

**BOOK
POST**

PRINTED MATTER
(UNDER CERTIFICATE OF POSTING)



If Undelivered Please Return to:

D.M. TEXTILE MILLS LIMITED

Industrial Area, Westridge, Rawalpindi.

Telephone: 051-5181981, 5181977-78

Fax: 051-5181979

E-mail: dmtm@dmtextile.com.pk

E-mail: dmtextilemills@yahoo.com

Website: www.dmtextile.com.pk



**D.M. TEXTILE
MILLS LIMITED**

(FORMERLY D.M. INDUSTRIES LIMITED)















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

March 31,

2021





Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk  @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

D.M. TEXTILE MILLS LIMITED (FORMERLY D.M. INDUSTRIES 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 Mr. Abrar Alam

AUDIT COMMITTEE:

CHAIRMAN:	Mr. Hussain Ahmad Ozgen
MEMBERS:	Mr. Shahid Aziz Mr. Abrar Alam

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN:	Mr. Amer Zeb
MEMBERS:	Mr. Shahid Aziz Mr. Sami Ullah

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:

Chanda Law Associates
House CB-360, Lane-4, Quaid-e-Azam Colony,
Dhamial Road, Rawalpindi.

REGISTRAR:

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

REGISTERED OFFICE:

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

D.M. TEXTILE MILLS LIMITED
(FORMERLY D.M. INDUSTRIES 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
(FORMERLY D.M. INDUSTRIES LIMITED)

CHAIRMAN'S REVIEW

Following the due procedures and regulations, Company's Principal Line of Business and name has been changed as explicitly described in Note-1 of these financial statements.

The Management is continuously trying its level best to utilize the available resources to increase the income and repayment of Company's liabilities. Efforts of the Board & Management needs appreciation and hope for further improvement in future.

We eagerly look forward to better environment in the long run.



Rawalpindi:
April 28, 2021

Chairman of the Board of Directors

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the un-audited financial statements for the third quarter ended 31 March 2021.

Performance: Net Profit/(Loss)

During the period Company had a net Loss of Rs.9,518,878 as compared to previous period net Profit of Rs.31,268,444.

Comparative financial results are given below:

	Rupees	
Half Year Ended	31 March 2021	31 March 2020
Revenue Yarn Sale	1,697,693	-
Cost of Revenue	(1,725,900)	-
Gross Loss	(28,207)	-
Administrative & General Expenses	(28,121,529)	(21,683,804)
Other Expenses	(1,065,250)	(705,300)
Other Income	22,536,329	61,501,185
(Loss)/Profit from Operations	(6,678,657)	39,112,081
Financial Cost	(173,929)	(207,543)
(Loss)/Profit before Taxation	(6,852,586)	38,904,538
Taxation	(2,666,292)	(7,636,094)
(Loss)/Profit after taxation	(9,518,878)	31,268,444
(Loss)/ Earning per share Basic & Diluted	(3.12)	10.24

Debt Servicing

Almost entire liabilities of the financial institutions have been paid off. Further, 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

Following the due procedures, the Company altered its Memorandum & Articles of Association and also changed the name as "D.M. Textile Mills Limited" to reflect the new principal line of business. It is more explicitly explained in Note-1 of this report. The management is trying its level best to utilize the available recourses. Further, the management has positive intention and capability to revive the company.

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

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. No remuneration is paid to the Non-Executive and Independent Directors other than meeting fees.

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 28, 2021



Director

D.M. TEXTILE MILLS LIMITED
(FORMERLY D.M. INDUSTRIES LIMITED)

ڈائریکٹرز رپورٹ

معزز ممبران

31 مارچ 2021 کو ختم ہونے والے نو ماہی مالیاتی گوشوارے (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ 9,518,878 روپے کا خسارہ ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 31,268,444 روپے کا منافع ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے	تفصیل
31 مارچ 2020	31 مارچ 2021
-	1,697,693 ریونیو
-	(1,725,900) کاسٹ آف ریونیو
-	(28,207) گراس نقصان
(21,683,804)	(28,121,529) انتظامی اور جنرل اخراجات
(705,300)	(1,065,250) دیگر اخراجات
61,501,185	22,536,329 دیگر آمدن
39,112,081	(6,678,657) اپریشنز کا منافع (خسارہ)
(207,543)	(173,929) مالی اخراجات
38,904,538	(6,852,586) منافع (خسارہ) قبل از ٹیکس
(7,636,094)	(2,666,292) ٹیکس
31,268,444	(9,518,878) منافع (خسارہ) بعد از ٹیکس
10.24	(3.12) فی شیئر آمدن (خسارہ) روپے (Basic & Diluted)

