



# Annual Report 2023





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## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Faisal Mukhtar Ms. Abida Mukhtar Mrs. Nilofar Mukhtar Mrs. Mahwesh Faisal Mukhtar Mr. Muhammad Gul Nawaz Mr. Muhammad Yousaf Mr. Ejaz Hussain	Chairman & Director Chief Executive Officer
<b>Audit committee</b>	Mr. Muhammad Gul Nawaz Mrs. Mahwesh Faisal Mukhtar Mr. Muhammad Yousaf	Chairman Member Member
<b>HR &amp; Remuneration Committee</b>	Mr. Muhammad Yousaf Mrs. Mahwesh Faisal Mukhtar Mr. Ejaz Hussain	Chairman Member Member
<b>Chief Financial Officer Company Secretary</b>	Mr. Shahid Amin Chaudhry	
<b>Share Registrar</b>	M/s. Corplink (Pvt) Ltd. Wing Arcade, 1-K, Commercial Model Town, Lahore. Tel: 042-35839182, 35869037	
<b>Auditors</b>	M/s Rizwan & Co. Chartered Accountants	
<b>Bankers</b>	Meezan Bank Limited JS Bank Limited	
<b>Registered Office</b>	H.No. 37, Street No.14, Cavalry Ground, Lahore-Cantt. Phones: (042) 36610643-44	

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### **Vision Statement**

To achieve the highest possible return on investment through a process of continuous improvement and while upholding the highest standards of integrity in all operations.

### **Mission Statement**

To be a result-oriented and profitable Company by consistently improving in terms of productivity, quality, technological expertise, diversity, presentation, reliability and customer acceptance.

To establish the company as a growing concern while ensuring optimum return on investment for shareholders.

To be a responsible employer and create an environment where a professional, highly-motivated management team can prosper.

To be a good corporate citizen who supports charitable causes and follows environmentally friendly policies.

### **Statement of Ethics and Business Practices**

Continuous improvement in total quality performance by achieving high standards in our products and providing these to our customers without error, on time and every time. We are dedicated to supply the product of highest quality and standards, yet at a reasonable cost for our national and international customer's satisfaction. All of our commitments, actions and products must be recognized as an expression of quality. We are committed to improve our skills and know-how, competency, practical experience and training of employees by implementing quality system. We continuously improve the performance of quality standards through practical participation of our employees at all levels. Our mission is to meet National and International Standards, Customers' Satisfaction and Continuous Improvements in our standards through use of latest methods and employees satisfaction. We believe that a complete code of ethics is essential for the maintenance of integrity and professionalism in the day-to-day functioning of Dar Es Salaam Textile Mills Limited. We always place the Company's interest first through resource management namely human, financial and other infra structural facilities and to ensure reasonable return to all the shareholders. Conduct business as a responsible and law abiding corporate member of society to achieve its legitimate commercial objective and supports unconditionally the Compliance with best Practices of Corporate Governance for the betterment of corporate culture. We develop and observe cost effective practices in our activities and strive for excellence and quality. We encourage initiative and self-realization in employees through meaningful empowerment.

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of the members of the Dar es Salaam Textile Mills Limited will be held on September 30, 2023 at 09:30 a.m; at the Company's registered office, located at House No 37, Street No 14, Cavalry Ground, Lahore Cantt., Lahore, to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023 together with the Auditors' and Directors' Reports thereon and the Review Report of the Chairman;
2. To appoint auditors of the Company for the year ending June 30, 2024 and to fix their remuneration. The members are hereby notified that the Board of Directors and the Board Audit Committee have recommended the name of M/S Rizwan & Co. Chartered Accountants, for re-appointment as auditors of the Company for the year ending June 30, 2024.

### Special Resolution:

3. RESOLVED THAT, subject to the approval and sanction of the Securities and Exchange Commission of Pakistan, the consent and approval of the members of the Company be and is hereby accorded to change the registered office of the Company from the province of Punjab to the province of Sindh i.e., from House No 37, Street No 14, Cavalry Ground Lahore Cantt to 210, 2<sup>nd</sup> Floor, Marine Point, Khayaban-e-Iqbal Clifton Block 9, Karachi, Pakistan.
4. FURTHER RESOLVED THAT, subject to the approval and sanction of the Securities and Exchange Commission of Pakistan, the consent and approval of the members of the Company, be and is hereby accorded to amend and substitute Clause II of the Memorandum of Association of the Company as follows:  
  
"REGISTERED OFFICE: The Registered Office of the Company will be situated in the province of Sindh, Pakistan;"
5. FURTHER RESOLVED, that the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Under takings) Regulations, 2017 to ratify the investment in Super Bird (Pvt) Limited amounting to Rs. 3.5 million already made and recovered, in full, along with markup for the sake of good corporate governance.
6. To transact any other business, as may be placed before the meeting with the permission of the chair.

Statement under Section 134(3) OF THE Companies Act 2017, pertaining to the Special Business referred to the above is annexed to this notice of meeting, being sent to you.

By Order of the Board

  
(Shahid Amin)

Company Secretary

Lahore: September 08, 2023

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Notes:

- 1) The Members Register and Share Transfer Books will remain closed from 23-09-2023 to 30-09-2023 (both days inclusive) for the purpose of the Annual General Meeting. Transfers received at M/s Corplink (Pvt.) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 22-09-2023 will be treated in time for the purpose of Annual General Meeting.

Only those persons whose names appear in the Register of Members of the Company as at 22-09-2023 are entitled to attend and vote at the Annual General Meeting.

**A. FOR ATTENDING THE MEETING:**

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport of the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

**B. FOR APPOINTING PROXIES:**

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Members are requested to notify/submit the following information/documents, in case of book entry securities in CDS to their respective participant/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio number and name of the Company at the above-mentioned address, if not earlier notified/submitted:

- Members are requested to notify any change in their registered address immediately.
  - Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity). Please note that CNIC Number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.
  - Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN) bank name, branch name, branch code, and address towards direct transfer/credit of cash dividend in your account. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017.
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**C. E-Voting / Postal ballot**

Members can exercise their right to poll/postal ballot subject to meeting the requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website <https://daresalaamtextilemills.com> to download.

**Procedure for e-Voting**

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on September 22, 2023.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through e Voting shall be authenticated through electronic signature or authentication for login.
- d) Members shall cast vote online at any time from September 27, 2023, 9:00 a.m. to September 28, 2023. Voting shall close on September 28, 2023, at 5:00 p.m. Once the vote on the resolution is casted by a Member, he/she shall not be allowed to change it subsequently.

**Procedure for voting through postal ballot paper**

The members shall ensure that duly filled and signed ballot paper along with copy of CNIC should reach the chairman of the meeting through post on the Company's address at House No 37, Street No 14, Cavalry Ground, Lahore Cantt., Lahore, or email at [info@daressalaamtextilemills.com](mailto:info@daressalaamtextilemills.com) one day before the day of poll, during working hours. The signature on ballot paper shall match with signature on CNIC.

3. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Rizwan & Company, Chartered Accountants, (a QCR rated audit firm and external auditors of the Company) to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.
4. As per Circular No. 05 of 2020 dated March 16, 2020 read with Circular No. 4 of 2021 dated February 15, 2021; the shareholders may contact the Company at either of following:

Email: [info@daressalaamtextilemills.com](mailto:info@daressalaamtextilemills.com)  
Whatsapp: 0300-4010996  
Mobile: 0300-4010996

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- (b) ویب ایڈریس، لاگ ان تفصیلات اور پاس ورڈ بذریعہ ای میل اراکین کو بھیجا جائے گا۔ سکیورٹی کوڈ CDC شیئر رجسٹر ارسوز لمیٹڈ (اپور ای - ووٹنگ خدمات فراہم کنندہ) کے ویب پورٹل سے اراکین کو بذریعہ SMS بھیجا جائے گا۔
- (c) ای - ووٹنگ کے ذریعے ووٹ کاسٹ کرنے کے خواہش مند اراکین کی شناخت برقی دستخط یا لاگ ان کے لئے تصدیق کے ذریعے کی جائے گی۔
- (d) اراکین 27 ستمبر 2023ء کو صبح 09:00 بجے سے 28 ستمبر 2023ء تک کسی بھی وقت آن لائن ووٹ کاسٹ کر سکتے ہیں۔ ایک رکن قرارداد پر ووٹ کاسٹ کرنے کے بعد اسے میں تبدیلی کا مجاز نہ ہوگا۔

پوسٹل بیلت کے ذریعے ووٹنگ کا طریقہ کار

اراکین یقینی بنائیں گے کہ باقاعدہ ہند اور دستخط شدہ بیلت پیپر بعد نقل شناختی کارڈ کام کے اوقات کار کے دوران رائے شماری سے ایک دن قبل اجلاس کے چیئرمین کو بذریعہ ڈاک کمپنی کے پتہ مکان نمبر 37، گلی نمبر 14، کیولری گراؤنڈ، لاہور کینٹ لاہور یا [info@daressalaamtextilemills.com](mailto:info@daressalaamtextilemills.com) پر بذریعہ ای میل بھیجنا چاہئے۔ بیلت پیپر کے دستخط شناختی کارڈ پر موجود دستخط کے عین مطابق ہونے چاہئیں۔

3. ضوابط کے ضابطہ 11 کے تحت کمپنی کے بورڈ نے اجلاس میں زیر بحث لائے جانے والے خصوصی امور اور ضوابط کے ضابطہ 11A کے تحت دیگر فرانسس سرانجام دینے کے لئے میسرز رضوان اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس (QCR) ریلڈ آڈٹ فرم اور کمپنی کے بیرونی آڈیٹرز) کو کمپنی کا نگران مقرر کیا ہے۔

4. مورخہ 16 مارچ 2020ء کے مراسلہ نمبر 05 اور مورخہ 15 فروری 2021ء کے مراسلہ نمبر 04 کے تحت شیئر ہولڈرز مندرجہ ذیل میں سے کسی پر کمپنی سے رابطہ کر سکتے ہیں:

ای میل: [info@daressalaamtextilemills.com](mailto:info@daressalaamtextilemills.com)

فون: 0300-4010996

موبائل: 0300-4010996



- A** اجلاس میں شرکت کے لئے:
- فر دواحد کی صورت میں اکاؤنٹ ہولڈرز اور/یا ذیلی اکاؤنٹ ہولڈرز اور ان کی رجسٹریشن تفصیلات CDC ضوابط کے تحت شائع ہونی چاہئیں اور اسے اجلاس میں شرکت کے وقت اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کر کے اپنی شناخت ثابت کرنا ہوگی۔
  - کاروباری ادارے کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے مہیا نہ کیا گیا ہو) پیش کرنا ہوگا۔
- B** پراسیسز کی تفریق کے لئے
- فر دواحد کی صورت میں اکاؤنٹ ہولڈرز اور/یا ذیلی اکاؤنٹ ہولڈرز اور ان کی رجسٹریشن تفصیلات CDC ضوابط کے تحت شائع ہونی چاہئیں اور اسے مذکورہ بالا معیارات کے تحت پراسیس فارم جمع کرنا ہوگا۔
  - دو افراد پراسیس فارم کی تصدیق کریں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم میں درج ہوں۔
  - مستفید ہونے والے فرد اور پراسیس کے شناختی کارڈ اور پاسپورٹ کی مصدقہ نقل پراسیس فارم کے ساتھ فراہم کی جائیں۔
  - پراسیس کو اجلاس کے موقع پر اپنا اصلی شناختی کارڈ اور اصلی پاسپورٹ پیش کرنا ہوگا۔
  - کاروباری ادارے کی صورت میں پراسیس فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے مہیا نہ کیا گیا ہو) کمپنی کی جمع کرائے جائیں گے۔
- اپنے فوئیو نمبر اور کمپنی نام کے ہمراہ مذکورہ بالا پتے پر اراکین سے CDS میں book اینٹری سکیو ریٹیز کی صورت میں اپنے متعلقہ شریک/سر مایہ دار اکاؤنٹ سرورسز کو اور طبیی حصص کی صورت میں کمپنی کے رجسٹرار کو مندرجہ ذیل معلومات/دستاویز کے بارے میں اطلاع کرنے یا جمع کرائے کی درخواست کی جاتی ہے:
- اپنے رجسٹرڈ پتے میں تبدیلی کی صورت میں اراکین کو فوراً مطلع کرنے کی درخواست کی جاتی ہے۔
  - فر دواحد کی صورت میں (کارآمد اور جائز شناختی کارڈ/پاسپورٹ کی نقل اور) کاروبارے ادارے کی صورت میں (NTN سرٹیفکیٹ۔ یاد رہے کہ منافع منقسمہ کے وارنٹ جاری کرنے کے لئے شناختی کارڈ نمبر لازمی ہوتا ہے اور ایسی معلومات کی عدم موجودگی کی صورت میں منافع منقسمہ کی ادائیگی روک دی جائے گی۔
  - بینک اکاؤنٹ کے عنوان، بین الاقوامی بینک اکاؤنٹ نمبر (IBAN)، بینک اور برانچ کا نام، برانچ کوڈ اور پتے پر مشتمل ڈیوٹڈ مینڈیٹ معلومات تاکہ آپ کے اکاؤنٹ میں نقد منافع منقسمہ براہ راست منتقل/کریڈٹ کیا جاسکے۔ یاد رہے کہ کمپنیز ایکٹ 2017ء کے سیکشن 242 کے تحت آئندہ سے منافع منقسمہ کی ادائیگی بذریعہ آن لائن بینک ٹرانسفر ہی ہوگی۔
- C** ای۔وونگ/پوسٹ بیلٹ
- کمپنیز ایکٹ 2017ء کے سیکشن 143-145 کے قواعد اور کمپنیز (پوسٹ بیلٹ) ضوابط، 2018ء کی مروجہ شقوں کی پیروی سے مشروط اراکین رائے شماری/پوسٹ بیلٹ کا حق استعمال کر سکتے ہیں۔ اراکین کی سہولت کے لئے اس نوٹس کے ساتھ بیلٹ پیپر منسلک کیا گیا ہے اور ڈاؤن لوڈ کرنے کے لئے یہ بیلٹ پیپر کمپنی کی ویب سائٹ <https://daresalaamtextilemills.com> پر بھی دستیاب ہے۔
- ای۔وونگ کا طریقہ کار
- (a) ای۔وونگ سہولت کی تفصیلات کمپنی کے ان اراکین کے ای میل پر شیئر کی جائیں گی جن کے کارآمد شناختی کارڈ نمبر، بیل نمبر اور ای میل ایڈریس 22 ستمبر، 2023ء کو کاروبار بند ہونے تک کمپنی اراکین کے رجسٹر میں دستیاب ہوں۔

## نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ دارالسلام ٹیکسٹائل ملز لمیٹڈ کے اراکین کا سالانہ اجلاس عام 30 ستمبر 2023ء کو صبح 09:30 بجے صبح کمپنی کے رجسٹرڈ دفتر واقع مکان نمبر 37، گلی نمبر 14، کیولری گراؤنڈ، لاہور کینٹ میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:


عمومی امور:

1. 30 جون 2023ء کو اختتام پذیر سال کے لئے آڈیٹرز اور ڈائریکٹرز کی رپورٹ اس پر جائزہ رپورٹ کے ہمراہ کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کو وصول کرنا، انہیں زیر غور لانا اور اپنانا۔
2. 30 جون 2024ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا مشاہیرہ طے کرنا۔ اراکین کو باضابطہ مطلع کیا جاتا ہے کہ 30 جون 2024ء کو اختتام پذیر سال کے لئے بورڈ آف ڈائریکٹرز اور بورڈ آڈٹ کمیٹی نے میسرز رضوان اینڈ کو چارٹرزڈ اکاؤنٹنٹس کی بطور کمپنی آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

