



D.M. Textile Mills Limited

Westridge, Rawalpindi - Pakistan.

E-mail: dmtm@dmtextile.com.pk Website: dmtextile.com.pk
dmtextilemills@yahoo.com

10 January 2022

Hafiz Maqsood Munshi

Senior Manager

Listed Companies Compliance Department – RAD

Stock Exchange Building, Stock Exchange Road

Karachi

SUBJECT:- INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDED JUNE 30, 2021

Dear Sir,

This is with reference to your letter No. PSX/Gen-22, dated January 04, 2022 on the auditors' adverse opinion in their report in respect of annual accounts for the year ended 30.06.2021.

We would like to state that substantial changes in business activities has taken place as a result of spread of COVID-19 Pandemic throughout the world. It still prevails and there has been no respite in this regard. Anticipating of better time ahead, the Company had passed the following two special resolutions in its AGM held on October 27, 2020.

1. RESOLUTION No. 1

Resolved that the principal line of business of the Company shall be 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 sizers, spinners, weavers; ginners, pressers, doublers and balers of cotton, jute, hems, silk, artificial silk, synthetic, fiber, 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, frebled, 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.

12/1/22



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2. RESOLUTION NO. 2

Resolved that new proposed name of the Company will be "D. M. Textile Mills Limited" so as to reflect its principal line of business.

All the legal formalities for the principal line of business and change of name of the Company have been implemented.

Eversince the beginning of year 2021, the management has been persuing to move forward but could not initiate the process due to continuous new waves of COVID-19. A new virus OMICRON has now emerged and is spreading at a faster speed than the early viruses and has also reached Pakistan. As a result, we have been constrained to slow down and delay the matter.

You will appreciate that the auditors' report is always based on the past accounting period, whereas, we are planning ahead and revival of our business activities. We are confident that as soon as the business environment improves, with the expected revival of the Company, all the negative observations of the auditors will come to an end.

We would also like to add that the Company has been able to repay all of its long term liabilities of the banks.

The management of the Company feels that placement of the Company "on defaulter segment" at this stage of difficult environment will not be appropriate as it will destabilized the process of revival of the Company. We need support and encouragement from PSX and assure that the Company will be on the revival path in due course of time.

Thanking you.

Yours sincerely,
For D.M. Textile Mills Ltd


COMPANY SECRETARY