,795,551)
Related deferred income tax liability	1,413,323	1,138,665
	(3,297,753)	(2,656,886)
	<u>571,720,752</u>	<u>575,018,505</u>

D.M. TEXTILE MILLS LIMITED

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
6 LONG TERM FINANCING		
Secured		
Opening balance	8,136,890	10,663,798
Add: Effect of fair value adjustment	351,768	623,092
	<u>8,488,658</u>	<u>11,286,890</u>
Less: Repaid during the period / year	2,550,000	3,150,000
	<u>5,938,658</u>	<u>8,136,890</u>
Less: Current portion shown under current liabilities	3,310,570	3,005,804
Closing balance	<u>2,628,088</u>	<u>5,131,086</u>
7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	658,531	658,531
Less: Un-amortized finance charges	-	-
Present value of future minimum lease payments	<u>658,531</u>	<u>658,531</u>
Less: Current portion shown under current liabilities - over due	-	-
	<u>-</u>	<u>-</u>
8 CONTINGENCIES AND COMMITMENTS		
8.1 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 2017 except for demand of tax amounting to Rupees 3.807 million created by Deputy Commissioner Inland Revenue for which the case has been settled in favour of the Company in Appellate Tribunal Inland Revenue vide order dated 03 October 2017.

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
8.2 Commitments	Nil	Nil
9 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
Owned (Note 9.1)	590,188,737	600,714,328
Leased (Note 9.2)	544,406	565,433
	<u>590,733,143</u>	<u>601,279,761</u>
9.1 Operating fixed assets - Owned		
Opening book value	600,714,328	679,293,141
Add: Provision of Provision of intangible assets (Note 9.2)	-	788,050
	<u>600,714,328</u>	<u>680,081,191</u>
Less: Book value of deletions during the period / year (Note 9.1.1)	5,995,539	11,788,916
Less: Reversal of revaluation surplus	-	25,423,339
Less: Transferred to non-current assets classified as held for sale (Note 12)	-	35,227,185
Less: Depreciation charged during the period / year	4,530,052	6,927,423
	<u>10,525,591</u>	<u>79,366,863</u>
Closing book value	<u>590,188,737</u>	<u>600,714,328</u>
9.1.1 Book value of deletions		
Motor vehicle	-	141,291
Plant and machinery	5,995,539	11,647,625
	<u>5,995,539</u>	<u>11,788,916</u>
9.2 Operating fixed assets - Leased		
Opening book value	565,433	597,615
Less: Depreciation charged during the period / year	21,027	32,182
Closing book value	<u>544,406</u>	<u>565,433</u>
10 ADVANCE AGAINST PROPERTY		

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

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

The Board of Directors in the meeting held on 23 April 2014, after getting valuation at forced sale value of Rupees 72,007 million of said property from NAKMS Associates (Private) Limited, resolved that the right in property along with fixtures and fittings to be offered to the C.E.O on the basis of "first right of refusal" at the fixed floor price of Rupees 75.00 million. The Board further decided that an amount of Rupees 48.570 million be adjusted from interest free loan given by C.E.O and his close family members to the Company and the balance amount to be paid in three equal annual installments of Rupees 8.810 million commencing from 01 May 2015. Accordingly, agreement was made between the Company and the C.E.O under the directions given by the Board of Directors of the Company.

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

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

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
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11 DUE FROM RELATED PARTY

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

It represents receivable from C.E.O against sale of property as more fully explained in Note 10. It was interest free and was repayable in three years ended 30 June 2017.

The maximum amount due from C.E.O at the end of any month during the period was Rupees 17.620 million (30 June 2017: Rupees 17.620 million).

	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
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12 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Free hold land	28,750,000	28,750,000
Non-factory building	<u>6,477,185</u>	<u>6,477,185</u>
	<u>35,227,185</u>	<u>35,227,185</u>

12.1 These represent freehold land measuring approximately 7.19 kanal comprising open area and old worker quarters, on the extreme back side of the mills situated at Westridge Industrial Area, Rawalpindi. This freehold land and non-factory building is expected to be sold within a year. An active search is underway for the buyer.

Non-recurring fair value measurements

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

(Un-audited)	
NINE MONTHS ENDED	
31 March 2018 Rupees	31 March 2017 Rupees

13 CASH GENERATED FROM / (USED IN) OPERATIONS

Loss before taxation	(6,148,678)	(7,835,204)
Adjustments for non-cash charges and other items:		
Depreciation	4,551,079	5,434,721
Provision for gratuity	382,092	313,420
Interest income	(280,736)	-
Loss / (gain) on sale of property, plant and equipment	2,995,539	(448,319)
Effect of fair value adjustment on due from related party	-	(597,402)
Finance cost	576,862	746,360
Working capital changes	13.1 1,624,089	(3,261,508)
	<u>3,700,247</u>	<u>(5,647,932)</u>

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	Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees
13.1 Working capital changes		
Decrease / (increase) in current assets:		
Advances	(44,957)	101,550
Short term investment	-	(6,000,000)
Other receivables	<u>(463,335)</u>	<u>567,355</u>
	(508,292)	(5,331,095)
Increase in trade and other payables	<u>2,132,381</u>	<u>2,069,587</u>
	<u>1,624,089</u>	<u>(3,261,508)</u>

14 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)			
	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
	----- (Rupees) -----			
Remuneration to Chief Executive Officer and Directors	2,154,000	2,124,000	738,000	708,000
Mian Habib Ullah - C.E.O				
Loan obtained during the period	710,000	8,933,500	610,000	9,793,500
Adjustment / payment against outstanding balance	1,245,200	1,631,886	231,077	2,130,725
Close family member of C.E.O				
Loan obtained during the period				
Mrs.Riffat Habib	1,400,000		1,400,000	500,000
Mr.Sami Ullah	1,415,000		1,115,000	-
Adjustment / payment against outstanding balance				
Mrs.Riffat Habib	-		-	-
Mr.Sami Ullah	75,000		-	-
			Un-audited 31 March 2018 Rupees	Audited 30 June 2017 Rupees

14.2 Period / year end balances

Short term borrowings

Mian Habib Ullah - C.E.O	7,786,459	8,321,744
Close family member of C.E.O		
Mrs.Riffat Habib	1,400,000	-
Mr.Sami Ullah	1,340,000	-

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

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

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

The Company obtains independent valuations for its property, plant and equipment at least every four years. 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 plant and machinery and electric installations is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the replacement value / new purchase of the same plant and machinery and electric installation.

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Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's property, plant and equipment at the end of every four years. As at 02 June 2016, the fair values of the property, plant and equipment have been determined by Danish Enterprises and Construction.

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.

15 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 2017.

16 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 27, 2018.

17 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim balance sheet 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 profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

18 GENERAL

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCE OFFICER



DIRECTOR