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D.M. TEXTILE MILLS LIMITED

Industrial Area, Westridge, Rawalpindi.

Telephone: 051-5181981, 5181977-78

E-mail: dmtm@dmtextile.com.pk

E-mail: dmtextilemills@yahoo.com

Website: www.dmtextile.com.pk



**D.M. TEXTILE
MILLS LIMITED**

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

March 31,

2023



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D.M. TEXTILE MILLS LIMITED

Company's Information

BOARD OF DIRECTORS

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

AUDIT COMMITTEE:

CHAIRMAN:	Mr. Amer Zeb
MEMBERS:	Mr. Abrar Alam Mr. Muhammad Suleman Khan

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN:	Mr. Muhammad Suleman Khan
MEMBERS:	Mr. Syed Hameed ul Haq Mr. Sami Ullah

ACTING COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Rao Khalid Pervaiz

BANKERS:

Faysal Bank Limited
Meezan Bank Ltd.
Habib Metropolitan Bank
MCB Bank Limited

AUDITORS:

M/s Riaz Ahmed & Company
Chartered Accountants
2-A, ATS Centre, 30-West
Fazal-ul-Haq Road, Blue Area,
Islamabad. Ph: 051-2274121, 2274122

LEGAL ADVISER:

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

REGISTRAR:

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

REGISTERED OFFICE:

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

D.M. TEXTILE MILLS LIMITED

VISION STATEMENT

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

MISSION STATEMENT

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

D.M. TEXTILE MILLS LIMITED

CHAIRMAN'S REVIEW REPORT

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

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

Rawalpindi:
April 28, 2023


Mian Habib Ullah
Chairman of the Board of Directors

D.M. TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the un-audited financial statements for the third quarter ended 31 March 2023.

Performance: Net Profit/(Loss)

During the period Company had a net Loss of Rs.23,227,155 as compared to previous period net Loss of Rs.9,357,995.

Comparative financial results are given below:

Half Year Ended	Rupees	
	31 March 2023	31 March 2022
Administrative & General Expenses	(42,892,776)	(30,822,957)
Other Expenses	(809,400)	(9,807,400)
Other Income	20,646,611	34,821,237
(Loss)/Profit from Operations	(23,055,565)	(5,809,120)
Financial Cost	(171,590)	(179,559)
(Loss)/Profit before Taxation	(23,227,155)	(5,988,679)
Taxation	-	(3,369,316)
(Loss)/Profit after taxation	(23,227,155)	(9,357,995)
(Loss)/ Earning per share Basic & Diluted	(7.61)	(3.07)

Debt Servicing

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

Dividend

The Directors have not recommended dividend due to loss.

Future Prospects & Plans

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

Corporate Social Responsibility

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

D.M. TEXTILE MILLS LIMITED

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, 2023



Director

D.M. TEXTILE MILLS LIMITED

ڈائریکٹرز رپورٹ

معزز ممبران،

31 مارچ 2023 کو ختم ہونے والی تیسری سہ ماہی کے مالیاتی گوشوارے (غیر آڈٹ شدہ) آپ کے سامنے پیش کئے جا رہے ہیں۔

زیر نظر مدت کے دوران کمپنی کو بعد از ٹیکس مبلغ 23,227,155 روپے کا خسارہ ہوا ہے جبکہ گذشتہ سال اسی مدت کے دوران بعد از ٹیکس مبلغ 9,357,995 روپے کا خسارہ ہوا تھا۔

مالی نتائج کا موازنہ مندرجہ ذیل ہے۔

روپے		تفصیل
2022 مارچ 31	2023 مارچ 31	
(30,822,957)	(42,892,776)	انتظامی اور جنرل اخراجات
(9,807,400)	(809,400)	دیگر اخراجات
34,821,237	20,646,611	دیگر آمدن
(5,809,120)	(23,055,565)	اپریشنز کا منافع / (خسارہ)
(179,559)	(171,590)	مالی اخراجات
(5,988,679)	(23,227,155)	منافع / (خسارہ) قبل از ٹیکس
(3,369,316)	-	ٹیکس
(9,357,995)	(23,227,155)	منافع / (خسارہ) بعد از ٹیکس
(3.07)	(7.61)	فی شیئر آمدن / (خسارہ) روپے (Basic & Diluted)

