

D.M. Industries Limited

(Formerly D.M. Textile Mills Limited)

February 17, 2020

Mr. Hafiz Maqsood Munshi
Manager Companies & Securities Compliance - RAD
Pakistan Stock Exchange Ltd,
Stock Exchange Building, Stock Exchange Road,
Karachi

NON-COMPLIANCES OF PSX REGULATIONS NO. 5.11.1.(b) & (i)

Dear Sir,

Reference your letter # PSX/Gen-533 dated February 12, 2020 on the subject.

As intimated through our letter dated 23 December 2019 and explained to you verbally today, the Company has already taken all required and possible measures to rectify the non-compliances. We re-submit the progress report as under:

- (a). The major default that was non-compliance of Clause 5.11.1.(b) has been satisfactorily rectified. In compliance of relevant laws, rules, regulations and procedures, the Principal Line of Business of the Company has been changed. Further, name of the Company has also been changed to reflect the new line of business. Accordingly, SECP's Certified amended Memorandum of Association of the Company and new Incorporation Certificate has already been submitted to the Exchange through our letter dated 14 November 2019.
- (b). In accordance with the amended Memorandum of Association, the Company is preparing its half-yearly accounts based on the duly approved principal line of business. Hence, the rental income earned by the Company and previously being shown under the heading "other income" in periodic accounts shall stand classified as main income / revenue from its principal line of business in all future accounts.
- (c). As for as non-compliance of Clause 5.11.1.(i) is concerned, it is advised that it is directly inter-linked with Clause 5.11.1.(b). We reiterate that now there exist no doubts upon the Company's ability to continue as a going concern. Hence, we are of the view that there shall be no qualification/adverse opinion on account of going concern by the auditors in their review report to the members on half yearly accounts for the period ended 31 December 2019. **Auditor's Review is in process and half yearly accounts of the Company are expected to be authorized for issue by the board of directors of the Company by 28 February 2020.**

Keeping in view the above mentioned facts, we request your goodself to kindly do not take any action against the Company and **grant further extension until filing of Half Yearly Accounts (now a matter of few weeks)**. We are confident that after filing of half yearly accounts by end of February 2020, both of the non-compliances will be rectified.

Thanking you,

Yours sincerely,
For D.M. Industries Ltd (formerly D.M. Textile Mills Ltd)


{ACTING COMPANY SECRETARY}