D.M. TEXTILE MILLS LIMITED
(FORMERLY D.M. INDUSTRIES LIMITED)

کمپنی نے تقریباً 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۔


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


متعلقہ طریقہ کار کو اپناتے ہوئے، کمپنی نے اپنے میمورنڈم اور آرٹیکل آف ایسوسی ایشن میں تبدیلی کی ہے اور نئے پرنسپل لائسن آف بزنس کو ظاہر کرنے کے لئے کمپنی کا نام بھی تبدیل کیا ہے جو کہ ڈی۔ ایم ٹیکسٹائل ملز لمیٹڈ ہے جس کی مزید تفصیل اس رپورٹ کے نوٹ نمبر 1 میں دی گئی 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۔

کمپنی اپنی کارپوریٹ اور سماجی ذمہ داریوں سے آگاہ ہے اور دستیاب وسائل کے مطابق کوشش کرتی ہے۔

کمپنی اپنے دو ایگزیکٹو ڈائریکٹرز کو اجرت دیتی ہے۔ نان ایگزیکٹو ڈائریکٹرز اور غیر جانبدار ڈائریکٹرز کو میٹنگ فیس کے علاوہ کوئی اجرت نہیں دی جاتی۔

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 اپریل 2021

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (30 June 2020: 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 2020: 3,052,429) ordinary shares of Rupees 10 each		30,524,290	30,524,290
Accumulated loss		(13,925,452)	(67,035,760)
Capital reserve - surplus on revaluation of property, plant and equipment and investment properties - net of deferred income tax			
5		512,245,482	574,874,668
Total equity		528,844,320	538,363,198
NON-CURRENT LIABILITIES			
Employees' retirement benefit		4,018,945	3,816,593
Deferred income tax liability		2,576,009	4,517,107
		6,594,954	8,333,700
CURRENT LIABILITIES			
Trade and other payables		90,793,432	120,837,679
Short term borrowings		20,478	765,478
Lease liability - overdue		658,531	658,531
Unclaimed dividend		144,947	144,947
Taxation - net		11,672,427	8,055,998
		103,289,815	130,462,633
Total liabilities		109,884,769	138,796,333
CONTINGENCIES AND COMMITMENTS			
6		-	-
TOTAL EQUITY AND LIABILITIES		638,729,089	677,159,531
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	227,899,051	224,568,053
Investment properties		353,301,030	353,301,030
Advance against property	8	-	-
Long term investment		7,708,634	7,357,987
Long term deposits		9,151,434	9,151,434
		598,060,149	594,378,504
CURRENT ASSETS			
Advances		5,595,000	53,000
Due from related party	9	17,619,962	17,619,962
Other receivables		5,649,543	4,380,336
Short term investment		1,254,709	1,201,176
Cash and bank balances		10,549,726	18,382,451
		40,668,940	41,636,925
Non-current assets classified as held for sale	10	-	41,144,102
		40,668,940	82,781,027
TOTAL ASSETS		638,729,089	677,159,531

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

(FORMERLY D.M. INDUSTRIES LIMITED)

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
----- Rupees -----				
REVENUE - yarn sale	1,697,693	-	-	-
COST OF REVENUE	(1,725,900)	-	-	-
GROSS LOSS	(28,207)	-	-	-
ADMINISTRATIVE AND GENERAL EXPENSES	(28,121,529)	(21,683,804)	(7,607,155)	(7,914,648)
OTHER EXPENSES	(1,065,250)	(705,300)	(400,000)	(63,000)
	(29,186,779)	(22,389,104)	(8,007,155)	(7,977,648)
OTHER INCOME	22,536,329	61,501,185	6,809,536	7,063,313
(LOSS) / PROFIT FROM OPERATIONS	(6,678,657)	39,112,081	(1,197,619)	(914,335)
FINANCE COST	(173,929)	(207,543)	941	(1,729)
(LOSS) / PROFIT BEFORE TAXATION	(6,852,586)	38,904,538	(1,196,678)	(916,064)
TAXATION				
- CURRENT	(4,607,391)	(4,825,785)	(1,425,386)	(1,608,744)
- DEFERRED	1,941,099	(2,810,309)	1,931,926	62,560
	(2,666,292)	(7,636,094)	506,540	(1,546,184)
(LOSS) / PROFIT AFTER TAXATION	(9,518,878)	31,268,444	(690,138)	(2,462,248)
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	(3.12)	10.24	(0.23)	(0.81)

