



**Condensed Interim
Un-Audited Financial Statements
For the Half Year Ended
December 31, 2023**



DAR ES SALAAM

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COMPANY INFORMATION

Board of Directors	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
Audit committee	Mr. Muhammad Gul Nawaz Mrs. Mahwesh Faisal Mukhtar Mrs. Nilofar Mukhtar	Chairman Member Member
HR & Remuneration Committee	Mr. Muhammad Yousaf Mrs. Mahwesh Faisal Mukhtar Mrs. Nilofar Mukhtar	Chairman Member Member
Chief Financial Officer Company Secretary	Mr. Shahid Amin Chaudhry	
Share Registrar	M/s. Corplink (Pvt) Ltd. Wing Arcade, 1-K, Commercial Model Town, Lahore. Tel: 042-35839182, 35869037	
Auditors	M/s Rizwan & Co. Chartered Accountants	
Bankers	Meezan Bank Limited JS Bank Limited	
Registered Office	210, 2nd Floor, Marine Point, Khayaban-e-Iqbal, Clifton Block-9, Karachi.	

DIRECTORS' REPORT

The Directors of Dar es Salaam Textile Mills Limited ("the Company") take pleasure in presenting the Half Yearly Accounts for the period 31st December 2023.

Overview of the Revival Efforts:

The past six months have been instrumental in our continuous efforts to revitalize the company. Building on the foundation laid in the previous years, our management remained committed to navigating challenges and seizing opportunities.

Strategic Shift and Merger Progress:

As stated previously, the company underwent a strategic shift towards trading, marking a decisive move in response to market dynamics and geopolitical uncertainties and sought approval from Shareholders during the Extraordinary General Meeting (EOGM) held in June 2023. While continuing its trading business, the management, due to the tough economic situation, was also mindful towards other growth opportunities. Therefore, in September 2023, it identified a promising opportunity through a merger with a complementary entity

In September 2023, we successfully signed a Memorandum of Understanding (MoU) with the prospective entity, marking a significant step towards the realization of our growth strategy. Following this, in November 2023, the Board of Directors approved the Scheme of Merger, and went ahead to file for merger in court, aligning with our vision of creating synergies that would benefit both companies and, importantly, enhance value for our shareholders.

Shareholder Approval and Ongoing Court Process

Based on the direction from the High Court and recognizing the importance of transparency and collaboration with our shareholders, an Extraordinary General Meeting (EOGM) was convened in December 2023. At this meeting, we presented the details of the proposed merger and sought the approval of our shareholders. We are pleased to announce that the shareholders, in alignment with our strategic vision, overwhelmingly approved the merger. The court process is currently underway, and we are hoping for a positive outcome in the near future from the Honourable High Court. We appreciate the patience and understanding demonstrated by our shareholders during this critical phase.

Anticipated Benefits of the Merger:

The merger holds the promise of unlocking new opportunities, enhancing operational efficiency, and ultimately creating sustainable value for our shareholders. Our diligent

approach to due diligence and negotiations aims to ensure that the combined entity will be well-positioned for success in the dynamic business landscape.

Looking Forward

As we await the finalization of the merger, we remain focused on our commitment to resilience, agility, and prudent decision-making. The management is dedicated to navigating any remaining uncertainties and steering the company towards a future marked by growth and prosperity.

The Company earned net loss of PKR 1.366 million for the period ended December 31st 2023 with a negative EPS of PKR (0.17) per share vis-à-vis net loss of PKR 4.74 million and EPS of PKR (0.59) per share in the corresponding period. The financial position of the Company does not allow to propose any dividend for the shareholders.

We express our gratitude to our dedicated team, loyal shareholders, and stakeholders who have supported us throughout this transformative journey. Together, we are paving the way for a promising future for Dar es Salaam Textile.

Reservation	Justification
<p>a) The Company had ceased its operations since 2014 and had disposed off all its operating fixed assets in financial year ended on June 30, 2022 to settle its obligations towards its lenders and trade and other liabilities. As at reporting date; the Company's accumulated loss stood at Rupees 100.091 million (June 30, 2023: Rupees 98.707 million) against paid up capital of Rupees 80 million. The Company sought approval from its shareholders on June 27, 2023 to change its object clause and change the name of the Company to "DTM Limited" to implement revised alternate business plan which could not be implemented in full as the Company sought for other options to revive the Company. The sponsors of the Company have already withdrawn aggregate amount of Rupees 85.072 million out of total financial support</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 the Company and with the possibility of the merger, there is no doubt left about the revival of the Company. 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</p>