D.M. TEXTILE MILLS LIMITED

کمپنی نے تمام مالیاتی اداروں کے واجبات ادا کر دیئے ہیں۔ انتظامیہ دوسرے قرض داروں / سپلائرز سے گفت و شنید کر رہی ہے تاکہ کمپنی کے مالی بوجھ کو مزید کم کیا جاسکے۔ ڈائریکٹرز نے خسارہ کی وجہ سے ڈیویڈنڈ تجویز نہیں کیا ہے۔ انتظامیہ متواتر کوشش کر رہی ہے کہ دستیاب وسائل کو بہترین طریقے سے استعمال کیا جائے۔ انتظامیہ کی نیت مثبت ہے اور کمپنی کی بحالی کی صلاحیت رکھتی ہے۔

کمپنی اپنی کارپوریٹ اور سماجی ذمہ داریوں سے آگاہ ہے اور دستیاب وسائل کے مطابق کوشش کرتی ہے۔ کمپنی اپنے دوا ایگزیکٹو ڈائریکٹرز کو اجرت دیتی ہے۔ نان ایگزیکٹو ڈائریکٹرز اور غیر جانبدار ڈائریکٹرز کو مینٹنگ فیس کے علاوہ اجرت نہیں دی جاتی۔ ڈائریکٹرز مالیاتی اداروں کے تعاون کے مشکور ہیں۔ کمپنی کے ملازمین داد کے مستحق ہیں کہ انہوں نے کمپنی کی بہتری کے لئے لگن اور محنت سے کام کیا۔

ڈائریکٹر

چیف ایگزیکٹو

راولپنڈی: 28 اپریل 2023

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	NOTE	Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (30 June 2022: 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 2022: 3,052,429) ordinary shares of Rupees 10 each			
		30,524,290	30,524,290
Reserves			
Capital reserve - surplus on revaluation of operating fixed assets and investment properties - net of deferred income tax			
5		576,652,824	577,710,000
Revenue reserve - unappropriated profit			
		32,097,515	54,267,494
		608,750,339	631,977,494
Total reserves			
		639,274,629	662,501,784
NON-CURRENT LIABILITY			
Employees' retirement benefit - gratuity			
		4,141,852	3,587,502
CURRENT LIABILITIES			
Trade and other payables			
		112,048,604	100,975,226
Due to related party			
		9,361,968	300,000
Unclaimed dividend			
		144,947	144,947
Taxation - net			
		21,007,469	23,544,729
		142,562,988	124,964,902
Total liabilities			
		146,704,840	128,552,404
CONTINGENCIES AND COMMITMENTS			
6		-	-
TOTAL EQUITY AND LIABILITIES			
		785,979,469	791,054,188
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
7		294,485,759	296,783,100
Investment properties			
		449,425,000	449,425,000
Advance against property			
8		-	-
Long term investments			
		6,721,710	6,237,960
Long term deposits			
		9,151,434	9,151,434
Deferred income tax asset			
		-	-
		759,783,903	761,597,494
CURRENT ASSETS			
Advances			
		3,297,200	3,233,200
Due from related party			
		17,619,962	17,619,962
Other receivables			
		1,588,206	3,065,542
Short term investments			
		1,341,828	1,284,661
Cash and bank balances			
		2,348,370	4,253,329
		26,195,566	29,456,694
TOTAL ASSETS			
		785,979,469	791,054,188

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
----- Rupees -----				
ADMINISTRATIVE AND GENERAL EXPENSES	(42,892,776)	(30,822,957)	(15,697,250)	(8,370,973)
OTHER EXPENSES	(809,400)	(9,807,400)	(63,000)	(63,000)
	(43,702,176)	(40,630,357)	(15,760,250)	(8,433,973)
OTHER INCOME	20,646,611	34,821,237	6,801,679	8,804,747
LOSS FROM OPERATIONS	(23,055,565)	(5,809,120)	(8,958,571)	370,774
FINANCE COST	(171,590)	(179,559)	2,900	(4,087)
LOSS BEFORE TAXATION	(23,227,155)	(5,988,679)	(8,955,671)	366,687
TAXATION				
- CURRENT	-	(3,592,573)	-	(1,818,252)
- DEFERRED	-	223,257	-	36,936
	-	(3,369,316)	-	(1,781,316)
LOSS AFTER TAXATION	(23,227,155)	(9,357,995)	(8,955,671)	(1,414,629)
LOSS PER SHARE - BASIC AND DILUTED	(7.61)	(3.07)	(2.93)	(0.46)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- Rupees -----			
LOSS AFTER TAXATION	(23,227,155)	(9,357,995)	(8,955,671)	(1,414,629)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(23,227,155)	(9,357,995)	(8,955,671)	(1,414,629)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

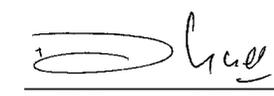
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2023

