D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATON (UN-AUDITED) FOR THE 1ST QUARTER ENDED 30 SEPTEMBER, 2012

1. THE COMPANY AND ITS OPERATIONS

D.M Textile Mills Limited is a Public Company incorporated in Pakistan under the companies Act 1913 (Now Companies Ordinance 1984). Shares of company are quoted on Karachi and Islamabad Stock Exchanges. Its registered office is situated at Rawalpindi. The company is engaged in the manufacturing, sale and trading of cotton , polyester , Viscose , blended yarn and cloth.

2. BASIS OF 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 inforamation has been prepared in accordance with the International Accounting Standard(IAS)-34:"Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan(SECP)

3 ACCOUNTING POLICIES AND COMPUTATION METHODS

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 annual published financial statements of the company for the year ended 30 June, 2012.

4. CRITICAL ACCOUNTING ESTIMATES JUDGEMENTS

Judgements 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

		(Un-Audited) 30 September 2012 Rupees	(Audited) 30 June 2012 Rupees
5.	SURPLUS ON REVALUATION OF FIXED ASSETS	·	·
	Opening Balance	576,267,065	561,787,617
	Surplus on revaluation of property, plant and equipment during the year Related deferred income tax liability Transferred to accmulated loss in respect of surplus realized on disposal of revalued property, plant and equipment Related deferred income tax liability Transferred to accumulated loss in respect of Incremental depreciation charged during the year Related deferred income tax liability		3,091,483 15,682,981 18,774,464 (209,673) 73,386 (136,287) (6,398,045) 2,239,316 (4,158,729)
6.	LONG TERM FINANCES Financing from banking companies-secured	73.193.999	73,193,999
	Less: Current portion shown under current liabilities	73,193,999	73,193,999

7-notes, printing,

7. DEFERRED MARKUP

7.1 MCB Bank Limited (MCB) has deferred payment of capitalized mark-up of Rupees 5.439 million (June 2012: Rupees 5.748 million) which will be repaid in 15 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 markup is secured against charge over fixed assets amounting to Rupees 51.288 millions.

8. CONTINGENCIES AND COMMITMENTS

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, 2012

9. PROPERTY, PLANT AND EQUIPMENT Operating fixed assets (Note 9.1) 748,824,755 754,331,148 Assets subject to finance lease (Note 9.2) 66,424,440 67,645,175 821,976,323 176,249,195 821,976,323 177,1066 712,481,000 Add: Cost of additions during the period / yea (Note 9.1.1) 754,711,066 72,237,275 Surplus on revaluation / (Decrease) 754,711,066 76,422,887 76,422,				(Un-Audited)	(Audited)
9. PROPERTY, PLANT AND EQUIPMENT Operating fixed assets (Note 9.1) 748,824,755 754,331,148 Assets subject to finance lease (Note 9.2) 66,424,440 67,645,175 9.1 OERATING FIXED ASSETS 754,711,066 712,481,000 Opening written down value 754,711,066 72,237,275 Add: Cost of additions during the period / yea (Note 9.1.1) 754,711,066 79,751,645 Surplus on revaluation / (Decrease) 754,711,066 792,232,645 Book Value of transfers 754,711,066 792,751,645 Less: Book Value of deletions during (Note 9.1.1) 2,567,049 5,003,390 the period / year 1 2,567,049 5,003,390 Less: Depreciation charge for the period / Year 3,319,262 14,343,365 748,824,755 754,331,148 9.1.1 Cost of additions during the period / year Factory building on freehold land 2 2 Colony godowns and offices on freehold land 2 2 Plant and machinery 2 2 Furniture and Fixture 2 2 <tr< th=""><th></th><th></th><th></th><th>30 September 2012</th><th></th></tr<>				30 September 2012	
Operating fixed assets (Note 9.1) 748,824,755 754,331,148 Assets subject to finance lease (Note 9.2) 66,424,440 67,645,175 815,249,195 821,976,323 815,249,195 821,976,323 815,249,195 821,976,323 815,249,195 821,976,323 815,249,195 821,976,323 815,249,195 821,976,323 815,249,195 815,249,195 821,976,323 815,249,195 815,249,195 815,249,195 821,976,323 815,249,195 8				Rupees	Rupees
Assets subject to finance lease (Note 9.2) 66,424,440 67,645,175 815,249,195 821,976,323 9.1 OERATING FIXED ASSETS Opening written down value 754,711,066 712,481,000 Add: Cost of additions during the period / yea (Note 9.1.1) - 237,275 Surplus on revaluation / (Decrease) - 79,751,645 754,711,066 792,232,645 - 79,751,645 754,711,066 792,232,645 - 79,751,645 754,711,066 792,232,645 - 79,751,645 754,711,066 792,232,645 18,554,742 18,554,742 18,554,742 18,554,742 18,554,745 18,55	9.	PROPERTY, PLANT AND EQUIPMENT			
9.1 OERATING FIXED ASSETS Opening written down value Add: Cost of additions during the period / yea (Note 9.1.1) Book Value of transfers Cess: Book Value of deletions during the period / year Less: Impairment Loss Less: Depreciation charge for the period / year Factory building on freehold land Colony godowns and offices on freehold land Colony godowns and offices on freehold land Plant and machinery Furniture and Fixture Equipment and installations Plant and machinery Vehicles 9.1.2 Book value of deletions during the period / year Plant and machinery Vehicles 9.2 ASSETS SUBJECT TO FINANCE LEASE Opening written down value To Surplus Addition-charge for the period / year Addition-during the period / year plant and machinery For Cost of Addition charge for the period / year Plant subject to Finance to the period / year Plant and machinery For Cost of Additions during the period / year Plant and machinery For Cost of Additions during the period / year Plant and machinery For Cost of Additions during the period / year Plant and machinery For Cost of Additions during the period / year Plant and machinery For Cost of Additions during the period / year Plant and machinery For Cost of Additions during the period / year Plant and machinery For Cost of Additions during the period / year Plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machinery For Cost of Addition-during the period / year plant and machiner		Operating fixed assets	(Note 9.1)	748,824,755	754,331,148
9.1 OERATING FIXED ASSETS Opening written down value		Assets subject to finance lease	(Note 9.2)		
Opening written down value				815,249,195	821,976,323
Surplus on revaluation / (Decrease) 3,091,483 76,422,887 76,42	9.1			754,711,066	712,481,000
Book Value of transfers			/ yea (Note 9.1.1)	-	- , -
Cost of additions during the period / year Factory building on freehold land Colony godowns and offices on freehold land Plant and machinery Puniture and Fixture Equipment and installations Plant and machinery Plant and machin				-	, ,
Cost of additions during the period / year Factory building on freehold land Colony godowns and offices on freehold land Plant and machinery Cost of equipment and installations Cost of equipment and machinery Cost of equipment and installations Cost of equipment and equipment and equipment Cost of equipment and equipment Cost of equ		Book Value of transfers			76,422,887
Cost of additions during the period / year Factory building on freehold land Colony godowns and offices on freehold land Plant and machinery Cost of equipment and installations Cost of equipment and machinery Cost of equipment and installations Cost of equipment and equipment and equipment Cost of equipment and equipment Cost of equ				-	70 754 045
Less: Book Value of deletions during the period / year Less: Impairment Loss				754 711 066	
Less: Impairment Loss		Less: Book Value of deletions during	(Note 9 1 1)		, ,
Less : Depreciation charge for the period / Year 3,319,262 14,343,365 748,824,755 754,331,148 748,824,755 754,331,148 748,824,755 754,331,148 754,331,148 754,331,148 754,331,148 754,331,148 754,331,148 755,331,			(Note 3.1.1)	2,307,049	3,003,390
748,824,755 754,331,148 9.1.1 Cost of additions during the period / year Factory building on freehold land		Less : Impairment Loss		-	18,554,742
9.1.1 Cost of additions during the period / year Factory building on freehold land Colony godowns and offices on freehold land Plant and machinery Furniture and Fixture Equipment and installations Vehicles 9.1.2 Book value of deletions during the period / year Plant and machinery Vehicles 9.1.2 Soft,049 Vehicles 9.2 ASSETS SUBJECT TO FINANCE LEASE Opening book value Addition-during the period / year plant and machinery Addition-during the period / year plant and machinery Less: Depreciation charge for the period / year Less: Book value of transfers 9.1.2 Less: Book value of addition-during the period / year plant and machinery 67,265,256 150,680,834 15		Less: Depreciation charge for the period	d / Year		
Factory building on freehold land Colony godowns and offices on freehold land Colony godowns				748,824,755	754,331,148
Factory building on freehold land Colony godowns and offices on freehold land Colony godowns	011	One of additional design the market for			
Colony godowns and offices on freehold land	3.1.1		ar		
Plant and machinery			l land	-	
Furniture and Fixture - - - - - 237,275 Vehicles - - 237,275 - - - 237,275 -<			I Idiid	_	-
Vehicles - - - - - 237,275 - 237,275 - 237,275 - 237,275 - - 237,275 - - - 237,275 - <td></td> <td></td> <td></td> <td>-</td> <td>-</td>				-	-
9.1.2 Book value of deletions during the period / year Plant and machinery Vehicles 9.2 ASSETS SUBJECT TO FINANCE LEASE Opening book value Addition-during the period / year plant and machinery Addition-during the period / year plant and machinery Less: Depreciation charge for the period / year Less: Book value of transfers - 237,275 2,567,049 4,439,552 563,838 2,567,049 5,003,390 67,265,256 150,680,834 46,612,772 46,612,7				-	237,275
9.1.2 Book value of deletions during the period / year Plant and machinery 2,567,049 4,439,552 Vehicles - 563,838 2,567,049 5,003,390 9.2 ASSETS SUBJECT TO FINANCE LEASE - - Opening book value 67,265,256 150,680,834 Addition-during the period / year plant and machinery - - Less: Depreciation charge for the period / year 840,816 6,612,772 Less: Book value of transfers - 76,422,887				-	· -
Plant and machinery Vehicles 2,567,049 (563,838) 4,439,552 (563,838) 9.2 ASSETS SUBJECT TO FINANCE LEASE 2,567,049 (5,003,390) Opening book value Addition-during the period / year plant and machinery 67,265,256 (57,680,834) 150,680,834 Less: Depreciation charge for the period /year 840,816 (6,612,772) 6,612,772 Less: Book value of transfers 76,422,887					237,275
Vehicles - 563,838 9.2 ASSETS SUBJECT TO FINANCE LEASE	9.1.2		d / year		
9.2 ASSETS SUBJECT TO FINANCE LEASE Opening book value Addition-during the period / year plant and machinery Less: Depreciation charge for the period / year Less: Book value of transfers 2,567,049 5,003,390 150,680,834 67,265,256 150,680,834 150,680,880,880 150,680,880,880 150,680,880,880 1		· · · · · · · · · · · · · · · · · ·		2,567,049	,,
9.2 ASSETS SUBJECT TO FINANCE LEASE 67,265,256 150,680,834 Opening book value 67,265,256 150,680,834 Addition-during the period / year plant and machinery - - Less: Depreciation charge for the period / year 840,816 6,612,772 Less: Book value of transfers - 76,422,887		Vehicles			
Opening book value 67,265,256 150,680,834 Addition-during the period / year plant and machinery - - 67,265,256 150,680,834 Less: Depreciation charge for the period /year 840,816 6,612,772 Less: Book value of transfers - 76,422,887	9.2	ASSETS SUBJECT TO FINANCE LEASE		2,567,049	5,003,390
Addition-during the period / year plant and machinery 67,265,256 150,680,834 Less: Depreciation charge for the period / year 840,816 6,612,772 Less: Book value of transfers - 76,422,887	J.2			67 265 256	150 690 934
Less: Depreciation charge for the period /year 67,265,256 150,680,834 Less: Depreciation charge for the period /year 840,816 6,612,772 Less: Book value of transfers - 76,422,887			nachinery	07,205,250	130,000,034
Less: Depreciation charge for the period /year 840,816 6,612,772 Less: Book value of transfers - 76,422,887		realition during the period / year plant and h	ndorini or y	67.265.256	150.680.834
Less: Book value of transfers - 76,422,887		Less: Depreciation charge for the period	/vear		
				-	, ,
				66,424,440	

		(Un-Audited) 30 September 2012 Rupees	(Un-Audited) 30 September 2011 Rupees
10.	COST OF GOODS SOLD		
	Raw material consumed	-	-
	Stores and spares consumed	-	-
	Salaries, wages and benefits	298,575	572,758
	Fuel and power	199,790	195,110
	Insurance	-	-
	Repair & Maintenance	168,481	38,039
	Packing material	-	-
	Labour welfare	117,136	254,035
	Depreciation	3,689,514	4,632,375
		4,473,496	5,692,317
	Work-in-process	, -,	-,,-
	Opening stock	-	-
	Closing stock	-	-
	3	-	-
	Cost of goods manufactured	4,473,496	5,692,317
	Finished goods		
	Opening stock	-	21,853,589
	Closing stock	-	(6,728,538)
	v	-	15,125,051
	Cost of Yarn Sold	4,473,496	20,817,368
	Cost of Yarn Purchase	-	-
	Cost of raw material sold	2,440,017	2,798,120
	Cost of goods Sold	6,913,513	23,615,488
11.	EARING / (Loss) PER SHARE- BASIC AND DILUTED There is no dilutive effect on the basic earings / (Loss) per share.	(4.22)	(4.14)

TRANSACTIONS WITH RELATED PARTIES

Related parties comprise 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

Bilal Fibers Limited

Purchase of goods and services	-	-
Sales of goods and services	2,409,367	2,115,060
Payment agaisnt outstanding balance	-	500,000
Remuneration of Chief Executive Officer and Directors	770,220	770,220

12.1 The company purchased from and sold to related parties goods, material and servies at an arm's length determined in accordance with comparable uncontrolled price method .

DATE OF AUTHORIZATION OF FINANCIAL STATEMENTS 13

These financial statements were authorised for issue on 24 October 2012 by the board of directors of the company.

COMPARATIVE FIGURES 14

- 14.1 Previous period's figures have been re-arranged and reclassified where ever necessary for the purpose of comparision, however, no significant reclassicifcation has been made.
- 14.2 Figures have been rounded of to the nearest Rupees

CHIEF EXECUTIVE			DIRECTOR