<p>of Rupees 143 million approximately provided to the Company, keeping mind financial distressed faced by the Company and contrary to the Company's plan to revive the Company. Although, the Company has earned revenue of Rupees 10.265 million by contemplating general trading activities during the period under review. Pursuant to approval of the Board; Scheme for the merger of TPL Life Insurance Limited with the Company; the shareholders of the Company in its extra ordinary general meeting held on December 27, 2023 (on the direction of the Honourable Sindh High Court, Karachi) have approved the Scheme for the merger of TPL Life Insurance Limited with the Company which is subject to sanction of the Scheme by the Honourable Sindh High Court, Karachi. The revival of the Company is highly dependent upon sanction of the Scheme by the Honourable Sindh High Court, Karachi. 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>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 the business plan shared and not withstanding 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. As iterated in the Directors review, the management of the Company is hopeful about the revival of the Company by merging with a complementary entity. In November 2023, the Board Members approved the merger scheme and filed for merger application with the Honourable High Court. Based on the direction of the court, the company held extra ordinary general meeting in December and received approval from shareholders on the merger. Currently, the Scheme for merger with the Company is in process and the management is quite hopeful for a positive outcome.</p> <p>Given the management has remained vigilant in seeking opportunities for the revival of the company, we do not understand the reason for qualification. The management is confident that the assessment of using the going concern assumption in preparation of financial statements is correct.</p>
<p>b) Loan from sponsors include amount of Rupees 42.5 million in lieu of settlement of liabilities with certain trade creditors in September 2014 which was recognised in the financial statements for the year ended June 30, 2022 by charging the amount to</p>	<p>The management has meticulously furnished the settlement agreement between the sponsor and creditors, accompanied by all relevant ledgers and affidavits from creditors. Additionally, a current date verification in October 2023 by</p>

<p>other operating expenses. 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 Oath Commissioner was submitted to the auditor. Had there been a request for independent verification during the half-yearly review, we would have promptly complied to address and remove the qualification.</p>
<p>c) Trade and other payables of Rupees 13.525 million as disclosed in note 11 includes 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</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 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) The Company had not recognised liability in respect of Workers' Welfare Fund amounting to Rupees 5.032 million till financial year 2022 in accordance with the provisions of the "The Punjab Workers Welfare Fund Act, 2019" as applicable in the Province of the Punjab. Aggregate effect of this matter amounting to Rupees 5.032 million has not been adjusted appropriately in these 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>f) 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 is unable to verify shareholders who have not presented their dividend warrants for encashment.</p> <p>However, during the past two decades, the management has paid dividend to those shareholders who have presented their original dividend warrants.</p>
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For and Behalf of the Board


Abida Mukhtar
Chief Executive Officer


Nilofar Mukhtar
Director

Lahore: February 29th, 2024

<p>زیادہ تر قوم پانچ سال پرانی ہیں اور لمبیشن 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) 13.525 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 مکمل 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 تاحال 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 فنڈز کی بابت واجبات کو تسلیم کرنے کی خاطر 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 سے کمپنی کی آپریشنز کی بندش ہے۔ لہذا یہ واضح طور پر ”ادارے“ کی تعریف میں نہیں آتی جیسا کہ پنجاب ورکرز ویلفیئر فنڈ ایکٹ 2019ء میں بیان کیا گیا ہے اور نہ ہی کمپنی یہ واجبات ادا کرنے کی مجاز ہے۔ قانونی مشیر نے تجویز کیا ہے کہ کمپنی کو نہ دستاویزات پیش کرنے کی ضرورت ہے اور نہ ہی ورکرز ویلفیئر فنڈز کی باہلوئی رقم ادا کرنے کی پابند ہے۔</p>	<p>(d) مالیاتی سال 2022ء تک کمپنی نے صوبہ پنجاب میں رائج پنجاب ورکرز ویلفیئر فنڈ ایکٹ 2019ء کے تحت ورکرز ویلفیئر فنڈز کی بابت 5.032 ملین روپے کے واجبات کو تسلیم نہیں کیا۔ 5.032 ملین روپے کے اس معاملے کے مجموعی 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۔ قاعدے کے مطابق منافع منقسمہ کی رقم حبیب بینک کارپوریٹ برانچ اپر مال کے ایکسرواکاؤنٹ میں جمع کرادی گئی تھی۔ اس وقت بینکوں کے پاس منافع منقسمہ وارنٹ کیش کرانے کا ریکارڈ نہیں ہوتا تھا۔ لہذا کمپنی ایسے شیئرز ہولڈرز کی تصدیق کرنے سے قاصر ہے جنہوں نے کیش کرانے کے لئے منافع منقسمہ کے وارنٹس پیش نہیں کئے۔</p> <p>البتہ گذشتہ دو دہائیوں کے دوران کمپنی انتظامیہ نے ان شیئرز ہولڈرز کو منافع منقسمہ ادا کیا ہے جنہوں نے اصلی منافع منقسمہ وارنٹس پیش 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 کے واجبات الا دالادعوئی منافع منقسمہ کی تصدیق نہیں کر سکے۔</p>