خصوصی امور

3. قرار پایا کہ سیکرٹری رٹیز اینڈ ایکسچینج آف پاکستان کی منظوری اور اجازت سے مشروط کمپنی کے رجسٹرڈ آفس کی صوبہ پنجاب سے صوبہ سندھ یعنی مکان نمبر 37، گلی نمبر 14، کیولری گراؤنڈ، لاہور کینٹ سے 210، دوسری منزل، میرین پوائنٹ، خیابان اقبال کلفٹن بلاک 9، کراچی پاکستان منتقلی کے لئے کمپنی کے اراکین کی رضامندی اور منظوری دی جاتی ہے۔
  4. مزید قرار پایا کہ سیکرٹری رٹیز اینڈ ایکسچینج آف پاکستان کی منظوری اور اجازت سے مشروط کمپنی کے میمورنڈم آف ایسوسی ایشن کی شق 11 میں مندرجہ ذیل تبدیلی و ترمیم کے لئے کمپنی کے اراکین کی رضامندی و منظوری درکار ہے:
- "رجسٹرڈ آفس: کمپنی کا رجسٹرڈ آفس صوبہ سندھ پاکستان میں واقع ہوگا۔"
- مزید قرار پایا کہ کمپنی ایکٹ 2017ء کے سیکشن 199 اوکینیٹرز (ایسوسی ایٹڈ کمپنیوں یا ایسوسی ایٹڈ انڈر ٹیکنگ میں سرمایہ کاری) ضوابط 2017ء کے تحت سپر بورڈ (پرائیویٹ) لمیٹڈ میں قبل ازیں 3.5 ملین روپے کی جاری وصول سرمایہ کاری بمعدہ مارک اپ کی تصحیح کرنا تاکہ بہتر کارپوریٹ گورننس کو یقینی بنایا جاسکے۔
6. چیئرمین کی اجازت سے اجلاس کے سامنے پیش دیگر امور پر بحث کرنا۔
- مذکورہ بالا خصوصی امور کی بابت کمپنی ایکٹ 2017ء کے سیکشن (3) 134 کے تحت اعلامیہ آپ کو بھیجے جانے والے نوٹس اجلاس کے ساتھ منسلک ہے۔

بحکم بورڈ

  
(شاہد امین)

کمپنی سیکریٹری

لاہور: 08 ستمبر 2023ء

مندرجات:

1. سالانہ اجلاس عام کے لئے اراکین کا رجسٹر اور شیئر ٹرانسفر بکس 23-09-2023 تا 30-09-2023 (بشمول دونوں ایام) بند رہیں گی۔ میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، گنجز آرکیڈ K-1 کمرشل، ماڈل ٹاؤن، لاہور، کمپنی کے رجسٹر اور شیئر ٹرانسفر آفس کو 20-09-2023 کو کاروبار بند ہونے تک موصول ٹرانسفرز کو سالانہ اجلاس عام کی غرض سے بروقت وصولی شمار کیا جائے گا۔
- 22-09-2023 تک کمپنی کے اراکین رجسٹر میں ظاہر ہونے والے افراد ہی سالانہ اجلاس عام میں شرکت اور ووٹ کرنے کے اہل ہوں گے۔

## Statements under Section 134(3) of the Companies Act, 2017 concerning the special business to transacted at the Annual General Meeting

### Item 3 and 4 of the Agenda:

Pursuant to Memorandum of Understanding (MOU) with TPL Life Insurance Limited (TPL Life), the Company will explore the possibility of and enter into discussions and negotiations for a potential merger of TPL Life and the Company, by way of a scheme of arrangement. In order to resolve the jurisdictional issues in the High Court for the scheme of arrangement, the board has decided to change the registered office of the Company from the province of Punjab to the province of Sindh. Consequential changes are proposed to be made in the memorandum of association of the Company.

- (i) Existing registered office is located at House No 37, Street No 14, Cavalry Ground, Lahore Cantt., Lahore. Proposed registered office will be 210, 2<sup>nd</sup> Floor, Marine Point, Khayaban -e -Iqbal Clifton Block 9, Karachi Pakistan.
- (ii) The reason for change in registered office is to resolve the jurisdictional issues in the High Court for the scheme of arrangement.
- (iii) Geographical dispersion of the members of the company (of total as well as of those who attended last three annual general meetings) is given below:  
Punjab
- (iv) The Company will be saving the cost of filing scheme of arrangement at two different high court.
- (v) At present no inquiry, inspection or investigation or prosecution has been pending against the company.

### Item 5 of Agenda item

For As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors:

- 1) Abida Mukhtar
- 2) Faisal Mukhtar

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required
<b>(a) Disclosure for all types of Investments</b>		
<b>(A) Disclosure regarding associated company</b>		
(i)	Name of associated company or associated undertaking	Super Bird (Pvt) Limited



(ii)	Basis of relationship	Due to common directorship by the following  1) Abida Mukhtar 2) Faisal Mukhtar																								
(iii)	Earnings per share for the last three years	PKR 4.94% per share for the year 2020 PKR 9.5% per share for the year 2021 PKR 4.42% for the year 2022																								
(iv)	Break-up value per share, based on latest audited financial statements	PKR 20.30																								
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	As per the audited Financial Statements for the year ended June 30, 2022  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right;">PKR in Million</th> </tr> </thead> <tbody> <tr> <td>Authorized Capital</td> <td style="text-align: right;">132.266</td> </tr> <tr> <td>Paid-up capital and reserves</td> <td style="text-align: right;">254.102</td> </tr> <tr> <td> </td> <td></td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">30.000</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">79.020</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">80.020</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">283.102</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">209.438</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">62.894</td> </tr> <tr> <td>Finance Cost</td> <td style="text-align: right;">NIL</td> </tr> <tr> <td>Profit After Tax</td> <td style="text-align: right;">5.847</td> </tr> </tbody> </table>	PKR in Million		Authorized Capital	132.266	Paid-up capital and reserves	254.102	 		Non-Current Liabilities	30.000	Current Liabilities	79.020	Current Assets	80.020	Non-Current Assets	283.102	Revenue	209.438	Gross Profit	62.894	Finance Cost	NIL	Profit After Tax	5.847
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Finance Cost	NIL																									
Profit After Tax	5.847																									
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations.	Not applicable																								
<b>(B) General Disclosures</b>																										
(i)	Maximum amount of investment to be made	Loan facility up to PKR 3.5 Million (Already made & recovered).																								
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To support the functionality and operations of the associated undertaking and to investment Company's funds at an attractive rate of mark-up for a further period of one year.																								
(iii)	Sources of funds to be utilized for investment.	Already given/Own sources of the Company and fully recovered.																								
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	TOR was approved by Board of Directors																								
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  Directors 1) Abida Mukhtar 2) Faisal Mukhtar																								

(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	A loan of an aggregate amount of up to PKR3.5 million has already been granted and recovered along with mark up @ 15.36%.
(vii)	Any other important details necessary for the members to understand the transaction	None
<b>(b) Additional Disclosures regarding Loan Investment</b>		
(i)	Category-wise amount of investment	Loan amounting to PKR 3.5 Million (Already made & recovered).
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	The average borrowing cost of investing company is 0.0%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	15.36 % per annum but not less than the borrowing cost
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security was obtained owing to a small amount.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	None
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The Loan will be repayable within a year and was fully recovered.

## CHAIRMAN'S REVIEW

As we conclude another financial year, it is my great pleasure to present the review report as mandated by Section 192 of the Companies Act, 2017, for the year ended June 30, 2023. This report aims to illuminate the Company's performance and the pivotal role played by the Board of Directors in guiding the management towards fulfilling its responsibilities for the betterment of our valued stakeholders.

Throughout this year, the Company has steadfastly adhered to the execution of its new business strategy while diligently working to earn income. Initially, the Company successfully ventured into the trading business, demonstrating its ability to adapt and thrive. Nevertheless, in light of a strategic opportunity that has emerged, the Company has chosen to pursue a merger as the move towards profitability and sustainability.

We remain resolute and unwavering in our commitment to our shareholders and stakeholders. We believe that our strategic decisions will lead us to a brighter future, one in which our Company not only thrives but also contributes positively to the economic landscape.

I am confident that the Company will successfully execute its new strategy and attain its set goals.

### Overall performance of the Board

According to the requirements of the Companies Act, 2017 and Code of Corporate Governance, the Directors have performed their duties diligently and effectively in the best interest of the Company.

For the purpose of Board evaluation, a comprehensive criterion has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2023 and I report that:

The overall performance of the Board for the year, measured on the basis of approved criteria, was satisfactory.

Secretaries of all Committees conducted annual evaluation and for which questionnaire were circulated to members to give their explanation and feedback on performance of the Committee.

During the year; the Board played an effective role in managing the affairs of the Company in the following manner:

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as laid down in the Code and shall ensure to implement the requirements of new Code in its true letter and spirit;
  - The Board performed their duties and reviewed, discussed and approved business strategies,
-



corporate objectives, plans, financial statements and other reports. Members received clear and complete agendas and relevant written material in sufficient time prior to Board and committee meetings;

- The Board has ensured that members of the Board and its respective committees possess adequate skills, experience and knowledge to manage the affairs of the Company. The Board shall ensure that the directors shall be provided with the requisite training to enable them to perform their duties in an effective manner to ensure that directors seek certification in accordance with the Code;
- The Board recognizes that well defined corporate governance processes is vital in enhancing corporate accountability and is committed to ensure high standards of corporate governance to preserve and maintain stakeholder value;
- The Board has a clear understanding of the stakeholders (shareholders, employees, vendors, society at large) whom the Company serves. The Board has a strategic vision of how the Organization should evolve over the next three to five years. Further, the Board sets annual goals and targets for the management in all major performance areas;
- All the significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision-making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendations of the Audit Committee;
- The Board has ensured that the sound system of internal controls is in place; and
- The Board has complied with all the regulatory requirements and acted in accordance with the applicable laws and best practices.

### **Acknowledgement**

Being the Chairman of the Board, I would like to thank all our Board members for their commitment and contribution. I will remain firmly committed to ensure that the Company complies with all the relevant provisions of the Code and other regulations and ensuring that our management team continues to take decision that will create value for you in the short, medium and long term.

Lahore  
September 08, 2023

  
Faisal Mukhtar  
Chairman

## DIRECTORS' REPORT

The Directors of Dar es Salaam Textile Mills Limited ("the Company") take pleasure in presenting the 33<sup>rd</sup> Annual Accounts for the year ending June 30<sup>th</sup>, 2023.

It has been a challenging yet transformative period for our company, one marked by resilience, adaptability, and a steadfast commitment to creating value for our shareholders. In lieu of recent events, we feel it's important to reiterate the effort of the management and to speak about the journey over the past decade.

In the wake of the company's shutdown, our management embarked on a determined journey to revive the entity. Pakistan faced numerous economic and political challenges during this period, and these challenges added an extra layer of complexity to our revival efforts. Our original core business of textiles had become increasingly unsustainable in the face of these economic woes. To compound our challenges, we were confronted with the urgent need to settle our debt, as the company was highly leveraged. Despite the economic uncertainty, we executed strategic decisions to divest our plant and machinery. This move allowed us to settle a portion of the debt, reassuring our lenders and demonstrating our commitment to reducing liabilities. In subsequent years, despite the challenges posed by the COVID-19 pandemic, the management successfully leased out the unit and initiated the process of settling one of its main creditors. Our management believed that substantial income could be generated through rentals, leading to a strategic shift towards converting the company into a leasing and warehousing property business, dealing in all kinds of immovable property. During this period, our management also considered the option of selling the land and building, given the company's high level of indebtedness. Eventually, an offer was received to dispose of our land and building at a price that allowed the company to settle all of its debt, except for director's loan.

Due to the management's continuous efforts, they were able to save funds that allowed them to work towards ensuring the revival of the company and give time to work towards the right strategy. Initially, as per the EOGM held in 2021, the intention was to pivot towards real estate and rental as a means to capitalize on market opportunities. However, the economic landscape presented new challenges, including escalating property prices and a slowdown in economic activity. In response to the volatile market conditions and political instability, the board wisely decided to reevaluate the real estate strategy, prioritizing prudent decision-making and risk management. Navigating the uncertainties of the economic and political environment, the board announced a strategic shift towards trading in the EOGM held in 2023. Simultaneously, the management remained vigilant in seeking opportunities for potential mergers or acquisitions that could enhance the company's prospects.

Amid political and economic instability, the management is pleased to inform you that they have identified an avenue for growth through a merger with a promising entity. This strategic move is expected to not only strengthen the company but also create significant value for our minority shareholders. As the management moves forward, it remains vigilant in the face of ongoing economic and political uncertainties. Their commitment to resilience, agility, and prudent decision-making remains unwavering. They will continue to focus on creating sustainable value for our shareholders, mitigating risks, and exploring opportunities for growth despite the turbulent business landscape.

I want to express my gratitude to our dedicated team, loyal shareholders, and all stakeholders who have supported us throughout this journey. Together, we are laying the foundation for a promising future for Dar es Salaam Textile.

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The Company earned net loss of PKR 11.92 million for the period ended June 30<sup>th</sup> 2023, with a negative EPS of PKR 1.48 per share vis-à-vis net profit of PKR 228.96 million and EPS of PKR 28.62 per share in the corresponding period. The financial position of the Company does not allow to propose any dividend for the shareholders.

Description	June 30,	June 30,
	2023(PKR)	2021(PKR)
Sales	-	-
Other Income *	7,377,874	374,233,654
Admin & Operating Expenses	(17,460,538)	(15,586,090)
Operating Profit /(Loss)	(10,082,664)	230,994,593
Finance costs	(1,835,718)	(368,011)
Income tax expense		(1,666,413)
Profit/(loss) after taxation	(11,918,382)	228,960,169
Earnings Per share	(1.49)	28.62

### Corporate Social Responsibility (CSR)

The Company gives high priority to its social responsibilities and is committed to the highest standards of corporate behaviour despite of the fact that it has increased its cost of doing business. The Company believes in having shared value and having healthy work place. Since the operations of the Company have been suspended for the time being hence much monetary spending on CSR initiatives is not being carried out. The Company upon implementation of its alternate business plans aims to continue its CSR initiatives in the areas of healthcare, education, environment protection, water and sanitation, child welfare, infrastructure development and other social welfare activities.

### Related Party transactions

All related party transactions during the financial year ended on June 30, 2023 were placed before the Audit Committee and the Board for their review and subsequently approved. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

### Remuneration Policy of non-executive directors

Due to the financial conditional of the Company, no remuneration is paid to Non-Executive and Independent Directors for attending the Board and Committee meetings of the Company.

### Corporate and Financial Reporting Framework

The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flow and changes in equity. The Company is committed to good corporate governance and financial statements together with notes have been drawn up with in conformity with the provisions of the Companies Act, 2017. International Financial Reporting Standards have been followed in preparation of these financial statements and accounting policies have been consistently applied in preparation of the financial statements.



### Compliance with the Code of Corporate Governance

The requirement of the Code of Corporate Governance set out by the Listed Companies (Code of Corporate Governance) Regulations, 2019 were duly complied with and a statement to this effect is attached with the report.

### The Board of Directors

The Board of Directors is composed of seven members, with statutory representation of different category of directors, which include independent directors, non-executive directors and executive directors as required by the Listed Companies (Code of Corporate Governance) Regulations, 2017. The Board is responsible for making strategic decisions with respect to important management matters, including execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating matters according to established criteria: assessing risks and giving due consideration to ground realities. The Board is also responsible for supervising and monitoring conduct guidelines. The composition of Board of Directors (the Board) is as follows:

Category	Names
Independent Directors	Mr. Muhammad Gul Nawaz Mr. Muhammad Yousaf Khan
Non-executive Directors	Mr. Faisal Mukhtar Mrs. Mahwesh Faisal Mukhtar Mr. Ejaz Hussain
Executive Directors	Mrs. Nilofar Mukhtar Ms. Abida Mukhtar

The Board of directors has established Audit Committee as well as HR and Remuneration Committee in compliance with the Code of Corporate Governance which comprises of the following members, no. of meetings by each member is also given:

### Audit Committee Meeting and Attendance

During the year four meetings of the audit committee of the company were held; attendance by each member is as under

Sr. No	Name	Attendance
1.	Mr. Muhammad Gul Nawaz	4
2.	Mrs. Mahwesh Faisal Mukhtar	4
3.	Mr. Muhammad Yousaf	4

### HR and Remuneration Committee

During the year, one meeting of HR and Remuneration Committee of the company was held; attendance by each member is as under.

