



**Condensed Interim
Un-Audited Financial Statements
For the Nine months period ended
March 31, 2024**



DAR ES SALAAM

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COMPANY INFORMATION

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

DIRECTORS' REPORT

The Directors of Dar es Salaam Textile Mills Limited ("the Company") take pleasure in presenting the Nine Month Accounts for the period 31st March 2024.

Overview

Over the past nine months, Dar es Salaam Textile Mills Limited has made significant strides in its revitalization efforts, building upon previous foundations and demonstrating a steadfast commitment to overcoming challenges and capitalizing on opportunities.

Following a strategic shift towards trading and amidst tough economic conditions, the company identified a promising merger opportunity with a complementary entity, culminating in the signing of a Memorandum of Understanding (MoU) in September 2023. Shareholder approval was obtained at an Extraordinary General Meeting (EOGM) in December 2023, signaling alignment with the company's strategic vision. The court process is currently underway, and we are hoping for a positive outcome in the near future from the Honourable High Court. The management remains optimistic about the merger's potential to unlock new opportunities and create sustainable value for shareholders.

Looking ahead, the company remains focused on resilience and prudent decision-making and the dedication of the team and support from stakeholders in shaping the company's promising future.

The Company earned net profit of PKR 3.381 million for the period ended March 31st 2024 with a EPS of PKR 0.04 per share vis-à-vis net loss of PKR (6.556 million) and EPS of PKR (0.08) per share in the corresponding period. The financial position of the Company does not allow to propose any dividend for the shareholders.

On behalf of the Board of Directors



Abida Mukhtar
Chief Executive Officer

ڈائریکٹرز کی رپورٹ

دارالسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 مارچ 2024ء کی مدت کے لیے نو ماہ کے اکاؤنٹس پیش کرنے میں خوشی محسوس کرتے ہیں۔

نقطہ نظر


گذشتہ نو مہینوں کے دوران، دارالسلام ٹیکسٹائل ملز لمیٹڈ نے اپنی اہلیاء کی کوششوں میں نمایاں پیش رفت کی ہے، سابقہ بنیادوں کو استوار کرتے ہوئے اور چیلنجوں پر قابو پانے اور مواقع سے فائدہ اٹھانے کے لیے ثابت قدم عزم کا مظاہرہ کیا ہے۔

ٹریڈنگ کی طرف ایک اسٹریٹجک تبدیلی کے بعد اور سخت معاشی حالات کے درمیان، کمپنی نے ایک تکمیلی ادارے کے ساتھ انضمام کے ایک امید افزا موقع کی نشاندہی کی، جس کا نتیجہ ستمبر 2023 میں مفاہمت کی ایک یادداشت (ایم اور یو) پر دستخط کے نتیجے میں ہوا۔ شیئر ہولڈرز کی منظوری ایک غیر معمولی جزل میننگ میں حاصل کی گئی (EOGM) دسمبر 2023 میں، کمپنی کے اسٹریٹجک وژن کے ساتھ صف بندی کا اشارہ دیتا ہے۔ عدالتی کارروائی اس وقت جاری ہے، اور ہم مستقبل قریب میں معزز ہائی کورٹ سے مثبت نتائج کی امید کر رہے ہیں۔ انتظامیہ انضمام کے نئے مواقع کو کھولنے اور شیئر ہولڈرز کے لیے پائیدار قدر پیدا کرنے کی صلاحیت کے بارے میں پُر امید ہے۔

آگے دیکھتے ہوئے، کمپنی چلک اور سمجھداری سے فیصلہ سازی اور ٹیم کی لگن اور کمپنی کے امید افزا مستقبل کی تشکیل میں اسٹیک ہولڈرز کی مدد پر مرکوز ہے۔

کمپنی نے 31 مارچ 2024 کو ختم ہونے والی مدت کے لیے 0.04 PKR کے EPS کے ساتھ اسی مدت میں 6.556 ملین) کے خالص نقصان اور 0.08) PKR فی حصص کے EPS کے ساتھ 3.381 ملین روپے کا خالص منافع کمایا۔ کمپنی کی مالی حیثیت شیئر ہولڈرز کے لیے کسی بھی منافع کی تجویز کی اجازت نہیں دیتی۔

منجانب بورڈ آف ڈائریکٹرز


عابدہ مختار
چیف ایگزیکٹو آفیسر

Condensed Interim Statement of Financial Position (Un-audited)
As at March 31, 2024

	Note	Un-audited March 31, 2024	Audited June 30, 2023
(Rupees)			
ASSETS AND LIABILITIES			
Non-current assets			
Equipment	7	-	134,050
Long term deposits	8	27,025	27,025
		<u>27,025</u>	<u>161,075</u>
Current Assets			
Advances and other receivables	9	-	1,243,341
Short term investment	10	-	60,000,000
Advance income tax		1,840,671	972,725
Bank balances		50,442,481	70,993
		<u>52,283,152</u>	<u>62,287,059</u>
Current liabilities			
Trade and other payables	11	(7,726,975)	(10,754,334)
Income tax payable		(692,584)	-
Unclaimed dividend	12	(1,159,777)	(1,159,777)
		<u>(9,579,336)</u>	<u>(11,914,111)</u>
Working capital employed		<u>42,703,816</u>	<u>50,372,948</u>
Non-current liabilities		-	-
NET CAPITAL EMPLOYED		<u>42,730,841</u>	<u>50,534,023</u>
Represented by:			
Share capital and reserves			
Authorised share capital 15,000,000 (June 30, 2023: 15,000,000) ordinary shares of Rupees 10 each		<u>150,000,000</u>	<u>150,000,000</u>
Issued, subscribed and paid up share capital		80,000,000	80,000,000
Accumulated loss		(95,325,530)	(93,344,859)
Loan from sponsors	13	58,056,371	69,240,994
TOTAL EQUITY		<u>42,730,841</u>	<u>55,896,135</u>
Contingencies and commitments	14		