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

(FORMERLY D.M. INDUSTRIES LIMITED)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
----- Rupees -----				
(LOSS) / PROFIT AFTER TAXATION	(9,518,878)	31,268,444	(690,138)	(2,462,248)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Surplus on revaluation of property, plant and equipment	-	6,958,049	-	6,958,049
Related deferred income tax liability	-	(465,512)	-	(465,512)
	-	6,492,537	-	6,492,537
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	6,492,537	-	6,492,537
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(9,518,878)	37,760,981	(690,138)	4,030,289

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

(FORMERLY D.M. INDUSTRIES LIMITED)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

	SHARE CAPITAL	ACCUMULATED LOSS	CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES	TOTAL EQUITY
----- (Rupees) -----				
Balance as at 30 June 2019 - (audited) restated	30,524,290	(80,857,642)	569,362,149	519,028,797
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	378,793	(378,793)	-
Profit for the period	-	31,268,444	-	31,268,444
Other comprehensive income for the period	-	-	6,492,537	6,492,537
Total comprehensive income for the period	-	31,268,444	6,492,537	37,760,981
Balance as at 31 March 2020 - (un-audited)	30,524,290	(49,210,405)	575,475,893	556,789,778
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	33,167	(33,167)	-
Loss for the period	-	(17,759,810)	-	(17,759,810)
Other comprehensive loss for the period	-	(98,712)	(568,058)	(666,770)
Total comprehensive loss for the period	-	(17,858,522)	(568,058)	(18,426,580)
Balance as at 30 June 2020 - (audited)	30,524,290	(67,035,760)	574,874,668	538,363,198
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	290,353	(290,353)	-
Surplus on revaluation realized on disposal of land and building - net of deferred income tax	-	62,338,833	(62,338,833)	-
Loss for the period	-	(9,518,878)	-	(9,518,878)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	(9,518,878)	-	(9,518,878)
Balance as at 31 March 2021 - (un-audited)	30,524,290	(13,925,452)	512,245,482	528,844,320

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

(FORMERLY D.M. INDUSTRIES LIMITED)

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

NINE MONTHS ENDED			
		31 March 2021	31 March 2020
NOTE	Rupees	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	11	(43,940,542)	26,235,138
Finance cost paid		(173,929)	(173,803)
Income tax paid		(990,962)	(1,037,733)
Gratuity paid		(306,201)	(10,000)
Proceeds from disposal of non-current assets classified as held for sale		42,500,000	=
Net cash (used in) / generated from operating activities		(2,911,634)	25,013,602
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		250,000	-
Capital expenditure on property, plant and equipment		(4,497,600)	-
Long term deposits		-	(30,000)
Interest received		71,509	68,460
Net cash (used in) / from investing activities		(4,176,091)	38,460
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		-	(1,800,000)
Repayment of short term borrowings - net		(745,000)	220,743
Net cash used in financing activities		(745,000)	(1,579,257)
Net (decrease) / increase in cash and cash equivalents		(7,832,725)	23,472,805
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		18,382,451	822,625
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		10,549,726	24,295,430

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

(FORMERLY D.M. INDUSTRIES LIMITED)

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 MARCH 2021 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

