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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	Chairperson & 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 Ameen 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	National Bank of Pakistan The Bank of Punjab United Bank Limited Faysal Bank Limited Silk Bank Limited Summit Bank Limited	
Registered Office	54-C III, Gulberg III, Lahore. Phones: (042) 3587863-44 Fax : (042) 35878642	
Factory	10th Km Muridke-Sheikhupura Road, Muridke.	

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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Dar Es Salaam Textile Mills Limited (the "Company") will be held on Wednesday, 28th day of October 2020 at 11:00 a.m., however due to the current situation caused by the COVID-19 pandemic, shareholders shall be entitled to attend the meeting through video link facility managed from the Company's registered office at 54-C III Gulberg-III, Lahore, to transact the following business

1. ORDINARY BUSINESS

1. To confirm the minutes of the last Annual General Meeting held on October 28, 2019.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Reports of the Directors and Auditors thereon.
3. To appoint auditors of the company and fix their remuneration for the financial year 2020-21. The Board of Directors have recommended for reappointment of M/s. Rizwan & Co, Chartered Accountants as external auditors.

2. ANY OTHER BUSINESS

3. To transact any other ordinary business which may legally be transacted at an Annual General Meeting, with the permission of the Chair.

By Order of the Board of Directors



Shahid Amin Chaudry
Company Secretary

Lahore
October 01, 2020

NOTES:

1. In pursuance of SECP's Circular No. 5 dated March 17, 2020, and Circular No. 10 dated April 1, 2020, respectively pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, Zoom application or other electronic means for the safety and well-being of the valued shareholders and the general public.
2. The Shares Transfer Books of Dar Es Salaam Textile Mills Limited (the "Company") will remain closed from October 21, 2020 to October 28, 2020 (both days inclusive). No transfers will be accepted for registration during this period. Transfers in good order, received at the office of the Company's Share Registrar namely M/s. Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore, by the close of business on October 20, 2020 will be treated in time for the purpose of attending the annual general meeting.
3. The login facility will be opened at 10.45 a.m. on October 28, 2020 enabling the participants to join the proceedings which will start at 11.00 a.m. sharp.
4. Shareholders interested in attending the AGM through electronic means, are requested to register themselves by submitting their following particulars at the Company's designated email address info@daressalaamtextilemills.com before the close of business hours on October 20, 2020. The link to the zoom application will be sent to the shareholders on the email address provided in the below table:

Name of Shareholder	CNIC Number	CDC Account No./Folio No.	Cell Number	Email Address
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5. Login facility will be shared with the shareholders whose emails addresses provided on above table, Shareholders can also provide their comments / suggestions on info@daressalaamtextilemills.com or WhatsApp or SMS on [0300-4010996](tel:0300-4010996) for the agenda items proposed to be conducted at the AGM in the same manner as it is being discussed in the AGM, and later shall be made part of the minutes of the meeting.
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6. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy must be a member of the Company
7. The instrument appointing the proxy and the Power of Attorney or other authority under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's registered office i.e. 54-C III, Gulberg III, Lahore, not later than 48 hours before the time of the meeting.
8. The Members who have not yet submitted photocopy of their valid CNIC to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, /s. Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore. Corporate entities are requested to provide their National Tax Number (NTN). Please give the folio number with the copy of CNIC / NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779 (I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. In case of non-receipt of the copy of a valid CNIC, the Company will not transmit the dividends of such shareholders to comply with the said SROs of SECP.
9. The Government of Pakistan through the Finance Act, 2020 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
 - a. Rate of tax deduction for filer of income tax returns: 15.0%
 - b. Rate of tax deduction for non-filers of income tax return: 30.0%

All the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of book closure date otherwise tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

A valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in the above Clause must provide a valid Tax Exemption Certificate to our Shares Registrar; else tax will be deducted on dividend amount as per rates prescribed in Section 150 of the Ordinance.

10. For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately on “Filer / Non-Filer” status of the principal shareholder as well as the joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Company’s Share Registrar, Corplink (Pvt) Limited, Wing Arcade, 1 -K Commercial, Model Town, Lahore in the writing as follows, otherwise it will be assumed that the shares are equally held by the principal shareholder and the joint shareholder(s):

Principal Shareholder			Joint Shareholder		
Folio/CDC Account #	Total Shares	Name and CNIC	Shareholding Proportion (No. of Shares) of	Name and CNIC	Shareholding Proportion (No. of Shares)

11. Shareholders are requested to notify their change of address, Zakat declaration and Tax exemption certificate (if any) immediately to the Company’s Share Registrar, Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore. Please further note that Zakat will be deducted from dividends at source at the rate of 2.5% of the paid up value of the shares under Zakat and Ushr laws and will be deposited within the prescribed period with the relevant authority. In the event that you would like to claim an exemption, please submit, with your broker/CDC/the Company’s Share Registrar, your Zakat Declaration form CZ -50 under the Zakat and Ushr Ordinance 1980 and Rule 4 of the Zakat (Deduction and Refund) Rules 1981.
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12. SECP, through its SRO 470(1)/2016 dated May 31, 2016, has allowed companies to circulate their annual accounts to shareholders through CD/DVD/USB at their registered addresses. However, any shareholder may request the Company Secretary in writing to provide a printed copy of the annual report at their registered address, free of cost

Members are further informed that pursuant to SECP's S.R.O. 787(1)/2014 dated September 8, 2014 regarding electronic transmission of the Company's Annual Report and AGM notice, we have uploaded the request form on the Company's website - www.daressalaamtextilemills.com. Those members who want to avail this facility are requested to submit the duly filled request form to our Share Registrar Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore.

13. In accordance with the requirements of section 242 of the Companies Act 2017, cash dividends shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Shareholders are requested to provide their folio number, name, bank account details comprising of bank name, branch name, branch code, account number, title of account and IBAN, which they designate for crediting of their dividend. A standard form has also been placed on the Company's website - www.daressalaamtextilemills.com. Please ensure that such details are provided to the Company's Share Registrar Corplink (Pvt) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore and/or your broker/participant/CDC Investor account services, failing which the Company will be unable to process your dividend payment.

مشترکہ طور پر حصص رکھنے والے تمام حصص یافتگان کو کمپنی کے شیئر رجسٹرار آفس کارپولنک پرائیویٹ لمیٹڈ ونگ آرکی ڈ 1 کے کمرشل ماٹل ٹاؤن لاہور کو مندرجہ ذیل انفارمیشن تحریری طور پر فراہم کرنا ہوگی۔ بصورت دیگر یہ سمجھا جائے گا کہ حصص مساوی سمجھا جائے گا

پرنسپل شیئر ہولڈر جو انٹرنیشنل شیئر ہولڈر

شیئر ہولڈنگ CNIC فولیو / سی ڈی سی اکاؤنٹ # کل حصص کا نام اور

شیئر ہولڈنگ CNIC تناسب (حصص کی تعداد) نام اور

(تناسب) (حصص کی تعداد)

11. شیئر ہولڈرز سے درخواست ہے کہ ٹیکس چھوٹ کے ٹیکلاریشن کے بارے میں کمپنی کے شیئر رجسٹرار آفس کارپولنک پرائیویٹ لمیٹڈ ونگ آرکی ڈ 14 کے کمرشل ماٹل ٹاؤن لاہور مزید نوٹ کریں کہ زکوٰۃ اور عشر کے قوانین کی شرح سے 2.5% کی کٹوتی کی جائے گی اور متعلقہ اتھارٹی کے پاس مقررہ مدت کے اندر جمع کروا دی جائے گی اگر آپ اثتہنا کا دعویٰ کرنا چاہتے ہیں تو اپنے بروکر / سی ڈی سی / کمپنی کے شیئر رجسٹرار کو زکوٰۃ و عشر آرٹیننس کے قاعدہ 4 سی ڈی 50 اعلامیہ فارم رولز کے تحت جمع کروائیں۔

12. ایس ای سی پی اینے ایس آر او 470 (1) / 31 مئی 2016 کے توسط سے کمپنیوں کو اپنے رجسٹرڈ پتوں پر سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے اپنے سالانہ اکاؤنٹ حصص داروں کو بھیجنے کی اجازت دی ہے۔ تاہم، کوئی بھی حصہ دار کمپنی سگریٹری کو تحریری طور پر درخواست کر سکتا ہے کہ وہ اپنے رجسٹرڈ پتے پر سالانہ رپورٹ کی ایک طباعت شدہ کاپی مفت فراہم کرے۔

ایس ای سی پی اینے ایس آر او 787 (1) / 8 ستمبر 2014 کے مطابق کمپنی کی سالانہ رپورٹ اور اے جی ایم نوٹس کو اپ لوڈ کر دیا ہے۔ جو ممبران اس سہولت سے فائدہ اٹھانا چاہتے ہیں ان سے گزارش ہے کہ ہمارے شیئر رجسٹرار کارپولنک (پرائیویٹ) لمیٹڈ، ونگ آرکی ڈ، 1-کے کمرشل، ماٹل ٹاؤن، لاہور کو مناسب طریقے سے بھرا ہوا درخواست فارم جمع کروائی۔

13. کمپنیز ایکٹ 2017 کے سیکشن 242 کی ضروریات کے مطابق، نقد منافع صرف الیکٹرانک موڈ کے ذریعے براہ راست بینک اکاؤنٹ میں دیا جائے گا جو حقدار حصص یافتگان کے ذریعے متعین کیا گیا ہے۔ حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنا فولیو نمبر، نام، بینک اکاؤنٹ کی تفصیلات جس میں بینک کا نام، شامل ہوں، فراہم کریں، جو وہ اپنے منافع IBAN برانچ کا نام، برانچ کوڈ، اکاؤنٹ نمبر، اکاؤنٹ کا عنوان اور www.daressalaamtextilemills.com کے اعتبار سے جمع کروانے کے لئے نامزد کمپنی کی ویب سائٹ ایک معیاری فارم بھی رکھا گیا ہے۔ براہ کرم یقینی بنائیں کہ اس طرح کی تفصیلات کمپنی کے شیئر رجسٹرار کارپولنک (پرائیویٹ) لمیٹڈ، ونگ آرکی ڈ، 1-کے کمرشل، ماٹل ٹاؤن، لاہور اور / یا آپ کا بروکر / شریک / سی ڈی سی انویسٹر اکاؤنٹ سروسز، جس میں ناکامی کمپنی آپ کے منافع کی ادائیگی پر کارروائی کرنے سے قاصر ہوگی۔

8. جن ممبروں نے ابھی تک اپنے شناختی کارڈ کی کاپی کمپنی کے شیئر سے درست نہیں کروائی انہیں ایک بار پھر اطلاع دی جاتی ہے کہ وہ جلد از جلد برائے راست کمپنی کے شیئر رجسٹرار آفس کارپولنک پرائیویٹ لمیٹڈ ونگ آرکیڈ 14 کے کمرشل ماڈل ٹاون لاہور میں بھیجیں۔ کارپوریٹ اداروں سے گزارش ہے کہ اپنے شناختی کارڈ کی کاپی اور این ٹی این کی تفصیلات فراہم کریں سیکورٹی ایکسچینج کمیشن آف پاکستان ایس آر او 779 (1) بتاریخ 18 اگست 2011 اور ایس آر او 831 (1) 2012 بتاریخ 5 جولائی 2012 کے حوالہ کے تحت یہ تقاضہ کیا گیا ہے کہ ٹیویٹنڈ وارنٹ پر شناختی کارڈ کا نمبر مونا چاہیے۔ رجسٹریڈ نمبر یا مجاز شخص سوائے نابالغ افراد کی کاپی موصول نہ ہونے کی صورت میں ایس ای سی پی مذکورہ ایس آر او کی تعمیل کرنے کیلئے ایسے حصص یافتگان کا منافع منتقل نہیں کرے گی۔

9. حکومت پاکستان کے انکم ٹیکس 2020 کی دفعہ 150 کی کچھ خاص ترامیم کی گئی ہیں جس کے تحت کمپنی کے زریعے ادا کئے جانے والے منافع کی رقم پر ود ہولڈنگ ٹیکس میں کٹوتی کے لئے مختلف نرخوں کا تعین کیا گیا ہے ٹیکس کی یہ شرح درجہ ذیل ہے۔

(ا) ٹیکس کٹوتی کی شرح: 15% انکم ٹیکس ریٹرن فائلر کے لئے۔

(ب) انکم ٹیکس ریٹرن فائلر نا کرنے والے کے لئے ٹیکس کٹوتی کی شرح 30%۔

ایف بی آر کی ویب سائٹ پر فراہم کردہ ایکٹو ٹیکس ادائیگی کرنے والوں کی فہرست (اے ٹی ایل) میں شامل نہیں ہونے والے تمام حصص یافتگان، اس حقیقت کے باوجود کہ وہ فائلرز ہیں، انہیں یہ یقین دہانی کرنے کی ہدایت کی گئی ہے کہ کتاب بند ہونے کے آغاز سے پہلے ہی ان کے نام اے ٹی ایل میں کئے جائیں 30% کی شرح سے کٹ of داخل ہوں۔ تاریخ بصورت دیگر ان کے کیش ٹیویٹنڈ ڈ پر ٹیکس 15 جائے گا۔

ود ہولڈنگ آرڈیننس کی دفعہ 159 کے تحت ایک مستثنیٰ مستثنیٰ سند لازمی ہے کہ وہ شی ڈول کے پارٹ ٹیکس میں چھوٹ کے شق 47 بی کے تحت چھوٹ کا دعویٰ کرے۔ اس زمرے میں آنے والے افراد کو لازمی طور پر ہمارے حصص کے رجسٹرار کو ٹیکس سے مستثنیٰ کا ایک سرٹیفکیٹ فراہم کرنا ہوگا۔ ورنہ آرڈیننس کے سیکشن 150 میں درج نرخوں کے مطابق منافع کی رقم پر ٹیکس کاٹا جائے گا۔

10. ایف بی آر کے جاری کردہ وضاحت کے مطابق مشترکہ طور پر حصص رکھنے والے حصص یافتگان کی پرنسپل شیئر ہولڈر کے ساتھ مشترکہ نہ کیا جائے۔ بنیاد پر، ٹیکس کے تناسب کی حیثیت سے ہوگا۔ جووائٹ ہولڈر کی حیثیت سے ود

ذریعے اے جی ایم کی کارروائی میں شامل ہونے کا حقدار سمجھا جائے وڈیو لنک زوم اپلیکیشن اور دیگر الیکٹرانک ذرائع کا استعمال حصص یافتگان احتیاطی تدابیر کے تحت اے جی ایم کی کارروائی میں شامل سمجھا جائے

2. دارالسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے حصص کی منتقلی کی کتابیوں 21 اکتوبر 2020 سے 28 اکتوبر 2020 تک بند رہیں گی (دونوں دن بھی شامل ہیں)۔ اس مدت کے دوران رجسٹریشن کے لئے کسی قسم کے تبادلے قبول نہیں کیے جائیں گے۔ منتقلی میں، کمپنی کے شیئر رجسٹرار یعنی میسرز کے دفتر میں موصول ہوئے۔ 20 اکتوبر 2020 کو کاروبار بند ہونے تک کارپولنک پرائیویٹ لمیٹڈ ونگ آر کی ڈی 14 کے کمرشل ماڈل ٹاؤن لاہور۔ وہی شرکت کا تصور کیا جائے گا۔

3. لاگ ان کی سہولت 28 اکتوبر 2020 کو صبح 10.45 بجے کھولی جائے گی جو شرکاء کو کارروائی میں شامل ہونے کے قابل بنائے گی جو صبح 11.00 بجے شروع ہوگی۔

4. الیکٹرانک ذرائع کے ذریعے اے جی ایم میں شرکت کرنے میں دلچسپی رکھنے والے حصص یافتگان سے گزارش ہے کہ وہ 20 اکتوبر 2020 کو کاروباری اوقات کے اختتام سے قبل کمپنی کے ای میل ای ڈریس info@daressalaamtextilmills.com پر اندراج کروائیں۔ پر مندرجہ ذیل تفصیلات جمع کروا

حصص دار کا نام / سی ڈی سی اکاؤنٹ نمبر / فولیو نمبر / سیل نمبر / ای میل ایڈریس

5. لاگ ان کی سہولت ان حصص یافتگان کے ساتھ شیئر کی جائے گی جن کے ای میل کے پتے مندرجہ بالا ای میل ایڈریس پر یا واٹس ایپ یا ایس ایم ایس اس نمبر پر 03004010996 اپنی تبصرے / تجاویز پیش کر سکتے ہیں۔ جس طرح سے اے جی ایم میں اس پر تبادلہ خیال کیا جا رہا ہو اور بعد میں اجلاس کے روادار کا حصہ بنایا جائے گا۔

6. اس اجلاس میں شرکت اور ووٹ ڈالنے کا حقدار ممبر اس کی بجائے شرکت کرنے اور ووٹ دینے کے لئے پراکسی مقرر کرنے کا حقدار ہے۔ پراکسی کمپنی کا ممبر ہونا ضروری ہے

7. پراکسی اور پاور آف اٹارنی یا دیگر اتھارٹی کے اعلیٰ تفری کیلیئے اور اسکی نوٹری سے سند یافتہ کاپی کمپنی کے رجسٹرڈ آفس 54/سی تھری گلبرگ تھری لاہور میں درج کروائیں۔

عام جنرل اجلاس کا نوٹس

اس کے ذریعہ نوٹس دیا گیا ہے کہ دارسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کی سالانہ جنرل میٹنگ 28 اکتوبر 2020 بروز بدھ 54/سی تھری گلبرگ تھری لاہور میں صبح گیارہ بجے ہوگی، تاہم کووڈ 19 کی وجہ سے حصص داروں کو وٹیلونک کی سہولت کے ذریعے اجلاس میں شرکت کا حق ہوگا۔

1. ابتدائی کاروبار

- 1- 28 اکتوبر 2019 کو ہونے والی آخری سالانہ جنرل میٹنگ کے رواد کی تصدیق کرنا
2. کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے 30 جون 2020 کو ختم ہونے والے سال اور اس پر ڈائریکٹر اور آڈیٹرز کی رپورٹ کے حصول اور اس پر غور اور اپنانے کیلئے۔۔
3. کمپنی کے آڈیٹرز کی تقرری اور مالی سال 2020-21 کے لئے ان کا معاوضہ کا تعین کرنا۔ بورڈ آف ڈائریکٹرز نے - رضوان این ڈ کو، بیرونی آڈیٹر کی حیثیت سے چارٹرڈ اکاؤنٹنٹ۔ میسرز کی تقرری کے لئے سفارش کی ہے

2. دوسرا کاروبار

چینرمن کی اجازت سے دوسرے عام کاروبار کیلئے سالانہ جنرل اجلاس میں قانونی طور پر لین دین کیا جا سکے گا۔

بذریعہ بورڈ آف ڈائریکٹرز



شاہد امین چوہدری

کمپنی سیکرٹری

لاہور

01 اکتوبر 2020

ایس ای سی پی کے سرکلر نمبر 5 بتاریخ 17 مارچ 2020 کاپوریٹ سیکٹر کیلئے باقاعدہ ریلیف سے متعلق یکم اپریل 2020 سرکلر نمبر 10 کے مطابق کرونا وائرس کے اثر کو ختم کرنے کیلئے حصص یافتگان آن لائن کے

CHAIRMAN'S REVIEW

I am pleased to present the review for the year ended 30 June 2020 highlighting the Company's performance and the role of the Board of Directors in guiding the management to carry out its responsibility for the benefit of all its stakeholders.

During the year; the Company remained committed to implement its new business strategy and is focusing to improve its liquidity. The focus of the Company's management is to settle the Company's liabilities towards lenders and other creditors and to utilize available funds for implementation of alternate business plan. I am confident that the Company will be successful in meeting the future challenges and targets.

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

- I. 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.
 - II. 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;
 - III. The Board remain updated with respect to achievement of Company's objectives, goals, strategies and financial performance through review of reports from management and other consultants;
 - IV. 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.
 - V. During the year, the Board completed evaluation of the Board in line with the requirements of the Code. The main focus was on strategic growth, business opportunities risk management, and composition of the board. The Board, apart from Board Audit Committee and Board Human Resource Committee meetings, normally meets once every quarter to consider and approve financial and operating results.
 - VI. 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;

VII. The Board has ensured that sound system of internal controls are in place;

Being Chairperson of the Board, 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
October 01, 2020



Abida Mukhtar
Chief Executive Officer



Faisal Mukhtar
Chairperson, Board of Directors

DIRECTORS' REPORT

The Directors of Dar es Salaam Textile Mills Limited ("the Company") take pleasure in presenting the 30th Annual Report together with your Company's Annual Audited Financial Statements for the year ended June 30th, 2020.

Economic Outlook / Business, Risk and Challenges

The Corona virus pandemic drastically disrupted the world's economy and brought it to a standstill. Never before did companies globally face such massive challenges – volatile stock market, negative oil prices, plummeting commodity prices and demand, built up stock, collapsing transportation and default by customers. Unfortunately, the Pakistani economy also suffered the brunt of the pandemic across all segments. The overall impact of the pandemic resulted in massive layoffs, colossal write-offs in stocks, and closure of businesses across various segments. Given such unusual times, it was difficult for the management to close any deal and dispose of land, building and machinery to pay down its liabilities.

Description	June 30, 2020 (PKR)	June 30, 2019 (PKR) (Restated)
Sale	-	-
Cost of Sales*	-	-
Gross Profit/ (Loss)	-	-
Finance Cost	(5,845)	(24,853)
Other income	5,345,000	20,379,568
Administrative Expenses	(12,349,214)	(18,270,397)
Other operating expenses	(40,180,320)	(7,018,677)
Changes in Fair Value of Investment Property	93,649	0
Taxation	(2,640,942)	0
Loss after taxation	(49,737,672)	(4,934,359)

Due to the change in effect of reclassification of non-current assets held for sale, the profit and loss includes an impairment loss of PKR 31 Million. The detail working of the impairment is available in note 12. 1

Nonetheless, in the last quarter of 2020, after much deliberation, the management of the company decided to hold an Extra Ordinary General Meeting on April 20, 2020. The meeting was held to obtain approval from shareholders for leasing out the premises. The management believes that until an offer arises from a party for its land and building, it is essential for it to generate income to meet cashflow requirements and reduce liabilities. Therefore, in the interim period the management will lease out its land and building. Moreover, in reference to the EOGM held in April 2018, the management is still seeking buyers for the disposal of land and building in order to pay down its liabilities and revive the company. These are challenging times, but the management is hopeful to dispose of land and building within shortest possible time and implement business plan for revival of the Company.

Furthermore, as illustrated in the Auditors report, the management made further efforts for removal certain reservations of the Auditors and despite the adverse opinion of the Auditor, it is confident that it will ensure a positive bottom line in the first quarter of 2021.

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 30 June 2020 were placed before the Audit Committee and the Board for their review and subsequently approved. These transactions were reviewed by the Audit Committee and approved by the Board. All these transactions were in line with the transfer pricing methods and the policy for related parties approved by the Board.

Code of Conduct

The Company strives to enhance corporate governance as one of the most important tasks for its management, based on the Company's basic principle, in order to strengthen the trust of our shareholders, customers & society and seek sustainable growth and enhance corporate value.

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. The 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 new Code of Corporate Governance has marked a various change to bring local companies governance in line with the global norms. The Company has taken initiatives to implement amendments in the new Code. The representation of independent directors has been linked with the restructuring of the Board not later than next election of Directors. The remuneration policy for Board of Directors (for Executive, Non-Executive and Independent Directors) are being prepared. The Board lays great emphasis on adding and practicing good Corporate Governance, with a view to achieve transparency in its operations, so as to boost the confidence of important stakeholders. The objective of this policy is to ensure that the Executive & Non-executive directors are governed by comprehensive compensation criteria that is based on merit and contributions towards the strategic guidance and success of the Company. The Statement of compliance with the Code of Corporate Governance is annexed.

The Board of Directors

The Board of Directors is composed of seven members, with statutory representation of different category of directors, which includes an independent director, 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 the 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.

Board Meeting and Attendance

During the year seven meetings of the Board of Directors of the company were held attendance by each director is shown below:

Sr. No	Name	Attendance
1.	Mrs Nilofar Mukhtar	4
2.	Mr. Faisal Mukhtar	7
3.	Mrs. Mahwesh Faisal Mukhtar	7
4.	Ms. Abida Mukhtar	7
5.	Ejaz Hussain	6
6.	Mr. Muhammad Yousaf	6
7.	Muhammad Gul Nawaz	5

Audit Committee Meeting and Attendance

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

Sr. No	Name	Attendance
1.	Muhammad Gul Nawaz	5
2.	Ms. Mahwesh Faisal Mukhtar	5
3.	Mrs Nilofar Mukhtar	5

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 Nilofar Mukhtar	1
3.	Ms. Mahwesh Faisal Mukhtar	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. In addition, the management also realized a short-term plan to meet cash flow requirements and to gradually pay down debt. Moreover, the company’s management is avidly pursuing sale of its land and business and hopes to be able to fulfil its plan in the near future. The response of your Directors with respect to it are as follows:

Adverse Opinion	Justification
<p>As at reporting date; the Company's accumulated loss stood at Rupees 366.478 million (2019; Rupees 293.786 million), its equity has been eroded fully and its current liabilities exceeded its current assets by Rupees 502.502million (2019; Rupees 293.786 million). Moreover, the financial results show adverse key financial ratios and cases against the Company by the banking companies (as fully explained in note 22) for recovery of the loan amounts, the outcome of these cases remain uncertain. The Company has not been able to pay long term financing and short-term borrowing obtained from banking companies amounting to Rupees 156.645 million and Rupees 116.220 million respectively and accrued markup thereon even after lapse of considerable time after restructuring. The Company has already suspended its operations since 2014 and decided to dispose off all of its property, plant and equipment for implementation</p>	<p>The management of the Company tried its utmost efforts to dispose-off land and building but due to Corona virus pandemic, two of the interested parties fell through.</p> <p>Therefore, the management actively sought an interim route and for the time being, it held an EOGM in April 2020 to lease out its premises. The idea is to generate enough income to avoid further erosion of equity and to meet cash flow requirements.</p> <p>Nonetheless, despite the challenges, the Company is still making efforts to dispose land and building for the revival of the company. The management strongly believes in executing its business plan and upon realization of proceeds; the Company shall implement alternate business plan as envisaged and approved by the shareholders.</p>

of alternate business plan with the approval of shareholders in its meeting held on April 30, 2018. The Company neither be able to dispose off land and building to settle liabilities towards lenders and creditors nor be able to implement alternate business plan as envisaged in the shareholders meeting held on April 30, 2018. During the year, the Company had decided to lease out its factory premises with the approval of the shareholders in its meeting held on April 20, 2020; however, we were neither provided with future projections of the Company nor alternate business plan to revive the Company to support going concern assumption.

These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may not be able to realize its assets and discharge its liabilities in normal course of business. However, as described in note 2.2 to these financial statements have been prepared under the going concern assumption. 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. In our opinion, the financial statements should reflect adjustments to reduce the value of assets to their recoverable amount and to provide any further liabilities that may arise.

These adjustments are likely to be substantial, and in view of further qualifications discussed in the following paragraphs below we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy.

<p>As disclosed in note 14, the Company has recognised accrued markup on short term borrowings and long-term financing to the extent of Rupees 54.127 million and Rupees 54.302 million respectively. As per confirmations received from various banks, the Company has recognised accrued mark up of Rupees 108.429 million against aggregate accrued mark up of Rupees 70.233 million (excluding National Bank of Pakistan) as per confirmations received from banks for which no adjustment has been made on the plea that it will be incorporated upon final settlement/extinguishment of short term and long term borrowings with the banks. Moreover, the Company had not charged the markup / cost of funds on long term financing and short-term borrowings during the year. Further, as per confirmation received from National Bank of Pakistan; there is a difference of Rupees 1.314 million in loan amount as per books of account of the Company for which no reconciliation has been provided to us. The effect of this matter has not been adjusted appropriately in these financial statements.</p>	<p>Auditors were provided with letters from banks stating the principal amount and mark up. The mark up amounts accrued in the Company's accounts do not reflect the settled mark-up amount. The difference in mark-up amount of PKR 108.429 shall be settled upon execution of settlement with the Banks.</p> <p>In reference to the variance of NBP, the PKR 1.314 million is due to erroneous markup charged by NBP and we are in discussion to make the correction.</p>
<p>Trade and other payables amounting to Rupees 135.293 million as disclosed in note 12 includes Trade and other payables amounting to Rupees 108.566 million could not be verified in absence of the direct confirmations. The cumulative effect of this matter has neither been determined not 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.</p>
	<p>Nevertheless, the management provided details and address of parties for confirmation and provided required information.</p>

<p>The Company has not recognised liability against Gas Infrastructure Development Cess to the extent of Rupees 22.333 million despite the fact that Supreme Court of Pakistan has announced its decision on August 13, 2020 where Honorable Court has rejected appeals filed by various companies and has directed all the companies to pay the outstanding amounts within twenty four quarterly installments with effect from August 01, 2020. The effect of this matter has not been adjusted appropriately in these financial statements.</p>	<p>The SNGPL levied surcharge of Rupees 22.954 million under Gas Infrastructure Development Cess on industrial undertakings during FY 2012 to May 2015. Lahore High Court passed an order and directed to constitute a High Power Committee of SNGPL to look into the case of industrial undertaking. Federal Government challenged the decision of the High Court of Sindh, which declared the GIDC as ultra vires and unconstitutional in case of another company, and obtained a direction from a Larger Bench of the High Court of Sindh suspending the order. In a separate case, Peshawar High Court passed a judgment on May 31, 2017 validating the Gas Infrastructure Development Cess Act, 2015 and the same has been challenged by the petitioners in the Supreme Court of Pakistan.</p> <p>During the current year, Gas Infrastructure Development Cess Act, 2015 (Amendment) Ordinance, 2019 was promulgated by the Federal Government which provided for 50% waiver of outstanding liability as at December 31, 2018. Later, the said Ordinance was withdrawn by the Federal Government and pending decision with The Supreme Court of Pakistan. Now Subsequent to the reporting date; Supreme Court of Pakistan has announced on August 13, 2020 its reserved verdict on the Gas Infrastructure Development Cess (GIDC) and has rejected the appeals and ordered the companies to pay the outstanding amount.</p> <p>Despite the Supreme Court of Pakistan verdict specifically the textile industrial units feel grieved and levy of unjustified cess applied contrary to the provisions of the GIDC ACT, 2015. The Textile companies through APTMA has filed a review petition before the Honorable Supreme Court of Pakistan.; therefore, the amount of the GIDC amounting to Rupees 22.954 million has not been recognized in these financial statements as the Company is of the view that decision on review petition by Supreme Court of Pakistan shall be decided in favour of the Company.</p>
<p>We could not verify the unclaimed dividend payable pertaining to financial years ended on June 30, 2000 and June 30, 2001 amounting to Rupees 1,159,777 in absence of underlying record with the Company. The effect of this matter has not been adjusted appropriately in these financial statements.</p>	<p>The Company issued out a dividend in the Fiscal Year 2000 and FY 2001. Over the years, a small portion of the dividend remains payable. During the past two decades, the company management has issued out dividend warrants at shareholder request.</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, 2020 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 October 25, 2020. As suggested by the Audit Committee, the Board of Directors has recommended their re-appointment as auditors of the Company for the year ending June 30, 2021.

Your Directors are continuing their efforts to prepare a best possible solution for the benefit of all the stakeholders. We would like to thank all our shareholders for their continued support.

Directors' Remuneration

The remuneration of the directors is determined by the Board as per provisions of section 170 of the Companies Act, 2017 on the basis of standards in the market and reflects demand to competencies and efforts in the light of the scope of their work and responsibilities of the directors. Remuneration of Chief Executive is reviewed annually by the board of directors. During the year ended June 30, 2020, no remuneration and/fee is paid to chief executive officer, executive directors, non-executive directors and independent directors for performing their duties and attending the meetings of board of directors and/or committees of the board.

Chairperson's Review

The accompanied Chairperson's review deals with the performance of the Company for the year ended 30 June 2020 and future outlook. The directors endorse the contents of the review.

Acknowledgement

Yours directors record with appreciation, the efforts of the company's managers, technicians, staff and workers who have 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


Nilofar Mukhtar
Director

Lahore: 01 October 2020


چیئر پرسن کا جائزہ


چیئر پرسن کا ہمراہ جائزہ 30 جون 2020 کو ختم ہونے والی کمپنی کی کارکردگی اور مستقبل کے نظری ۵ سے متعلق ہے۔
ڈائریکٹرز جائزہ کے مضمولات کی توثیق کرتے ہیں۔

اعتراف

آپ کے ڈائریکٹرز تعریف کے ساتھ ریکارڈ کرتے ہیں، کمپنی کے منیجرز، ٹیکنیشنز، عملہ اور کارکنوں کی
کاوشوں کو جنہوں نے ہدف کو پورا کرنے کے لئے بھرپور کوشش کی ہے۔ آپ کے ڈائریکٹرز ان کے تعاون پر
کمپنی کے بینکر، خریداروں اور سپلائرز سے بھی ان کی تعریف کرتے ہیں۔

بورڈ کے لئے اور بہ الف


عابدہ مختار
چیف ایگزیکٹو آفیسر


مسز نیلوفر مختار
ڈائریکٹر

لاہور: 01 اکتوبر 2020

<p>اے کے ڈریجے ٹیکسٹائل کمپنیوں نے معزز سپریم کورٹ آف پاکستان کے سامنے نظر ثانی درخواست دائر کی ہے۔ لہذا، ان مالی بیانات میں 22.954 ملین روپے کی جی آئی ڈی سی کی رقم کو تسلیم نہ ہی کیا گیا ہے کیونکہ ہ کمپنی کا موقف ہے کہ سپریم کورٹ آف پاکستان کی جانب سے نظر ثانی درخواست پر فیصلہ ہ کمپنی کے حق میں کیا جائے گا۔</p>	
<p>کمپنی نے مالی سال 2000 اور مالی سال 2001 میں ایک منافع جاری کیا۔ سالوں کے دوران، اس منافع کا ایک چھوٹا سا حصہ قابل ادائیگی رہا۔ پچھلے دو دہائیوں کے دوران، کمپنی مینجمنٹ نے شیئردار کی درخواست پر ٹیوی ڈنڈ وارنٹ جاری کیا ہے۔</p>	<p>ہ کمپنی کے پاس بنیادی ریکارڈ کی عدم موجودگی میں 30 جون، 2000 اور 30 جون 2001 کو ختم ہوئے مالی سالوں سے متعلق دعویدار منافع کی توثیق نہ ہی کر سکتے۔ ان مالیاتی بیانات میں اس معاملے کا اثر مناسب طریقے سے ایڈجسٹ نہ ہی کیا گیا ہے۔</p>

جیسا کہ پہلے روشنی ڈالی گئی ہے، کمپنی کی انتظامیہ تنظیم نو کے عمل میں ہے اور منفی رائے کو بے لاگ سمجھتی ہے۔

شیئر ہولڈنگ

کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہے۔ اس سالانہ رپورٹ میں کوڈ آف کارپوریٹ گورننس کے تحت مطلوبہ انکشافات کے ساتھ ساتھ 30 جون 2020 تک شیئر ہولڈنگ کا انداز بھی شامل ہے۔ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سکریٹری، ہیڈ آف انٹرنل آڈٹ اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہ ہی کی ہے۔

کمپنی آڈیٹر

موجودہ آڈیٹرز ایم / ایس رضوان این ڈی کمپنی، چارٹرڈ اکاؤنٹنٹس 28 اکتوبر، 2019 کو ہونے والی سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے۔ آڈٹ کمیٹی کے تجویز کردہ مطابق، بورڈ آف ڈائریکٹرز نے بحیثیت بحیثیت آڈیٹر ان کی دوبارہ تقرری کی سفارش کی ہے۔ کمپنی 30 جون 2021 کو ختم ہونے والے سال کے لیے۔

ڈائریکٹرز پر اپرٹی پلانٹ اور آلات بیچنے اور متبادل کاروباری میصوبہ بندی کیلئے کوشاں ہیں

ڈائریکٹرز کا معاوضہ

ڈائریکٹرز کا معاوضہ مارکیٹ میں معیارات کی بنیاد پر کمپنیز ایکٹ 2017 کے سیکشن 170 کی دفعات کے مطابق بورڈ کے ذریعہ مقرر کیا جاتا ہے اور ان کے کام اور اس کی ذمہ داریوں کی وسعت کی روشنی میں اہلیت اور کوششوں کے مطالبے کی عکاسی کرتا ہے۔ ڈائریکٹرز چیف ایگزیکٹو کے معاوضے کا ہر سال بورڈ آف ڈائریکٹرز کے ذریعہ جانزہ لیا جاتا ہے۔ 30 جون، 2020 کو ختم ہونے والے سال کے دوران، چیف ایگزیکٹو آفیسر، ایگزیکٹو ڈائریکٹرز، نان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کو اپنے فرائض کی انجام دہی اور بورڈ آف ڈائریکٹرز اور / یا کمیٹیوں کے اجلاسوں میں شرکت کرنے پر معاوضہ اور / فیس ادا نہ ہی کی جاتی ہے۔

	اس معاملے کے اثر کو مناسب طریقے سے ای ڈجسٹ نہی کیا گیا ہے۔
<p>ان می ۵ سے زیادہ تر رقم پانچ سال سے زیادہ پرانی ہے اور حد ایکٹ کے مطابق وقت پر پابندی عائد ہے۔ اس کے علاوہ ، ی ۵ تجارت اور دیگر قابل ادائیگی تاجروں / کسانوں کی ملکیت ہے جن میں بکنگ کو برقرار رکھنے کی صلاحیتی محدود ہے۔ لہذا ، ان افراد / کمپنیوں میں سے زیادہ تر تحریری تصدیق فرام کرنے کے اہل نہی ہیں۔ اس کے باوجود ، انتظامی ۵ نے تصدیق کے لئے فریقین کی تفصیلات اور پتہ فرام کیا اور واپس لکھی مونی رقم کے حوالے سے مطلوبہ معلومات فرام کی ہیں۔</p> <p>ایس این جی پی ایل نے مالی سال 2012 سے مئی 2015 کے دوران صنعتی اقدامات پر گیس انفراسٹرکچر ڈویلپمنٹ سیس کے تحت 22,954 ملین روپے کا سرچارج لگایا۔ لاہور ہائی کورٹ نے ایک حکم منظور کرتے ہوئے صنعتی اقدام کے معاملے کو جانچنے کے لئے ایس این جی پی ایل کی ایک ہائی پاور کمیٹی تشکیل دینے کی ہدایت کی۔ وفاقی حکومت نے سندھ ہائی کورٹ کے اس فیصلے کو چیلنج کیا ، جس نے جی آئی ڈی سی کو کسی اور کمپنی کی صورت میں الٹرا وائرس اور غیر آئینی قرار دے دیا تھا ، اور سندھ ہائی کورٹ کے لارجر بنچ سے اس حکم کو معطل کرنے کی ہدایت حاصل کی تھی۔ ایک علیحدہ کیس میں ، پشاور ہائی کورٹ نے 31 مئی 2017 کو گیس انفراسٹرکچر ڈویلپمنٹ سیس ایکٹ 2015 کی توثیق کرتے ہوئے فیصلہ سنایا اور اسی کو درخواست گزاروں نے سپریم کورٹ آف پاکستان میں چیلنج کیا ہے۔</p> <p>رواں سال کے دوران ، گیس انفراسٹرکچر ڈویلپمنٹ سیس ایکٹ ، 2015 (ترمیمی) آرٹیننس ، 2019 کو وفاقی حکومت نے جاری کیا تھا جس میں 31 دسمبر ، 2018 چھوٹ کی فراہمی کی گئی تھی۔ بعد تک بقایا کی 50% ازاں ، مذکورہ آرٹیننس فی ڈرل گورنمنٹ نے واپس لیا تھا۔ حکومت اور سپریم کورٹ آف پاکستان کے ساتھ زیر التواء فیصلہ۔ اب اطلاع دہندگی کی تاریخ کے بعد؛ سپریم کورٹ آف پاکستان نے 13 اگست 2020 کو گیس انفراسٹرکچر ڈویلپمنٹ سیس (جی آئی ڈی سی) سے متعلق اپن محفوظ فیصلے کا اعلان کرتے ہوئے اپیلوں کو مسترد کر دیا ہے اور کمپنیوں کو بقایا رقم ادا کرنے کا حکم دیا ہے۔</p> <p>سپریم کورٹ آف پاکستان کے فیصلے کے باوجود خاص طور پر ٹیکسٹائل انڈسٹریل یونٹس غمزدہ ہیں اور بلاجواز سیس کی عائد قیمتوں جی آئی ڈی سی ایکٹ ، 2015 کی شقوں کے برخلاف لاگو ہیں۔ اے پی ٹی ایم</p>	<p>نوٹ 12 می ۱۳۵.۲۹۳ ملین روپے کی تجارت اور دیگر قابل ادائیگیوں میں تجارت اور دیگر ادائیگیوں میں شامل ہیں جن کی 108.566 ملین روپے ہیں جو براہ راست تصدیق کی عدم موجودگی میں تصدیق نہی ہو سکتی ہیں۔ اس معاملے کا مجموعی اثر ان مالی بیانات میں نہ تو ای ڈجسٹ کیا گیا ہے۔</p>

	<p>گئی اور نہ ہی کمپنی کی بحالی متبادل کاروباری منصوبہ ، جو تشویش کے مفروضے کی حمایت کرسکتا ہے۔</p> <p>یہ شرائط اور واقعات مادی غیر یقینی صورتحال کی نشاندہی کرتے ہیں جو کمپنی کی تشویش کی حیثیت سے جاری رکھنے کی صلاحیت کے بارے میں ہم شبہات پیدا کرسکتے ہیں اور اسی وجہ سے وہ اپنے اثاثوں کا ادراک کرنے اور کاروبار کے معمول کے مطابق اپنی ذمہ داریوں کو نبھانے کے قابل نہی ہوں گے۔ تاہم ، جیسا کہ نوٹ 2.2 میں ان مالیاتی بیانات کی تشریح مفروضے کے تحت تیار کیا گیا ہے۔ مذکورہ حالات اور واقعات کی وجہ سے ، جو ہماری رائے میں ، کمپنی کو تشویشناک نہی سمجھا جاسکتا ہے اور اس طرح تشویش کی بنیاد پر ان مالی بیانات کی تیاری نامناسب ہے۔ ہماری رائے میں ، مالی بیانات میں اثاثوں کی وصولی کو کم کرنے کے لئے ای ڈجسٹمنٹ کی عکاسی کرنا چاہئے اور اس سے پیدا ہونے والی مزید واجبات کی فرامی کرنا چاہئے۔ یہ ای ڈجسٹمنٹ کافی ہونے کا امکان ہے ، اور ذیل میں مندرجہ ذیل پیراگراف میں زیر بحث آنے والی مزید قابلیت کے پیش نظر ہم مناسب ڈگری کے ساتھ مطلوبہ ای ڈجسٹمنٹ اور دفعات کی مقدار کا تعین کرنے سے قاصر ہیں۔</p>
<p>آڈیٹرز کو بینکوں کے ذریعہ خطوط مہیا کیے گئے تھے جن میں لکھا گیا تھا کہ اصل رقم اور مارک اپ ہوں۔ کمپنی کے کھاتوں میں جمع کی گئی مارک اپ کی رقم ، مارک اپ طے شدہ رقم کی عکاسی نہی کرتی ہے۔</p> <p>کی مارک اپ رقم میں فرق بینکوں PKR 108.429 کے ساتھ تصفیے کے عمل کے بعد طے کیا جائے گا۔ مارک اپ کے فرق کے حوالے سے غلطی جو کہ این بی پی بینک نے غلط چارج کیا اسکی درستگی کیلیئے کوشاں ہیں</p>	<p>جیسا کہ نوٹ 13 میں انکشاف ہوا ہے ، کمپنی نے بالترتیب 54.127 ملین اور روپے 54.302 ملین روپے کی حد تک مختصر مدت کے ادھار اور طویل مدتی فنڈنگ پر حاصل شدہ مارک اپ کو تسلیم کیا ہے۔ مختلف بینکوں سے موصولہ تصدیقوں کے مطابق ، کمپنی نے بینکوں سے موصول ہونے والی تصدیقوں کے مطابق کی مجموعی طور پر حاصل کردہ 70.233 million رقم کے مقابلے میں 108.429 ملین روپے کے جمع شدہ مارک اپ کو تسلیم کیا ہے جس کے لئے اس درخواست پر کوئی ای ڈجسٹمنٹ نہی کی گئی ہے کہ اس کو حتمی شکل میں شامل کیا جائے گا۔ بینکوں کے ساتھ قلیل مدتی اور طویل مدتی قرضوں کا تصفیہ / بیچ ہاں ہے۔ مزید یہ کہ کمپنی نے سال کے دوران طویل مدتی فنڈنگ اور قلیل مدتی قرضوں پر فنڈز کے مارک اپ / لاگت وصول نہی کی تھی۔ مزید یہ کہ نیشنل بینک آف پاکستان سے موصولہ تصدیق کے مطابق۔ کمپنی کے اکاؤنٹ کی کتابوں کے مطابق قرض کی رقم میں 1.314 ملین روپے کا فرق ہے جس کے لئے ہمیں کوئی مفاہمت فراہم نہی کی گئی ہے۔ ان مالیاتی بیانات میں</p>

داخلی مالیاتی کنٹرول

کمپنی کے اندر ہر سطح پر صوتی اندرونی کنٹرول کا ایک نظام قائم اور نافذ ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد کی حصول، آپریشنل تاثیر اور کارکردگی، قابل اعتماد مالی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لئے ٹیزائن میں مستحکم ہے۔

مالیاتی گوشوارے

کمپنی کے مالی بیانات کا باقاعدگی سے آڈٹ کیا گیا ہے اور کمپنی کے آڈیٹرز، ایم / ایس رضوان این ڈی کمپنی چارٹرڈ اکاؤنٹنٹس نے دستخط کیے ہیں، اور ان کی رپورٹ مالی بیانات کے ساتھ منسلک ہے۔ کمپنی کے آڈیٹرز نے اس بحث و مباحث کے باوجود ایک منفی رائے پیش کی ہے کہ وبائی امراض کے نتیجے میں دو دلچسپی رکھنے والی جماعتوں کے ممکنہ سودوں سے دستبرداری بحال کر دی گئی ہے۔ اس کے علاوہ، انتظامیہ کو نقد بہاؤ کی ضروریات کو پورا کرنے اور آہستہ آہستہ قرض کی ادائیگی کے لئے ایک قلیل مدتی منصوبے کا بھی احساس ہوا۔ مزید برآں، کمپنی کی انتظامیہ بڑی تیزی سے اپنی اراضی اور کاروبار کو فروخت کر رہی ہے اور امید ہے کہ مستقبل قریب میں وہ اس منصوبے کو پورا کر سکے گی۔ اس کے سلسلے میں آپ کے ڈائریکٹرز کا جواب ذیل میں ہے۔

جواز	مخالف رائے
کمپنی کی انتظامیہ نے اراضی اور عمارت کو ٹھکانے لگانے کے لئے اپنی پوری کوشش کی لیکن کورونا وائرس وبائی امراض کی وجہ سے دو دلچسپی لینے والی جماعتوں سے دوچار ہو گئی۔	تاریخ کی اطلاع کے طور پر؛ کمپنی کا جمع شدہ نقصان 366.478 ملین (2019 293.786 ملین) روپے رہا، اس کی ایکویٹی مکمل طور پر ختم ہو گئی ہے اور اس کی موجودہ واجبات اس کے موجودہ اثاثوں سے 502.502 ملین (2019؛ 293.786 ملین روپے) سے تجاوز کر گئی ہے۔ مزید یہ کہ مالی نتایج بینکاری کمپنیوں کے ذریعہ کمپنی کے خلاف منفی ام مالی تناسب اور مقدمات ظاہر کرتے ہیں (جیسا کہ نوٹ 22 میں مکمل طور پر بیان کیا گیا ہے) قرضوں کی رقم کی وصولی کے لئے، ان معاملات کا نتیجہ غیر یقینی رہتا ہے۔ تنظیم نو کے بعد کافی وقت گزر جانے کے بعد بھی بالترتیب 156.645 ملین روپے اور 116.220 ملین روپے کی بینکاری کمپنیوں سے حاصل کردہ طویل مدتی فنانسنگ اور قلیل مدتی قرض ادا نہ ہو کر سکی ہے۔ کمپنی نے 2014 کے بعد سے ہی اپنی کاروائیاں معطل کر دی ہیں اور 30 اپریل، 2018 کو منعقدہ اس میٹنگ میں شیئر ہولڈرز کی منظوری سے متبادل کاروباری منصوبے کے نفاذ کے لئے اپنی تمام پراپرٹی، پلانٹ اور سامان ضائع کرنے کا فیصلہ کیا ہے۔ کمپنی نہ تو تصرف کر سکتی
لہذا، انتظامیہ نے فعال طور پر ایک عبوری راستہ تلاش کیا اور کچھ وقت کے لئے، اس نے اپریل 2020 کا انعقاد کیا۔ EOGM احاطے کو لیز پر دینے کے لئے ایکویٹی کے مزید کٹرن سے بچنے اور نقد بہاؤ کی ضروریات کو پورا کرنے کے لئے خاطر خواہ آمدنی پیدا کرنا ہے۔	نہ داریوں li ہے۔ قرض دہندگان اور قرض دہندگان کے ل کو نپٹانے کے لئے اراضی اور عمارت سے دور رہنا اور نہ ہی متبادل کاروباری منصوبے پر عمل درآمد کرنے کے قابل ہو جیسا کہ 30 اپریل، 2018 کو ہونے والے حصص یافتگان کے اجلاس میں کیا گیا تھا۔ سال کے دوران، کمپنی نے منظوری کے ساتھ اپنے فیکٹری کے احاطے کو لیز پر دینے کا فیصلہ کیا تھا۔ 20 اپریل 2020 کو منعقدہ اس میٹنگ میں حصص یافتگان؛ تاہم، میں نے نہ تو کمپنی کے مستقبل کی پیش گوئیاں فراہم کی

معیار کے تحت چلائے جائیں جو کہ کمپنی کی اسٹریٹجک رہنمائی اور کامیابی کے لئے اہلیت اور شراکت پر مبنی ہے۔ کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان جوڑا گیا ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز سات ممبروں پر مشتمل ہے، جس میں مختلف قسم کے ڈائریکٹرز کی قانونی نمائندگی ہے، جس میں آزاد ڈائریکٹر، غیر ایگزیکٹو ڈائریکٹرز اور ایگزیکٹو ڈائریکٹرز شامل ہیں جیسا کہ درج کمپنیوں (کارپوریٹ گورننس کا ضابطہ) ضابطہ، 2017 کی ضرورت ہے۔ بورڈ ام کاروباری سرگرمیوں پر عملدرآمد اور قانون کے ذریعہ مقرر کردہ دیگر امور سمیت ام انتظامی امور کے سلسلے میں اسٹریٹجک فیصلے کرنے کا ذمہ دار ہے۔ یہ فیصلے معاملات پر قائم کردہ معیارات کے مطابق غور و فکر کرنے کے بعد کیے جاتے ہیں: خطرات کا اندازہ لگانے اور زمینی حقائق پر مناسب غور کرنے کے بعد۔ بورڈ طرز عمل کی رہنما اصولوں کی نگرانی اور نگرانی کا بھی ذمہ دار ہے

بورڈ میٹنگ اور حاضری

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کی سات میٹنگوں میں ہر ڈائریکٹر کی حاضری ہوئی جس کو ذیل میں دکھایا گیا ہے۔

سیری ل نمبر	نام	حاضری
1	مسز نیلوفر مختار	7
2	جناب فیصل مختار	7
3	مسز مہوش فیصل مختار	7
4	محترمہ عابدہ مختار	7
5	اعجاز حسین	6
6	جناب محمد یوسف	6
7	محمد گل نواز	5

آڈٹ کمیٹی کا اجلاس اور حاضری

سال کے دوران کمپنی کی آڈٹ کمیٹی کے چار اجلاس ہوئے۔ ہر ممبر کی حاضری مندرجہ ذیل ہے

سیری ل نمبر	نام	حاضری
1	محمد گل نواز	5
2	مسز مہوش فیصل مختار	5
3	مسز نیلوفر مختار	5

اور معاوضہ کمیٹی HR

سال کے دوران، کمپنی کی ایچ آر اور معاوضہ کمیٹی کا ایک اجلاس ہوا۔ ہر ممبر کی حاضری مندرجہ ذیل ہے۔

سیری ل نمبر	نام	حاضری
1	جناب محمد یوسف	1
2	مسز نیلوفر مختار	1
3	مسز مہوش فیصل مختار	1

(CSR) کارپوریٹ سماجی ذمہ داری

کمپنی اپنی معاشرتی ذمہ داریوں کو اعلیٰ ترجیح دیتی ہے اور اس حقیقت کے باوجود کہ اس نے اپنے کاروبار کرنے میں لاگت میں اضافہ کیا ہے اس کے باوجود کارپوریٹ طرز عمل کے اعلیٰ ترین معیار پر کاربند ہے۔ کمپنی مشترکہ قدر رکھنے اور صحت مند کام کی جگہ رکھنے پر یقین رکھتی ہے۔ چونکہ اس وقت کے لئے کمپنی کی کاروائیاں معطل کے اقدامات پر زیادہ مالی اخراجات نہی س کیے جارہے ہی۔ کمپنی نے اپنے متبادل CSR کردی گئی ہیں ہی لہذا کاروباری منصوبوں پر عمل درآمد کرنے کا مقصد صحت کی دیکھ بھال، تعلیم، ماحولیاتی تحفظ، پانی اور حفظان صحت، بچوں کی فلاح و بہبود، بنیادی ڈھانچے کی ترقی اور دیگر سماجی بہبود کی سرگرمیوں کے شعبوں میں اپنے سے ایس آر اقدامات کو جاری رکھنا ہے۔

پارٹی سے متعلق لین دین

جون 30 2020 کو ختم ہونے والے مالی سال کے دوران پارٹی سے متعلقہ تمام لین دین کو آڈٹ کمیٹی اور بورڈ کے سامنے اپنے جائزہ کے لئے رکھا گیا تھا اور بعد میں اس کی منظوری دی گئی تھی۔ آڈٹ کمیٹی کے ذریعہ ان لین دین کا جائزہ لیا گیا اور بورڈ کے ذریعہ اس کی منظوری دی گئی۔ یہ تمام لین دین منتقلی کی قیمتوں کے تعین کے طریقوں اور بورڈ سے منظور شدہ متعلقہ فریقوں کے لئے پالیسی کے مطابق تھا۔

ضابطہ اخلاق

کمپنی اپنے حصص یافتگان، صارفین اور معاشرے کے اعتماد کو مستحکم کرنے اور پائیدار ترقی کی تلاش اور کارپوریٹ قدر کو بڑھانے کے لئے کمپنی کے بنیادی اصول کی بنا پر کارپوریٹ گورننس کو اپنے انتظام کے لئے ایک سب سے اہم کام کے طور پر بڑھانا چاہتی ہے۔

کارپوریٹ اور مالی رپورٹنگ کا فریم ورک

کمپنی کے انتظام کے ذریعہ تیار کردہ مالی بیانات اس کی امور کی منصفانہ حیثیت، اس کے کاموں، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کا نتیجہ پیش کرتے ہیں۔ کمپنی اچھی کارپوریٹ گورننس کے لئے پرعزم ہے۔ نوٹ کے ساتھ مالیاتی بیانات کمپنیز ایکٹ، 2017 کی شقوں کے مطابق تیار کیے گئے ہیں۔ ان مالی بیانات کی تیاری کے سلسلے میں بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے اور مالی بیانات کی تیاری میں اکاؤنٹنگ پالیسیاں مستقل طور پر نافذ کی گئی ہیں۔

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل

bring کارپوریٹ گورننس کے نئے ضابطہ اخلاق میں کمپنیوں کو عالمی اصولوں کے مطابق کرنے کے لئے تبدیلیوں کا اشارہ کیا گیا ہے۔ کمپنی نے نئے ضابطہ اخلاق میں ترامیم کو نافذ کرنے کے لئے اقدامات اٹھائے ہیں۔ آزاد ڈائریکٹرز کی نمائندگی بورڈ کے تنظیم نو کے ساتھ منسلک ہو چکی ہے جو اگلے انتخابات میں ڈائریکٹرز کے انتخابات سے زیادہ ہے۔ بورڈ آف ڈائریکٹرز کے لئے معاوضہ کی پالیسی (ایگزیکٹو، نان ایگزیکٹو اور آزاد اچھی good ڈائریکٹرز کے لئے) تیار کی جا رہی ہے۔ بورڈ اپنی کاروائیوں میں شفافیت کے حصول کے لئے کارپوریٹ گورننس کو شامل کرنے اور اس پر عمل کرنے پر بہت زور دیتا ہے، تاکہ اسٹیک ہولڈرز کے اعتماد کو بڑھاسکے۔ اس پالیسی کا مقصد یہ یقینی بنانا ہے کہ ایگزیکٹو اور غیر ایگزیکٹو ڈائریکٹرز جامع معاوضے کے

ڈائریکٹر رپورٹ

دارالسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 جون 2020 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے کے ساتھ 30 ویں سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

معاشی اوٹ لک / کاروبار ، رسک اور چیلنجز

کورونا وائرس کے وبائی امراض نے پوری دنیا کی معیشت کو شدید متاثر کیا اور اسے ٹھہر کر خرید لیا۔ اس سے پہلے بے بدقسمتی سے ، پاکستانی - کبھی بھی عالمی سطح پر کمپنیوں کو وسیع پیمانے پر چیلنجز کا سامنا نہیں کرنا پڑا معیشت کو بھاری تمام طبقات میں وبائی امراض کا سامنا کرنا پڑا۔ وبائی امراض کے مجموعی اثرات کے نتیجے میں بڑے پیمانے پر چھٹیاں ، اسٹاک میں زبردست تحریروں اور مختلف طبقات میں کاروبار بند ہو گئے۔ اس طرح کے غیر معمولی اوقات کے پیش نظر ، انتظامیہ کو اپنی ذمہ داریوں کو ادا کرنے کے لئے کسی بھی معاہدے کو بند کرنا اور زمین ، عمارت اور مشینری کا تصرف کرنا مشکل تھا۔

تفصیل	30 جون 2019 (PKR)	30 جون 2020 (PKR)
فنانس لاگت	(24,853)	(5,845)
دوسری آمدنی	20,379,568	5,345,000
امور اخراجات انتظامی	(18,270,397)	(12,349,214)
دوسرے آپریٹنگ اخراجات	(7,018,677)	(40,180,320)
پراپرٹی کی قیمت میں تبدیلی		93,649
انکم ٹیکس		(2,640,942)
ٹیکس لگنے کے بعد نقصان	(4,934,359)	(49,737,672)