Sr. No	Name	Attendance
1.	Mr. Muhammad Yousaf	1
2.	Mrs. Mahwesh Faisal Mukhtar	1
3.	Mr. Ejaz Hussain	1

### Internal Financial Controls

A system of sound internal control is established and implemented at all levels within the Company. The system of internal control is sound in design for ensuring achievement of company's objectives, operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

### Financial Statements

The financial statements of the company have been duly audited and signed by the auditors of the Company, M/S Rizwan & Company Chartered Accountants, and their report is attached with the financial statements. Auditors of the Company have given an adverse opinion despite the discussions that the pandemic resulted in the withdrawals of from potential deals by two interested parties. The response of your directors with respect to the same are as follows:

Reservation	Justification
<p>a) The Company ceased its operations since 2014 and did not earn any revenue during the year under review. As at reporting date; the Company's accumulated loss stood at Rupees 98.707 million (2022: Rupees 86.789 million) against paid up capital of Rupees 80.000 million and had disposed off all of its operating fixed assets to settle its obligations towards its lenders and trade and other creditors. The Company has recently sought approval from shareholders on June 27, 2023 to change its object clause and change the name of the Company to "DTM Limited" and to implement revised alternate business plan which is highly dependent upon financial support of the sponsors of the Company. However, the sponsors of the Company, out of total financial support of Rupees 143 million approximately provided over the period of time, have withdrawn loan of Rupees 34.924 million (2022: Rupees 36.515 million) during the year in such financial distressed faced by the Company and contrary to the Company's plan to revive the Company. These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Because of the circumstances and events as mentioned herein, in our opinion, the Company cannot be considered to be a going concern and thus the preparation of these financial statements on a going concern basis is inappropriate.</p>	<p>As per the requirements of IAS-1, Financial statements should be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.</p> <p>This is clearly not the case, as iterated in the report above, the management has tirelessly worked to revive, settle, and spinoff the highly leveraged entity. With the change in the line of business to trading, the management was aiming to revive the company via its trading activities. Nevertheless, when the opportunity for growth arose through a merger with a promising entity, the management opted for it. It believes that it is the best way forward and is especially beneficial for the minority shareholders.</p> <p>The sponsors have injected millions of rupees without charging any interest and collateral. In just the past six turbulent years, it has injected over PKR 143 million, interest free, and not only settled the debt through their personal properties, but also provided money to the Company to meet its day-to-day management. In lieu of the loan amount being withdrawn, we do not believe that it portrays further distress to the continuity of the business. The monies withdrawn do not have an impact on</p>



	<p>the business plan shared and notwithstanding that, the sponsors have only withdrawn loan amount for an interim period. The sponsors are, and have been, steadfast in ensuring the revival of the Company and will provide loan to the Company, whenever required.</p> <p>The directors of the Company gear up to implement revised alternate business plan to ensure revival of the Company by starting trading business with the approval of the shareholders in EOGM held on June 27, 2023. The management has successfully completed few transactions amounting to approx. PKR 2.4 million and is hoping to convert the Company into a profitable entity in a short span of time as number of orders are in pipelines. Simultaneously, the management has remained vigilant in seeking opportunities for potential mergers or acquisitions that could enhance the company's prospects. Thus, the management is confident that the assessment of using the going concern assumption in preparation of financial statements is correct.</p>
<p>b) During the year 2022; the Company recognised loan from sponsor amounting to Rupees 42.5 million in lieu of settlement of liabilities by then sponsor with certain trade creditors in September 2014 under a Settlement Agreement which was recognised in the financial statements for the year ended June 30, 2022 by charging the amount to other operating expenses for which no underlying record was provided to us except for Settlement Agreement. During the year; the management provided underlying ledgers pertaining to financial years 2014 and 2015 to substantiate the write backs of credit balances were incorporated in those financial statements along with copy of an affidavit signed by the surviving parties to the Settlement Agreement in current date. However, we were unable to verify settlement of the amounts independently from respective parties / stakeholders except for the copies of settlement agreement and an affidavit. The effect of this matter has not been adjusted appropriately in current or preceding financial statements.</p>	<p>The sponsor had given his personal asset to settle the company's liability, therefore, the amount of settlement should have been record in the books of accounts as loan from sponsor on September 03, 2014. However, the amount was not recognized in the financial statements at relevant time. The creditors have given written confirmation of the settlement of their liabilities due from company. The Company recognized the liability amounting to Rs.42.5 million based on the legal agreement and underlying record to reflect a true and fair picture in the financial statements. The Company has provided the settlement agreement between the sponsor and creditors, underlying ledgers and affidavit from creditors, verified by the Oath Commissioner to the auditor, however, they still choose to qualify the same.</p>
<p>c) Trade and other payables of Rupees 10.754 million as disclosed in note 11 includes creditors and other liabilities amounting to Rupees 5.082 million which could not be verified in absence of complete</p>	<p>Most of these amounts are older than five-years and are time barred in accordance with the Limitation Act. In addition to that, these trade and other payables are owned to traders / farmers that</p>

<p>underlying records, non-circularisation of confirmations letters to the parties and through alternate procedures. The cumulative effect of this matter has neither been determined nor adjusted in these financial statements.</p>	<p>have limited booking keeping abilities. Therefore, most of these individuals / companies are not able to provide written confirmations. Nevertheless, the management provided details and address of parties for confirmation</p>
<p>d)Till June 30, 2022; the Company, based on legal opinion, had not recognised liability in respect of Workers' Welfare Fund amounting to Rupees 5.032 million in accordance with the provisions of the "The Punjab Workers Welfare Fund Act, 2019" as applicable in the Province of the Punjab to which we disagree. The cumulative effect of this matter has not been adjusted appropriately in such financial statements.</p>	<p>There is a difference of opinion between the management and the auditors. The management obtained a legal opinion regarding the recognition of the liability with respect to workers' welfare fund. As per legal opinion obtained by the management, the Company does not fall under the definition of establishment - as the Entity does not employ workmen directly or through a contractor and since 2014 onwards for reason of having seized its operations. Therefore, it clearly does not fall within the definition of 'establishment' as stipulated under the Punjab Worker's Welfare Fund Act, 2019 and is not liable to pay the same. The legal counsel has opined that the Company is neither required to provide provision nor liable to make payment on account of Workers welfare fund.</p>
<p>e) We could not verify the unclaimed dividend payable pertaining to financial years ended on June 30, 2000 and June 30, 2001 amounting to Rupees 1.160 million in absence of underlying record with the Company.</p>	<p>The Company issued dividends during the financial year 2000 and 2001. As per the practice the amount of dividend was deposited in the escrow account with Habib Bank, Corporate Branch Upper Mall. At that time there was no record maintained by the banks about the dividend warrants encashed. Therefore, the Company does not have any records about the shareholders who have not presented their dividend warrants for encashment. However, during the past two decades, the management has paid dividend to those shareholders who have presented their original dividend warrants. However, an amount of Rs.1.160 million remained unclaimed which is reflected in the financial statements.</p>

As highlighted earlier, the management of the Company is in process of restructuring and considers the adverse opinion to be unmerited.

### Pattern of Shareholding

The Company is listed on Pakistan Stock Exchange Limited. The pattern of shareholding as at June 30, 2023 along with disclosure as required under the Code of Corporate Governance is included in this Annual Report. The Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children have not traded in the shares of the Company.



### **Statutory Auditors of the Company**

The present auditors' M/S Rizwan & Company, Chartered Accountants will retire on conclusion of Annual General Meeting being held on Saturday, September 30<sup>th</sup>, 2023. As suggested by the Audit Committee, the Board of Directors has recommended the re-appointment of retiring auditors, M/S Rizwan & Company, Chartered Accountants for the year ending June 30, 2024 subject to rotation of the Engagement Partner.

### **Directors' remuneration package**

Due to the various challenges faced by the company in the past, the Chief Executive Officer and the directors do not take any remuneration, perks and /or any other incentives.

### **Subsequent Event**

Subsequent to reporting date; the Company has executed a Memorandum of Understanding on September 04, 2023 with M/S TPL Life Insurance Limited to explore the possibility of and enter into discussions and negotiations for potential merger of TPL Life Insurance Limited and the Company, by way of a Scheme of Arrangement. The proposed transaction, if contemplated, would revive the Company in the best interest of all the stakeholders including its members.

Apart from above; there is no other material changes or commitments affecting the financial position of the Company have occurred between the end of financial year of the Company and date of this report except for matter referred in the financial statements.

### **Chairman's Review**

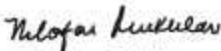
The accompanied Chairman's review deals with the performance of the Company for the year ended June 30, 2023 and future outlook. The directors endorse the contents of the review.

### **Acknowledgement**

Yours directors record with appreciation, the efforts of the company's managers, who have worked vigorously to meet the target. Your directors also extend their appreciation to the company's banker, buyers and suppliers for their cooperation.

### **For and Behalf of the Board**

  
**Abida Mukhtar**  
Chief Executive Officer

  
**Nildfar Mukhtar**  
Director

Lahore: September 08, 2023

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## شیر ہولڈنگ کی وضع

کمپنی پاکستان سٹاک ایکسچینج میں درج ہے۔ 30 جون 2023ء تک گوڈ آف کارپوریٹ گورننس کے تحت شیر ہولڈنگ کی وضع بعد اظہار سالانہ رپورٹ ہذا میں شامل کی گئی ہے۔ ڈائریکٹرز، CFO، CEO، کمپنی سیکریٹری، داخلی آڈٹ کے سربراہ اور ان کے اہلیان اور کم سن بچے کمپنی کے حصص کی تجارت میں شامل نہیں رہے۔

## کمپنی کے قانونی آڈیٹرز

حالیہ آڈیٹرز میسرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس 30 ستمبر 2023ء بروز اتوار کو منعقد ہونے والے سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی کی تجاویز پر بورڈ آف ڈائریکٹرز نے 30 جون 2024ء کو اختتام پذیر سال کے لئے ان کو کمپنی کا آڈیٹرز دوبارہ مقرر کرنے کی سفارش کی ہے۔

## ڈائریکٹرز کے معاوضے کا بیج

ماشی میں کمپنی کو پیش آنے والے متحدہ چیلنجز کے باعث چیف ایگزیکٹو آفیسر اور ڈائریکٹرز نے کوئی معاوضہ، مراعات اور/یا دیگر فوائد نہیں لئے ہیں۔

## مابعد واقعات

رپورٹنگ کی تاریخ کے بعد کمپنی نے 4 ستمبر 2023ء کو میسرز TPL انٹرنیشنل لمیٹڈ کے ساتھ ایک سمجھوتے کی یادداشت پر دستخط کئے ہیں تاکہ کمپنی اور TPL انٹرنیشنل لمیٹڈ کے ساتھ ممکنہ انضمام کے لئے مذاکرات کے دروازے کھولے جاسکیں۔ اگر عمل میں آجاتا ہے تو مجوزہ لین وین اسٹیک ہولڈرز بشمول اراکین کے مفادات کی خاطر کمپنی کی بحالی میں مدد دیں گے۔

مذکورہ بالا کے علاوہ کمپنی کی مالیاتی حالت پر اثر انداز ہونے والی مادی تبدیلیاں یا عہد کمپنی کے مالیاتی سال کے اختتام اور رپورٹ کی تاریخ کے دوران سامنے نہیں آئے ہیں۔ ماسوائے ان معاملات کے جنہیں مالیاتی اسٹیٹمنٹس میں پیش کیا گیا ہے۔

## چیرمین کا تجزیہ

منسلک چیرمین کی جائزہ رپورٹ 30 جون 2023ء کو اختتام پذیر سال کے لئے کمپنی کی کارکردگی اور مستقبل کے منظر نامہ کا احاطہ کرتی ہے۔ ڈائریکٹرز نے تجزیہ کے متن کو تسلیم کیا ہے۔

## اظہار تشکر

آپ کے ڈائریکٹرز کمپنی کے منجریز، پیکینیشن، عملے اور وکرز کی کوششوں کو سراہتے ہیں جنہوں نے اہداف کو پورا کرنے کے لئے ان تھک محنت کی۔ آپ کے ڈائریکٹرز کمپنی کے منجریز، خریداروں اور سپلائرز کے تعاون پر بھی تہہ دل سے شکر یہ ادا کرتے ہیں۔

منجانب/ برائے بورڈ

Mulofar Kulkarni  
نیلو فر مختار  
ڈائریکٹر

عابد مختار  
چیف ایگزیکٹو آفیسر

لاہور: 08 ستمبر 2023ء



<p>سپانسر نے اپنے ذاتی اثاثہ جات کمپنی کے واجبات ادا کرنے کے لئے دیئے لہذا ادائیگی کی رقم 03 ستمبر 2014 کو سپانسر سے حاصل قرض کی بابت کھاتوں میں شامل کیا جانا چاہئے تھا۔ البتہ مقررہ وقت پر مالیاتی اسٹیٹمنٹس میں رقم کو شامل نہیں کیا جاسکا۔ کریڈٹرز نے کمپنی کی جانب سے ان کو واجب الادا واجبات کی تحریری تصدیق کی۔ کمپنی نے قانونی معاہدے اور موجودہ ریکارڈ کی بنیاد پر 42.5 ملین روپے کے واجبات کو تسلیم کیا اور مالیاتی اسٹیٹمنٹس میں ان کی بالکل درست اور منصفانہ عکاسی کی گئی۔ کمپنی سپانسر اور کریڈٹرز کے مابین سٹیلٹس ایگریمنٹ، متعلقہ لیجرز اور اتھورائٹیز سے تصدیق شدہ کریڈٹرز کے حلقے نامے آڈیٹر کو پیش کئے البتہ انہوں نے اسے کوالیفائی کرنے کا انتخاب کیا۔</p>	<p>(b) مالیاتی سال 2022ء کے دوران کمپنی نے سٹیلٹس ایگریمنٹ کے تحت اس وقت کے سپانسر سے حاصل قرضہ کے واجبات کی ادائیگی کے لئے سپانسر سے 42.5 ملین روپے کا قرضہ حاصل کیا جنہیں 30 جون 2022 کو اختتام پذیر سال کی مالیاتی اسٹیٹمنٹس وغیرہ اخراجات کے ضمن میں شامل کیا گیا جس کے لئے ہمیں سٹیلٹس ایگریمنٹ کے علاوہ کوئی معقول ریکارڈ فراہم نہیں کیا گیا۔ مذکورہ سال کے دوران انتظامیہ نے کریڈٹ بینکس کے رائٹ بیک کے ثبوت کے طور پر مالیاتی سال 2014 اور 2015 کے لیجر فراہم کئے جنہیں متعلقہ مالیاتی اسٹیٹمنٹس میں شامل کیا گیا اور باقی رہ جانے والے فریقین کے حلقے نامے کی ایک نقل حالیہ تاریخ کے ساتھ سٹیلٹس معاہدہ کے ساتھ منسلک کی گئی۔ البتہ ہم سٹیلٹس ایگریمنٹ حلقے نامے کی نقول کے علاوہ ادائیگی کی رقم کی متعلقہ فریقین/اسٹیٹیک ہولڈرز سے آزادانہ تصدیق نہ کر سکے۔ اس معاملے کو حالیہ اور سابقہ مالیاتی اسٹیٹمنٹس میں مناسب انداز میں ایڈجسٹ نہ کیا گیا ہے۔</p>
<p>زیادہ تر رقم پانچ سال پرانی ہیں اور کمپنیشن ایکٹ کے تحت تاخیر کے ذمے میں آتی ہیں۔ مزید برآں، یہ تجارتی و دیگر واجبات ایسے تاجروں/کسانوں کی ملکیت ہیں جن کو کھاتے تیار کرنے میں دشواری ہوتی ہے۔ لہذا ان میں سے زیادہ تر افراد کمپنیاں تحریری ثبوت پیش کرنے میں ناکام رہے ہیں۔</p>	<p>(c) 10,754 ملین روپے مالیت کے تجارتی و دیگر واجبات نوٹ 11 میں درج کئے گئے ہیں جس میں قرض خواہان کے اور دیگر واجبات کی مالیت 5,082 ملین روپے کی توثیق ریکارڈ کی عدم دستیابی، فریقین کو تصدیقی خط کی عدم ترسیل اور متبادل ذرائع کے باعث نہ ہو سکی۔ اس معاملہ کے مجموعی اثر کا حال تعین نہیں ہو سکا اور نہ ہی انہیں مالیاتی اسٹیٹمنٹس میں ظاہر کیا گیا ہے۔</p>
<p>انتظامیہ اور آڈیٹرز کے مابین اختلاف رائے ہے۔ انتظامیہ نے ورکرز ویلفیئر فنڈ کی بابت واجبات کو تسلیم کرنے کی بابت قانونی مشورہ حاصل کیا تھا۔ قانونی رائے کے مطابق کمپنی پنجاب ورکرز ویلفیئر فنڈ ایکٹ 2019ء کے تحت قیام کی تعریف کے دائرہ میں نہیں آتی۔ کیونکہ ادارے کے پاس افرادی قوت نہ ہے اور نہ ہی کمپنی کے کوئی کنٹریکٹرز ہیں۔ اور اس کی وجہ سے سال 2014ء کمپنی کی آپریشنز کی بندش ہے۔ وکیل نے مشورہ دیا ہے کہ کمپنی ورکرز ویلفیئر فنڈ کے تحت کسی قسم کی رقم دینے کی پابند نہ ہے۔</p>	<p>(d) 30 جون 2022ء تک کمپنی نے قانونی رائے کی بنیاد پر صوبہ پنجاب میں رانج پنجاب ورکرز ویلفیئر فنڈ ایکٹ 2019ء کے تحت ورکرز ویلفیئر فنڈ کی بابت 5,032 ملین روپے کی بابت ذمہ داری کو قبول نہیں کیا جس پر ہم عدم اتفاق کرتے ہیں۔ اس معاملے کے مجموعی اثرات کو ان مالیاتی اسٹیٹمنٹس میں مناسب انداز میں ایڈجسٹ نہیں کیا گیا ہے۔</p>
<p>چونکہ کمپنی صنعتی سرگرمیوں کا حصہ نہیں ہے لہذا انتظامیہ کی نظر میں ورکرز پرافٹ پارٹیشن فنڈ کو ان مالیاتی اسٹیٹمنٹس میں ظاہر نہیں کیا جاسکتا۔ مزید برآں کمپنی پرافٹس (ورکرز پارٹیشن) ایکٹ 1968ء کی تعریف کے تحت کمپنی نے کوئی ملازم بھرتی نہیں کیا ہے۔</p>	<p>(e) کمپنی پرافٹ (ورکرز پارٹیشن) ایکٹ 1968ء کے تحت کمپنی نے 1,300 ملین روپے کے ورکرز پروفٹ پارٹیشن فنڈ کے ضمن میں واجبات کو تسلیم نہیں کیا۔ اس معاملے کے اثرات کو ان مالیاتی اسٹیٹمنٹس میں مناسب انداز میں ایڈجسٹ نہیں کیا گیا ہے۔</p>
<p>کمپنی نے مالیاتی سال 2000 اور 2001 میں منافع منقسمہ کا اعلان کیا تھا۔ کئی برسوں تک منافع منقسمہ کا معمولی حصہ واجب الادا رہا۔ گزشتہ دو دہائیوں کے دوران کمپنی انتظامیہ نے شیئر ہولڈرز کی درخواست پر ڈیویڈنڈ وارنٹس ادا کئے ہیں۔</p>	<p>(e) کمپنی ریکارڈ کی عدم دستیابی کے باعث ہم 30 جون 2000 اور 2001 کو اختتام پذیر مالیاتی سالوں سے متعلق 1,160 ملین روپے کا واجب الادا دعویٰ منافع منقسمہ کی تصدیق نہیں کر سکے۔ مزید برآں، کمپنی کمپنیز ایکٹ 2017ء کے سیکشن 244 کے معیارات کی تعمیل کے لئے اقدامات نہ اٹھا سکی۔</p>