منجانب/برائے بورڈ

Nisofar Bukhuran
نیلوفر مختار
ڈائریکٹر

عابدہ مختار
چیف ایگزیکٹو آفیسر

لاہور: 29 فروری، 2024ء

<p>قرض کی رقم نکالنے کی بابت، ہم یہ یقین نہیں رکھتے کہ کاروبار جاری رکھنے پر بوجھ بڑھائے۔ نکالی گئی رقم جاری کئے گئے کاروبار 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۔ جیسا کہ ڈائریکٹرز کے تجزیہ میں بیان کیا گیا ہے کمپنی کی انتظامیہ معروف ادارے کے ساتھ کمپنی کے انضمام کے ذریعے اسے بحال کرنے کے لئے پرامید ہے۔ نومبر 2023ء میں بورڈ اراکین نے انضمام کی سکیم منظوری اور فاضل ہائی کورٹ میں انضمام کے لئے درخواست دائر کی۔ عدالتی ہدایات کی روشنی میں کمپنی نے دسمبر میں غیر معمولی اجلاس عام کا انعقاد کیا اور انضمام کے لئے کمپنی کے شیئر ہولڈرز سے منظوری حاصل کی۔ فی الوقت، کمپنی کے ساتھ انضمام کے لئے سکیم پر کام جاری ہے اور انتظامیہ مثبت نتائج کے لئے پرامید ہے۔</p> <p>چونکہ انتظامیہ کمپنی کی بحالی کے لئے تمام تر مواقع حاصل کرنے کے لئے متحرک ہے لہذا ہمیں اہلیت کے لئے وجوہات کی سمجھ نہیں آ رہی۔ انتظامیہ پر امید ہے کہ مالیاتی اسٹیٹمنٹس کی تیاری میں جاری کاروبار کے مفروضے کا جائزہ بالکل درست ہے۔</p>	<p>کرنے اور آہنچیکٹ کلاز 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 کو درپیش مالیاتی مسائل کے باعث کمپنی کے سپانسرز 143 ملین روپے کی کل مالیاتی امداد میں سے تقریباً 85.072 ملین روپے نکال لئے ہیں جو کمپنی کی بحالی کے منصوبہ کے برعکس ہے۔ اگرچہ کمپنی نے زیر جائزہ مدت کے دوران جنرل ٹریڈنگ سرگرمیوں کے ذریعے 10.265 ملین روپے کی آمدنی حاصل کی۔ بورڈ کی منظوری کی پیروی میں، TPL لائیٹ انٹورنس لمیٹڈ کے کمپنی کے ساتھ انضمام کی سکیم کو مد نظر رکھتے ہوئے (فاضل سندھ ہائی کورٹ کراچی کی ہدایات کی روشنی میں) کمپنی کے شیئر ہولڈرز نے 27 دسمبر 2023ء کو منعقدہ اپنے غیر معمولی اجلاس عام میں TPL لائف انٹورنس کمپنی کے ساتھ کمپنی کے انضمام کی منظوری دی ہے جو فاضل سندھ ہائی کورٹ کراچی کی جانب سے سکیم کی منظوری سے مشروط ہے۔ یہ حالات و واقعات کمپنی کی کاروبار جاری رکھنے کی صلاحیت سے متعلق بے یقینی اور شبہات پیدا کر سکتے ہیں۔ مذکورہ بالا حالات و 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 تیار ی کو نامناسب قرار دیا جاتا ہے۔</p>
<p>انتظامیہ نے سپانسر اور کریڈیٹرز کے مابین سمجھوتے کا دستاویز بمعہ کریڈیٹرز سے حاصل تمام متعلقہ کھاتے اور حلف نامے احتیاطاً پیش کئے ہیں۔ مزید برآں، اوتھورائٹیز کی جانب سے اکتوبر 2023ء میں حالیہ توثیق آڈیٹرز کو جمع کرائی گئی۔ اگر نصف سالہ جائزے کے دوران آزادانہ توثیق کے لئے طلب کیا گیا تو ہم اہلیت کے خاتمے اور اس سے نبرد آزما ہونے کے لئے فی الفور عمل کریں گے۔</p>	<p>(b) سپانسرز کے قرض میں ستمبر 2014ء میں مختلف تجارتی قرض خواہان کے واجبات کی حتمی ادائیگی کی بابت 42.5 ملین روپے کی رقم شامل ہے جسے 30 جون 2022 کو اختتام پذیر سال کی مالیاتی اسٹیٹمنٹس میں دیگر آپریٹنگ اخراجات کے ضمن میں شامل کیا گیا ہے۔ ہم سمجھوتہ معاہدہ اور بیان حلفی کے علاوہ متعلقہ فریقین / اسٹیک ہولڈرز سے آزادانہ طور پر رقم کی ادائیگی کی توثیق کرنے سے قاصر تھے۔ اس معاملے کو حالیہ اور سابقہ مالیاتی اسٹیٹمنٹس میں مناسب انداز میں ایڈجسٹ نہ کیا گیا ہے۔</p>

مستقبل کا منظر نامہ

چونکہ ہم انضمام کی تکمیل کا انتظار کر رہے ہیں لہذا ہم لچک، چستی اور با اعتبار فیصلہ سازی کے لئے اپنے عزم کا اعادہ کرتے ہیں۔ انتظامیہ بے یقینی کی صورتحال سے نبرد آزما ہونے اور ترقی اور خوشحالی کے ذریعے کمپنی کا مستقبل روشن بنانے کے لئے پرعزم ہے۔

کمپنی نے 31 دسمبر 2023ء کو اختتام پذیر مدت کے لئے 1.366 بلین روپے کا خالص خسارہ برداشت کیا اور فی حصص آمدنی (0.17) روپے رہی جب کہ گذشتہ برس کی اسی مدت میں خالص خسارہ 4.74 بلین روپے اور فی حصص آمدنی (0.59) روپے تھی۔ کمپنی کی مالیاتی حالت کے باعث شیئر ہولڈرز کے لئے منافع منقسمہ کا اعلان نہیں کیا گیا۔

ہم اپنی پرعزم ٹیم، وفادار شیئر ہولڈرز اور اسٹیک ہولڈرز کو خراج تحسین پیش کرتے ہیں جنہوں نے اس تبدیلی کے سفر میں ہمارا ساتھ دیا۔ ہم دار السلام ٹیکسٹائل کے تابناک مستقبل کے لئے رستہ ہموار کر رہے ہیں۔

تجربات	جواب
<p>(a) کمپنی نے 2014ء اپنے آپریٹنگ بند رکھے ہوئے ہیں اور 30 جون 2022ء کو اختتام پذیر مالیاتی سال میں اپنے تمام غیر منقولہ اثاثہ جات اپنے قرضداروں کے قرض اتارنے، تجارت اور دیگر واجبات کی ادائیگی کے لئے فروخت کر دیئے ہیں۔ رپورٹنگ کی تاریخ تک 80,000 ملین روپے ادا شدہ سرمایہ کے مقابلے میں کمپنی کا مجموعی خسارہ 100.091 ملین روپے (30 جون 2023: 98.707 ملین روپے) رہا۔ کمپنی نے حال ہی میں 27 جون، 2023ء کو کمپنی کا نام "DTM لمیٹڈ" سے تبدیل</p>	<p>IAS-1 کے اصولوں کے مطابق مالیاتی اسٹیٹمنٹس جاری کاروباری کی بنیاد پر تیار کی جانی چاہئیں تاوقتیکہ 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۔</p> <p>واضح طور پر یہ ایسا معاملہ نہیں، مذکورہ بالا رپورٹ کے مطابق انتظامیہ ٹیکمپنی کی بحالی کے لئے ان تھک محنت کی ہے اور ممکنہ انضمام کے نتیجے میں کمپنی کی بحالی میں کوئی شک نہیں ہے۔ گذشتہ بیچھے ماہ کے مشکل ترین دورانیہ میں، اس نے بلا سود 143 ملین روپے کا سرمایہ لگایا ہے۔ کمپنی نے نہ صرف اپنی ذاتی املاک فروخت کر کے قرضے ادا کئے ہیں بلکہ کمپنی کے روزمرہ کے انتظام کے لئے رقم بھی فراہم کی ہے۔</p>

ڈائریکٹرز کی رپورٹ

دارالسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 دسمبر 2023ء کو اختتام پذیر مدت کے لئے نصف سالہ کھاتے ازراہ مسرت پیش کرتے ہیں۔

بحالی کی کاوشوں کا جائزہ

کمپنی کو دوبارہ متحرک کرنے کے لیے ہماری لگاتار کوششوں میں گزشتہ چھ ماہ انتہائی مفید ثابت ہوئے ہیں۔ گزشتہ برسوں میں رکھی گئی بنیاد کو استوار کرنے کے لئے ہماری انتظامیہ مشکلات کو بھگانے اور مواقع سے فائدہ اٹھانے کے لئے پرعزم رہی۔

حکمت عملی میں تبدیلی اور انضمام کا عمل

جیسا کہ پہلے بیان کیا جا چکا ہے، کمپنی تجارت کی جانب رجحان پیدا کر کے حکمت عملی میں تبدیلی کی ہے جو منڈی کے رجحانات اور سماجی و سیاسی بے یقینی کے مقابلے میں انتہائی فیصلہ کن رہی۔ جس کی منظوری جون 2023ء کو منعقد ہونے والے غیر معمولی اجلاس عام (EOGM) کے دوران حصص داران سے لی گئی۔ دریں اثنا، مشکل معاشی حالات کے پیش نظر انتظامیہ نمونے کے دیگر مواقع کی جانب توجہ دے کر اپنا تجارتی کاروبار شروع کر رہی ہے۔ لہذا، ستمبر 2023ء میں، ایک معروف ادارے کے ساتھ انضمام کے ذریعے ایک شاندار موقع ملا۔

ستمبر 2023ء میں، ہم نے ایک ممکنہ ادارے کے ساتھ سمجھوتہ کی یادداشت پر دستخط کئے جو ہماری نمونے کی حکمت عملی کی جانب ایک ٹھوس قدم تھا۔ بعد ازاں، نومبر 2023ء میں، بورڈ آف ڈائریکٹرز نے انضمام کی سکیم منظور کی اور عدالت میں انضمام کی درخواست دائر کی جو مطابقت قائم کرنے کے ہمارے ویژن کی عکاسی کرتی ہے جس سے دونوں کمپنیاں مستفید ہوں گی اور سب سے اہم یہ کہ ہمارے شیئر ہولڈرز کے منافع میں اضافہ ہوگا۔

شیئر ہولڈرز کی منظوری اور جاری عدالتی عمل

ہائی کورٹ کی ہدایات کی روشنی میں اور شفافیت اور اپنے شیئر ہولڈرز کی معاونت کی اہمیت کو سمجھتے ہوئے دسمبر 2023ء میں ایک غیر معمولی اجلاس عام (EOGM) منعقد کیا گیا۔ اس اجلاس میں ہم نے مجوزہ انضمام کی تفصیلات پیش کیں اور اپنے شیئر ہولڈرز کی منظوری طلب کی۔ ہم ازراہ کرم توثیق کرتے ہیں کہ ہمارے اسٹریٹجک ویژن کے عین مطابق شیئر ہولڈرز نے انضمام کی منظوری دے دی ہے۔ عدالتی عمل جاری ہے اور ہم فاضل ہائی کورٹ سے مستقبل قریب میں مثبت نتائج کی امید کرتے ہیں۔ ہم اس بحرانی کیفیت کے دوران اپنے شیئر ہولڈرز کے صبر اور فہم و فراست کو سراہتے ہیں۔

انضمام کے متوقع فوائد

انضمام نئی مواقع پیدا کرنے، آپریشنل کارکردگی بڑھانے اور بالآخر اپنے شیئر ہولڈرز کو پائیدار منافع دینے کی ضمانت دیتا ہے۔ دلچسپی اور مذاکرات کی بابت ہمارا طرز عمل یقینی بناتا ہے کہ مشترکہ ادارہ متنوع کاروباری دھارے میں کامیابی کے لئے بالکل تیار ہوگا۔