D.M. Textile Mills Limited (formerly D.M. Industries 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 Company was engaged in the business of construction and to establish warehouses for providing facilities for storage and for other purposes on proprietary as well as rental basis and ancillary activities. The Board of Directors and shareholders of the Company in their meetings held on 02 September 2020 and 27 October 2020 respectively, resolved to change the principal line of business of the Company to erect, maintain, alter, extend and purchase plant and machinery for the purpose of ginning, preparing, combing, spinning, weaving, manufacturing, bleaching, dyeing, mercerizing, printing, or otherwise working any of the fabrics and materials; and to carry on the business of spinners, weavers; ginner, pressers, doublers and balers of cotton, jute, hems, silk, artificial silk, synthetic fibre, wool and any fibrous material used in textile and manufacturing thereof or ancillary thereto and the business of weaving or otherwise manufacturing, bleaching, printing, dyeing, finishing, calendaring, processing, whether textile, frebbled, netted or looped and of importing, exporting, buying, selling and dealing in cotton, yarn, fabrics, wool and other raw materials and transact mercantile business that may be necessary or expedient and to purchase and sell raw materials and manufactured articles. Further, it was resolved by the directors to adopt new name i.e. D.M. Textile Mills Limited

On 08 January 2021, certificate of incorporation on change of name has been issued by the Securities and Exchange Commission of Pakistan (SECP) to give effect to the change of name and certified true copy of altered memorandum of association of the Company has been issued by SECP.

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 2020. These condensed interim financial statements are un-audited 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 2020.

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 2020.

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
5 CAPITAL RESERVE - SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX		
Opening balance	574,874,668	569,362,149
Surplus on revaluation of property, plant and equipment	-	6,157,967
Related deferred income tax liability	-	(233,488)
	-	5,924,479
Transferred to accumulated loss in respect of incremental depreciation charged during the period / year	(408,948)	(580,226)
Related deferred income tax liability	118,595	168,266
	(290,353)	(411,960)
Surplus on revaluation realized on disposal of land and building	(63,362,293)	-
Related deferred income tax liability	1,023,460	-
	(62,338,833)	-
	<u>512,245,482</u>	<u>574,874,668</u>

6 CONTINGENCIES AND COMMITMENTS

6.1 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 2020.

	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
6.2 Commitments	Nil	Nil

7 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 7.1)	225,399,051	224,568,053
Capital work-in-progress (Note 7.2)	2,500,000	-
	<u>227,899,051</u>	<u>224,568,053</u>
7.1 Operating fixed assets		
Opening book value	224,568,053	230,300,506
Add: Cost of additions during the period / year - vehicles	1,997,600	-
Add: Revaluation surplus	-	6,958,049
Less: Book value of transfer to held for sale - freehold land	-	(5,916,917)
Less: Book value of transfer to right-of-use assets - plant and machinery	-	(1,353,655)
Less: Book value of deletions - plant and machinery	(26,600)	(1,162,872)
Less: Book value of assets written off - plant and machinery	-	(2,767,745)
Less: Depreciation charged during the period / year	(1,140,002)	(1,489,313)
Closing book value	<u>225,399,051</u>	<u>224,568,053</u>

7.2 Capital work-in-progress

It represents advance for purchase of operating fixed assets.

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

8 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.

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. 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 C.E.O, subject to completion of legal formalities and in accordance with rules / law / procedures.

The Company filed a suit before the court of Senior Civil Judge (west), Islamabad dated 17 October 2017 against the C.E.O while making Securities and Exchange Commission of Pakistan and Capital Development Authority parties to the case for directions to transfer the property in the name of the Company, which is pending adjudication.

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 the period of thirty days.

The Company also filed an appeal before the Lahore High Court, Lahore Bench in May 2018 for detachment of the property, so that property can be transferred in the name of the Company, which is pending adjudication.

The Securities and Exchange Commission of Pakistan filed an appeal before the Islamabad High Court (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 should 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 Lahore High Court, Lahore, for release of the property. The matter is pending adjudication.

The Bank of Punjab filed an appeal before the Islamabad High Court, Islamabad to set-aside orders dated 03 May 2016 and 16 November 2017. The matter is pending adjudication.

9 DUE FROM RELATED PARTY

It represents interest free receivable from C.E.O against sale of property as more fully explained in Note 8.

The maximum amount due from C.E.O at the end of any month during the period was Rupees 17.620 million (30 June 2020: Rupees 17.620 million).