جیسا کہ پہلے بیان کیا گیا ہے کمپنی کی انتظامیہ ری سٹرکچرنگ کے عمل میں ہے اور غیر تسلی بخش رائے کو میرٹ لیس سمجھتی ہے۔

تفصیلات	جواب
(a) کمپنی نے 2014ء اپنے آپریٹنگ بند رکھے ہوئے ہیں اور زیر جائزہ سال میں اس نے کوئی آمدنی حاصل نہ کی ہے۔ رپورٹنگ کی تاریخ تک 80,000 ملین روپے ادا شدہ سرمایہ کے مقابلے میں کمپنی کا مجموعی خسارہ 98,707 ملین روپے (86,789:2022) ملین روپے رہا۔ کمپنی نے اپنے تمام آپریٹنگ مستقل اثاثہ جات اپنے قرض خواہان اور ٹریڈرز کو واجبات کی ادائیگی کے لئے فروخت کر دیے ہیں۔ کمپنی نے حال ہی میں 27 جون، 2023ء کو کمپنی کا نام "DTM لمیٹڈ" سے تبدیل	IAS-1 کے اصولوں کے مطابق مالیاتی اسٹیٹمنٹس جاری کاروباری بنیاد پر تیار کی جانی چاہئیں تاہم تکنیکہ انتظامیہ ادارے کو تحلیل کرنے کا ارادہ نہ رکھے یا تجارت بند کر دے اور اس کے پاس ایسا کرنے کے لئے کوئی قابل عمل متبادل نہ ہو۔ واضح طور پر یہ ایسا معاملہ نہیں، مذکورہ بالا رپورٹ کے مطابق انتظامیہ نے انتہائی کمزور ادارے کی بحالی، قیام اور آپریشن کے لئے ان تھک محنت کی ہے۔ کاروباری نوعیت کو تجارت میں تبدیل کر کے انتظامیہ اپنی تجارتی سرگرمیوں سے کمپنی کو بحال کرنے کے لئے
کرنے اور آجیکٹ کلارز میں ترمیم اور نظر ثانی شدہ متبادل کاروباری منصوبے پر عمل درآمد کے لئے شیئر ہولڈرز کی منظوری طلب کی ہے۔ جس کا زیادہ تر انحصار کمپنی کے سپانسرز کی مالیاتی معاونت پر ہے۔ البتہ، کمپنی کے سپانسرز نے کل مالیاتی امداد میں سے تقریباً 143 ملین روپے وقتاً فوقتاً فراہم کئے ہیں اور کمپنی کو درپیش مالیاتی مسائل کے باعث مذکورہ سال کے دوران کمپنی نے 34,924 ملین روپے (36,515:2022) ملین روپے) قرضہ حاصل کیا ہے جو کمپنی کی بحالی کے منصوبہ کے برعکس ہے۔ یہ حالات دو واقعات کمپنی کی کاروبار جاری رکھنے کی صلاحیت سے متعلق بے یقینی اور شبہات پیدا کر سکتے ہیں۔ مذکورہ بالا حالات واقعات کی وجہ سے ہماری رائے میں کمپنی کو جاری کاروبار کی حیثیت سے شمار نہیں کیا جاسکتا لہذا جاری کاروبار کی بنیاد پر ان مالیاتی اسٹیٹمنٹس کی تیاری کو نامناسب قرار دیا جاتا ہے۔	کوشاں تھی۔ باوجودیکہ، جو نئی معروف ادارے کے ساتھ انضمام کے ذریعے نمو کے لئے مواقع میسر آئیں گے تو انتظامیہ اس سے مستفید ہوگی۔ کمپنی کو یقین ہے کہ آگے چلنے کے لئے یہ بہترین اقدام ہے جو خصوصاً اقلیتی شیئر ہولڈرز کے لئے سود مند ہے۔ سپانسرز نے انٹرسٹ اور ضمانت میں تبدیلی کے بغیر لاکھوں روپے کی سرمایہ کاری کی ہے۔ صرف گذشتہ چھ مشکل ترین سالوں میں انہوں نے بلا سو 143 ملین روپے کا سرمایہ لگایا ہے۔ انہوں نے نہ صرف اپنی ذاتی املاک کے ذریعے قرض ادا کئے ہیں بلکہ کمپنی کو روزمرہ کے امور سرانجام دینے کے لئے فنڈز مہیا کئے ہیں۔ قرض کی رقم نکالنے کی بابت، ہم یہ یقین نہیں رکھتے کہ کاروبار جاری رکھنے پر بوجھ بڑھا ہے۔ نکالی گئی رقم صرف جاری کئے گئے کاروباری پلان پر اثرات مرتب نہیں کرتیں کیونکہ سپانسرز نے صرف محدود مدت کے لئے قرض کی رقم نکالی ہے۔ سپانسرز کمپنی کی بحالی کو یقینی بنانے کے لئے پرامید ہیں اور وہ کمپنی کو ضرورت کے مطابق قرض بھی فراہم کریں گے۔ کمپنی کے ڈائریکٹرز نظر ثانی شدہ کاروباری منصوبے پر عمل درآمد کے لئے تیار ہیں تاکہ 27 جون، 2023ء کو منعقدہ EOGM میں شیئر ہولڈرز کی جانب سے منظور شدہ ٹریڈنگ بزنس کو شروع کر کے کمپنی کی بحالی کو یقینی بنایا جاسکے۔ انتظامیہ تقریباً 2.4 ملین روپے کی چند ٹرانزیکشنز مکمل کرنے میں کامیاب ہوئی ہے اور اس قلیل مدت میں کمپنی کو منافع بخش ادارہ بنانے کے لئے پرعزم ہے کیونکہ کئی آرڈر بھی قطار میں ہیں۔ اسی طرح سے، انتظامیہ ممکنہ انضمام یا حصول کے مواقع تلاش کرنے کے لئے کوششیں کر رہی ہے جو کمپنی کے امکانات کو روشن کر سکتے ہیں۔ لہذا انتظامیہ پرامید ہے کہ مالیاتی اسٹیٹمنٹس کی تیاری میں جاری کاروبار کے مفروضے کا جائزہ بالکل درست ہے۔

درجہ	نام
خود مختار ڈائریکٹرز	مسٹر محمد گل نواز مسٹر محمد یوسف خان
نان ایگزیکٹو ڈائریکٹرز	مسٹر فیصل مختار مسز مہوش فیصل مختار مسٹر اعجاز حسین
ایگزیکٹو ڈائریکٹر	مسز نیلو فر مختار مس عابدہ مختار

بورڈ نے کوڈ آف کارپوریشن گورننس کی تعمیل میں ایک آڈٹ کمیٹی اور ایچ آر اینڈ ریورنیشن کمیٹی قائم کی ہے جو مندرجہ ذیل اراکین پر مشتمل ہے۔ ہر رکن کی اجلاس میں حاضری کی تفصیل بھی حسب ذیل ہے۔

#### آڈٹ کمیٹی کے اجلاس اور حاضری

سال بھر میں آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر رکن کی حاضری حسب ذیل ہے:

نمبر شمار	نام	حاضری
1	مسٹر محمد گل نواز	4
2	مسز مہوش فیصل مختار	4
3	مسٹر محمد یوسف	4

#### ایچ آر اینڈ ریورنیشن کمیٹی

سال بھر میں ایچ آر اینڈ ریورنیشن کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر رکن کی حاضری حسب ذیل ہے:

نمبر شمار	نام	حاضری
1	مسٹر محمد یوسف	1
2	مسز مہوش فیصل مختار	1
3	مسٹر اعجاز حسین	1

#### داخلی مالیاتی نظم و نسق

کمپنی میں ہر سطح پر داخلی نظم و نسق کا مربوط سسٹم قائم اور نافذ کیا گیا ہے۔ داخلی نظم و نسق کا مربوط سسٹم کمپنی کے مقاصد، آپریشنل کارکردگی اور اثربندی، قابل بھروسہ مالیاتی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں کی تعمیل کو یقینی بناتا ہے۔

#### مالیاتی ایسٹیمٹس

کمپنی کی مالیاتی ایسٹیمٹس کی باقاعدہ پڑتال کی گئی ہے اور کمپنی کے آڈیٹرز میسرز رضوان اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اس کی تصدیق کی ہے۔ آڈیٹرز کی رپورٹ ان مالیاتی ایسٹیمٹس کے ساتھ منسلک ہے۔ عالمگیر باکے باعث دو دلچسپی رکھنے والے فریقین کی جانب سے ممکنہ ذیل سے دستبرداری پر تبادلہ خیال کے باوجود کمپنی کے آڈیٹرز نے منفی رائے دی ہے۔ اس ضمن میں آپ کے ڈائریکٹرز کا جواب مندرجہ ذیل ہے:



230,994,593	(10,082,664)	آپریٹنگ نفع / ( نقصان )
(368,011)	(1,835,718)	قرضوں پر لاگت
(1,666,413)		انکم ٹیکس اخراجات
228,960,169	(11,918,382)	نفع / ( نقصان ) علاوہ ٹیکسیشن
28.62	(1.49)	فی حصص آمدنی

### کاروباری و سماجی ذمہ داری (CSR)

کمپنی اپنی سماجی ذمہ داریوں کو ترجیح دیتی ہے اور اس حقیقت کے قطع نظر اس کاروباری رویہ کے اعلیٰ معیار کو برقرار رکھنے کے لئے پرعزم ہے کہ کاروباری کرنے کی لاگت میں اضافہ ہو گیا ہے۔ کمپنی منافع کی تقسیم اور کام کے صحت مند ماحول کو برقرار رکھنے پر یقین رکھتی ہے۔ چونکہ کمپنی کے آپریشنز تاحال معطل ہیں لہذا CSR سرگرمیوں پر قوم کا تصرف عمل میں نہیں لایا جا سکا۔ متبادل کاروباری منصوبے پر عمل درآمد کے بعد کمپنی صحت، تعلیم، ماحولیاتی تحفظ، پانی اور کھانسی آب، بچوں کی تندرستی، بہبود، بنیادی ڈھانچے کی ترقی اور دیگر سماجی بہبود کے کاموں میں CSR سرگرمیوں کا آغاز کر دے گی۔

### متعلقہ فریق سے لین دین

30 جون 2023ء کو اختتام پذیر مالیاتی سال کے دوران متعلقہ فریقین سے لین دین کے تمام امور نظر ثانی کے لئے آڈٹ کمپنی اور بورڈ کے سامنے رکھے گئے اور انہیں منظور کیا گیا۔ لین دین کے ان امور پر آڈٹ کمپنی نے نظر ثانی کی اور بورڈ نے انہیں منظور کیا۔ لین دین کے یہ تمام امور بورڈ سے منظور شدہ متعلقہ فریقین کے لئے ٹرانسفر پرائسنگ طریق عمل اور پالیسی کے عین مطابق عمل میں لائے گئے۔

### متعلقہ فریقین سے لین دین

30 جون 2023ء کو اختتام پذیر مالیاتی سال کے دوران متعلقہ فریقین سے لین دین کو نظر ثانی اور مابعد منظوری کے لئے آڈٹ کمپنی اور بورڈ کے سامنے پیش کیا گیا۔ یہ تمام لین دین بورڈ کے منظوری شدہ ٹرانسفر پرائسنگ طریقہ ہائے کار اور متعلقہ فریقین کے لئے پالیسی کے تحت عمل میں لایا گیا۔

### نان- ایگزیکٹو ڈائریکٹری کے معاوضہ پالیسی

کمپنی کی مالیاتی حالت کے باعث نان ایگزیکٹو اور خود مختار ڈائریکٹرز کو کمپنی کے بورڈ اور کمیٹیوں کے اجلاس میں شرکت کے لئے کوئی معاوضہ ادا نہ کیا گیا۔

### کاروباری و مالیاتی رپورٹنگ فریم ورک

کمپنی کی انتظامیہ کی تیار کردہ مالیاتی اسٹیٹمنٹس کاروباری امور کی بہترین، آپریشنز سے حاصل نتائج، پیش فلوا اور ایکویٹی میں تبدیلی کی بہترین عکاسی کرتی ہیں۔ کمپنی بہتر کارپوریٹ گورننس کے لئے پرعزم ہے اور نوٹس کے ہمراہ مالیاتی اسٹیٹمنٹس کمپنیز ایکٹ 2017ء کے قواعد کی تعمیل میں مرتب کی گئی ہیں۔ بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز کو ان مالیاتی اسٹیٹمنٹس کی تیاری میں بروئے کار لایا گیا ہے اور ان کی تیاری میں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔

### کوڈ آف کارپوریٹ گورننس کی تعمیل

اسٹیٹمنٹس (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تحت وضع کردہ کوڈ آف کارپوریٹ گورننس کے معیارات پر باقاعدہ عمل درآمد کیا گیا اور اس بابت ایک بیان رپورٹ کے ساتھ منسلک ہے۔

### بورڈ آف ڈائریکٹرز

اسٹیٹمنٹس (کوڈ آف کارپوریٹ گورننس) ضوابط 2017ء کے تحت مختلف کنگڈم کے ڈائریکٹرز کی قانونی نمائندگی کے لحاظ سے بورڈ آف ڈائریکٹرز 7 اراکین پر مشتمل ہے جس میں ایک خود مختار ڈائریکٹر، نان ایگزیکٹو ڈائریکٹرز اور ایگزیکٹو ڈائریکٹرز شامل ہیں۔ بورڈ اہم انتظامی امور بشمول قانون کے مطابق اہم کاروباری سرگرمیوں اور دیگر امور کے نفاذ کے لئے فیصلہ سازی کرنے کا پابند ہے۔ طے شدہ معیار، خطرات کے تعین اور زبانی حقائق کو مد نظر رکھنے کے بعد فیصلے یا ہی رضامندی سے کئے جاتے ہیں۔ بورڈ ہدایات پر عمل درآمد کی نگرانی کے لئے بھی ذمہ دار ہے۔ بورڈ آف ڈائریکٹرز (بورڈ) کی ترکیب حسب ذیل ہے:

## ڈائریکٹرز کی رپورٹ

30 جون 2023ء کو اختتام پذیر سال کے لئے دارالسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز تینتیسویں (33 ویں) سالانہ نکھاتے ازراہ مسرت پیش کرتے ہیں۔