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Dar es Salaam Textile Mills Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Dar es Salaam Textile Mills Limited** as at **December 31, 2023** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows together with the selected notes forming part thereof, for the six month period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures included in condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and 2022 and the notes forming part thereof have not been reviewed by us and we do not express a conclusion on them as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

We believe that the procedures we have performed are sufficient and appropriate to provide a basis for our adverse conclusion and we report that:

- a) The Company had ceased its operations since 2014 and had disposed off all its operating fixed assets in financial year ended on June 30, 2022 to settle its obligations towards its lenders and trade and other liabilities. As at reporting date; the Company's accumulated loss stood at Rupees 100.091 million (June 30, 2023: Rupees 98.707 million) against paid up capital of Rupees 80 million. The Company sought approval from its shareholders on June 27, 2023 to change its object clause and change the name of the Company to "DTM Limited" to implement revised alternate business plan which could not be implemented in full as the Company sought for other options to revive the Company. The sponsors of the Company have already withdrawn aggregate amount of Rupees 85.072 million out of total financial support of Rupees 143 million approximately provided to the Company, keeping mind financial distressed faced by the Company and contrary to the Company's plan to revive the Company. Although, the Company has earned revenue of Rupees 10.265 million by contemplating general trading activities during the period under review. Pursuant to approval of the Board; Scheme for the merger of TPL Life Insurance Limited with the Company; the shareholders of the Company in its extra ordinary general meeting held on December 27, 2023 (on the direction of the Honourable Sindh High Court, Karachi) have approved the Scheme for the merger of TPL Life Insurance Limited with the Company which is subject to sanction of the Scheme by the Honourable Sindh High Court, Karachi. The revival of the Company is highly dependent upon sanction of the Scheme by the Honourable Sindh High Court, Karachi. 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) Loan from sponsors include amount of Rupees 42.5 million in lieu of settlement of liabilities with certain trade creditors in September 2014 which was recognised in the financial statements for the year ended June 30, 2022 by charging the amount to other operating expenses. 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.
- c) Trade and other payables of Rupees 13.525 million as disclosed in note 11 includes 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.
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- d) The Company had not recognised liability in respect of Workers' Welfare Fund amounting to Rupees 5.032 million till financial year 2022 in accordance with the provisions of the "The Punjab Workers Welfare Fund Act, 2019" as applicable in the Province of the Punjab. Aggregate effect of this matter amounting to Rupees 5.032 million has not been adjusted appropriately in these 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.

Adverse Conclusion

Based on our review, because of the significance of the matter discussed in the paragraphs (a) to (e) above, the accompanying interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Lahore: February 29, 2024
UDIN: AR2023106071T7gA8aHF


Rizwan & Company
Chartered Accountants

Condensed Interim Statement of Financial Position (Un-audited)
As at December 31, 2023

	(Un-audited) December 31, 2023	(Audited) June 30, 2023	
Note	(Rupees)		
ASSETS AND LIABILITIES			
Non-current assets			
Equipment	7	113,942	134,050
Long term deposits		<u>27,025</u>	<u>27,025</u>
		140,967	161,075
Current Assets			
Advances and other receivables	8	1,900,952	1,243,341
Short term investment	9	48,750,000	60,000,000
Advance income tax		1,419,971	972,725
Bank balances		<u>438,127</u>	<u>70,993</u>
		52,509,050	62,287,059
Current liabilities			
Trade and other payables	10	(13,507,596)	(10,754,334)
Income tax payable		(128,309)	-
Unclaimed dividend	11	(1,159,777)	(1,159,777)
		<u>(14,795,682)</u>	<u>(11,914,111)</u>
Working capital employed		37,713,368	50,372,948
Non-current liabilities		-	-
NET CAPITAL EMPLOYED		<u>37,854,335</u>	<u>50,534,023</u>
Represented by:			
Share capital and reserves			
Authorised share capital			
15,000,000 (June 30, 2023: 15,000,000)			
ordinary shares of Rupees 10 each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid up share capital		80,000,000	80,000,000
Accumulated loss		(100,073,937)	(98,706,971)
Loan from sponsors	12	<u>57,928,272</u>	<u>69,240,994</u>
TOTAL EQUITY		<u>37,854,335</u>	<u>50,534,023</u>
Contingencies and commitments	13		

The annexed notes from 1 to 20 form an integral part of these interim financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nelofar Mukhtar
Director

Condensed Interim Statement of Profit and Loss (Un-audited)
for the six months period ended December 31, 2023

	Note	Three months period ended		Six months period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		(Rupees)		(Rupees)	
Sales		4,774,476	-	10,264,756	-
Cost of sales		(4,500,000)	-	(9,632,000)	-
Gross profit		274,476	-	632,756	-
Other income	14	2,539,202	2,395,138	3,152,831	2,786,055
Administrative expenses		(2,139,515)	(969,730)	(4,896,672)	(5,535,738)
Other operating expenses		(127,050)	(1,988,632)	(127,050)	(1,988,632)
Operating profit / (loss)		547,113	(563,224)	(1,238,135)	(4,738,315)
Finance costs		(435)	(148)	(522)	(1,808)
Profit / (loss) before taxation		546,678	(563,372)	(1,238,657)	(4,740,123)
Income tax expense	15	(59,681)	-	(128,309)	-
Profit / (loss) after taxation		486,997	(563,372)	(1,366,966)	(4,740,123)
Earnings per share	16	0.061	(0.07)	(0.17)	(0.59)

The annexed notes from 1 to 20 form an integral part of these interim financial information.