	Share capital	Capital reserve - Surplus on revaluation of operating fixed assets and investment properties - net of deferred income tax	Revenue reserve - Unappropriated profit / (Accumulated loss)	Total reserves	Total equity
	----- Rupees -----				
Balance as at 30 June 2021 - audited	30,524,290	512,148,697	(17,828,765)	494,319,932	524,844,222
Incremental depreciation transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred income tax	-	(271,292)	271,292	-	-
Loss for the period	-	-	(9,357,995)	(9,357,995)	(9,357,995)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(9,357,995)	(9,357,995)	(9,357,995)
Balance as at 31 March 2022 - un-audited	30,524,290	511,877,405	(26,915,468)	484,961,937	515,486,227
Incremental depreciation transferred from surplus on revaluation of operating fixed assets to accumulated loss - net of deferred income tax	-	66,346,388	(66,346,388)	-	-
	-	(513,793)	513,793	-	-
Profit for the period	-	-	80,550,833	80,550,833	80,550,833
Other comprehensive income for the period	-	-	66,464,724	66,464,724	66,464,724
Total comprehensive income for the period	-	-	147,015,557	147,015,557	147,015,557
Balance as at 30 June 2022 - audited	30,524,290	577,710,000	54,267,494	631,977,494	662,501,784
Incremental depreciation transferred from surplus on revaluation of operating fixed assets to unappropriated profit - net of deferred income tax	-	(1,057,176)	1,057,176	-	-
Loss for the period	-	-	(23,227,155)	(23,227,155)	(23,227,155)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(23,227,155)	(23,227,155)	(23,227,155)
Balance as at 31 March 2023 - un-audited	30,524,290	576,652,824	32,097,515	608,750,339	639,274,629

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

	NOTE	NINE MONTHS ENDED	
		31 March 2023	31 March 2022
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	9	732,046	1,806,505
Finance cost paid		(171,590)	(179,559)
Income tax paid		(2,537,260)	(2,363,029)
Gratuity paid		-	(128,800)
Net cash used in operating activities		(1,976,804)	(864,883)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of operating fixed assets		-	900,000
Capital expenditure on operating fixed assets		-	(6,466,075)
Interest received		71,845	1,948,753
Net cash from / (used in) investing activities		71,845	(3,617,322)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,904,959)	(4,482,205)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		4,253,329	11,920,634
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,348,370	7,438,429

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 MARCH 2023 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

D.M. Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). The registered office and head office is situated at Westridge, Industrial Area, Rawalpindi. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

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

2 BASIS OF PREPARATION

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

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

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

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2022. These condensed interim financial statements are un-audited.

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 2022.

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 2022.

	Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
5 CAPITAL RESERVE - SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS AND INVESTMENT PROPERTIES - NET OF DEFERRED INCOME TAX		
- Operating fixed assets		
Opening balance	269,301,303	203,740,000
Surplus on revaluation of operating fixed assets	-	67,265,733
Related deferred income tax liability	-	(919,345)
	-	66,346,388
Transferred to unappropriated profit in respect of incremental depreciation charged during the period / year	(819,516)	(1,105,753)
Related deferred income tax liability	(237,660)	320,668
	(1,057,176)	(785,085)
Closing balance	268,244,127	269,301,303
- Investment properties		
Revaluation surplus	313,858,182	313,858,182
Related deferred income tax liability	(5,449,485)	(5,449,485)
	308,408,697	308,408,697
	576,652,824	577,710,000

D.M. TEXTILE MILLS LIMITED

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 2022.

	NOTE	Un-audited	Audited
		31 March 2023 Rupees	30 June 2022 Rupees
6.2 Commitments		Nil	Nil
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	294,485,759	296,783,100
Capital work in progress	7.2	-	-
		<u>294,485,759</u>	<u>296,783,100</u>
7.1 Operating fixed assets			
Net book value at the beginning of the period / year		296,783,100	224,979,899
Add: Cost of additions during the period / year		-	6,466,075
Add: Transferred from capital work in progress	7.2	-	1,500,000
Add: Revaluation surplus		-	67,265,733
Less: Book value of disposals during the period / year		-	(141,636)
Less: Book value of assets written off during the period / year		-	(368,776)
Less: Impairment loss during the period / year		-	(51,632)
Less: Depreciation charged during the period / year		(2,297,341)	(2,866,563)
Net book value at the end of the period / year		<u>294,485,759</u>	<u>296,783,100</u>
7.2 Capital work in progress			
Balance at the beginning of the period / year		-	4,000,000
Transferred to operating fixed assets	7.1	-	(1,500,000)
Advance received back during the year		-	(2,500,000)
Balance at the end of the period / year		<u>-</u>	<u>-</u>

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 (IHC), 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 instalments 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 IHC, Islamabad on 03 May 2016 has submitted to transfer the property in the name of the Company within sixty days therefrom. The C.E.O filed a petition before the IHC, Islamabad 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.