### اقتصادی منظر نامہ

یہ ہماری کمپنی کے لئے چیلنجنگ اور اصلاحاتی دورانیہ رہا ہے جو بحالی، موافقت اور عظیم ارادے سے بھرپور تھا تا کہ اپنے شیئرز ہولڈرز کو منافع دیا جاسکے۔ حالیہ واقعات کی روشنی میں ہمیں انتظامیہ کی کوششوں کی قدر کرنی چاہئے اور ایک پر محیط سفر پر سیر حاصل بحث کرنی چاہئے۔

کمپنی کے بند ہونے کو دیکھا جائے تو ہماری انتظامیہ نے ادارے کی بحالی کے سفر میں اپنے عزم کو مزید مضبوط کیا۔ پاکستان نے اس دورانیے میں کئی معاشی و سیاسی چیلنجز کا سامنا کیا اور ان چیلنجز نے ہماری بحالی کی کوششوں میں مزید مشکلات پیدا کیں۔ ان معاشی تناہ کاروں کے باعث ٹیکسٹائل کا ہمارا بنیادی کاروبار بہت تیزی سے عدم استحکام کا شکار ہو رہا ہے۔ ہمارے چیلنجز میں قرضوں کی فی الفور واپسی سرفہرست ہے کیونکہ کمپنی قرضوں کے بوجھ تلے دبی ہوئی ہے۔ معاشی بے یقینی کے باوجود، ہم نے اپنے پائمنٹ اور شیئرز کی فروخت پر کئے گئے اسٹریٹجک فیصلوں پر عمل درآمد کیا۔ اس پیش رفت سے ہمیں قرضوں کا کچھ حصہ ادا کرنے، اپنے قرض دہندگان کو یقین دہانی کرانے اور واجبات کم کرنے کے ہمارے عزم کے اظہار میں مدد ملی۔ باعہد سالوں میں، کروڈائٹس و باکے اثرات سے پیدا مشکلات کے باوجود انتظامیہ نے پونٹ کو کامیابی سے لیز پر دیا اور اپنے سب سے بڑے قرض خواہ کو قرض کی ادائیگی کا آغاز کیا۔ ہماری انتظامیہ یقین رکھتی ہے کہ کرایہ داری کے ذریعے نمایاں آمدنی حاصل کی جاسکتی ہے اور جس سے کمپنی کی بنیادی کاروباری سرگرمی کو غیر منقولہ املاک کی لیزنگ اور ویز ہاؤسنگ پر اپنی بزنس میں تبدیل کیا جاسکتا ہے۔ اس دورانہ میں، کمپنی پر ہماری قرضوں کے بوجھ کے پیش نظر ہماری انتظامیہ نے اراضی اور عمارت کو فروخت کرنے کے انتخاب پر بھی غور کیا۔ نتیجتاً، ہماری اراضی اور عمارت کو خریدنے کے لئے ایسی قیمت پر پیشکش ہوئی جس سے کمپنی ڈائریکٹرز کے قرضے کے علاوہ باقی تمام قرضے ادا کرنے کے قابل ہو جائے گی۔

انتظامیہ کی لگاؤ کوششوں کے باعث، وہ سرمایے کی بچت کرنے میں کامیاب ہوئے جس سے انہیں کمپنی کی بحالی اور درست سمت میں وقت صرف کرنے میں مدد ملی۔ ابتدا کی طور پر 2021ء میں منعقدہ EOGM کے تحت مارکیٹ کے مواقع سے آمدنی حاصل کرنے کے ذریعے کے طور پر رینٹل اسٹیٹ اور رینٹل بزنس میں جانے کا ارادہ تھا۔ البتہ، معاشی دھارے نے نئے چیلنجز پیش کئے جس میں پر اپنی کی قیمتی میں اضافہ اور معاشی سرگرمیوں میں سست روی شامل ہے۔ منڈی کے غیر مستحکم حالات اور سیاسی بے یقینی کے پیش نظر بورڈ نے رینٹل اسٹیٹ حکمت عملی پر نظر ثانی کا دانشدہانہ فیصلہ کرتے ہوئے معقول فیصلہ سازی اور رسک منیجمنٹ پر ترجیح دی۔ معاشی و سیاسی ماحول میں بے یقینی کو ایک طرف رکھتے ہوئے، بورڈ نے 2023ء میں منعقد ہونے والی EOGM میں تجارت کی جانب سفر کا اعلان کیا۔ اسی طرح سے، انتظامیہ ممکنہ انضمام یا حصول کے مواقع تلاش کرتی رہی جو کمپنی کے امکانات کو روشن کر سکتے تھے۔

معاشی و سیاسی عدم استحکام کے باعث انتظامیہ بھد مسرت آپ کو آگاہ کرتی ہے کہ انہوں نے نمونے کے لئے ایک معروف ادارے کے ساتھ انضمام کا ایک موقع دریافت کیا ہے۔ اس حکمت عملی سے نہ صرف کمپنی مضبوط ہوگی بلکہ ہمارے اقلیتی شیئرز ہولڈرز کو بھی منافع ملے گا۔ بحالی، تجرک اور معقول فیصلہ سازی پر ان کا عزم غیر متزلزل ہے۔ وہ مشکل ترین کاروباری ماحول کے باوجود اپنے شیئرز ہولڈرز کو دائمی منافع دینے پر توجہ جاری رکھیں گے اور خطرات کے تدارک اور نمونے کے مواقع حاصل کرنے کی کوشش کریں۔

میں اپنے با حوصلہ نم، وفادار شیئرز ہولڈرز اور تمام اسٹیک ہولڈرز کا شکر گزار ہوں جنہوں نے اس سفر میں ہمارا ساتھ دیا۔ ہم سب مل کر دارالسلام ٹیکسٹائل ملز کے روشن مستقبل کے لئے بنیاد بنا رہے ہیں۔

کمپنی نے گذشتہ برس میں 228.96 ملین روپے خاص منافع اور 28.62 روپے فی حصص آمدنی کے مقابلے میں 30 جون 2023ء کو اختتام پذیر سال کے لئے 11.92 ملین روپے کا خسارہ اور منفی 1.48 روپے فی حصص آمدن درج کی۔

تفصیل	30 جون 2023ء (روپے)	30 جون 2022ء (روپے)
فروخت	-	-
دیگر آمدنی*	7,377,874	374,233,654
انتظامی و بحالی اخراجات	(17,460,538)	(15,586,090)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
To the Members of Dar es Salaam Textiles Mills Limited**

**Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dar es Salaam Textiles Mills Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of Regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions, with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

**Reference Paragraph Description**

- |             |  |
|-------------|--|
| 19.1        | Appropriate arrangements for orientation courses and training for the directors have not been carried out.                                 |
| 19.2        | The positions of the Chief Financial Officer and Company Secretary are held by one person contrary to the requirements of the Regulations. |
| 15 and 19.3 | The Company has not yet decided to fill the vacancy in the office of Internal auditor since November 01, 2019.                             |
| 18          | The Company's independent directors were not selected from the data bank as required under Section 166 of the Companies Act, 2017.         |

**Rizwan & Company**  
Chartered Accountants

Engagement Partner: Imran Bashir

Lahore: September 08, 2023



**Statement of Compliance with Listed Companies  
(Code of Corporate Governance) Regulations, 2019  
Dar es Salaam Textile Mills Limited For the year ended June 30, 2023**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as the Regulations) in the following manner:

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as the Regulations) in the following manner:

1. The total number of directors are seven (7) as per the following:

- a) Male: Four (4)
- b) Female: Three (3)

2. The composition of Board of Directors (the Board) is as follows:

Category	Names
Independent Directors	Mr. Muhammad Gul Nawaz Mr. Muhammad Yousaf Khan
Non-executive Directors	Mr. Faisal Mukhtar Mrs. Mahwesh Faisal Mukhtar Mr. Ejaz Hussain
Executive Directors	Mrs. Nilofar Mukhtar Ms. Abida Mukhtar

Code of corporate governance requires that the company's Independent director shall be higher of two or one third (2.33) of its total Directors (7). However, fraction (0.33) contained in one-third number for independent director has not been rounded up as one, as the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. No director is duly certified or exempted, from the Directors' Training Program.
10. There was no fresh appointment of Chief Financial Officer, Company Secretary or Head of Internal Audit during the year ended June 30, 2023. The Board has approved the remuneration of Chief Financial Officer and Company Secretary and complied with relevant requirements of the Regulations; the position of Head of Internal Audit remained vacant from November 01, 2019 till date.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:

Name of Committees	Names of members and chairman	
Board Audit Committee	Mr. Muhammad Gul Nawaz	Chairman
	Mrs. Mahwesh Faisal Mukhtar	Member
	Mr. Muhammad Yousaf Khan	Member
Human Resource and Remuneration Committee	Mr. Muhammad Yousaf Khan	Chairman
	Mrs. Mahwesh Faisal Mukhtar	Member
	Mr. Ejaz Hussain	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the Committees are as follows:

Name of Committees	Frequency of meetings
Board Audit Committee	Quarterly
Human Resource and Remuneration Committee	Yearly

15. The Board had set up an internal audit function; however, during the year the internal audit department remained unfunctional because of vacancy in the office of Head of Internal Audit since November 01, 2019.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of

the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with except for:

**Regulation**

Regulation 6

**Explanation**

The Company's independent director's meet all the criteria of independence laid down in the Act, however, their names were not listed on the data bank mentioned under Section 166 of the Companies Act, 2017 as at 30<sup>th</sup> June 2023. Nonetheless, post 30<sup>th</sup> June 2023, their names were entered into the databank of the PICG. The Board is of the opinion that the independent directors do not have any relationship, whether pecuniary or otherwise, and are being able to exercise independent judgement without being subservient to any conflict of interest.

19. Explanations for non-compliance with the requirements other than of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 are as follows:

- 19.1 The management is taking steps to arrange training for the directors under Directors Training Program as well as orientation course of the directors. The Company is committed to comply with this requirement and is planning to arrange the Directors' Training Program as per requirements of the Regulations.
- 19.2 The positions of the Chief Financial Officer and the Company Secretary have been held by the same person as the Company is not in position to appoint separate person for each position of Chief Financial Officer and Company Secretary considering the quantum of work and financial health of the Company owing to closure of business and operations of the Company.
- 19.3 The position of Head of Internal Audit Function remained vacant during the year as referred to paragraph 15 and the management of the Company is of the view that vacancy shall be filled upon implementation of alternate business plan and revival of the Company.



(Faisal Mukhtar)

Chairman



(Abida Mukhtar)

Chief Executive Officer



**INDEPENDENT AUDITORS' REPORT**  
**To the members of Dar Es Salaam Textile Mills Limited**  
**Report on the Audit of Financial Statements**

**Adverse Opinion**

We have audited the annexed financial statements of Dar Es Salaam Textile Mills Limited ("the Company"), which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, because of significance of the matter discussed in the Basis for Adverse Opinion section of our report, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs for the year ended June 30, 2023 and of the loss, other comprehensive loss, changes in equity and its cash flows for the year then ended.

**Basis for Adverse Opinion**

- a) The Company ceased its operations since 2014 and did not earn any revenue during the year under review. As at reporting date; the Company's accumulated loss stood at Rupees 98.707 million (2022: Rupees 86.789 million) against paid up capital of Rupees 80.000 million and had disposed-off all of its operating fixed assets to settle its obligations towards its lenders and trade and other creditors. The Company has recently sought approval from shareholders on June 27, 2023 to change its object clause and change the name of the Company to "DTM Limited" and to implement revised alternate business plan which is highly dependent upon financial support of the sponsors of the Company. However, the sponsors of the Company, out of total financial support of Rupees 143 million approximately provided over the period of time, have withdrawn loan of Rupees 34.924 million (2022: Rupees 36.515 million) during the year in such financial distressed faced by the Company and contrary to the Company's plan to revive the Company. These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Because of the circumstances and events as mentioned herein, in our opinion, the Company cannot be considered to be a going concern and thus the preparation of these financial statements on a going concern basis is inappropriate.
  - b) During the year 2022; the Company recognised loan from sponsor amounting to Rupees 42.5 million in lieu of settlement of liabilities by then sponsor with certain trade creditors in September 2014 under a Settlement Agreement which was recognised in the financial statements for the year ended June 30, 2022 by charging the amount to other operating expenses for which no underlying record was provided to us except for Settlement Agreement. During the year; the management provided underlying ledgers pertaining to financial years 2014 and 2015 to substantiate the write backs of credit balances were incorporated in those financial statements along with copy of an affidavit signed by the surviving parties to the Settlement Agreement in current date. However, we were unable to verify settlement of the amounts independently from respective parties / stakeholders except for the copies of settlement agreement and an affidavit. The effect of this matter has not been adjusted appropriately in current or preceding financial statements.
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- c) Trade and other payables of Rupees 10.754 million as disclosed in note 11 includes creditors and other liabilities amounting to Rupees 5.082 million which could not be verified in absence of complete underlying records, non-circularisation of confirmations letters to the parties and through alternate procedures. The cumulative effect of this matter has neither been determined nor adjusted in these financial statements.
- d) Till June 30, 2022; the Company, based on legal opinion, had not recognised liability in respect of Workers' Welfare Fund amounting to Rupees 5.032 million in accordance with the provisions of the "The Punjab Workers Welfare Fund Act, 2019" as applicable in the Province of the Punjab to which we disagree. The cumulative effect of this matter has not been adjusted appropriately in such financial statements.
- e) We could not verify the unclaimed dividend payable pertaining to financial years ended on June 30, 2000 and June 30, 2001 amounting to Rupees 1.160 million in absence of underlying record with the Company.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

#### **Key Audit Matters**

Except for the matter described in the Basis for Adverse Opinion Section; we have determined that there are no other key audit matters to communicate in our report.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. As described in the basis for adverse opinion section of our report, we have concluded that the other information is materially misstated for the same reason.

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) Except for the matters referred in basis of Adverse Opinion Section; proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Except for the matters referred in basis of Adverse Opinion; the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Except for the matters referred in basis of Adverse Opinion; expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Bashir.

Lahore: September 08, 2023

UDIN: AR2023101404nZNoYu35

  
**Rizwan & Company**  
Chartered Accountants


**Statement of Financial Position**  
As at June 30, 2023

	Note	2023 (Rupees)	2022
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Equipment	6	134,050	129,500
Long term deposits	7	27,025	27,025
		<u>161,075</u>	<u>156,525</u>
<b>Current Assets</b>			
Advances and other receivables	8	1,243,341	8,522,185
Receivable against sale of property		-	111,133,814
Short term investment	9	60,000,000	10,000,000
Advance income tax		972,725	1,518,440
Bank balances	10	70,993	142,550
		<u>62,287,059</u>	<u>131,316,989</u>
<b>Current liabilities</b>			
Trade and other payables	11	10,754,334	31,271,257
Unpaid dividend	12	1,159,777	1,159,777
Income tax payable	20	-	1,666,413
		<u>11,914,111</u>	<u>34,097,447</u>
<b>Working capital employed</b>		<u>50,372,948</u>	<u>97,219,542</u>
<b>NET CAPITAL EMPLOYED</b>		<u>50,534,023</u>	<u>97,376,067</u>
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Share capital	13	80,000,000	80,000,000
Accumulated loss		(98,706,971)	(86,788,589)
Loan from sponsors	14	69,240,994	104,164,656
<b>TOTAL EQUITY</b>		<u>50,534,023</u>	<u>97,376,067</u>
<b>Contingencies and commitments</b>	15		

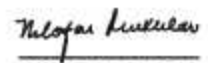
The annexed notes from 1 to 29 form an integral part of these financial information.



Abida Mukhtar  
Chief Executive Officer



Shahid Amin Chaudhry  
Chief Financial Officer



Nilofar Mukhtar  
Director

Lahore: September 08, 2023

**Profit and Loss Account**  
for the year ended June 30, 2023

	Note	2023 (Rupees)	2022
Revenue		-	-
Cost of revenue		-	-
<b>Gross (loss)/profit</b>		-	-
Other income	16	7,377,874	374,233,654
Administrative expenses	17	(13,357,798)	(15,586,090)
Other operating expenses	18	(4,102,740)	(127,652,971)
<b>Operating (loss) / profit</b>		(10,082,664)	230,994,593
Finance costs	19	(1,835,718)	(368,011)
<b>(Loss) / profit before taxation</b>		(11,918,382)	230,626,582
Income tax expense	20	-	(1,666,413)
<b>(Loss)/ profit after taxation</b>		(11,918,382)	228,960,169
<b>Earnings per share</b>	21	(1.490)	28.620

The annexed notes from 1 to 29 form an integral part of these financial information.

Lahore: September 08, 2023

  
Abida Mukhtar  
Chief Executive Officer

  
Shahid Amin Chaudhry  
Chief Financial Officer

  
Nilofar Mukhtar  
Director



**Statement of Comprehensive Income**  
for the year ended June 30, 2023

	<b>2023</b>	<b>2022</b>
	<b>(Rupees)</b>	
(Loss) / Profit after taxation	<b>(11,918,382)</b>	228,960,169
Other comprehensive income / (loss)	-	-
<b>Total comprehensive (loss) / income</b>	<b><u>(11,918,382)</u></b>	<b><u>228,960,169</u></b>

The annexed notes from 1 to 29 form an integral part of these financial information.

Lahore: September 08, 2023

  
**Abida Mukhtar**  
Chief Executive Officer

  
**Shahid Amin Chaudhry**  
Chief Financial Officer

  
**Nilofar Mukhtar**  
Director

### Statement of Changes in Equity for the year ended June 30, 2023

	Share capital	Accumulated loss	Capital Reserve		Total
			Revaluation surplus	Loan from sponsors	
(Rupees)					
<b>Balance as at June 30, 2021</b>	80,000,000	(322,412,058)	6,663,300	98,179,536	(137,569,222)
Profit after taxation	-	228,960,169	-	-	228,960,169
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income	-	228,960,169	-	-	228,960,169
Transfer of revaluation surplus	-	6,663,300	(6,663,300)	-	-
<i>Transaction with Sponsors</i>					
Adjustment against loan (Note 15.2)	-	-	-	42,500,000	42,500,000
Repayment of loan - net	-	-	-	(36,514,880)	(36,514,880)
	-	-	-	5,985,120	5,985,120
<b>Balance as at June 30, 2022</b>	80,000,000	(86,788,589)	-	104,164,656	97,376,067
Loss after taxation	-	(11,918,382)	-	-	(11,918,382)
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income	-	(11,918,382)	-	-	(11,918,382)
<i>Transactions with sponsors</i>					
Repayment of loan - net	-	-	-	(34,923,662)	(34,923,662)
<b>Balance as at June 30, 2023</b>	<b>80,000,000</b>	<b>(98,706,971)</b>	<b>-</b>	<b>69,240,994</b>	<b>50,534,023</b>

The annexed notes from 1 to 29 form an integral part of these financial information.



**Abida Mukhtar**  
Chief Executive Officer



**Shahid Amin Chaudhry**  
Chief Financial Officer



**Nilofar Mukhtar**  
Director

Lahore: September 08, 2023

### Statement of Cash Flows for the year ended June 30, 2023

	Note	2023 (Rupees)	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before taxation		(11,918,382)	230,626,582
<b>Adjustments for non-cash charges/items:</b>			
Gain on disposal of investment property	16	-	(233,109,000)
Depreciation	6	57,450	18,500
Waiver of markup on long term and short term borrowings	16	-	(90,981,514)
Waiver of loan amount upon settlement	16	-	(2,460,931)
Credit balances written back	16	-	(35,425,364)
Recognition of unrecognised liability - Sponsors loan		-	42,500,000
Debit balances written off	18	45,772	18,907,105
Finance costs	19	1,835,718	368,011
		<u>1,938,940</u>	<u>(300,183,193)</u>
<b>Cash flows before working capital changes</b>		<b>(9,979,442)</b>	<b>(69,556,611)</b>
<b>Cash flow from working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
Advances and other receivables		118,366,886	(3,822,171)
<b>Increase / (decrease) in current liabilities:</b>			
Trade and other payables		(20,516,923)	(58,133,155)
<b>Changes in working capital</b>		<b>97,849,963</b>	<b>(61,955,326)</b>
<b>Cash generated / (used in) from operating activities</b>		<b>87,870,521</b>	<b>(131,511,937)</b>
Income tax paid		(1,120,698)	(1,518,440)
Finance costs paid		(1,835,718)	(11,096,350)
<b>Net cash generated / (used in) operating activities</b>		<b>84,914,105</b>	<b>(144,126,727)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Additions in equipment		(62,000)	(148,000)
Short term investment		(50,000,000)	(10,000,000)
Proceeds against sale of Investment property		-	463,866,186
<b>Net cash (used in) / generated from investing activities</b>		<b>(50,062,000)</b>	<b>453,718,186</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of loan from sponsors - net		(34,923,662)	(36,514,880)
Repayment of long term borrowings		-	(158,407,459)
Repayment of short term borrowings		-	(116,219,348)
<b>Net cash (used in) financing activities</b>		<b>(34,923,662)</b>	<b>(311,141,687)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(71,557)</b>	<b>(1,550,228)</b>
Cash and cash equivalents at the beginning of the year		142,550	1,692,778
<b>Cash and cash equivalents at the end of the year</b>	10	<b>70,993</b>	<b>142,550</b>

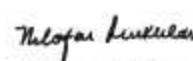
The annexed notes from 1 to 29 form an integral part of these financial information.



**Abida Mukhtar**  
Chief Executive Officer



**Shahid Amin Chaudhry**  
Chief Financial Officer



**Nilofar Mukhtar**  
Director

Lahore: September 08, 2023



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**Notes to the Financial Information**  
for the year ended June 30, 2022**1 THE COMPANY AND ITS OPERATIONS**

Dar Es Salaam Textile Mills Limited ("the Company") was incorporated in Pakistan on September 28, 1989 as public unlisted company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company is situated at House No. 37, Street 14, Cavalry Ground, Lahore. The Company is listed on Pakistan Stock Exchange. The Company was principally engaged in the business of manufacturing and sale of yarn. The shareholders of the Company in their extraordinary general meeting held on June 27, 2023 decided to change its main business object to engage in general trading activities and also to change the name of the Company to "DTM Limited".

**2 GOING CONCERN ASSUMPTION**

The Company has closed its operations since 2014 and reported loss after taxation of Rupees 11.918 million during the period and its accumulated losses stood at Rupees 98.707 million (2022: Rupees 86.789 million) against paid up capital of Rupees 80 million (2022: Rupees 80 million). The Company had disposed off its all operating fixed assets including, freehold land, building, plant and machinery and other assets and has settled liabilities towards lenders and other creditors in accordance with the approval of the shareholders. Securities and Exchange Commission of Pakistan has dropped show cause proceedings initiated under Section 301 of the Companies Act, 2017 for winding up of the Company and has provided time period of one year from October 20, 2022 to implement alternate business plan and revive the Company. These factors may raise doubts that company will be able to continue as a going concern.

As of reporting date, the sponsors of the Company have expressed their commitment to provide financial support to the Company. Additionally the management of the Company has taken following steps to mitigate the adverse financial indicators.

- The shareholders of the Company in their general meeting has held on June 27, 2023 has approved to change its main object to general trading activities in order to implement revised alternate business plan and also decided to change the name of the Company to "DTM Limited" from Dar es Salaam Textile Mills Limited. The management is currently completing the process of corporate and regulatory formalities for change of Object Clause and Change of Name; and
  - Subsequent to reporting date; the Company has started trading activity to revive the Company.
  - The board is currently also evaluating to explore various options, including but not
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necessarily limited to seeking potential investments, joint venture, strategic alliance / partnership etc.

In view of the above, these financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability in the future as per revised alternate business plan and availability of adequate working capital through support from sponsors. Consequently; the financial statements do not include any adjustment relating to the realisation of the assets and liquidation of its liabilities that might be necessary would the Company be unable to continue as a going concern.

### **3 BASIS OF PREPARATION**

#### **3.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for certain liabilities carried at amortised cost. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

#### **3.2 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs) 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 provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

#### **3.3 Functional and presentation currency**

These financial statements are presented in Pak rupee, which is the functional and presentation currency for the Company.

#### **3.4 Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

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Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3.5 Significant accounting judgments and critical accounting estimates / assumptions**

The preparation of financial statements in conformity with the approved accounting standards require 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. Revisions to accounting estimates are recognized in the period in which estimate is revised and in any future periods affected. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

#### **a) *Taxation***

In making the estimates for current income taxes payable by the Company, the management considers the applicable laws and the decisions / judgments of

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appellate authorities on certain issues in the past. Accordingly, the recognition of deferred tax is also made taking into account these judgments and the best estimates of future results of operations of the Company.

**b) Useful lives, patterns of economic benefits and impairments**

Management has made estimates of residual values, useful lives and recoverable amounts of certain items of equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of equipment with a corresponding effect on the depreciation charge and impairment loss.

**b) Allowance for expected credit loss for advances and other receivables**

The Company reviews its advances and other receivables at each reporting date to assess whether allowance should be recorded in the statement of profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

**c) Contingencies**

The Company has disclosed its contingent liabilities for the pending litigations and claims against the Company based on its judgment and the advice of the legal advisors for the estimated financial outcome. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date. However, based on the best judgment of the Company and its legal advisors, the likely outcome of these litigations and claims is remote and there is no need to recognize any liability at reporting date.

**4 CHANGES IN ACCOUNTING STANDARDS INTERPRETATIONS AND PRONOUNCEMENTS**

**4.1 New or amendments /interpretations to existing standards, interpretations and forthcoming requirements**

There are certain new or amended standards and interpretations that are mandatory for accounting periods beginning on or after July 01, 2022, but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these financial statements.

**4.2 Standards, interpretations and amendments to published approved accounting and reporting standards that are not yet effective**

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The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2023:

- Classification of liabilities as current or non-current (Amendments to IAS 1 in January 2020) apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a Liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of Liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of Liability for at Least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a Long-term basis are no Longer relevant for the classification of a Liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
  - Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022) aims to improve the information an entity provides when its right to defer settlement of a Liability for at Least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a Liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a Liability as current or non-current. Covenants with which the company must comply after the reporting date (i..e. future covenants) do not affect a Liability's classification at that date. However, when non-current Liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those Liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).
  - Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
    - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
-



- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.
- The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the Initial Recognition Exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax Liability for temporary differences arising on initial recognition of a Lease and a decommissioning provision. For Leases and decommissioning Liabilities, the associated deferred tax asset and Liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022) adds subsequent measurement requirements for sale and Leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-Lessee includes variable Lease payments when it measures a Lease Liability arising from a sale-and-Leaseback transaction.

After initial recognition, the seller-Lessee applies the general requirements for

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subsequent accounting of the Lease Liability such that it recognizes no gain or Loss relating to the right of use it retains. A seller-Lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after January 01, 2024 with earlier application permitted.

- Under IAS 8, a seller-Lessee will need to apply the amendments retrospectively to sale-and-Leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-Leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable Lease payments. If an entity (a seller-Lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) amend accounting treatment on Loss of control of business or assets. The amendments also introduce new accounting for Less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above standards, interpretations and amendments are not Likely to have an impact on the Company's financial statements.

## 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIE

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 5.1 Taxation

#### *Current*

Provision for taxation is based on taxable income at current rates after taking into account tax rebates, exemption and credits available, if any or minimum tax on turnover or alternate corporate tax on accounting profit and tax paid under final tax regime under relevant provisions of Income Tax Ordinance, 2001. The charge for current tax also includes adjustments to tax payable, where considered necessary, in respect of previous years. The amount of unpaid income tax in respect of annual or prior periods is recognized as liability and any excess paid over what is due in respect of current or prior periods is recognized as an asset.

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### ***Deferred***

Deferred tax is recognized using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation by the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognizes a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax relating to items recognized outside the statement of profit or loss is recognized outside statement of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

## **5.2 Loans and borrowings**

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transactions costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in statement of profit or loss over the period of borrowings on effective interest rate.

## **5.3 Trade and other payables**

Liabilities for trade and other amounts payable are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received.

## **5.4 Provisions and contingencies**

A provision is recognized in financial statements when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation. Provision is recognized at an amount that is the best estimate of an expenditure required to settle the present obligation at the reporting date. Where outflow of resources embodying economic benefits is not probable, or where reliable estimate of the amount of obligation cannot be made. A contingent liability

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is disclosed, unless the possibility of outflow is remote.

## 5.5 Equipment

### *Owned*

Equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Residual value and the useful life of assets are reviewed at each financial year end and if expectations differ from previous estimates the change is accounted for as change in accounting estimate in accordance with IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance costs are charged to the statement of profit or loss as and when incurred.

### *Depreciation*

Depreciation is charged to the statement of profit or loss using the reducing balance method so as to write off the cost over the expected useful life of assets at rates, which are disclosed in notes to the financial statements. Depreciation on additions to equipment is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

### *De-recognition*

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense in the statement of profit or loss.

## 5.6 Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime expected credit losses that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts are written off when considered irrecoverable.

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## **5.7 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and current accounts held with banks.

## **5.8 Advances and prepayments**

These are initially recognized at cost, which is the fair value of consideration given. Subsequent to the initial recognition assessment is made at each reporting date to determine whether there is an indication that a financial asset or group of assets may be impaired. If such indication exists, the estimated recoverable amount of that asset or group of assets is determined and any impairment losses recognized for the difference between the recoverable amount and the carrying value.

## **5.9 Financial instruments**

### **5.9.1 Initial Recognition**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value, amortised cost or cost as the case may be.

#### **a) Classification of financial assets**

The Company classifies its financial instruments at fair value through profit and loss, at fair value through other comprehensive income, or at amortised cost. The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are recognised subsequently at amortised cost. Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at 'fair value through other comprehensive income'. By default, all other financial assets are subsequently measured at 'fair value through profit or loss'.

#### **b) Classification of financial liabilities**

The Company classifies its financial liabilities at fair value through profit or loss, or at

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amortised cost. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Company has opted to measure them at fair value through profit or loss.

### **5.9.2 Subsequent measurement**

Financial assets and liabilities at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the statement of profit or loss and other comprehensive income in the period in which they arise. Where management has opted to recognise a financial liability at fair value through profit or loss, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at fair value through profit or loss.

### **5.9.3 Impairment of financial assets at amortised cost**

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

### **5.9.4 Derecognition**

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying value and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to statement of changes in equity.

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The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss and other comprehensive income.

#### 5.9.5 Off setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the statement of financial position if the Company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 5.10 Revenue recognition

The Company recognizes revenue when it transfers control over a good or service to a customer based on a five step model as set out in IFRS 15.

- **Identify contract(s) with a customer:** A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- **Identify performance obligations in the contract:** A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- **Determine the transaction price:** The transaction price is the amount of consideration the Company expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- **Allocate the transaction price to the performance obligations in the contract:** For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled to in exchange for satisfying each performance obligation.
- **Recognize revenue when (or as) the Company satisfies a performance obligation.**

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
-



- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

#### **5.11 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to statement of profit or loss whenever incurred. Finance cost is accounted for on accrual basis.

#### **5.12 Related party transactions**

Transactions and contracts with the related parties are based on the policy that all transactions between the Company and related parties are carried out at an arm's length.

#### **5.13 Dividends**

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which dividends are approved by the Board of Directors or Company's shareholders as the case maybe.

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#### **5.14 Share capital**

Ordinary shares are classified as share capital.

#### **5.15 Earnings per share ('EPS')**

Basic EPS is calculated by dividing the profit / (loss) attributable to ordinary shares of the Company by the weighted average number of shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post tax effect of changes in profit and loan attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

#### **5.16 Impairment of assets - Non financial assets**

The carrying amount of the Company's non-financial assets, except for investment properties where fair value is reliably measurable, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets or cash generating unit.

An impairment loss is recognised if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit or loss. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on pro rata basis. Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognised.

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		2023	2022
		Rupees	
<b>6</b>	<b>EQUIPMENT</b>		
	<b>Computers - Cost</b>		
	Balance at the beginning of the year	148,000	148,000
	Additions	62,000	-
	Disposals	-	-
	Balance at the end of the year	<u>210,000</u>	<u>148,000</u>
	<b>Depreciation</b>		
	Balance at the beginning of the year	18,500	18,500
	Charge for the year	57,450	-
	Transfers	-	-
	Balance at the end of the year	<u>75,950</u>	<u>18,500</u>
	<b>Rate of depreciation</b>	<u>30%</u>	<u>30%</u>
	<b>Written down Value as at June 30, 2023</b>	<u>134,050</u>	<u>129,500</u>
<b>7</b>	<b>LONG TERM DEPOSITS</b>		
	Long term deposits	<u>27,025</u>	<u>27,025</u>

This deposit has been given to Central Depository Company and has been classified as 'amortised cost' under the requirement of International Financial Reporting Standard 9 - Financial Instruments. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortised cost is impracticable to determine.

		2023	2022
		Rupees	
<b>8</b>	<b>ADVANCES AND OTHER RECEIVABLES</b>		
	<b><i>Unsecured and Considered good:</i></b>		
	Advances to employees against salary	602,265	571,654
	Amount due from related party	-	3,500,000
	Markup receivable from related party	-	336,303
	Accrued income on short term investment	641,076	57,260
	Sales tax receivable	<u>4,056,968</u>	4,056,968
	Provision against doubtful receivable	<u>(4,056,968)</u>	-
		-	4,056,968
		<u>1,243,341</u>	<u>8,522,185</u>



**8.1.1 Due from related party**

Name of related party	Gross due amount	Past due amount	Provision	Reversal of provision	Written off	Net amount	Maximum amount outstanding at any time during the year
	Rupees						
<b>2023</b>							
Super Bird (Private) Limited	-	-	-	-	-	-	3,500,000
<b>2022</b>							
Super Bird (Private) Limited	3,500,000	-	-	-	-	3,500,000	3,500,000

**8.1.2 Age analysis of amount due from related party**

Name of related party	Amount not past due	Amount past due					Total gross amount due
		1-30 days	31-60 days	61-90 days	91-365 days	365 days	
Rupees							
<b>2023</b>							
Super Bird (Private) Limited	-	-	-	-	-	-	-
<b>2022</b>							
Super Bird (Private) Limited	3,500,000	-	-	-	-	3,500,000	3,500,000

**Note**                      2023                      2022  
**Rupees**

**9 SHORT TERM INVESTMENT**

Investment in term deposit receipts -  
At amortised Cost

**9.1**                      60,000,000                      10,000,000

**9.1** This represents term deposits receipts issued by JS Bank Limited for term of one month carrying interest rate of 15.5% (2022: 11%) per annum.

**Note**                      2023                      2022  
**Rupees**

**10 BANK BALANCES**

Cash at bank - current accounts

70,993                      142,550

	Note	2023	2022
		Rupees	
<b>11</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Accrued liabilities	4,996,305	1,397,759
	Payable to related party	11.1 231,767	-
	Payable against GIDC	11.2 -	24,317,228
	Withholding Income tax payable	443,864	159,472
	Others	5,082,398	5,396,798
		<u>10,754,334</u>	<u>31,271,257</u>
<b>11.1</b>	This represents amount payable to related party on account of expenses incurred on behalf of the Company.		
<b>11.2</b>	During the year, the Company has paid balance amount of Rupees 24.317 million on account of Gas Infrastructure Development Cess along with late payment surcharge of Rupees 1.833 million in order to settle the liabilities, in full, with the Sui Northern Gas Pipeline Company Limited imposed under Gas Infrastructure Development Cess (GIDC) on industrial establishments from the financial year 2012 to May 2015.		
<b>12</b>	<b>UNPAID DIVIDEND</b>		
	The Company issued dividends during the financial years 2000 and 2001 and as per the practice in vogue at that time; the amount of dividend was deposited into escrow account with the desinated bank. At that time; no record was maintained by the banks about the dividend warrants were used to encash. Therefore, the Company does not have any record about the shareholders who have not presented their dividend warrant for encashment. However, during past two decades, the management has paid all dividend warrants as and when claimed by the shareholders. However, an amount of Rs.1.160 million remained unclaimed which is reflected in the financial statements.		
<b>13</b>	<b>SHARE CAPITAL</b>	Note	2023 2022
			Rupees
<b>13.1</b>	<b>Authorised share capital</b>		
	15,000,000 (2022: 15,000,000) ordinary shares of Rupees 10 each		
		<u>150,000,000</u>	<u>150,000,000</u>
<b>13.2</b>	<b>Issued subscribed and paid up share capital</b>		
	8,000,000 (2022: 8,000,000) Ordinary shares of Rupees 10 each fully paid in cash		
		13.2.1 <u>80,000,000</u>	<u>80,000,000</u>
<b>13.2.1</b>	No shares were issued during the year.		

	Note	2023	2022
		Rupees	
<b>14 LOAN FROM SPONSORS</b>			
Opening balance		104,164,656	98,179,536
Reversal of credit balances written back in prior year	14.2	-	42,500,000
Loan received during the year		514,400	200,000
Loan repaid during the year		(35,438,062)	(36,714,880)
		(34,923,662)	(36,514,880)
Closing balance		<u>69,240,994</u>	<u>104,164,656</u>

**14.1** The loan had been obtained from sponsors of the Company to meet the liquidity requirements of the Company, which is unsecured and interest free. There was neither fixed tenure of loan nor there was any schedule for repayment of loan and repayment of loan was at the discretion of the Company. Accordingly, these loans were classified as part of equity in line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP).

**14.2** Loan from sponsors include amount of Rupees 42.5 million settled with vendors/parties through an agreement executed on September 03, 2014 by Mr. Ahmad Mukhtar (Late). As per settlement agreement; the then sponsoring shareholder gave his personal property having aggregate value of Rupees 42.5 million to such vendors/parties as full and final settlement of their liabilities. However, the effect of this transaction was not reflected in the respective financial statements and the such amounts were written back in prior period(s). During the year ended June 30, 2022; the management incorporated liability towards late sponsoring director by charging to income. The loan has been transmitted to legal heirs pursuant to succession award by the Civil Court on November 30, 2022.

## **15 CONTINGENCIES AND COMMITMENTS**

### **15.1 Contingencies**

**15.1.1** The Company filed Income Tax Return for the Tax Year 2009 by declaring taxable loss of Rupees 14,534,816 for the year and claimed brought forward losses of Rupees 123,213,497. The assessment Order under Section 122 (5A) of the Income Tax Ordinance, 2001 was finalized by the Department at taxable income of Rupees 137,646,895 and computed tax payable of Rupees 47,443,907. The Company preferred an appeal before Commissioner Appeals [CIR(A)] whereby CIR concluded the matter by deletion of proration of expenses, deletion of loan by Rupees 55,600,000, cash payments by Rupees 100,455,778 and understatement of imports by Rupees 11,565,330, School expenses by Rupees 349,422 and confirmation of addition of retirement by Rupees 3,166,000 benefits and department being



aggrieved with the decision of CIR filed an appeal before ATIR which is pending for adjudication. The management is of the view that matter will be decided in the company's favour.

**15.1.2** The proceedings under Section 11(2) of the Sales Tax Act, 1990 for the tax period July 2011 to February 2013 were finalized by the department against the taxpayer by creating sales tax demand of Rupees 11,479,226 along with penalty of Rupees 344,377 and default surcharge to be calculated at the time of deposit. The Company, being aggrieved, with the order of the assessing officer filed an appeal before Commissioner Appeals [CIR(A)] on July 11, 2014. The CIR (A) passed the decision on September 25, 2014 and demand on account of sales to black listed person amounting to Rupees 10.197 million was deleted whereas the matter of sales to zero rated person amounting to Rupees 1.283 million was remanded back to concerned officer. The department being aggrieved with the decision of both of the above said points filed an appeal before the Income Tax Appellate Tribunal. The Income Tax Appellate Tribunal remanded back the case to Officer Inland Revenue and the case is still pending. The management is of the view, as per advice of tax advisor, that the matter would be decided in the Company's favour.

**15.1.3** All cases of the Company with the banks have been settled and withdrawn by the respective banks and the Company against each other. Therefore, currently no matter, involving any fiscal issues of the Company are pending.

**15.1.4** The Company is one of the parties, along with 176 others, in an appeal filed by NAB in the Supreme Court. It is to clarify that no call up notice or notice was issued by NAB to the Company, however the Company, cautiously filed a Writ Petition No.221742/2018 against the NAB before the Lahore High Court Lahore. A Full Bench of Lahore High Court was constituted which allowed the Writ petition on December 24, 2018. The suit premise was that financial matters of any company and any bank are the matters between two parties and NAB has no jurisdiction over these matters.

The NAB has challenged the judgment in Supreme Court of Pakistan vide CPLA No.1478/2019, however, neither any stay order was granted to NAB nor the same has been admitted by the Supreme Court of Pakistan. Nevertheless, as per amendments in NAB Ordinance, the jurisdiction of NAB has been ousted in such like matters.

Even otherwise, there is no financial liability that is owed by the company to any bank/financial institution, therefore, this appeal also becomes infructuous. There is remote chance that case will not be decided in favour of the Company. Therefore, the management is of the view, as per advice of the legal counsel, that as and when this appeal will be fixed, the same shall be disposed off accordingly.

**15.1.5** Subsequent to reporting date; Securities and Exchange Commission of Pakistan has initiated show cause proceedings under Sections 183, 199 and 257 of the Companies Act, 2017

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against the Company and its directors. The Company is in the process of submitting replies to these show cause notices. The management is of the view, on the advice of corporate consultant, that show cause proceedings would be dropped.

## 15.2 Commitments

**15.2.1** Consequent to settlement of liabilities with United Bank Limited, liability with respect to Letter of Guarantee amounting to Rupees 20.647 million have been discharged subject to condition that Company will be liable to indemnify the Bank in case of any claim/demand lodged by Sui Northern Gas Pipelines Company Limited (SNGPL). During the year, the Company has presented original Bank Guarantees with the Bank on June 26, 2023 for cancellation of the same; therefore, the Company has satisfied its obligations not only towards the United Bank Limited but also with Sui Northern Gas Pipelines Company Limited.

**15.2.2** Pursuance to final settlement of liabilities with Faysal Bank Limited; the Company has paid the amount of Rupees 0.598 million to Faysal Bank Limited under settlement arrangement. During the year, the Company has presented original Bank Guarantee with the Bank on June 26, 2023 for cancellation of the same. Accordingly, the Company has satisfied its obligations towards the Faysal Bank Limited by surrendering original bank guarantee to the Bank.

	2023	2022
	Rupees	
<b>16 OTHER INCOME</b>		
Gain on sale of investment property	-	233,109,000
Rental income	-	11,000,000
Wavier of markup on long term and short term borrowings	-	90,981,514
Waiver of loan amount upon settlement	-	2,460,931
Credit balances written back	-	35,425,364
Markup income from associate	<b>113,076</b>	46,532
Profit on term deposit receipt	<b>7,264,798</b>	1,210,313
	<b>7,377,874</b>	374,233,654
<b>17 ADMINISTRATIVE EXPENSES</b>		
Salaries, wages and other benefits	<b>3,911,312</b>	8,104,102
Medical expenses	<b>504,599</b>	590,910
Rent, rates and taxes	<b>739,596</b>	1,116,198
Traveling and conveyance	<b>68,000</b>	410,225
Vehicle running and maintenance	<b>558,969</b>	646,692
Printing and stationery	<b>181,960</b>	219,636
Postage, telephone and telegram	<b>15,964</b>	70,600
Legal and professional	<b>5,045,650</b>	2,563,750
Fee and subscription	<b>593,983</b>	293,625

	Note	2023	2022
		Rupees	
Entertainment		37,835	89,844
Printing and advertisement		513,100	218,100
Depreciation	6	57,450	18,500
Auditors' remuneration	17.1	945,000	798,000
Repair and maintenance		10,130	90,700
Others		174,250	355,208
		<u>13,357,798</u>	<u>15,586,090</u>
<b>17.1 Auditors' Remuneration</b>			
Half yearly review		115,500	105,000
Annual audit fee		693,000	693,000
Other certification		136,500	-
		<u>945,000</u>	<u>798,000</u>
<b>18 OTHER OPERATING EXPENSES</b>			
Debit balances written off		45,772	18,907,105
Reversal of credit balance written back		-	76,695,374
Gas Infrastructure Development Cess		-	32,050,492
Provision for doubtful sales tax receivable		4,056,968	-
		<u>4,102,740</u>	<u>127,652,971</u>
<b>19 FINANCE COSTS</b>			
Mark up on long term financing		-	360,610
Surcharge on late payment of Gas Infrastructure Development Cess		1,832,860	-
Bank charges		2,858	7,401
		<u>1,835,718</u>	<u>368,011</u>
<b>20 INCOME TAX EXPENSE</b>			
<b>Charge for the year:</b>			
- Current			
For the year		-	1,666,413
Prior year		-	-
		-	1,666,413
- Deferred taxation		-	-
		<u>-</u>	<u>1,666,413</u>
<b>20.1</b>	Assessment up to tax year 2022 is finalized (deemed assessment).		



**20.2** Current year's tax is charged on the basis of turnover under Section 113 or Alternate Corporate Tax (ACT) on accounting interest under Section 113C of Income Tax Ordinance, 2001, whichever is higher. During the year; the Company is not required to provide income tax expense in absence of taxable income or accounting income.

**20.3** Relationship between income tax expense for current year is not applicable whereas it is not meaningful for corresponding period owing to application of separate block of income in the financial year 2022.

	<u>2023</u>	<u>2022</u>
	<b>Rupees</b>	
<b>20.4 Deferred taxation</b>		
This is composed of:		
<b><i>Taxable / (deductible) temporary differences</i></b>		
Equipment	10,282	7,935
Unused tax losses	(62,365,609)	(60,084,881)
Deferred tax asset	(62,355,327)	(60,076,946)
Deferred tax asset not recognized	62,355,327	60,076,946
	<u>-</u>	<u>-</u>

Deferred tax asset on tax losses available for carry forward are recognized to the extent that the realization of related tax benefits through future taxable income is probable. Accordingly, the Company has not recognised deferred tax assets of Rupees 63.355 million (2022: Rupees 60.077 million) in respect of unused tax losses as sufficient tax interests would not be available to set these off in the foreseeable future. As of reporting date; unabsorbed tax losses comprises of Rupees 215.114 million (2022: Rupees 207.189 million).

	<u>2023</u>	<u>2022</u>
	<b>Rupees</b>	
<b>21 EARNINGS PER SHARE</b>		
(Loss) / Profit attributable to ordinary shareholders	<i>(Rupees)</i> (11,918,382)	228,960,169
Weighted average number of ordinary shares outstanding during the year	<i>(Number)</i> 8,000,000	8,000,000
Earnings per share	<i>(Rupees)</i> (1.490)	28.620

- 21.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at reporting date which would have any effect on the earnings per share if the option to convert is exercised.

## **22 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION**

The aggregate amount charged in the accounts for remuneration, allowances including all benefits to the Executive of the Company are as follows:

	Note	2023	2022
Description		Rupees	
Managerial remuneration		3,252,000	3,996,667
Medical reimbursement		328,599	300,898
Vehicle running and maintenance		558,969	646,692
		<u>4,139,568</u>	<u>4,944,257</u>
<b>No. of persons</b>		<u>1</u>	<u>2</u>

- 22.1** No remuneration was paid to chief executive and directors during the year whereas no meeting fee was paid to directors for attending board meeting or its committee (2022: Nil).

## **23 RELATED PARTIES AND RELATED PARTY TRANSACTIONS**

Related parties comprise of directors of the Company, their close relatives and key management personnel. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

23.1 Name and nature of relationship	Number of shares held	Relationship
<b>Sponsors</b>		
Ms. Nilofar Mukhtar	888,719	Shareholder/Director
Ms. Abida Mukhtar	2,177,228	Shareholder/Director
Mr. Faisal Mukhtar	1,653,775	Shareholder/Director
Ms. Batool Ghani	176,163	Shareholder
<b>Associate</b>		
Super Bird (Private) Limited	N/A	Associated company
<b>Key Management</b>		
Mr. Shahid Amin	N/A	Key Management personnel

**23.2 Transactions with related parties**

Nature of Relationship	Nature of Transaction	2023	2022
		(Rupees)	
<b>Sponsors</b>	Adjustment against loan	-	42,500,000
	Loan received	514,400	200,000
	Loan repaid	(35,438,062)	(36,714,880)
	Inheritance of loan	54,777,439	-
<b>Associate</b>	Funds received	4,439,754	2,200,000
	Funds repaid	(939,754)	(5,700,000)
	Markup income	113,076	46,532
	Settlement of mark up	(159,626)	-
	Expenses incurred	391,393	-
<b>Others</b>	Remuneration of key management	4,139,568	4,944,257

**24 FAIR VALUE MEASUREMENTS****Fair value hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements.

IFRS 13, 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale 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.
- 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 either directly (i.e. as prices) or indirectly (i.e. derived from prices), the instrument is included in level 2.
- 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.

As at reporting date, the Company has following item to report in these levels:



## 25 FINANCIAL RISK MANAGEMENT

### 25.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies and provides principles for overall risk management, as well as policies covering specific areas such as currency risk, equity price risk, interest rate risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company's audit committee oversees risk management monitors compliance with risk management policies and procedures and reviews the adequacy of risk management framework in relation to the risk faced by the company. Audit committee is into oversight role by internal audit department. Internal audit department undertakes reviews of risk management controls and procedures, results of which are reported to audit committee.