 Abida Mukhtar
 Chief Executive Officer


 Shahid Amin Chaudhry
 Chief Financial Officer


 Nelofar Mukhtar
 Director

**Condensed Interim Statement of Comprehensive Income (Un-audited)
for the six months period ended December 31, 2023**

	Three months period ended		Six months period ended	
	December 31, 2023 (Rupees)	December 31, 2022	December 31, 2023 (Rupees)	December 31, 2022
Profit / (loss) after taxation	486,997	(563,372)	(1,366,966)	(4,740,123)
Other comprehensive income / (loss) for the year				
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>	-	-	-	-
<i>Items that may be subsequently reclassified to statement of profit or loss</i>	-	-	-	-
Total comprehensive income / (loss)	<u>486,997</u>	<u>(563,372)</u>	<u>(1,366,966)</u>	<u>(4,740,123)</u>

The annexed notes from 1 to 20 form an integral part of these interim financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nelofar Mukhtar
Director

**Condensed Interim Statement of Cash Flows (Un-audited)
for the six months period ended December 31, 2023**

	Note	Six months period ended	
		December 31, 2023	December 31, 2022
		(Rupees)	
Cash flows from operating activities			
Loss before taxation		(1,238,657)	(4,740,123)
Adjustments for non-cash items:			
Depreciation	7	20,108	21,075
Credit balance written back		-	(126,850)
Debit balance written off		-	45,772
		<u>20,108</u>	<u>(60,003)</u>
Operating profit before working capital changes		(1,218,549)	(4,800,126)
Changes in working capital			
Decrease / (increase) in current assets:			
Advances and other receivables		(657,611)	2,781,997
Short term investment		11,250,000	(50,000,000)
Receivable against sale of investment property		-	111,133,814
Increase / (decrease) in current liabilities:			
Trade and other payables		2,753,262	(24,283,657)
		<u>13,345,651</u>	<u>39,632,154</u>
Cash generated from operations		12,127,102	34,832,028
Income tax paid		(447,246)	(301,841)
Net cash generated from operating activities		11,679,856	34,530,187
Cash flows from investing activities			
Additions in equipment		-	(22,000)
Net cash used in investing activities		-	(22,000)
Cash flows from financing activities			
Repayment of loan from sponsors - net		(11,312,722)	(34,626,469)
Net cash used in financing activities		(11,312,722)	(34,626,469)
Net increase / (decrease) in cash and cash equivalents		367,134	(118,282)
Cash and cash equivalents at the beginning of the period		70,993	142,550
Cash and cash equivalents at the end of the period		438,127	24,268

The annexed notes from 1 to 20 form an integral part of these interim financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nelofar Mukhtar
Director

**Condensed Interim Statement of Changes in Equity (Un-audited)
for the six months period ended December 31, 2023**

	Share capital	Loan from sponsors	Accumulated loss	Total
	(Rupees)			
Balance as at June 30, 2022 (Audited)	80,000,000	104,164,656	(86,788,589)	97,376,067
Loss for the period	-	-	(4,740,123)	(4,740,123)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(4,740,123)	(4,740,123)
Transactions with sponsors				
Repayment of loan - net	-	(34,626,469)	-	(34,626,469)
Balance as at December 31, 2022 (Un-audited)	80,000,000	69,538,187	(91,528,712)	58,009,475
Loss for the period	-	-	(7,178,259)	(7,178,259)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(7,178,259)	(7,178,259)
Transactions with sponsors				
Repayment of loan - net	-	(297,193)	-	(297,193)
Balance as at June 30, 2023 (Audited)	80,000,000	69,240,994	(98,706,971)	50,534,023
Loss for the period	-	-	(1,366,966)	(1,366,966)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(1,366,966)	(1,366,966)
Transactions with sponsors				
Repayment of loan - net	-	(11,312,722)	-	(11,312,722)
Balance as at December 31, 2023 (Un-audited)	80,000,000	57,928,272	(100,073,937)	37,854,335

The annexed notes from 1 to 20 form an integral part of these interim financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nelofar Mukhtar
Director

**Notes to the Condensed Interim Financial Information (Un-audited)
for the six months period ended December 31, 2023**

1 LEGAL STATUS AND OPERATIONS

Dar Es Salaam Textile Mills Limited ("the Company") was incorporated in Pakistan on September 28, 1989 as public unlisted company under the Companies Ordinance, 1984 (now the Companies Act, 2017). The Company became listed on Pakistan Stock Exchange in 1992. The address of registered office of the Company is House No. 37, Street 14, Cavalry Ground, Lahore. The Company is listed in Pakistan Stock Exchange. The Company was engaged in the business of manufacturing and sale of yarn.

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 was situated at House No. 37, Street 14, Cavalry Ground, Lahore which has been shifted/changed to 210, 2nd Floor, Clifton, Block 9, Marine Point, Khayaban-e-Iqbal, Karachi with effect from November 29, 2023. 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 change the name of the Company to "DTM Limited. However, the change of object clause and change of the name have not been implemented as the Company intends to pursue for completion of the merger as fully explained in note 2 and change in object clause and name would be contemplated in accordance with the Scheme of Arrangement approved by the Honorable Sindh High Court, Karachi.