غیر معجودہ اثاثوں کی فروخت کے لیئے دوبارہ تقسیم کے اثر میں ہونے والی تبدیلی کی وجہ سے آر ایس 31 ملین کا خسارہ ہے اسکی تفصیل نوٹ نمبر 12 میں دستیاب ہے

بہر حال ، 2020 کی آخری سہ ماہی میں ، بہت غور و فکر کے بعد ، کمپنی کی انتظامیہ نے 20 اپریل 2020 کو ایک اضافی عام جنرل میٹنگ کا فیصلہ کیا۔ اس احاطے کو لیز پر دینے کے لئے شیئر ہولڈرز سے منظوری حاصل کرنے کے لئے اجلاس منعقد کیا گیا۔ انتظامیہ کا خیال ہے کہ جب تک کسی پارٹی کی طرف سے اس کی زمین اور عمارت کی پیش کش نہیں آتی ہے ، اس وقت تک اس کے لئے ضروری ہے کہ وہ نقد بہاؤ کی ضروریات کو پورا کرنے اور ذمہ داریوں کو کم کرنے کے لئے آمدنی پیدا کرے۔ لہذا ، عبوری مدت میں انتظامیہ اپنی اراضی اور عمارت کو لیز پر دے دے گی۔ مزید یہ کہ اپریل 2018 میں منعقدہ ای او جی ایم کے حوالے سے ، انتظامیہ اب بھی اپنی ذمہ داریوں کو ادا کرنے اور کمپنی کو بحال کرنے کے لئے زمین اور عمارت کو ضائع کرنے کے لئے خریداروں کی تلاش میں ہے۔ یہ مشکل وقت ہے ، لیکن انتظامیہ امید ہے کہ کم سے کم وقت میں زمین اور عمارت کو بیچ کر دے اور کمپنی کی بحالی کاروباری منصوبے کو نافذ کرے۔ business کے لیے

مزید برآں ، جیسا کہ آڈیٹرز کی رپورٹ میں واضح کیا گیا ہے ، انتظامیہ نے آڈیٹرز کے کچھ مخصوص تحفظات کو دور کرنے کے لئے مزید کوششوں کی اور آڈیٹرز کی منفی رائے کے باوجود ، اسے یقین ہے کہ وہ 2021 کی پہلی سہ ماہی میں ایک مثبت قدم کو یقینی بنائے گی۔

**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 for the year ended June 30, 2020 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 and also ensure compliance 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, 2020.

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 opted not to fill the vacancy of Internal auditor since November 01, 2019. |



Rizwan & Company
Chartered Accountants

Engagement Partner: Imran Bashir

Lahore: October 01, 2020

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019
Dar es Salaam Textile Mills Limited For the year ended June 30, 2020**

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

Independent director in which fraction is not rounded up as one as this “clause” was added in the regulation 6 of the Regulations issued on September 25, 2019, and the Board was constituted before that date and the Regulation has provided relaxation that for the purpose of electing independent director, the Board shall be reconstituted not later than expiry of its current term.

- 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. Out of seven Directors, no director is duly certified or exempted, from the Directors' Training Program.
10. There was no fresh appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year ended June 30, 2020. 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 to date during the year.
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. Faisal Mukhtar	Member
Human Resource and Remuneration Committee	Mr. Muhammad Yousaf Khan	Chairman
	Mrs. Mahwesh Faisal Mukhtar	Member
	Mr. Faisal Mukhtar	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 has 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.
 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
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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 the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with; and
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 During the year; the Company planned to arrange Directors Training Program in fourth quarter of 2020; however, the same could not be managed because of lockdown and suspension of all business activities owing to Pandemic Covid-19. The management shall 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 has planned to arrange the Directors' Training Program as per requirement over next two years.
 - 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 position 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 in upon implementation of alternate business plan to be approved by the shareholders.


(Nilofar Mukhtar)
Director


(Abida Mukhtar)
Chief Executive Officer

Lahore: October 01, 2020

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, 2020, 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 and to the best of our information and according to the explanations given to us, 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, 2020 and of the loss, other comprehensive loss, changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

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 and after due verification we report that:

- a) As at reporting date; the Company's accumulated loss stood at Rupees 343.524 million (2019; Rupees 293.786 million), its equity has been eroded fully and its current liabilities exceeded its current assets by Rupees 479.548 million (2019; Rupees 119.691 million). Moreover, the financial results show adverse key financial ratios and cases against the Company by the banking companies (as fully explained in note 22) for recovery of the loan amounts, the outcome of these cases remain uncertain. The Company has not been able to pay long term financing and short-term borrowing obtained from banking companies amounting to Rupees 156.645 million and Rupees 116.220 million respectively and accrued markup thereon even after lapse of considerable time after restructuring. The Company has already suspended its operations since 2014 and decided to dispose off all of its property, plant and equipment for implementation of alternate business plan with the approval of shareholders in its meeting held on April 30, 2018. The Company neither be able to dispose off land and building to
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settle liabilities towards lenders and creditors nor be able to implement alternate business plan as envisaged in the shareholders meeting held on April 30, 2018. During the year, the Company had decided to lease out its factory premises with the approval of the shareholders in its meeting held on April 20, 2020; however, we were neither provided with future projections of the Company nor alternate business plan to revive the Company to support going concern assumption.

These conditions and events indicate material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore it may not be able to realize its assets and discharge its liabilities in normal course of business. 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. In our opinion, the financial statements should reflect adjustments to reduce the value of assets to their recoverable amount and to provide any further liabilities that may arise. These adjustments are likely to be substantial, and in view of further qualifications discussed in the following paragraphs below we are unable to determine the quantum of the required adjustments and provisions with a reasonable degree of accuracy.

- b) Trade and other payables amounting to Rupees 135.293 million as disclosed in note 13 includes Trade and other payables amounting to Rupees 108.566 million could not be verified in absence of the direct confirmations. The cumulative effect of this matter has neither been determined not adjusted in these financial statements.
 - c) As disclosed in note 14, the Company has recognised accrued markup on short term borrowings and long-term financing to the extent of Rupees 54.127 million and Rupees 54.302 million respectively. As per confirmations received from various banks, the Company has recognised aggregate mark up of Rupees 70.233 million (excluding National Bank of Pakistan) against Rupees 50.044 million as per confirmations received from the banks for which no adjustment has been made in these financial statements by the management on the plea that it will be incorporated upon final settlement/extinguishment of short term and long term borrowings. National Bank of Pakistan has not confirmed the amount due from the Company on account of Markup whereas the Company recognized accrued markup of Rupees 38.196 million as at reporting date. Moreover, the Company had not charged the markup / cost of funds on long term financing and short-term borrowings during the year. Further, as per confirmation received from National Bank of Pakistan; there is a difference of Rupees 1.314 million in loan amount as per books of account of the Company for which no reconciliation has been provided to us. The effect of this matter has not been adjusted appropriately in these financial statements.
 - d) The Company has not recognised liability against Gas Infrastructure Development Cess to the extent of Rupees 22.333 million despite the fact that Supreme Court of Pakistan has announced its decision on August 13, 2020 where Honorable Supreme Court has rejected appeals filed by various companies and has directed all the companies to pay the outstanding amounts within twenty four monthly installments with effect from August 01, 2020. The effect of this matter 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 1,159,777 in absence of underlying record with the Company. Moreover, the amount has not been kept in unpaid dividend account under Section 244 of the Companies Act, 2017. The effect of this matter has not been adjusted appropriately in these financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following are the key audit matter(s):

Key audit matter	How our audit addressed the key audit matter
<p>a) Contingencies and Company's exposure to litigation risk</p> <p>The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. In our judgement, the Company has significant litigation cases and other contingencies, details of which are disclosed in note 21 to the accompanying financial statements. Moreover, in absence of management's plans for future action in relation to its going concern assessment, the going concern assumption remain critical.</p> <p>Given the nature and amounts involved in such cases and contingencies, and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgement, which can change over time as new facts emerge and each legal case progresses and the contingency crystallizes, and therefore, we have identified this as key audit matter.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> - Obtaining understanding of the Company's processes and controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee; - Reading correspondence of the Company with regulatory departments and the Company's external counsel, where available; - Where relevant, also assessing external legal advices obtained by the Company; - Discussing open matters and developments with the management of the Company; - Obtaining direct confirmations of borrowings as at year end from the banking companies; - Obtained direct external confirmations from legal advisors and others, where appropriate on material cases, and assessing the replies received thereto; and - Whilst noting the inherent uncertainties involved with the legal and regulatory matters, assessing the appropriateness of the related disclosures made in the annexed financial statements.

	We evaluated that appropriate disclosures and presentation have been made in these financial statements.
<p>b) Transfer of Non-current Assets Held for Sale to Investment Property (Refer note 6 to the financial statements)</p> <p>During the year ended June 30, 2020, the Company has transferred its non-current assets held for sale to property, plant and equipment and subsequently transferred to investment property in accordance with the approval of the shareholders to lease out its factory premises.</p> <p>The transfer of non-current assets held for sale to property, plant and equipment and investment property involves the assessment of appropriateness of fair valuation and effect of depreciation in accordance with the requirements of applicable accounting and reporting standards. As transfer of non-current assets held for sale to investment property constitutes a significant amount and involves significant judgmental areas such as fair valuation of investment property; calculation of depreciation for the period since assets were classified as held for sale as per applicable accounting and reporting standards, we have considered this a key audit matter.</p>	<p>Our audit procedures amongst others, included the following:</p> <ul style="list-style-type: none"> - obtained an understanding of the Company's process with respect to transfer of non-current assets held for sale to property, plant and equipment and investment property and tested controls relevant to such process; - checked the date of transfer of non-current assets held for sale to investment property and property, plant and equipment; - obtaining and inspecting the valuation report prepared by the valuer engaged by the management and comparing the fair value with the carrying value of investment property to identify impairment, if any - reperformance of calculation of depreciation since the assets was classified as non-current assets held for sale to reclassified as property, plant and equipment; - assessed whether the transfer of non-current assets held for sale to investment property and property, plant and equipment was in accordance with the applicable accounting and reporting standards; - provided impairment of assets, where required; - tested the existence of assets through physical verification on a sample basis; and - assessed the adequacy of the related disclosures made in the financial statements in accordance with the accounting and reporting standards; <p>The key assumptions and inputs have been appropriately considered in estimating the fair value of investment property.</p>

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

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 a udit 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.


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 paragraphs (a) to (f), proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
-

- b) because of the significant matters described in basis for adverse opinion section, 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 not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are not in agreement with the books of account and returns;
- c) Except for the matters referred in paragraphs (a) to (f), 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.



Rizwan and Company
Chartered Accountants

Lahore: October 01, 2020

Statement of Financial Position

As at June 30, 2020

	Note	2020 (Rupees)	2019
ASSETS AND LIABILITIES			
Non-current assets			
Property and equipment	6	-	-
Investment property	7	322,131,000	-
Long term deposits	8	1,426,354	1,426,354
		<u>323,557,354</u>	<u>1,426,354</u>
Current Assets			
Advances, deposits and other receivables	9	1,325,970	2,115,119
Tax refunds due from government	10	4,056,968	4,056,968
Advance income tax		18,440,245	19,585,244
Cash and bank balances	11	295,806	283,435
Non-current assets held for sale	12	15,196,500	370,713,296
		<u>39,315,489</u>	<u>396,754,062</u>
Current liabilities			
Trade and other payables	13	135,363,604	133,990,187
Unpaid dividend		1,159,777	1,159,777
Accrued markup	14	108,429,327	108,429,327
Short term borrowings	15	116,220,088	116,220,088
Current portion of long term financing	16	156,645,197	156,645,197
Income tax payable	26	1,045,943	-
		<u>518,863,936</u>	<u>516,444,576</u>
Working capital employed		<u>(479,548,447)</u>	<u>(119,690,514)</u>
Non-current liabilities		-	-
NET CAPITAL EMPLOYED		<u>(155,991,093)</u>	<u>(118,264,160)</u>
Represented by:			
Share capital and reserves			
Share capital	18	80,000,000	80,000,000
Accumulated loss		(343,523,929)	(293,786,257)
Revaluation surplus	19	6,663,300	-
Loan from sponsors	20	100,869,536	95,522,097
TOTAL EQUITY		<u>(155,991,093)</u>	<u>(118,264,160)</u>
Contingencies and commitments	21		

The annexed notes from 1 to 36 form an integral part of these financial information.



Abida Mukhtar
Chief Executive Officer



Shahid Ameen Chaudhry
Chief Financial Officer



Nilofar Mukhtar
Director

Lahore: October 01, 2020

Profit and Loss Account
for the year ended June 30, 2020

	Note	2020 (Rupees)	2019
Revenue		-	-
Cost of revenue		-	-
Gross profit		-	-
Other income	22	5,345,000	20,379,568
Administrative expenses	23	(12,349,214)	(18,270,397)
Other operating expenses	24	(40,180,320)	(7,018,677)
		(47,184,534)	(4,909,506)
Finance costs	25	(5,845)	(24,853)
Changes in fair value of investment property		93,649	-
Loss before taxation		(47,096,730)	(4,934,359)
Income tax expense	26	(2,640,942)	-
Loss after taxation		(49,737,672)	(4,934,359)
Earnings per share	27	(6.217)	(0.617)

The annexed notes from 1 to 36 form an integral part of these financial information.



Abida Mukhtar
Chief Executive Officer



Shahid Ameen Chaudhry
Chief Financial Officer



Nilofar Mukhtar
Director

Lahore: October 01, 2020

Statement of Comprehensive Income
for the year ended June 30, 2020

	Note	2020 (Rupees)	2019
Loss after taxation		(49,737,672)	(4,934,359)
Other comprehensive income		-	-
Total comprehensive loss for the year		(49,737,672)	(4,934,359)

The annexed notes from 1 to 36 form an integral part of these financial information.



Abida Mukhtar
Chief Executive Officer



Shahid Ameen Chaudhry
Chief Financial Officer



Nilofar Mukhtar
Director

Lahore: October 01, 2020

Statement of Changes in Equity for the year ended June 30, 2020

	Share capital	Accumulated loss	Revaluation surplus	Loan from sponsors	Total
	(Rupees)				
Balance as at June 30, 2018	80,000,000	(288,851,898)	-	75,882,097	(132,969,801)
Loss for the year	-	(4,934,359)	-	-	(4,934,359)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(4,934,359)	-	-	(4,934,359)
Transactions with sponsors					
Loan received	-	-	-	19,640,000	19,640,000
Balance as at June 30, 2019	80,000,000	(293,786,257)	-	95,522,097	(118,264,160)
Loss for the year	-	(49,737,672)	-	-	(49,737,672)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	(49,737,672)	-	-	(49,737,672)
Revaluation surplus during the year	-	-	6,663,300	-	6,663,300
Transactions with sponsors:					
Loan received during the year - net	-	-	-	5,347,439	5,347,439
Balance as at June 30, 2020	80,000,000	(343,523,929)	6,663,300	100,869,536	(155,991,093)

Lahore: October 01, 2020


Abida Mukhtar
Chief Executive Officer


Shahid Ameen Chaudhry
Chief Financial Officer


Nilofar Mukhtar
Director

Statement of Cash Flows

for the year ended June 30, 2020

		2020	2019
		(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES	Note		
Loss before taxation		(47,096,730)	(4,934,359)
Adjustments for non-cash charges/items:			
Depreciation	6	932,314	-
Amortization		-	59,341
Impairment on intangibles		-	237,365
Effect for reclassification of non-current assets held for sale	24	34,918,787	-
Impairment on property and equipment		2,831,595	-
Impairment on non-current assets held for sale		1,460,049	-
Workers welfare fund		70,720	-
Gain on sale of non-current asset held for sale		-	(333,882)
Provision for doubtful advances		411,419	-
Credit balances written back		(390,000)	(16,814,510)
Changes in fair value of investment property		(93,649)	-
Debit balances written off		487,750	5,492,462
		40,628,985	(11,359,224)
Cash flows before working capital changes		(6,467,745)	(16,293,583)
Cash flow from working capital changes			
(Increase) / decrease in current assets:			
Stores and spares		-	2,938,850
Advances, deposits and other receivables		(110,020)	(6,217,356)
Tax refunds due from government		-	4,904,412
Increase / (decrease) in current liabilities:			
Trade and other payables		2,120,042	962,069
Changes in working capital		2,010,022	2,587,975
Net cash used in operating activities		(4,457,723)	(13,705,608)
Income tax paid		(450,000)	(62,400)
Net cash used in operating activities		(4,907,723)	(13,768,008)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets held for sale		-	637,686
Net cash generated from investing activities		-	637,686
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from sponsors - net		4,920,094	19,640,000
Short term borrowings		-	(23,132,000)
Long term financing		-	(1,968,000)
Net cash generated from / (used in) financing activities		4,920,094	(5,460,000)
Net increase / (decrease) in cash and cash equivalents		12,371	(18,590,322)
Cash and cash equivalents at the beginning of the year		283,435	18,873,757
Cash and cash equivalents at the end of the year	11	295,806	283,435

The annexed notes from 1 to 36 form an integral part of these financial information.



Abida Mukhtar
Chief Executive Officer



Shahid Ameen Chaudhry
Chief Financial Officer



Nilofar Mukhtar
Director

Lahore: October 01, 2020

Notes to the Financial Information for the year ended June 30, 2020

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 address of registered office of the Company is 54-C III, Gulberg III, Lahore. The Company is listed in Pakistan Stock Exchange. The Company was engaged in the business of manufacturing and sale of yarn.

2 GOING CONCERN ASSUMPTION

The Company has closed its operations since 2014 and reported accumulated loss of Rupees 343.524 million (2019: Rupees 293.786 million). The current liabilities exceeded its current assets by Rupees 479.548 million (2019: Rupees 119.691 million) as of reporting date and there are pending litigations cases filed by the banking companies. In order to settle the liabilities towards lenders and other creditors, the Company in Extra Ordinary General Meeting (EOGM) held on April 30, 2018 approved alternate business plan and disposal off property, plant and equipment. The alternate business plan was based on the disposal of plant & machinery, land and building and repay loans to lenders, creditors and to meet working capital requirements for implementation of alternate business plan. The Company had disposed off plant and machinery but could not dispose off land and building to settle the liabilities with lenders / creditors and implement alternate business plan as envisaged in EOGM held on April 30, 2018.

During the last quarter of the financial year, the Company has leased out its factory premises in accordance with the approval of the shareholders on April 20, 2020 to meet cash flow requirements of the Company. The Company is making its fullest efforts to sell factory premises in order to generate sufficient cash to settle its liabilities towards lenders and other creditors in foreseeable future and implement revised alternate business plan with the approval of the shareholders. As the Company's operations is already closed since 2014; therefore, Covid-19 did not impact on the financial position of the Company.

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 drawn up as per plan by the management for this purpose and bringing its liabilities to serviceable level and availability of adequate working capital through support from sponsors. The management is of the view that the Company will continue to get support of sponsors. The financial statements consequently do not include any adjustment relating to the realization 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 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.

3.2 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR INTERPRETATIONS TO EXISTING STANDARDS**a) Standards, interpretations and amendments to published approved accounting standards that are effective in current year.**

A number of new or amended standards became applicable for the current reporting period, and the Company had to change its accounting policies and make adjustments as a result of adopting the following standards:

- IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases. The impact of this standard has been given in note 5.1.1.
 - IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after January 01, 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.
 - Amendment to IFRS 9 'Financial Instruments' - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after January 01, 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion - i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.
 - Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after January 01, 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The application of amendment has no impact on Company's financial statements.
 - Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after January 01, 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendment has no impact on Company's financial statements.
 - Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:
 - IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint
-

operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

There are other amendments to published approved accounting and reporting standards and interpretations that are applicable for the financial year beginning on July 01, 2019 but are considered not to be relevant or do not have any significant effect on the Company's financial reporting and operations and, therefore, have not been presented in these financial statements.

b) New accounting standards, amendments and IFRIC interpretations that are not yet effective.

There are number of other standards, amendments to the published approved accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company and, therefore, have not been presented in these financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after January 01, 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.
 - Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after January 01, 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.
 - On March 29, 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.
 - Amendments to IFRS 9, IAS 39 and IFRS 7 -The amendments in Interest Rate Benchmark Reform (effective for annual periods beginning on or after January 01, 2020) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.
-

- Covid-19-Related Rent Concessions (Amendment to IFRS 16) - The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The above new standards, amendments and interpretations are not likely to have an impact on Company's financial statements. There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3.3 Functional and presentation currency

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

4 BASIS OF MEASUREMENT

- 4.1** These financial statements have been prepared under the historical cost convention except for valuation of certain financial instruments at fair value, certain liabilities at amortised cost and investment property at fair value. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

4.2 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*

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment and appellate stages and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

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 property and equipment. Any change in these estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment loss.

c) *Provision for expected credit loss for advances and other receivables*

The Company reviews its advances and other receivables at each reporting date to assess whether provision 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.

d) 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.

e) Investment property valuation

The Company normally uses the valuation performed by independent valuers as the fair value of its investment properties. The valuers make reference to market evidence of transaction prices for similar properties.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Changes in Accounting Policies

The Company has applied the following standards for the first time for its annual reporting period commencing July 01, 2019:

5.1.1 IFRS 16 'Leases' (effective from accounting period beginning on or after January 01, 2019)

Effective January 01, 2019, the Company has adopted IFRS 16, "Leases" which replaces existing guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentive" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The accounting policies relating to Company's right-of-use assets and lease liabilities are as follows:

Lease liabilities and right-of-use assets

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 1, 2019, leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the

commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liabilities are subsequently measured at amortised cost using the effective interest method. They are remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight-line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

There is no impact on these financial statements upon adoption of IFRS 16, Leases.

5.2 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.

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.

5.3 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.

5.4 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.

5.5 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 is disclosed, unless the possibility of outflow is remote.

5.6 Property and equipment

Owned

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost of operating fixed assets comprises historical cost, borrowing cost and other expenditure pertaining to the acquisition, construction, erection and installation of these assets.

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 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 except for plant

and machinery on which depreciation is charged on production hours basis and leasehold land on which depreciation is charged on straight line basis 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 property, plant and 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 of.

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.

5.7 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.

5.8 Cash and cash equivalents

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

5.9 Advances, deposits 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.

5.10 Financial instruments

5.10.1 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 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.

5.10.2 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.

5.10.3 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.

5.10.4 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.

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.

5.10.5 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.

5.11 Foreign currency translation

Assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at balance sheet date or at the contracted rates while foreign currency transactions are recorded at the rates of exchange prevailing at the transaction date or at the contracted rates. Exchange gains and losses are charged to the statement of profit or loss.

5.12 Revenue recognition

Revenue is recognised at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognised on the following basis:

- Revenue from sale of goods is recognised when or as control of goods or services have been transferred to a customer either over time or at a point in time, when the performance obligations are met.
- Returns on deposit accounts at amortised cost are recognised using effective interest rate method;
- Revenue under Rental arrangement is recognized over the time upon satisfaction of performance obligations. The Company's contract performance obligations are fulfilled over the time possession of property is with the customer.

5.13 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.

5.14 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.

5.15 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.

5.16 Share capital

Ordinary shares are classified as share capital.

5.17 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.

5.18 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.

5.19 Non current assets held for sale

Non-current assets that are expected to be recovered primarily through sale or distribution rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter the assets are measured at the lower of their carrying amount and fair value less costs to sell.

5.20 Investment Property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property comprises of freehold land and building on freehold land and carried at fair value. Change in fair value are recognized in statement of profit or loss. Fair values are determined based on an annual valuation performed by an independent valuer.

Subsequent costs are included in the carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. Maintenance and normal repairs are charged to statement of profit or loss currently. The investment property of the Company has been valued by independent professionally qualified valuer as at June 30, 2020.

If an item of property and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation reserve for investment property. Any loss is recognized immediately in profit or loss except to the extent that it reverses a previously recognized revaluation gain on the same property in which case it is debited to equity. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the statement of profit or loss. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through the statement of profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording. Change in fair value up to the date of reclassification is recognized directly in profit or loss.

An investment property is derecognized when it is either disposed off or permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss on the retirement or disposal of an investment property is included in profit or loss in the period in which the property is derecognized.

6 PROPERTY AND EQUIPMENT*Operating fixed assets - tangible*

	Owned assets					Total
	Freehold land	Building on freehold land	Furniture and fittings	Office equipment	Computers	
	(Rupees)					
Cost						
Balance as at July 01, 2018	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance as at June 30, 2019	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-
Transfer from non-current assets held for sale	126,648,000	189,515,700	956,107	1,305,704	712,449	319,137,960
Transfer to investment property	(126,648,000)	(189,515,700)	-	-	-	(316,163,700)
Balance as at June 30, 2020	-	-	956,107	1,305,704	712,449	2,974,260
Depreciation / impairment						
Balance as at July 01, 2018	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-
Balance as at June 30, 2019	-	-	-	-	-	-
Rate of depreciation	0%	5%	10%	20%	10%	
Charge for the year	-	789,649	31,870	87,047	23,748	932,314
Impairment for the year	-	-	924,237	1,218,657	688,701	2,831,595
Depreciation on transfer to investment property	-	(789,649)	-	-	-	(789,649)
Balance as at June 30, 2020	-	-	956,107	1,305,704	712,449	2,974,260
Rate of depreciation	0%	5%	10%	20%	10%	
Written down value as at June 30, 2019	-	-	-	-	-	-
Written down value as at June 30, 2020	-	-	-	-	-	-

6.1 Depreciation charge on operating fixed assets has been allocated to administrative expenses.

6.2 During the year, the Company has provided impairment against furniture and fittings, office equipment and computers owing to obsolescence of the items.

		Note	2020	2019
			Rupees	
7	INVESTMENT PROPERTY			
	Land	7.1	131,397,000	-
	Building	7.2	190,734,000	-
			<u>322,131,000</u>	<u>-</u>
7.1	Land			
	Opening balance		-	-
	Transfer from owners' property and equipment		126,648,000	-
	Revaluation surplus		4,749,000	-
	Fair value adjustments		-	-
	Closing balance		<u>131,397,000</u>	<u>-</u>
7.2	Building			
	Opening balance		-	-
	Transfer from property and equipment		188,726,051	-
	Revaluation surplus		1,914,300	-
	Fair value adjustments		93,649	-
	Closing balance		<u>190,734,000</u>	<u>-</u>
7.3	During the year, this property was reclassified from owner's occupied property to investment property as a result of change in use.			
7.4	These are leased to third parties or held for appreciation in value. Changes in fair values are recognised and presented separately as "gain / (loss) from change in fair value of investment property" in statement of profit or loss.			
7.5	The investment property of the Company has been valued by independent professionally qualified valuers as at June 30, 2020. The valuers make reference to market evidence of transaction prices for similar properties for land and depreciated replacement cost method is used for valuation of buildings. Fair value hierarchy i.e. Level 1, 2 and 3 are assigned based on degree of observable inputs as disclosed in note 30. As of reporting date; investment property is having fair value of Rupees 322,131,000 (2019: Rupees Nil) and forced sale value of Rupees 254,130,000 (2019: Rupees Nil).			
			2020	2019
			Rupees	
8	LONG TERM DEPOSITS			
	Long term deposits		<u>1,426,354</u>	<u>1,426,354</u>

This deposit has been given against utility companies. These are classified as 'amortised cost' under the requirement of IFRS 9 'Financial Instruments - Recognition and Measurement'. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortized cost is impracticable to determine.

	Note	2020	2019
		Rupees	
9	ADVANCES, DEPOSITS AND OTHER RECEIVABLES		
	<i>Unsecured and Considered good:</i>		
	Advances to employees against salary	592,579	503,079
	Deposits with bank against settlement	135,791	135,791
	Margin against bank guarantee	597,600	597,600
	Balance carried forward	1,325,970	1,236,470
	Balance brought forward	1,325,970	1,236,470
	<i>Considered doubtful:</i>		
	Advances to suppliers	411,419	878,649
	Less: Provision for doubtful advances	(411,419)	-
		-	878,649
	Receivable against operating lease	-	32,934,855
	Allowance for expected credit losses	-	(32,934,855)
		-	-
		1,325,970	2,115,119
9.1	Impairment allowance		
	Opening balance	32,934,855	-
	Effect of change in accounting policy	-	32,934,855
	Written off during the year	(32,934,855)	-
	Closing balance	-	32,934,855
10	TAX REFUNDS DUE FROM GOVERNMENT		
	Sales tax refundable	4,056,968	4,056,968

	Note	2020	2019
		Rupees	
11 CASH AND BANK BALANCES			
Cash in hand		55	8
Cash at bank - current accounts		295,756	283,377
		295,806	283,435
12 NON-CURRENT ASSETS HELD FOR SALE			
Freehold land		-	125,381,520
Building on freehold land		-	227,633,395
Other fixed assets		15,196,500	17,698,381
		15,196,500	370,713,296
12.1			
Opening carrying value		370,713,296	371,017,100
Transfer to property and equipment		(319,137,960)	-
Effect for reclassification of non-current assets held for sale		(34,918,787)	-
Impairment loss		(1,460,049)	-
Disposal during the year		-	(303,804)
Closing carrying value		15,196,500	370,713,296
12.2			
In accordance with the approval of the shareholders in its meeting held on April 20, 2020; the Company has decided to let out the property comprising land and building in accordance with the provision of Section 183 of the Companies Act, 2017. Accordingly, all assets held for sale has been reclassified in accordance with the guidelines of IFRS 5 to Property, Plant and Equipment and further classification to investment property in accordance with International Accounting Standard 40, Investment Property except for generators which has been kept as non-current assets held for sale.			
	Note	2020	2019
13 TRADE AND OTHER PAYABLES		Rupees	
Trade creditors		100,042,561	103,284,224
Accrued liabilities		20,356,805	20,375,811
Advance against sale of machinery		4,560,000	-
Advance against lease of property		1,550,000	-
Workers welfare fund		70,720	-
Withholding tax payable		259,984	247,683
Others		8,523,534	10,082,469
		135,363,604	133,990,187

	Note	2020	2019
		Rupees	
14 ACCRUED MARKUP			
Short term borrowings		54,127,329	54,127,329
Long term financing		54,301,998	54,301,998
		<u>108,429,327</u>	<u>108,429,327</u>
15 SHORT TERM BORROWINGS			
<i>From banking companies - secured:</i>			
Short term borrowings	15.1	<u>116,220,088</u>	<u>116,220,088</u>
15.1	<p>These facilities were obtained from various banking companies for working capital requirements and are secured through charge on all present and future movable fixed assets amounting to Rupees 135 million, hypothecation charge on machinery amounting to Rupees 200 million, first joint pari passu charge over current assets of the Company, pledge of stocks and personal guarantees of sponsors / directors of the Company at reporting date. Balance of stock in trade, machinery and other movable fixed assets does not support these pledge / charge amounts. These facilities carry mark up of one to six months KIBOR plus a spread of 1.75 percent to 3.50 percent per annum (2019: one to six months KIBOR plus a spread of 1.75 to 3.50 percent per annum), payable quarterly.</p>		
	Note	2020	2019
16 LONG TERM FINANCING		Rupees	
<i>From banking companies - secured:</i>			
- The Bank of Punjab	16.1	12,412,177	12,412,177
- United Bank Limited	16.2	14,959,062	14,959,062
- United Bank Limited	16.3	20,000,000	20,000,000
- United Bank Limited (Forced Demand Finance)	16.4	10,000,000	10,000,000
- National Bank of Pakistan	16.5	78,749,958	78,749,958
- National Bank of Pakistan (CF swap)	16.6	15,976,000	15,976,000
- National Bank of Pakistan (Frozen mark-up)	16.7	4,548,000	4,548,000
		<u>156,645,197</u>	<u>156,645,197</u>
Current portion taken as current liability		<u>(156,645,197)</u>	<u>(156,645,197)</u>
		-	-

16.1 This represents demand finance facility having credit limit of Rupees 12.412 million (2019:

Rupees 12.412 million) availed from the Bank of Punjab for swapping of demand finance facilities from United Bank Limited. The facility is secured through charge amounting to Rupees 103.160 million via Supplemental Memorandum Confirming Constructive Deposit of Title Deeds and Supplemental Deed of Mortgage Charge over Fixed Assets. It carries mark up at the rate of average 6 month KIBOR plus 350 basis points with floor instalment of Rupees 3 million each. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

- 16.2** This represents demand finance facility having credit limit of Rupees 14.959 million (2019: Rupees 14.959 million) availed from United Bank Limited for restructuring financial requirements. As per scheduled terms, it carries mark up at the rate of 6 month KIBOR plus 200 basis points with no floor and cap. The loan was repayable from June 18, 2012 in 15 equal quarterly instalments of Rupees 1.868 million each. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date. This facility is also secured against collateral as given in note 15.1.
- 16.3** This represents demand finance facility having credit limit of Rupees 20 million (2019: Rupees 20 million) converted from FE-25 / NICF Pledge for restructuring of financial requirements by United Bank Limited on June 3, 2013. It carries mark up rate of 3 months KIBOR plus 150 basis points. The loan is repayable in equal quarterly instalments coinciding with existing NIDF-V loan. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date. This facility is also secured against collateral as given in note 15.1.
- 16.4** This represents forced demand finance facility having credit limit of Rupees 10 million (2019: Rupees 10 million) against bank guarantee encashment. As the Company has not complied with covenants of agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date. This facility is also secured against collateral as given in note 15.1.
- 16.5** This represents demand finance facility having credit limit of Rupees 78.750 million (2019: Rupees 78.750 million) sanctioned by National Bank of Pakistan for reprofiling of company's balance sheet / swapping of short term debt of Standard Chartered Bank (Pakistan) Limited and United Bank Limited. It carries mark up rate of 6 month KIBOR plus 150 basis points. The loan is repayable in six years including two years of grace period from December 3, 2012 in 8 equal biannual instalments of 11.25 million each. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.
-

16.6 These represent outstanding balances of cash finance pledge facility and outstanding markup thereon after restructuring of the said facilities by National Bank of Pakistan as on April 8, 2013. The converted cash finance facility carries mark up at the rate of 1 month KIBOR plus 200 basis points. The loan was payable in equal quarterly instalments till December 31, 2013. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

16.7 These represent outstanding balances of frozen markup demand finance pledge facility by the National Bank of Pakistan as on April 08, 2013 and was secured against pledged cotton bales. The loan was payable in equal quarterly instalments till December 31, 2013. As the Company has not complied with covenants of restructuring agreement; therefore, total outstanding amount has been classified as current portion as amounts are overdue as of reporting date.

Facilities mentioned in note 16.5, 16.6 and 16.7 are secured through ranking charge amounting to Rupees 120 million on its all present and future fixed assets including but not limited to plant, machinery, equipment, fixture, fitting and appurtenance attached thereto including without limitation such plant, machinery, equipment, fixture, fitting and appurtenance acquired/ to be acquired by the Company.

	2020	2019
	Rupees	
17 DEFERRED TAXATION		
This is composed of:		
Taxable / (deductible) temporary differences		
Allowance for expected credit loss	(119,312)	(9,551,108)
Assets held for sale	-	69,235,596
Investment Property	52,950,025	-
Unused tax losses	(77,451,316)	(75,526,814)
Deferred tax asset	(24,620,603)	(15,842,326)
Deferred tax asset not recognized	24,620,603	15,842,326
	-	-

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 interests is probable. Accordingly, the Company has not recognized deferred tax assets of Rupees 24.621 million (2019: Rupees 15.842 million) in respect of unused tax losses primarily due to unabsorbed tax depreciation as sufficient tax interests would not be available to set these off in the foreseeable future. As of reporting date; unabsorbed tax depreciation comprises of Rupees 182.807 million (2019: Rupees 182.807 million).

	Note	2020	2019
		Rupees	
18	SHARE CAPITAL		
18.1	Authorized share capital		
	15,000,000 (2019: 15,000,000) ordinary shares of Rupees 10 each	<u>150,000,000</u>	<u>150,000,000</u>
18.2	Issued subscribed and paid up share capital		
	8,000,000 (2019: 8,000,000) Ordinary shares of Rupees 10 each fully paid in cash	18.2.1 <u>80,000,000</u>	<u>80,000,000</u>
18.2.1	Movement to the issued, subscribed and paid-up share capital of the Company is as follows:		
		2020	2019
	(No. of Shares)	(Rupees)	
	8,000,000	8,000,000	8,000,000
	-	-	-
	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
	Opening balance	80,000,000	80,000,000
	Issued during the year	-	-
	Closing balance	<u>80,000,000</u>	<u>80,000,000</u>
19	REVALUATION SURPLUS		
	Opening balance	-	-
	Revaluation surplus at the date of transfer to investment property	<u>6,663,300</u>	-
		<u>6,663,300</u>	-
	Freehold land and building on freehold land were revalued at the date of transfer from property and equipment to investment property by approved external, independent property valuer, having appropriate professional qualification. Difference between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation surplus for investment property.		
		2020	2019
20	LOAN FROM SPONSORS	Rupees	
	Opening balance	95,522,097	75,882,097
	Received during the year	6,077,439	19,640,000
	Repaid during the year	(730,000)	-
	Closing balance	<u>100,869,536</u>	<u>95,522,097</u>

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

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

21.1.1 In Tax Year 2005 ending on September 30, 2004 and June 30, 2005 respectively; the Department did not give credit of tax deducted on exports under Section 154 amounting to Rupees 6,617,590 and Rupees 4,250,270 against minimum tax liability for the tax years under reference. The Company filed an appeal against the orders of the Department issued under Section 122 of the Income Tax Ordinance, 2001 before CIR(A-1) but rejected the plea of the Company. The Company preferred an appeal before the Appellate Tribunal Inland Revenue which is pending for adjudication.

21.1.2 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.

21.1.3 As a result of assessment order under Section 122(5A), the tax liability of Rupees 1,594,999 was created. The case has been responded by the company at its own. Further, the taxpayer filed an appeal before Commissioner Inland Revenue and the appeal was decided that the tax demand created was adjusted against the Tax Credit under Section 65B amounting to Rupees 3,603,276 .Thus the tax demand assessed by the learned DCIR was deleted, but the loss was amended as per the additions of learned DCIR on account of Exchange Loss of Rupees 1,990,851.

21.1.4 The Company filed Income Tax Return for the Tax Year 2012 and paid minimum tax at the rate of 0.5% on the basis of Sindh High Court Judgment. However, the Department disputed the same and charged minimum tax at the 1% resulting in additional minimum tax liability of

Rupees 3,527,145. Further, the Department levied penalties under Section 182 (1)(5) of the Ordinance amounting to Rupees 176,357 and Rupees 881,786 for non-payment of tax for first and second defaults respectively. The Company being aggrieved filed an appeal before CIR (A-I) whereby CIR (A-I) directed DCIR to delete the penalties after verification of available refunds. No further action is taken by the department so far.

21.1.5 The Company was selected for audit under section 214D of the income tax ordinance, 2001, the correspondences on legal ground with the Department are in process.

21.1.6 The SNGPL levied surcharge of Rupees 22.954 million under Gas Infrastructure Development Cess on industrial undertakings during FY 2012 to May 2015. Lahore High Court passed an order and directed to constitute a High Power Committee of SNGPL to look into the case of industrial undertaking. Federal Government challenged the decision of the High Court of Sindh, which declared the GIDC as ultra vires and unconstitutional in case of another company, and obtained a direction from a Larger Bench of the High Court of Sindh suspending the order. In a separate case, Peshawar High Court passed a judgment on May 31, 2017 validating the Gas Infrastructure Development Cess Act, 2015 and the same has been challenged by the petitioners in the Supreme Court of Pakistan.

During the last year, Gas Infrastructure Development Cess Act, 2015 (Amendment) Ordinance, 2019 was promulgated by the Federal Government which provided for 50% waiver of outstanding liability as at December 31, 2018. Later, the said Ordinance was withdrawn by the Federal Government and pending decision with the Supreme Court of Pakistan. Now Subsequent to the reporting date; Supreme Court of Pakistan has announced on August 13, 2020 its reserved verdict on the Gas Infrastructure Development Cess (GIDC) and has rejected the appeals and ordered the companies to pay the outstanding amount. Despite the Supreme Court of Pakistan verdict, specifically the textile industrial units, feel aggrieved and levy of unjustified cess applied contrary to the provisions of the GIDC Act, 2015. The Textile companies through APTMA is going to file review petition before the Honorable Supreme Court of Pakistan; therefore, the Company has not recognised the amount of Rupees 22.954 million in these financial statements as the management of the Company, as per advice of the legal counsel of Company, is of the view that decision on review petition shall be decided in favour of the Company.

21.1.7 Faysal Bank Limited filed a suit against the Company and its management for recovery of Rupees 22,697,054 before the Banking Courts, Lahore. Said suit was decreed but was challenged by the Company on May 16, 2017 before the Division Bench of Lahore High Court, Lahore vide RFA No. 107003/2017. Said appeal is still pending for adjudication and the final outcome of this matter depends upon the decision of this appeal. The Bank has filed an Execution Petition before the Banking Court No. II Lahore which is also pending adjudication. The Company is vigilantly pursuing this case.

- 21.1.8** National Bank of Pakistan has filed a suit against the Company and its management before the Lahore High Court Lahore vide COS No. 167921/2018, wherein the Bank claimed recovery of Rupees 100.628 million. The suit is still pending for adjudication. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case.
- 21.1.9** United Bank Limited has filed a suit against the Company and its management before the Lahore High Court Lahore vide COS No. 221677/2018, wherein the Bank has claimed for recovery of Rupees 183.709 million from the Company. This suit is still pending for adjudication. This case is being vigorously and diligently contested by the Company and there are good chances of a favorable result in this case.
- 21.1.10** National Bank of Pakistan has lodged a frivolous and time barred claim of Rupees 51.48 million based upon the LC's facilities sanctioned about 7/8 years back. National Accountability Bureau has also taken up this matter, which act of the NBP and the NAB has been challenged in a Writ Petition No. 221742/2018 before the Lahore High Court, Lahore. Writ Petition along with other similar matters were allowed by the full Bench of Lahore High Court, Lahore on December 24, 2018. The NAB has assailed this judgment in Supreme Court of Pakistan vide CPLA No. 1478/2019, which is pending adjudication and there are good chances of a favorable result in this case. There is no scope of any fiscal loss to the Company in the instant matter.
- 21.1.11** The Company has filed a suit against National Bank of Pakistan, before the Lahore High Court, Lahore vide COS No. 220828/2018, challenging Bank's alleged claim based upon the LC's facilities sanctioned about 7/8 years back. The claim of the Bank is baseless and time barred. This suit is still pending adjudication. There is no scope of any fiscal loss to the Company in the instant matter. This case is being vigorously pursued by the Company.
- 21.1.12** Securities and Exchange Commission of Pakistan has initiated show cause proceedings against the Company under Section 301 of the Companies Act, 2017. The Company has submitted detailed reply to the show cause notice along with revival plan of the Company upon disposal of land and building and settlement of loans with lenders and creditors. The Company is making all its efforts to revive the Company by implementing revised business plan after approval of shareholders. We are hopeful that show cause proceedings shall be dropped in near future.

21.2 Commitments

- 21.2.1** There are expired Letter of guarantees to Sui Northern Gas Pipelines Company Limited (SNGPL) amounting to Rupees 20.647 million (2019: Rupees 20.647 million) and Rupees 0.598 million (2019: Rupees 0.598 million) from United Bank Limited and Faysal Bank Limited respectively for the various amounts expired. These guarantees have not yet been
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returned by the Sui Northern Gas Pipelines Company Limited for onward submissions to the banks for cancellation.

	Note	2020	2019
Rupees			
22 OTHER INCOME			
Rental income		4,955,000	1,225,500
Income from agricultural produce		-	2,005,676
Gain on sale of non-current asset held for sale		-	333,882
Credit balances written back		390,000	16,814,510
		5,345,000	20,379,568
23 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		6,298,795	5,744,252
Rates and taxes		130,000	127,017
Utilities		1,223,467	1,397,362
Traveling and conveyance		63,500	235,745
Vehicle running and maintenance		719,846	482,260
Printing and stationery		197,446	97,860
Postage, telephone and telegram		100,917	65,151
Legal and professional		575,500	7,900,200
Fee and subscription		218,239	479,583
Registrar services		140,103	139,164
Entertainment		86,640	77,105
Medical expenses		23,460	30,000
Advertisement		132,975	86,670
Depreciation	6.1	932,314	-
Amortization of intangible assets		-	59,341
Auditors' remuneration	23.1	746,000	796,000
Repair and maintenance		304,513	442,559
Others		455,499	110,128
		12,349,214	18,270,397
23.1 Auditors' Remuneration			
Half yearly review		116,000	100,000
Annual audit fee		630,000	696,000
		746,000	796,000

	Note	2020	2019
		Rupees	
24	OTHER OPERATING EXPENSES		
	Loss on sale of store and spares	-	1,288,850
	Impairment on intangibles	-	237,365
	Debit balances written off	487,750	5,492,462
	Impairment on property and equipment	2,831,595	-
	Impairment on non-current assets held for sale	1,460,049	-
	Provision for doubtful advances	411,419	-
	Workers welfare fund	70,720	-
	Effect for reclassification of non-current assets held for sale	34,918,787	-
		40,180,320	7,018,677
25	FINANCE COSTS		
	Bank charges	5,845	24,853
26	TAXATION		
	Charge for the year:		
	- Current		
	For the year	1,045,943	-
	Prior year	1,594,999	-
		2,640,942	-
	- Deferred	-	-
		2,640,942	-
26.1	Assessment up to tax year 2019 is finalized (deemed assessment) and the available tax losses of the Company are Rupees 267.074 million (2019: Rupees 260.437 million).		
26.2	Current year 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. Relationship between income tax expense and accounting interest for current year is not meaningful due to application of ACT.		

	Note	2020	2019
		Rupees	
27 EARNINGS PER SHARE			
Loss attributable to ordinary shareholders	<i>(Rupees)</i>	(49,737,672)	(4,934,359)
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>	(6.22)	(0.62)

27.1 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.

28 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:

Description	2020	2019
	(Rupees)	
Managerial remuneration	1,800,000	1,560,000
No. of persons	1	1

28.1 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 (2019: Nil).

29 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:

29.1 Name and nature of relationship

Sponsors

Ms. Nilofer Mukhtar - Director / Chairman

Ms. Abida Mukhtar - Director

Mr. Ahmed Mukhtar - Close relative

29.2 Transactions with related parties

<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>2020</u> <u>(Rupees)</u>	<u>2019</u>
Sponsors	Loan received	6,077,439	19,640,000
Sponsors	Loan repaid	(730,000)	-

30 PROVIDENT FUND RELATED DISCLOSURE

The Company's provident fund ceased to exist from September 30, 2014 and all outstanding dues payable to the employees were paid off. Currently, number of existing employees is less than the minimum requirements as per the West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968.

31 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:

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Fair value measurements	(Rupees)			
Assets				
Assets at fair value through statement of profit or loss	-	190,734,000	131,397,000	322,131,000
	June 30, 2019			
	Level 1	Level 2	Level 3	Total
Fair value measurements	(Rupees)			
Assets				
Assets at fair value through statement of profit or loss	-	-	-	-

31.1 Valuation inputs and relationship to fair value

The following table summarises the quantitative and qualitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. Refer fair value hierarchy for the valuation techniques adopted.

Description	Significant Unobservable inputs	Quantitative data / range and relationship to the fair value
Buildings	<ul style="list-style-type: none"> -Cost of construction of a new similar building. -Suitable depreciation rate to arrive at depreciated replacement value. 	The market value has been determined by using a depreciation of approximately 5%-10% on cost of constructing a similar new building. Higher, the estimated cost of the construction of new building, higher the fair value. Further higher the depreciation rate, the lower the fair value of the building.

32 FINANCIAL RISK MANAGEMENT

32.1 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 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	2020	2019
		<u>Rupees</u>	
Long term deposits	8	1,426,354	1,426,354
Deposits and other receivables	9	733,391	733,391
Bank balances	11	295,756	283,377
		<u>2,455,501</u>	<u>2,443,122</u>

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:

Long term deposits	8	1,426,354	1,426,354
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Out of the total financial assets credit risk is concentrated in long term deposits as they constitute 58.09% (2019: 58.38%) of the total financial assets.

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	2020	2019
				(Rupees)	
Bank Alfalah Limited	PACRA	A-1+	AA+	270	470
Habib Bank Limited	VIS	A-1+	AAA	20,491	20,491
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	5,826	5,941
Meezan Bank Limited	VIS	A-1+	AA+	242,347	228,935
The Bank of Punjab	PACRA	A-1+	AA	3,547	4,265
United Bank Limited	VIS	A-1+	AAA	23,275	23,275
				295,756	283,377

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)			
June 30, 2020					
Trade and other payables	13	128,922,900	128,922,900	128,922,900	-
Unclaimed dividend		1,159,777	1,159,777	1,159,777	-
Accrued markup	14	108,429,327	108,429,327	108,429,327	-
Short term borrowings	15	116,220,088	116,220,088	116,220,088	-
Current portion of long term financing	16	1,045,943	1,045,943	1,045,943	-
		355,778,035	355,778,035	355,778,035	-
June 30, 2019					
Trade and other payables	13	133,742,504	133,742,504	133,742,504	-
Unclaimed dividend		1,159,777	1,159,777	1,159,777	-
Accrued markup	14	108,429,327	108,429,327	108,429,327	-
Short term borrowings	15	116,220,088	116,220,088	116,220,088	-
Current portion of long term financing	16	-	-	-	-
		359,551,696	359,551,696	359,551,696	-

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.

32.2 Financial instruments by categories

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

	Note	2020	2019
		Rupees	
Financial assets and liabilities at amortized cost			
<i>Assets as per statement of financial position</i>			
Long term deposits	8	1,426,354	1,426,354
Deposits and other receivables	9	733,391	733,391
Cash and bank balances	11	295,806	283,435
		2,455,551	2,443,180

	Note	2020	2019
Rupees			
<i>Liabilities as per statement of financial position</i>			
Trade and other payables	13	128,922,900	133,742,504
Unclaimed dividend		1,159,777	1,159,777
Accrued markup	14	108,429,327	108,429,327
Short term borrowings	15	116,220,088	116,220,088
Current portion of long term financing	16	1,045,943	-
		355,778,035	359,551,696

32.3 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.

33 SUBSEQUENT EVENT

Subsequent to reporting date; Supreme Court of Pakistan has announced on August 13, 2020 its reserved verdict on the Gas Infrastructure Development Cess (GIDC) and has rejected the appeals and ordered the companies to pay the outstanding amount.

34 IMPACT OF COVID-19

During the year, Covid-19 impacted the businesses and operations across the globe including Pakistan. As the Company's operations is already closed; therefore, Covid-19 did not impact on the financial position of the Company. Consequently, the management of the Company is satisfied that there is no further negative impact on the issue of going concern in preparation of these financial statements as fully explained in the note 2 to the financial statements.

	2020	2019
	(Numbers)	
34 NUMBER OF EMPLOYEES		
Total number of employees at year end	<u>16</u>	<u>15</u>
Average number of employees during the year	<u>17</u>	<u>18</u>

35 GENERAL AND CORRESPONDING FIGURES

35.1 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. However, no significant reclassifications were made in the financial statements.

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

36 DATE OF AUTHORISATION

36.1 These financial statements have been approved and authorised for issue in Board of Directors meeting of the Company held on October 01, 2020.

Lahore: October 01, 2020


Abida Mukhtar
Chief Executive Officer


Shahid Ameen Chaudhry
Chief Financial Officer


Nilofar Mukhtar
Director

FINANCIAL HIGHLIGHTS FOR THE LAST 5 YEARS

Rs 1n 000	2020	2019	2018	2017	2016
			Restated	Restated	Restated
Sales	-	-	-	-	-
Gross Profit (Loss)	-	-	(39,647)	(51,717)	(57,088)
Profit & Loss Before Taxation	47,096	(4,934)	(157,240)	(80,343)	(81,524)
Profit & Loss After Taxation	49,737	(4,934)	(73,920)	(81,066)	(55,785)
Shareholder,s Equity + Revaluation	(155,991)	(119,690)	(101,758)	82,293	138,860
Fixed Assets (Net)	322,131	-	-	611,547	664,779
Total Assets	(15,591)	(118,264)	(101,758)	669,189	746,550
Total Liabilities	518,863	516,444	559,949	593,759	637,593
Current Assets	39,315	396,764	458,175	55,623	79,671
Current Liabilities	518,863	516,444	559,949	586,895	607,689
Profitability					
Gross Profit (Loss)	0%	0%	0%	0%	0%
Profit & (Loss) Before Taxation	0%	0%	0%	0%	0%
Profit & (Loss) After Tax	0%	0%	0%	0%	0%
Return to Equity					
Return on Equity Before Tax	N/A	N/A	N/A	N/A	N/A
Return to Equity after Tax	N/A	N/A	N/A	N/A	N/A
Earning Per Share	-	-	-9.24	-10.13	-6.97
Liquidity / Leverage					
Current Ratio	(7.58)	(76.82)	(15.57)	(9.48)	(13.11)
Braek upValue Per Share	(31.88)	(14.78)	(3.88)	10.29	17.36
Total Liabilities to Equity	(3.33)	(4.36)	(18.03)	7.22	4.59

FORM 34

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

DAR-ES-SALAAM TEXTILE MILLS LTD.

1.1 Name of the Company

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2020

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
140	1	100	6,964
933	101	500	455,088
51	501	1,000	49,197
58	1,001	5,000	146,669
15	5,001	10,000	125,084
4	10,001	15,000	48,700
3	15,001	20,000	57,000
1	20,001	25,000	24,391
3	25,001	30,000	77,500
2	40,001	45,000	87,250
1	75,001	80,000	80,000
1	110,001	115,000	112,291
1	145,001	150,000	150,000
1	165,001	170,000	168,568
1	240,001	245,000	241,750
1	255,001	260,000	259,287
1	300,001	305,000	302,500
1	515,001	520,000	516,750
1	770,001	775,000	775,000
1	820,001	825,000	824,125
1	1,425,001	1,430,000	1,427,697
1	2,060,001	2,065,000	2,064,189
1,222			8,000,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	4,935,761	61.6970
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	4,627,761	57.8470
2.3.8 General Public		
a. Local	2,752,162	34.4020
b. Foreign	0	-
2.3.9 Others (to be specified)		
1- Joint Stock Companies	22,194	0.2774
2- Pension Funds	24,391	0.3049
3- Others	1,356	0.0170

CATEGORIES OF SHARE HOLDERS
As on June 30, 2020

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN</u>			
1	MRS. NILOFAR MUKHTAR	44,750	0.5594
	MRS. NILOFAR MUKHTAR (CDC)	824,125	10.3016
2	MRS. MEHWESH FAISAL MUKHTAR	302,500	3.7813
3	MR. FAISAL MUKHTAR	241,750	3.0219
	MR. FAISAL MUKHTAR (CDC)	1,427,697	17.8462
4	MST. ABIDA MUKHTAR	25,250	0.3156
	MST. ABIDA MUKHTAR (CDC)	2,064,189	25.8024
5	MR. EJAZ HUSSAIN	2,500	0.0313
6	MR. MUHAMMAD YOUSUF	500	0.0063
7	CH. MUHAMMAD GUL NAWAZ	2,500	0.0313
		4,935,761	61.6970
<u>ASSOCIATED COMPANIES</u>			
		0	0.0000
<u>NIT & ICP</u>			
1	INVESTMENT CORP. OF PAKISTAN	4,200	0.0525
2	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST (CDC)	259,287	3.2411
		263,487	3.2936
<u>BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS</u>			
1	NATIONAL BANK OF PAKISTAN (CDC)	149	0.0019
2	ESCORTS INVESTMENT BANK LIMITED (CDC)	500	0.0063
		649	0.0081
<u>MODARABA & MUTUAL FUNDS</u>			
		0	0.0000
<u>PENSION FUNDS</u>			
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND (CDC)	24,391	0.3049
		24,391	0.3049
<u>JOINT STOCK COMPANIES</u>			
1	AMIN TEXTILE MILLS (PVT) LIMITED	9,000	0.1125
2	S.H. BUKHARI (PVT) LIMITED	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
		22,194	0.2774

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
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SHARES HELD BY THE GENERAL PUBLIC (LOCAL)

		<u>2,752,162</u>	<u>34.4020</u>
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		<u>2,752,162</u>	<u>34.4020</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	1,669,447	20.8681
2	MRS. ABIDA MUKHTAR	2,089,439	26.1180
3	MISS NELOFAR MUKHTAR	868,875	10.8609
		<u>4,627,761</u>	<u>57.8470</u>

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL

		Holding	%Age
1	MR. FAISAL MUKHTAR	1,669,447	20.8681
2	MRS. ABIDA MUKHTAR	2,089,439	26.1180
3	MISS NELOFAR MUKHTAR	868,875	10.8609
4	MR. TAHIR MUZAFFAR RAJA (CDC)	775,000	9.6875
5	CH. AHMED MUKHTAR (PHY + CDC)	685,318	8.5665
		<u>6,088,079</u>	<u>76.1010</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	MR. FAISAL MUKHTAR (CDC)		7,000
2	MST. ABIDA MUKHTAR (CDC)		762,229

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

**Categories of Shareholding required under
Code of Corporate Governance (CCG)
As on June 30, 2020**

Sr. No.	Name	No. of Shares	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. NILOFAR MUKHTAR	868,875	10.8609
2	MRS. MEHWESH FAISAL MUKHTAR	302,500	3.7813
3	MR. FAISAL MUKHTAR	1,669,447	20.8681
4	MST. ABIDA MUKHTAR	2,089,439	26.1180
5	MR. EJAZ 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

25,040 0.3130

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

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

1	MR. FAISAL MUKHTAR	1,669,447	20.8681
2	MRS. ABIDA MUKHTAR	2,089,439	26.1180
3	MISS NELOFAR MUKHTAR	868,875	10.8609
4	MR. TAHIR MUZAFFAR RAJA (CDC)	775,000	9.6875
5	CH. AHMED MUKHTAR (PHY + CDC)	685,318	8.5665

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	MR. FAISAL MUKHTAR (CDC)	-	7,000
2	MST. ABIDA MUKHTAR (CDC)	-	762,229

FORM OF PROXY

ANNUAL GENERAL MEETING

The Company Secretary
Dar Es Salaam Textile Mills Limited
54-C III, Gulberg III, Lahore.

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 Monday

October 28, 2019 at 11:00 A.M. at the 54-C III, Gulberg III, Lahore.

and at any adjournment thereof.

As witness my hand this _____ day of _____ 2019.

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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DAR ES SALAAM
TEXTILE MILLS LIMITED

HEAD OFFICE:

54 C III, Gulberg III, Lahore.

Phone: (042) 35878643-44, Fax: (042) 35878642

Factory: 10th Km Muridke-Sheikhupura Road, Muridke.