#### (a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

##### (i) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to currency risks as at reporting date, therefore, no foreign currency sensitivity is applicable.

##### (ii) *Interest rate risk*

Interest rate risk represents the risk that fair values of future cash flows of financial instruments which will fluctuate because of change in market interest rates. The

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Company has no significant long-term interest-bearing financial assets. The Company's interest rate risk arises from financial liabilities. Borrowings obtained at floating rates expose the Company to cash flow interest rate risk. The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in interest rate risk.

**(iii) Other price risk**

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company does not have financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market prices.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed.

The Company is exposed to credit risk from its operating activities primarily for local deposits, other receivables and other financial assets.

**Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2023	2022
		Rupees	
Long term deposits	7	27,025	27,025
Other receivables	8	641,076	3,893,563
Receivable against sale of property		-	111,133,814
Short term investment	9	60,000,000	10,000,000
Bank balances	10	70,993	142,550
		<b>60,739,094</b>	<b>125,196,952</b>

### Concentration of credit risk

The company identifies concentrations of credit risk by reference to type of counterparty. Maximum exposure to credit risk by type of counterparty is as follows:

	Note	2023	2022
Rupees			
Other receivables	7	641,076	3,893,563
Receivable against sale of property		-	111,133,814
Short term investment	9	60,000,000	10,000,000
Bank balances	10	70,993	142,550
		<u>60,712,069</u>	<u>125,169,927</u>

Out of the total financial assets credit risk is concentrated in deposits and other receivables and receivable against sale of property as they constitute 96.99% (2022: 99.98%) of the total financial assets.

### Bank Balances and Short Term Investment

The credit quality of Company's bank balances can be assessed with reference to the external credit ratings follows:

Banks	Rating Agency	Short term	Long term	2023	2022
(Rupees)					
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	1,111	104,497
Meezan Bank Limited	VIS	A-1+	AAA	3,364	19,716
The Bank of Punjab	PACRA	A1+	AA+	3,197	3,197
JS Bank Limited	PACRA	A1+	AA-	63,321	15,140
<b>Short term investment</b>				<u>70,993</u>	<u>142,550</u>
JS Bank Limited	PACRA	A1+	AA-	60,000,000	10,000,000
				<u>60,070,993</u>	<u>10,142,550</u>

Due to the Company's long standing business relationships with these counter parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

### (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or any other financial assets, or that such obligations will have to be settled in manners unfavorable to the company.



The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management believes the liquidity risk to be low.

The table below analyses the Company's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years
	Note	(Rupees)			
<b>June 30, 2023</b>					
Trade and other payables		10,078,703	10,078,703	10,078,703	-
Unpaid dividend		1,159,777	1,159,777	1,159,777	-
		<b>11,238,480</b>	<b>11,238,480</b>	<b>11,238,480</b>	-
<b>June 30, 2022</b>					
Trade and other payables	11	6,794,557	6,794,557	6,794,557	-
Unpaid dividend		1,159,777	1,159,777	1,159,777	-
		<b>7,954,334</b>	<b>7,954,334</b>	<b>7,954,334</b>	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates effective as at reporting date. The rates of interest have been disclosed in respective notes to the financial statements.

## 25.2 Financial instruments by categories

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values.

	Note	2023	2022
		(Rupees)	
<b>Financial assets and liabilities at amortized cost</b>			
<b>Assets as per statement of financial position</b>			
Long term deposits	7	27,025	27,025
Receivable against sale of property		-	111,133,814
Deposits and other receivables	8	641,076	3,836,303
Short term investment		60,000,000	10,000,000
Cash and bank balances	10	70,993	142,550
		<b>60,739,094</b>	<b>125,139,692</b>
<b>Liabilities as per statement of financial position</b>			
Trade and other payables	11	10,078,703	6,794,557
Unpaid dividend		1,159,777	1,159,777
		<b>11,238,480</b>	<b>7,954,334</b>

**25.3 Offsetting financial assets and financial liabilities**

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

**25.4 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits to other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous period. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Owing to negative equity of the Company as of reporting date; presentation of capital gearing ratio would not be meaningful for the users of the financial statements.

**26 Subsequent event**

Subsequent to reporting date; the Company has executed a Memorandum of Understanding on September 04, 2023 with M/S TPL Life Insurance Limited to explore the possibility of and enter into discussions and negotiations for potential merger of TPL Life Insurance Limited and the Company, by way of a Scheme of Arrangement. The proposed transaction, if contemplated, would revive the Company in the best interest of all the stakeholders including its members.

	<b>2023</b>	<b>2022</b>
	<b>(Number)</b>	
<b>27 NUMBER OF EMPLOYEES</b>		
Total number of employees at year end	<u>2</u>	<u>7</u>
Average number of employees during the year	<u>3</u>	<u>9</u>

**28 GENERAL AND CORRESPONDING FIGURES**

**28.1** Corresponding figures have been reclassified in these financial statements, wherever necessary to facilitate the comparison and to conform with changes and presentation in the current year. Following important reclassification has been made:

<u>Reclassified from component</u>	<u>Reclassified to component</u>	<u>2022 (Rupees)</u>
<b>Current assets</b>	<b>Current assets- Advances and other receivables</b>	
Tax refunds due from government	Sales tax receivable	4,056,968
<b>Other income</b>	<b>Other income</b>	
Credit balances written back	Wavier of markup on borrowings	90,981,514
Credit balances written back	Waiver of loan amount upon settlement	2,460,931

**28.2** Figures have been rounded off to rupees, unless otherwise stated.

## **29 DATE OF AUTHORISATION**

**29.1** These financial statements have been approved and authorised for issue in Board of Directors meeting of the Company held on September 08, 2023.

Lahore: September 08, 2023

  
Abida Mukhtar  
Chief Executive Officer

  
Shahid Ameen Chaudhry  
Chief Financial Officer

  
Nilofar Mukhtar  
Director



## FINANCIAL HIGHLIGHTS FOR THE LAST 5 YEARS

Rs In 000	2023	2022	2021	2020	2019
Sales	0	0	0	0	-
Gross Profit (Loss)	0	0	0	0	-
Profit & Loss Before Taxation	<b>11918</b>	230.995	25,492	47,096	(4,934)
Profit & Loss After Taxation	<b>11918</b>	228.960	21,111	49,737	(4,934)
Shareholder,s Equity + Revaluation	<b>50534</b>	97.376	(137,569)	(155,991)	(119,690)
Fixed Assets (Net)	<b>0.134</b>	0.129	341,891	322,131	-
Total Assets	<b>50534</b>	97.376	(137,569)	(155,991)	(118,264)
Total Liabilities	<b>11914</b>	34.097	494,811	518,863	516,444
Current Assets	<b>62287</b>	131.316	28.234	39,315	396,764
Current Liabilities	<b>11914</b>	34.097	494,811	518,863	516,444
<b>Profitability</b>					
Gross Profit (Loss)	<b>0%</b>	0%	0%	0%	0%
Profit & (Loss ) Before Taxation	<b>0%</b>	0%	0%	0%	0%
Profit & (Loss ) After Tax	<b>0%</b>	0%	0%	0%	0%
<b>Return to Equity</b>					
Return on Equity Before Tax	<b>N/A</b>	N/A	N/A	N/A	N/A
Return to Equity after Tax	<b>N/A</b>	N/A	N/A	N/A	N/A
Earning Per Share	<b>-1.49</b>	28.620	2.639	-6.217	
<b>Liquidity / Leverage</b>					
Current Ratio	<b>522.81</b>	385.12	(0.01)	(7.58)	(76.82)
Braek upValue Per Share	<b>23.58</b>	235.13	(15.35)	(31.88)	(14.78)
Total Liabilities to Equity	<b>0.24</b>	0.35	(3.60)	(3.33)	(4.36)

**THE COMPANIES ACT, 2017**  
**(Section 227(2)(f))**  
**PATTERN OF SHAREHOLDING**

**FORM 34**1.1 Name of the Company **DAR-ES-SALAAM TEXTILE MILLS LTD.**2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2023**

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
136	1	100	6,439
896	101	500	436,752
56	501	1,000	53,585
44	1,001	5,000	102,891
16	5,001	10,000	136,979
2	10,001	15,000	25,200
3	15,001	20,000	57,500
1	20,001	25,000	24,391
2	25,001	30,000	51,606
1	35,001	40,000	36,874
1	40,001	45,000	42,500
1	60,001	65,000	62,124
1	65,001	70,000	65,821
2	110,001	115,000	225,330
2	145,001	150,000	300,000
1	255,001	260,000	259,287
1	300,001	305,000	302,500
1	315,001	320,000	315,499
1	770,001	775,000	775,000
1	885,001	890,000	888,719
1	1,650,001	1,655,000	1,653,775
1	2,175,001	2,180,000	2,177,228
<b>1,171</b>			<b>8,000,000</b>

<b>2.3 Categories of Shareholders</b>	<b>Shares Held</b>	<b>Percentage</b>
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	5,471,166	68.3896
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	-	-
2.3.3 NIT and ICP	263,487	3.2936
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	649	0.0081
2.3.5 Insurance Companies	-	-
2.3.6 Modarabas and Mutual Funds	-	-
2.3.7 Shareholders holding 10% or more	5,163,166	64.5396
2.3.8 General Public		
a. Local	2,215,757	27.6970
b. Foreign	0	-
2.3.9 Others (to be specified)		
1- Joint Stock Companies	23,194	0.2899
2- Pension Funds	24,391	0.3049
3- Others	1,356	0.0170



**Categories of Share Holders**  
**As on 30th. June, 2023**

S. No.	NAME	HOLDING	% AGE
<b><u>DIRECTORS, CEO THEIR SPOUSES &amp; MINOR CHILDREN</u></b>			
1	MRS. NELOFAR MUKHTAR	65,821	0.8228
	MRS. NILOFAR MUKHTAR (CDC)	888,719	11.1090
2	MRS. MEHWESH FAISAL MUKHTAR	302,500	3.7813
3	MR. FAISAL MUKHTAR	315,499	3.9437
	MR. FAISAL MUKHTAR (CDC)	1,653,775	20.6722
4	MST. ABIDA MUKHTAR	62,124	0.7766
	MST. ABIDA MUKHTAR (CDC)	2,177,228	27.2154
5	MR. EJAZ HUSSAIN	2,500	0.0313
6	MR. MUHAMMAD YOUSUF	500	0.0063
7	CH. MUHAMMAD GUL NAWAZ	2,500	0.0313
		<b>5,471,166</b>	<b>68.3896</b>
<b><u>ASSOCIATED COMPANIES</u></b>			
		<b>0</b>	<b>0.0000</b>
<b><u>NIT &amp; ICP</u></b>			
1	INVESTMENT CORP. OF PAKISTAN	4,200	0.0525
2	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	259,287	3.2411
		<b>263,487</b>	<b>3.2936</b>
<b><u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS</u></b>			
1	NATIONAL BANK OF PAKISTAN (CDC)	149	0.0019
2	ESCORTS INVESTMENT BANK LIMITED (CDC)	500	0.0063
		<b>649</b>	<b>0.0081</b>
<b><u>MODARABA &amp; MUTUAL FUNDS</u></b>			
		<b>0</b>	<b>0.0000</b>
<b><u>PENSION FUNDS</u></b>			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	24,391	0.3049
		<b>24,391</b>	<b>0.3049</b>
<b><u>JOINT STOCK COMPANIES</u></b>			
1	AMIN TEXTILE MILLS (PVT) LIMITED	9,000	0.1125
2	S. H. BUKHARI (PVT) LTD.	2,900	0.0363
3	CAPITAL VISION SECURITIES (PVT) LTD. (CDC)	193	0.0024
4	H M INVESTMENTS (PVT) LTD. (CDC)	100	0.0013
5	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000
6	SAAO CAPITAL (PVT) LIMITED. (CDC)	10,000	0.1250
7	XPERT SECURITIES LIMITED (CDC)	1,000	0.0125
		<b>23,194</b>	<b>0.2899</b>

**Others**

1	THE TRUSTEE GHULAMAN-E-ABBAS EDUCATIONAL & MEDICAL TRUST	500	0.0063
2	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST (CDC)	856	0.0107
		<u>1,356</u>	<u>0.0170</u>

**EXECUTIVES**

		<u>0</u>	<u>0.0000</u>
--	--	----------	---------------

**SHARES HELD BY THE GENERAL PUBLIC (FOREIGN)**

		0	0.0000
--	--	---	--------

**SHARES HELD BY THE GENERAL PUBLIC (LOCAL)**

		2,215,757	27.6970
--	--	-----------	---------

		<u>2,215,757</u>	<u>27.6970</u>
--	--	------------------	----------------

		<u>8,000,000</u>	<u>100.0000</u>
--	--	------------------	-----------------

**SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL**

S. No.	NAME	Holding	%Age
1	MR. FAISAL MUKHTAR	1,969,274	24.6159
2	MRS. ABIDA MUKHTAR	2,239,352	27.9919
3	MRS. NILOFAR MUKHTAR	954,540	11.9318
		<u>5,163,166</u>	<u>64.5396</u>

**SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL**

		Holding	%Age
1	MR. FAISAL MUKHTAR	1,969,274	24.6159
2	MRS. ABIDA MUKHTAR	2,239,352	27.9919
3	MRS. NILOFAR MUKHTAR	954,540	11.9318
4	MR. TAHIR MUZAFFAR RAJA (CDC)	775,000	9.6875
		<u>5,938,166</u>	<u>74.2271</u>

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

Sr. No.	Name	Sale	Purchase
1	MRS. NILOFAR MUKHTAR		21,071
2	MR. FAISAL MUKHTAR		73,749
3	MST. ABIDA MUKHTAR		36,874

Dear Sir, please check the sale/purchase at your end

**Categories of Shareholding required under  
Code of Corporate Governance (CCG)  
As on June 30, 2023**

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

**Associated Companies, Undertakings and Related Parties (Name Wise Detail):**

- -

**Mutual Funds (Name Wise Detail)**

- - -

**Directors and their Spouse and Minor Children (Name Wise Detail):**

1	MRS. NELOFAR MUKHTAR	954,540	11.9318
2	MRS. MEHWESH FAISAL MUKHTAR	302,500	3.7813
3	MR. FAISAL MUKHTAR	1,969,274	24.6159
4	MST. ABIDA MUKHTAR	2,239,352	27.9919
5	MR. EIAZ HUSSAIN	2,500	0.0313
6	MR. MUHAMMAD YOUSUF	500	0.0063
7	CH. MUHAMMAD GUL NAWAZ	2,500	0.0313

**Executives:**

- -

**Public Sector Companies & Corporations:**

- -

**Banks, Development Finance Institutions, Non Banking Finance  
Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:**

25,040 0.3130

**Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)**

1	MR. FAISAL MUKHTAR	1,969,274	24.6159
2	MRS. ABIDA MUKHTAR	2,239,352	27.9919
3	MRS. NILOFAR MUKHTAR	954,540	11.9318
4	MR. TAHIR MUZAFFAR RAJA (CDC)	775,000	9.6875

**All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:**

S.No	NAME	SALE	PURCHASE
1	MRS. NILOFAR MUKHTAR		21,071
2	MR. FAISAL MUKHTAR		73,749
3	MST. ABIDA MUKHTAR		36,874

Dear Sir, please check the sale/purchase at your end



## FORM OF PROXY ANNUAL GENERAL MEETING

The Company Secretary  
Dar Es Salaam Textile Mills Limited  
H.No. 37, Street No.14, Cavalry Ground,  
Lahore-Cantt. Phones: (042) 36610643-44

L/F NO.	
NO. OF SHARES	

Dear Sir,

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of DAR ES SALAAM TEXTILE MILLS LIMITED, hereby appoint

\_\_\_\_\_  
(NAME)

of \_\_\_\_\_

(another member of the Company) to attend, act and vote for me/us and on my/our behalf at the Annual Ordinary General Meeting of the Company to be held on Saturday September 30, 2023 at 09:30 A.M. at the H.No.37, Street No.14, Cavalry Ground, Gulberg III, Lahore and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Signature on Revenue  
Stamp

(Signature should agree with the specimen  
Signature registered with the Company)

Date: \_\_\_\_\_

Note: Proxies must be received at the Registered office of the Company not later than 48 hours before time of holding the meeting duly stamped, Signed and witnessed.

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- 📄 Knowledge center
- 📄 Risk profiler\*
- 📄 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
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**DAR ES SALAAM  
TEXTILE MILLS LIMITED**

**HEAD OFFICE:** H.No. 37, Street No.14, Cavalry Ground,  
Lahore-Cantt. Phones: (042) 36610643-44