2 Scheme of Compromises, Arrangement and Reconstruction

The shareholders of the Company in their extra ordinary general meeting held on December 27, 2023 approved the Scheme for the merger, by way of amalgamation, of TPL Life Insurance Limited with and into Dar es Salaam Textile Mills Limited.

In terms of the Scheme, the entire business and undertaking of TPL Life Insurance Limited ("TPL Life") shall be amalgamated into Dar Es Salaam Textile Mills on Effective Date against issue of 1 (one) ordinary share of Dar Es Salaam Textile Mills Limited for every 1 (one) share of TPL Life Insurance Limited ("TPL Life") held by its shareholders based on the valuations / calculations / swap ratio carried out by the auditors of the Company. Further, the name of the Company shall be changed to "TPL Life Insurance Limited" and principal line of business of the Company shall be changed upon consummation of the merger contemplated in terms of the Scheme as may be sanctioned by Honorable Sindh High Court, Karachi. A special meeting on direction of Honorable Sindh High Court, Karachi has been held on December 27, 2023. The matter is currently pending before Honorable Sindh High Court, Karachi.

The effect of Scheme against transfer of assets, rights, liabilities and obligations into the Company on the effective date against issuance of shares to the respective shareholders of the TPL Life Insurance Limited shall be incorporated in the subsequent financial statements upon sanction of the Scheme by Honorable Sindh High Court, Karachi.

3 Going Concern Assumption

The Company has closed its operations since 2014 and reported loss after taxation of Rupees 1.384 million (December 31, 2022: Rupees 4.740 million) during the period under review and its accumulated losses stood at Rupees 100.091 million (June 30, 2023: Rupees 98.707 million) against paid up capital of Rupees 80 million (June 30, 2023: Rupees 80 million).

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 Company entered into a Memorandum of Understanding (MOU) on September 04, 2023 with M/s TPL Life Insurance Limited (TPL Life), pursuant to which the parties explore the possibility of and enter into discussions and negotiations for potential merger of TPL Life and the Company, by way of a Scheme of Arrangement (proposed transaction).
- Subsequently; the Board of Directors of the Company in its meeting held on November 29, 2023 approved the draft Scheme of Compromises, Arrangement and Reconstruction pertaining to the merger and amalgamation of TPL Life with and into the Company.
- In adherence to the merger procedures stipulated in Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Company filed the merger petition, bearing J.C.M. Petition No. 34 of 2023 before the Honorable High Court of Sindh at Karachi.
- Pursuant to the directions of Sindh High Court in December 23, the Company held an extraordinary general meeting of its shareholders on December 27, 2023, to seek approval of the Scheme for the merger, by way of amalgamation, of TPL Life with and into Dar es Salaam Textile Mills Limited (along with ancillary matters thereto). During such meeting, the shareholders of the Company present and voting at the meeting, unanimously approved the scheme.
- The Companies are in the process of completing legal formalities after which the matter will be fixed before the honorable Sindh High Court Karachi. The next date of hearing is tentatively fixed in February 2024.
- The Company started its new operations and earned gross revenue of around Rupees 10.265 million during the period under review.

The management is hopeful that the process of merger, by way of amalgamation of TPL Life with and into the Company will be completed in near future that would revive the Company in the best interest of all stakeholders including its members.

In view of the above, these financial statements have been prepared on going concern basis and consequently 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.

4 Basis of preparation

4.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017, and Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4.2 These condensed interim financial statements are unaudited and being submitted to shareholders, as required by Section 237 of the Companies Act, 2017. The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the six months period ended December 31, 2023 and December 31, 2022.

4.3 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2023.

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.

4.4 These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under Section 237 of the Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2023.

5 Material accounting policy information

5.1 The material accounting policy information and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2023.

5.2 There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 01, 2023. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

5.3 Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss.

5.4 Functional and presentation currency

These interim financial statements are presented in Pak rupees, which is the functional and presentation currency of the Company.

6 Accounting Estimates, Judgements and Financial Risk Management

The preparation of these condensed interim financial statements are in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires 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 the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended June 30, 2023.

	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
7 EQUIPMENT		
Book value at beginning of the period	134,050	129,500
Additions during the period	-	62,000
Disposal / Write offs		
Cost	-	-
Accumulated depreciation	-	-
	-	-
Depreciation charge for the period	(20,108)	(57,450)
Book value at end of the period	113,942	134,050
Rate of depreciation	30%	30%
8 Advances and other receivables		
Unsecured and considered good:		
Trade receivables	406,166	-
Advances to suppliers	155,200	-
Advances to employees against salary	527,309	602,265
Accrued income on short term investment	812,277	641,076
	1,900,952	1,243,341

	Note	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
9 Short term investment			
Investment in term deposit receipts - At amortised cost	9.1	<u>48,750,000</u>	<u>60,000,000</u>

9.1 This represents term deposits receipts issued by JS Bank Limited for term ranging from one month to three months carrying interest rate of 20.50% (June 30, 2023: 15.5%) per annum.

	Note	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
10 Trade and other payables			
Accrued liabilities		4,166,981	4,996,305
Payable to related party	10.1	123,763	231,767
Refundable advance from TPL Life Insurance Limited	10.2	3,750,000	-
Withholding Income tax payable		384,454	443,864
Others		5,082,398	5,082,398
		<u>13,507,596</u>	<u>10,754,334</u>

10.1 This represents amount payable to related party on account of expenses incurred on behalf of the Company.

10.2 This represents the break-fee paid by TPL Life Insurance Limited to demonstrate TPL Life's genuine interest in pursuing the proposed merger with Dar es Salaam Textile Mills Limited. The amount is refundable at consummation of merger, by way of amalgamation of TPL Life with and into Dar es Salaam Textile Mills Limited.

11 Unclaimed dividend

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 designated bank. At that time; no record was maintained by the banks about the dividend warrants that 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 Rupees 1.160 million remained unclaimed which is reflected in the financial statements.

	Note	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
12 Loan from sponsors			
Opening balance		69,240,994	104,164,656
Loan received during the year		50,219,000	514,400
Loan repaid during the year		<u>(61,531,722)</u>	<u>(35,438,062)</u>
Closing balance		<u>57,928,272</u>	<u>69,240,994</u>

12.1 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).

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 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 finalised 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.

13.1.2 The Company filed Income Tax Return for the Tax Year 2011 by declaring taxable loss of Rupees 51,77934,929 for the year. The assessment Order under Section 122 (5A) of the Income Tax Ordinance, 2001 was revised by the Department. As a result of assessment order under Section 122(5A) of the Ordinance, the tax liability of Rupees 1,594,999 was created

The Company preferred an appeal before Commissioner Appeals [CIR(A)] whereby disallowance of tax credit under Section 65B amounting to rupees 3,603,276 was vacated by the CIR on March 13, 2017. whereas loss was amended as per the additions of learned DCIR on account of exchange loss of Rupees 1,990,851. The management is of the view that matter will be decided in the Company's favour. The Department, being aggrieved, on this point filed an appeal before ATIR and the next date of hearing is fixed on February 09, 2024. The management is of the view, as per advice of tax advisor, that the matter would be

decided in the Company's favour.

The department being aggrieved with the decision of CIR filed an appeal before ATIR which is pending for adjudication.

- 13.1.3** 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.

- 13.1.4** The Company, along with 176 other companies/entities had filed a writ petition against the National Accountability Bureau before the Honorable Lahore High Court, Lahore on the premise that financial matters of any company and bank are between two parties and NAB has no jurisdiction over such matters.

The Company won in the Lahore High Court on December 24, 2018 and subsequently on November 28, 2023, the appeal that NAB had filed before the Supreme Court was dismissed as withdrawn. Accordingly, all legal cases against the Company has been concluded and there is no legal case pending against the Company, as per legal adviser of the Company, as at reporting date.

- 13.1.5** During the period under review; Securities and Exchange Commission of Pakistan has initiated show cause proceedings under Sections 183, 199 and 257 of the Companies Act, 2017 (the "Act") against the Company and its directors. Securities and Exchange Commission of Pakistan have imposed fines/ penalties in case of show cause proceedings under Section 183 and Section 199 of the Act against which the Company has made payments as it does not want to file appeal before appellate forum. The show cause proceedings under Section 257 of the Act is still pending before the adjudicating officer. The management is of the view, on the advice of corporate consultant, that show cause proceedings would be dropped.

13.2 Commitments

- 13.2.1** There are no commitments to report as at reporting date.
-

14 Other income

	Three months period ended		Six months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees)		(Rupees)	
Credit balances written back	-	126,850	-	126,850
Markup income	2,539,202	2,268,288	3,152,831	2,659,205
	2,539,202	2,395,138	3,152,831	2,786,055

15 Income tax expense

Tax liability in respect of income tax has been determined under the provisions of the Income Tax Ordinance, 2001.

16 Earning per Share - Basic and diluted

	Three months period ended		Six months period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Earning after taxation - (Rupees)	486,997	(563,372)	(1,366,966)	(4,740,123)
Weighted average number of ordinary shares	8,000,000	8,000,000	8,000,000	8,000,000
Earning per share - (Rupees)	0.061	(0.07)	(0.17)	(0.59)

16.1 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.

17 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:

17.1 Name and nature of relationship**Sponsors/Shareholder**

Ms. Nilofar Mukhtar - Shareholder/Director
 Ms. Abida Mukhtar - Shareholder/Director
 Mr. Faisal Mukhtar - Shareholder/Director
 Ms. Batool Ghani - Shareholder

Associate

M/S Super Bird (Private) Limited

Key Management personnel

Mr. Shahid Amin

17.2 Transactions with related parties

Nature of Relationship	Nature of Transaction	December 31, 2023	December 31, 2022
		(Rupees)	
Sponsors	Loan received	50,219,000	200,000
	Loan repaid	(61,531,722)	(34,826,469)
Associate	Funds disbursed	-	(650,000)
	Funds received	-	4,150,000
	Markup income	-	113,077
	Expenses incurred	181,766	-
Key Management personnel	Remuneration	2,112,353	2,293,938

18 Financial Risk Management**18.1 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.

These condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

18.2 Fair value measurement

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 recognised and measured at fair value in these condensed interim 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (Unobservable inputs) (level 3).

As at reporting date, the Company has no item to report in these levels.

19 General and corresponding figures

19.1 In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2023 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the six months period ended December 31, 2022.

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

20 Date of authorisation

20.1 These condensed interim financial statements were approved by the Board of Directors of the Company and authorised for issue on February 29, 2024.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nelofar Mukhtar
Director

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