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

	NOTE	Un-audited 31 March 2021 Rupees	Audited 30 June 2020 Rupees
10 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE			
Freehold land		-	34,666,917
Non-factory building		-	6,477,185
	10.1	-	41,144,102
10.1 It represented freehold land measuring approximately Nil (30 June 2020: 167) Marla comprising open area and old worker quarters having Nil (30 June 2020: 31,877) square feet covered area, on the extreme back side of the mills situated at Westridge Industrial Area, Rawalpindi. During the period title of land measuring 35.0882 Marla has been transferred in the name of buyer, while legal formalities are in process to transfer the remaining land.			
(Un-audited)			
NINE MONTHS ENDED			
		31 March	31 March
		2021	2020
	NOTE	Rupees	Rupees
11 CASH (USED IN) / GENERATED FROM OPERATIONS			
(Loss) / profit before taxation		(6,852,586)	38,904,538
Adjustments for non-cash charges and other items:			
Depreciation		1,140,002	1,147,702
Provision for gratuity		508,553	589,240
Interest income		(475,688)	(380,322)
Gain on settlement of long term financing		-	(20,767,825)
Gain from fair value adjustment on investment property		-	(19,164,051)
Gain on sale of property, plant and equipment		(223,400)	-
Gain on sale of non-current assets classified as held for sale		(1,355,898)	-
Finance cost		173,929	207,543
Working capital changes	11.1	(36,855,454)	25,698,313
		<u>(43,940,542)</u>	<u>26,235,138</u>
11.1 Working capital changes			
(Increase) / decrease in current assets:			
Advances		(5,542,000)	(55,000)
Other receivables		(1,269,207)	1,894
		(6,811,207)	(53,106)
(Decrease) / increase in trade and other payables		(30,044,247)	25,751,419
		<u>(36,855,454)</u>	<u>25,698,313</u>

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

12 TRANSACTIONS WITH RELATED PARTIES				
12.1	The related parties comprise of 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	31 March	31 March
		2021	2020	2021
				2020
		----- (Rupees) -----		
Remuneration to Chief Executive Officer and Directors		6,505,508	3,537,000	2,729,857
				1,500,000
Mian Habib Ullah - C.E.O				
Loan obtained during the period		900,000	2,144,000	-
Adjustment / payment against outstanding balance		1,645,000	2,823,257	-
				309,800
Mr. Sami Ullah - Director				
Loan obtained during the period		-	2,300,000	-
Adjustment / payment against outstanding balance			400,000	400,000
Rental income		-	154,000	-
				22,000
				Un-audited
				31 March
				2021
				Rupees
				Audited
				30 June
				2020
				Rupees
12.2 Period / year end balances				
Short term borrowings				
Mian Habib Ullah - C.E.O			20,478	765,478
13 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS				
(i) Fair value hierarchy				
Judgments and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these unconsolidated 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 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.				

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

14 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 March 2021	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	209,211,600	-	209,211,600
Non-factory buildings	-	9,347,506	-	9,347,506
Electric installations	-	3,223,461	-	3,223,461
Factory equipment	-	420,985	-	420,985
Furniture, fixtures and office equipment	-	259,423	-	259,423
Vehicles	-	2,936,076	-	2,936,076
	-	225,399,051	-	225,399,051
Investment properties	-	353,301,030	-	353,301,030
	-	578,700,081	-	578,700,081

At 30 June 2020	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	209,211,600	-	209,211,600
Non-factory buildings	-	9,708,543	-	9,708,543
Electric installations	-	3,480,120	-	3,480,120
Factory equipment	-	454,504	-	454,504
Furniture, fixtures and office equipment	-	280,079	-	280,079
Vehicles	-	1,433,207	-	1,433,207
	-	224,568,053	-	224,568,053
Investment properties	-	353,301,030	-	353,301,030
	-	577,869,083	-	577,869,083

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.

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 determines 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.

D.M. TEXTILE MILLS LIMITED

(FORMERLY D.M. INDUSTRIES LIMITED)

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's property, plant and equipment and investment properties after regular intervals. As at 02 May 2018, the fair values of the plant and machinery, electric installations and factory equipment have been determined by Danish Enterprises and Construction, while fair values of the freehold land, buildings on freehold land and non-factory buildings were determined by Danish Enterprises and Construction on 30 June 2020.

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 2020.

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 28, 2021.

17 CORRESPONDING FIGURES

17.1 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.

17.2 Rental income and gain on remeasurement of fair value of investment properties amounting to Rupees 20.80 million and Rupees 19.16 million has been reclassified from revenue to other income for better presentation. No other reclassification / rearrangement of corresponding figures has been made.

18 GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER