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D.M. TEXTILE MILLS LIMITED

Industrial Area, Westridge, Rawalpindi

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**D.M. TEXTILE
MILLS LIMITED**

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

SEPTEMBER 30,

2014



D.M. TEXTILE MILLS LIMITED

COMPANYS' INFORMATION

BOARD OF DIRECTORS

CHAIRMAN & CHIEF EXECUTIVE:

Mian Habib Ullah

DIRECTORS:

Mr. Shahid Aziz (Nominee of NIT)
Mr. Hussain Ahmad Ozgen
Ch. Mohammad Yasin
Mr. Hussain Ahmad Qureshi
Syed Ubaid ul Haq
Rao Khalid Pervaiz

AUDIT COMMITTEE:

CHAIRMAN: MEMBERS:

Mr. Hussain Ahmad Qureshi
Mr. Shahid Aziz
Syed Ubaid ul Haq

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN: MEMBERS:

Mr. Hussain Ahmad Ozgen
Mr. Shahid Aziz
Rao Khalid Pervaiz

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. M.F. Zaman Qureshi -FCA

BANKERS:

NIB Bank Limited
Faysal Bank Limited
Silk 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
PAAF Building, 7-D, Kashmir
Egerton Road, Lahore.

REGISTRAR:

Corplink (Pvt) Ltd,
Wing Arcade, 1-K, Commercial Modd Town, Lahore.

REGISTERED OFFICE & MILLS AT:

Industrial Area, Westridge
Rawalpindi
Telephone: 051-5181981, 5181977-78
Fax: 051-5181979
E-Mail: dmtm@dmtextile.com.pk
dmtextilemills@yahoo.com
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, 2014.

1. Net Profit/(Loss)

Due to energy crises, marketing problems and high inflation costs, the Company temporarily suspended its production process from March 2014.

During the period ended 30 September 2014, the Company suffered a net loss of Rs.(8.850) Million as compared to previous period net profit of Rs. 2.005 Million.

2- Comparative financial results are given below:

First Quarter Ended	Rupees	
	30-September-14	30-September-13
Gross Sales	3,541,369	129,372,283
Cost of Sales	(7,781,963)	(117,085,286)
Gross Profit/(Loss)	(4,240,594)	12,286,997
Gross Profit / (Loss) Rate (%)	(119.74)	9.50
Selling, Admin & Other operating Expenses	(3,244,825)	(3,597,669)
Other Operating Income	1,582,562	879,570
Financial and Other Charges	(2,946,776)	(6,156,085)
Profit / (Loss) before taxation	(8,849,633)	3,412,813
Provision for Taxation	-	(1,407,573)
Profit / (Loss) after taxation	(8,849,633)	2,005,240
Basic Earning/(Loss) per share in Rs	(2.90)	0.66
Breakup Value per share in Rs	161.63	119.607

3- Debt Servicing

Previously the management has successfully settled its liabilities with several financial institutions. Further, CEO of the company is in the process of negotiating with other debt provider companies 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 energy & marketing crises and high inflation costs, the Mills has temporarily suspended its production process. The management is trying to avail suppliers' credit for raw material to resume the operations of the Mills.

For and on behalf of the Board of Directors

Habib Ullah
Chief Executive Officer
Rawalpindi: October 25, 2014

Hussain Ahmad Qureshi
Director



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET

		(Un-Audited) 30 September 2014 Rupees	(Audited) 30 June 2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 ordinary shares of Rupees 10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital		30,524,290	30,524,290
Accumulated loss		(108,910,313)	(100,060,680)
Total equity		(78,386,023)	(69,536,390)
Surplus on revaluation of property, plant and equipment - net of deferred income tax		571,747,498	571,747,498
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	58,974,521	60,707,691
Liabilities against assets subject to finance lease	6	-	-
Employees' retirement benefit		8,802,609	8,970,509
Deferred income tax liability		65,080,451	65,080,451
Deferred mark-up	7	1,034,841	1,453,503
		133,892,422	136,212,154
CURRENT LIABILITIES			
Trade and other payables		98,103,681	100,053,371
Accrued mark-up		56,978,020	54,868,148
Short term borrowings		33,280,246	29,376,132
Current portion of non-current liabilities		15,072,903	14,725,469
		203,434,850	199,023,120
Total liabilities		337,327,272	335,235,274
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		830,688,747	837,446,382

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

CHIEF EXECUTIVE OFFICER



D.M. TEXTILE MILLS LIMITED

AS AT 30 SEPTEMBER 2014

		(Un-Audited) 30 September 2014 Rupees	(Audited) 30 June 2014 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	770,733,051	774,198,872
Advance against property		-	-
Long term investments		-	-
Due from related party		13,918,838	13,918,838
Long term deposits		24,440,861	24,440,861
		809,092,750	812,558,571
CURRENT ASSETS			
Stores, spare parts and loose tools		7,340,467	7,340,467
Stock-in-trade		759,431	3,875,196
Trade debts		451,237	567,120
Advances		420,966	344,887
Short term deposits		2,000,000	2,000,000
Other receivables		7,698,322	7,709,920
Short term investments		2,834,721	2,915,763
Cash and bank balances		90,853	134,458
		21,595,997	24,887,811
TOTAL ASSETS		830,688,747	837,446,382

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

		(Un-Audited) 30 September 2014 Rupees	(Un-Audited) 30 September 2013 Rupees
SALES		3,541,369	129,372,283
COST OF SALES	10	<u>(7,781,963)</u>	<u>(117,085,286)</u>
GROSS (LOSS) / PROFIT		(4,240,594)	12,286,997
DISTRIBUTION COST		<u>(197,720)</u>	<u>(567,454)</u>
ADMINISTRATIVE EXPENSES		<u>(3,011,745)</u>	<u>(2,978,078)</u>
OTHER OPERATING EXPENSES		<u>(35,360)</u>	<u>(52,137)</u>
		<u>(3,244,825)</u>	<u>(3,597,669)</u>
		(7,485,419)	8,689,328
OTHER OPERATING INCOME		<u>1,582,562</u>	<u>879,570</u>
(LOSS) / PROFIT FROM OPERATIONS		<u>(5,902,857)</u>	<u>9,568,898</u>
FINANCE COST		<u>(2,946,776)</u>	<u>(6,156,085)</u>
(LOSS) / PROFIT BEFORE TAXATION		<u>(8,849,633)</u>	<u>3,412,813</u>
TAXATION		-	<u>(1,407,573)</u>
(LOSS) / PROFIT AFTER TAXATION		<u>(8,849,633)</u>	<u>2,005,240</u>
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	11	<u>(2.90)</u>	<u>0.66</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014 (UN-AUDITED)

	(Un-Audited) 30 September 2014 Rupees	(Un-Audited) 30 September 2013 Rupees
(LOSS) / PROFIT AFTER TAXATION	(8,849,633)	2,005,240
OTHER COMPREHENSIVE INCOME / (LOSS)	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	<u>(8,849,633)</u>	<u>2,005,240</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

SHARE CAPITAL	ACCUMULATED LOSS	TOTAL EQUITY
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(Rupees)

Balance as at 30 June 2013	30,524,290	(241,357,152)	(210,832,862)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax:	-	2,657,940	2,657,940
Profit for the year	-	139,418,714	139,418,714
Other comprehensive loss for the year	-	(780,182)	(780,182)
Total comprehensive income for the year ended 30 June 2014	-	138,638,532	138,638,532
Balance as at 30 June 2014	30,524,290	(100,060,680)	(69,536,390)
Net loss for the period	-	(8,849,633)	(8,849,633)
Balance as at 30 September 2014	30,524,290	(108,910,313)	(78,386,023)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

	(Un-Audited) 30 September 2014 Rupees	(Un-Audited) 30 September 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(8,849,633)	3,412,813
Adjustments for non-cash charges and other items:		
Depreciation	3,465,821	3,720,876
Return on fixed deposit	(15,943)	-
Finance cost	2,946,776	6,156,085
Cash flows from operating activities before working capital changes	(2,452,979)	13,289,774
Working capital changes decrease / (increase) in current assets		
Stores, spare parts and loose tools	-	(563,351)
Stock in trade	3,115,765	(916,687)
Trade debts	115,883	(1,015,198)
Advances	(76,079)	(79,745)
Other receivables	54,152	265,772
(Decrease) / increase in trade and other payables	(1,949,690)	11,429,621
Net Cash flow from working capital changes	1,260,031	9,120,412
Cash generated from operations	(1,192,948)	22,410,186
Finance cost paid	(761,192)	(3,913,722)
Deferred mark-up paid	(455,000)	(455,000)
Income tax paid	(42,554)	(199,022)
Gratuity paid	(167,900)	(30,000)
Net (increase) / decrease in long term deposits	-	(1,253,900)
Net cash (used in) / generated from operating activities	(2,619,594)	16,558,542
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(1,083,800)
Profit on Investment	96,985	-
Net cash from investing activities	96,985	(1,083,800)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Short term borrowings	3,904,114	-
Repayment of:		
Finance Lease	(991,940)	(4,684,012)
Short term borrowings	-	(11,198,489)
long term finances	(433,170)	-
Net cash financing activities	2,479,004	(15,882,501)
Net (decrease) in cash and cash equivalents	(43,605)	(407,759)
Cash and cash equivalents at the beginning of the period	134,458	454,887
Cash and cash equivalents at the end of the period	90,853	47,128

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

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 FOR PREPARATION

These Interim Financial Information is unaudited 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 2014.

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 2014.

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 2014.

Note	(Un-Audited)	(Audited)
	30 September 2014	30 June 2014
	Rupees	Rupees
5 LONG TERM FINANCING		
Financing from banking companies - secured	71,774,521	72,207,691
Less: Current portion shown under current liabilities	12,800,000	11,500,000
	<u>58,974,521</u>	<u>60,707,691</u>

6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future minimum lease payments	658,531	1,658,531
Less: Unamortized finance charges	-	(8,060)
Present value of future minimum lease payments	658,531	1,650,471
Less: Current portion shown under current liabilities	658,531	1,650,471
	<u>-</u>	<u>-</u>

7 DEFERRED MARK-UP

7.1 MCB Bank Limited (MCB) deferred payment of capitalized mark-up of Rupees 12.455 million repayable in twenty seven equal quarterly installments of Rupees 455,000 and one installment of Rupees 170,000 in the end commenced from 01 September 2009, after repayment of original demand finance. The deferred mark-up has been stated at present value using effective interest rate of 10%. Deferred mark-up is secured against charge over fixed assets amounting to Rupees 51.288 million.

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 2014.



D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

Note	(Un-Audited)	(Audited)
	30 September 2014	30 June 2014
	Rupees	Rupees
9 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	710,784,993	713,491,978
Assets subject to finance lease	59,948,058	60,706,894
	<u>770,733,051</u>	<u>774,198,872</u>
9.1 OPERATING FIXED ASSETS		
Opening written down value	713,491,978	724,073,333
Add: Cost of Additions during the period / year	-	1,272,800
	<u>713,491,978</u>	<u>725,346,133</u>
Less: Depreciation charge for the period / year	2,706,985	11,854,155
	<u>710,784,993</u>	<u>713,491,978</u>
9.1.1 Cost of additions during the period / year		
Plant & machinery	-	1,080,300
Electric installations	-	31,000
Factory equipment	-	161,500
	<u>-</u>	<u>1,272,800</u>
9.2 ASSETS SUBJECT TO FINANCE LEASE		
Opening book Value	60,706,894	63,901,994
Cost of Additions during the period / year	-	-
	<u>60,706,894</u>	<u>63,901,994</u>
Less: Depreciation charge for the period / year	758,836	3,195,100
	<u>59,948,058</u>	<u>60,706,894</u>
10 COST OF SALES		
Raw materials consumed	-	79,109,018
Stores, spare parts and loose tools consumed	-	2,799,502
Salaries, wages and other benefits	792,078	11,136,199
Fuel and power	597,899	16,056,846
Insurance	22,522	-
Repair and maintenance	155,262	659,567
Packing material	-	2,350,519
Labour welfare	22,328	226,190
Depreciation	3,076,109	3,293,655
	<u>4,666,198</u>	<u>115,631,496</u>
Work-in-process		
Opening stock	128,995	6,520,035
Closing stock	(128,995)	(6,611,633)
	<u>-</u>	<u>(91,598)</u>
Cost of goods manufactured	4,666,198	115,539,898
Finished goods		
Opening stock	1,907,524	6,567,260
Closing stock	(152,059)	(5,021,872)
	<u>1,755,465</u>	<u>1,545,388</u>
Cost of Yarn Sold	6,421,663	117,085,286
Cost of Yarn Purchase	-	-
Cost of raw material sold	1,360,300	-
Cost of goods sold	<u>7,781,963</u>	<u>117,085,286</u>
11 (LOSS) / EARNING PER SHARE-BASIC AND DILUTED		
There is no Dilutive effect on the basic (loss) / earning per share	(2.90)	0.66



D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2014

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:

	(Un-Audited) 30 September 2014 Rupees	(Un-Audited) 30 September 2013 Rupees
Close Family Members to CEO		
Loan obtained during the period	-	-
Payment against outstanding balance	-	1,380,000
Chief executive Officer		
Loan obtained during the period	915,886	-
Payment against outstanding balance	4,820,000	6,818,489
Remuneration to CEO and Directors	800,220	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 2014.

14 DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue on 25 October 2014 by the board of directors of the company.

15 Figures of the prior period has been re-arranged wherever necessary for the purpose of comparison.

CHIEF EXECUTIVE OFFICER

DIRECTOR