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The Company filed a suit before the court of Civil Judge 1st Class (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. Civil Judge 1st Class (West), Islamabad, vide order dated 28 July 2021 accepted the Company's appeal and directed to submit evidence. The matter is pending adjudication.

The IHC, Islamabad vide its order dated 16 November 2017, reduced the penalty from Rupees 100,000 to Rupees 50,000 to be paid by each director of the Company within the period of thirty days.

The Company also filed an appeal before the 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 IHC, Islamabad, dated 13 September 2018 for execution of IHC decision dated 16 November 2017 to appoint statutory auditors to conduct a special audit to calculate the amount of profit which could have been earned on the amount of Rupees 51,150 million, if invested with any scheduled bank on daily product basis in the relevant period, and further requested the IHC, Islamabad 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 IHC, Islamabad to set-aside orders dated 03 May 2016 and 16 November 2017. The matter is pending adjudication.

On 24 May 2022, the Company filed an application before IHC, Islamabad praying that The Bank of Punjab and Bilal Fibers Limited and Bilal Textiles (Private) Limited have entered into a settlement agreement, hence, the said property may please be declared as lawful property of D.M. Textile Mills Limited. The matter is pending adjudication.

	NOTE	(Un-audited)	
		NINE MONTHS ENDED	
		31 March 2023	31 March 2022
9 CASH USED IN OPERATIONS		Rupees	Rupees
Loss before taxation		(23,227,155)	(5,988,679)
Adjustments for non-cash charges and other items:			
Depreciation		2,297,341	1,839,578
Provision for gratuity		554,350	560,685
Interest income		(612,762)	(470,641)
Gain on sale of operating fixed asset		-	(758,364)
Finance cost		171,590	179,559
Working capital changes	9.1	21,548,682	6,444,367
		<u>732,046</u>	<u>1,806,505</u>
9.1 Working capital changes			
(Increase) / decrease in current assets:			
Advances		(64,000)	1,075,165
Other receivables		1,477,336	(1,270,381)
		<u>1,413,336</u>	<u>(195,216)</u>
Increase in current liabilities:			
Trade and other payables		11,073,378	6,639,583
Due to related party		9,061,968	-
		<u>20,135,346</u>	<u>6,639,583</u>
		<u>21,548,682</u>	<u>6,444,367</u>

10 TRANSACTIONS WITH RELATED PARTIES

i) Transactions

	(Un-audited)			
	NINE MONTHS ENDED		QUARTER ENDED	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	----- Rupees -----			
Key management personnel				
Remuneration and other benefits	13,461,438	8,482,767	7,056,066	2,785,357
Mian Sami Ullah - Chief Executive Officer (CEO)				
Loan obtained during the period	10,361,968	-	5,757,002	-
Paid during the period	(1,300,000)	-	-	-

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	Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
ii) Period / year end balances		
Due to related party - Mian Sami Ullah - CEO	9,361,968	300,000

11 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

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

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

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

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

12 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

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

At 31 March 2023	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	273,220,000	-	273,220,000
Non-factory buildings	-	8,820,157	-	8,820,157
Electric installations	-	2,405,000	-	2,405,000
Furniture, fixtures and office equipment	-	138,102	-	138,102
Vehicles	-	9,902,500	-	9,902,500
	-	294,485,759	-	294,485,759
Investment properties - land and building	-	449,425,000	-	449,425,000
Total non-financial assets	-	743,910,759	-	743,910,759

At 30 June 2022	Level 1 Rupees	Level 2 Rupees	Level 3 Rupees	Total Rupees
Freehold land	-	273,220,000	-	273,220,000
Non-factory buildings	-	9,163,800	-	9,163,800
Electric installations	-	2,600,000	-	2,600,000
Furniture, fixtures and office equipment	-	149,300	-	149,300
Vehicles	-	11,650,000	-	11,650,000
	-	296,783,100	-	296,783,100
Investment properties - land and building	-	449,425,000	-	449,425,000
Total non-financial assets	-	746,208,100	-	746,208,100

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

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's operating fixed assets and investment properties after regular intervals. As at 30 June 2022, the fair values of the investment properties, freehold land (disclosed in operating fixed assets), non-factory buildings, electric installations, furniture, fixtures and office equipment and vehicles (disclosed in operating fixed assets) 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.

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 2022.

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on April 28, 2023.

15 CORRESPONDING FIGURES

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

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

16 GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER