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DAR ES SALAAM TEXTILE MILLS LIMITED

DTM/SAC/25-2021

February 03, 2021

Hafiz Maqsood Munshi
Manager
Companies & Securities Compliance-(RAD)
Pakistan Stock Exchange Limited
Pakistan Stock Exchange Building
Stock Exchange Road, Karachi

Sub; Progress Report

Dear Sir

This refers to your letter no PSX/Gen-2349 dated December 4, 2020.

In continuation of our progress report dated June 18th 2020, the management has been exploring the options for potential investments, joint venture, / partnership etc. to overcome the crisis being faced by the Company; however, the management could not be able to solidify any deal owing to Covid-19 Pandemic. Therefore, the management of the Company has held an EOGM on April 20th 2020 to ensure the continuity of the Company to discuss an interim solution in absence of any serious buyer / investment.

In said foresaid EOGM, the management sought approval from the shareholders under Section 183 of the Companies Act, 2017 to lease out land & building of the Company to meet its cash flow requirements and to utilize surplus funds towards in settling liabilities. The decision of the shareholders resulted in generating reasonable cash flows funds upon leasing out the premises. It is pertinent to mention that the Company, after long period of time; has earned a net profit, although insignificant, in its first quarter ended on September 30, 2020 which will change outlook of the Company. The management of the Company aims to distribute profits in the later period as dividend.

The management of the Company is still looking into several options to revive the Company and it is hoped that the Company would be able to have a positive response by the end of the current financial year.

We hope the PSX would appreciate the effort of the management despite the impact of Covid-19 and the challenging economic conditions.

Regards

Dar Es Salaam Textile Mills Limited

Company Secretary