The annexed notes from 1 to 21 form an integral part of these condensed financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nilofar Mukhtar
Director

**Condensed Interim Statement of Profit and Loss (Un-audited)
for the nine months period ended March 31, 2024**

	Note	Nine months period ended		Three months period ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		(Rupees)		(Rupees)	
Sales		-	-	10,264,756	-
Cost of sales		-	-	(9,632,000)	-
Gross (loss) / profit		-	-	632,756	-
Other income	15	7,073,887	1,596,725	10,226,718	4,382,800
Administrative expenses		(1,884,876)	(4,491,674)	(6,781,548)	(9,057,682)
Other operating expenses		123,700	(1,878,649)	(3,350)	(1,878,649)
Operating profit / (loss)		5,312,711	(4,773,598)	4,074,576	(6,553,531)
Finance costs		(29)	(1,079)	(551)	(2,739)
Profit / (loss) before taxation		5,312,682	(4,774,677)	4,074,025	(6,556,270)
Income tax expense	16	(692,584)	-	(692,584)	-
Profit / (loss) after taxation		4,620,098	(4,774,677)	3,381,441	(6,556,270)
Earnings per share	17	0.058	(0.06)	0.04	(0.08)

The annexed notes from 1 to 21 form an integral part of these condensed financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nilofar Mukhtar
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)
for the nine months period ended March 31, 2024

	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees)		(Rupees)	
Profit / (loss) after taxation	4,620,098	(4,774,677)	3,381,441	(6,556,270)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss)	<u>4,620,098</u>	<u>(4,774,677)</u>	<u>3,381,441</u>	<u>(6,556,270)</u>

The annexed notes from 1 to 21 form an integral part of these condensed financial information.


 Abida Mukhtar
 Chief Executive Officer


 Shahid Amin Chaudhry
 Chief Financial Officer


 Nilofar Mukhtar
 Director

Condensed Interim Statement of Cash Flows (Un-audited)
for the nine months period ended March 31, 2024

	Note	Nine months period ended	
		March 31, 2024	March 31, 2023
(Rupees)			
Cash flows from operating activities			
Profit/(Loss) after taxation		4,074,025	(6,556,270)
Adjustments for non-cash items:			
Depreciation	7	26,810	31,385
Credit balance written back		(5,082,398)	(126,850)
Loss on disposal of equipment		3,350	-
Debit balance written off		-	45,772
Financial costs		551	2,739
		(5,051,687)	(46,954)
Operating profit before working capital changes		(977,662)	(6,603,224)
Changes in working capital			
Decrease / (increase) in current assets:			
Advances and other receivables		1,243,341	3,519,395
Short term investment		60,000,000	10,000,000
Receivable against sale of investment property		-	111,133,814
Increase / (decrease) in current liabilities:			
Trade and other payables		3,027,359	(22,959,936)
		64,270,700	101,693,273
Cash generated from operations		63,293,038	95,090,049
Income tax paid		(1,840,818)	(395,768)
Financial Cost paid		(551)	(2,739)
Net cash generated from operating activities		61,452,220	94,691,542
Cash flows from investing activities			
Additions / Disposal in equipment		103,890	(62,000)
Net cash used in investing activities		103,890	(62,000)
Cash flows from financing activities			
Repayment of loan from sponsors - net		(11,184,622)	(34,708,662)
Net cash used in financing activities		(11,184,622)	(34,708,662)
Net increase / (decrease) in cash and cash equivalents		50,371,488	59,920,880
Cash and cash equivalents at the beginning of the period		70,993	142,550
Cash and cash equivalents at the end of the period		50,442,481	60,063,430

The annexed notes from 1 to 21 form an integral part of these condensed financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nilofar Mukhtar
Director

**Condensed Interim Statement of Changes in Equity (Un-audited)
for the nine months period ended March 31, 2024**

	Share capital	Loan from sponsors	Accumulated loss	Total
	(Rupees)			
Balance as at June 30, 2022 (Audited)	80,000,000	104,164,656	(86,788,589)	97,376,067
Loss for the period	-	-	(6,556,270)	(6,556,270)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(6,556,270)	(6,556,270)
Transactions with sponsors				
Repayment of loan - net	-	(34,708,662)	-	(34,708,662)
Balance as at March 31, 2023 (Un-audited)	80,000,000	69,455,994	(93,344,859)	56,111,135
Loss for the period	-	-	(5,362,112)	(5,362,112)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(5,362,112)	(5,362,112)
Transactions with sponsors				
Repayment of loan - net	-	(215,000)	-	(215,000)
Balance as at June 30, 2023 (Audited)	80,000,000	69,240,994	(98,706,971)	50,534,023
Loss for the period	-	-	3,381,441	3,381,441
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	3,381,441	3,381,441
Transactions with sponsors				
Repayment of loan - net	-	(11,184,623)	-	(11,184,623)
Balance as at March 31, 2024 (Un-audited)	80,000,000	58,056,371	(95,325,530)	42,730,841

The annexed notes from 1 to 21 form an integral part of these condensed financial information.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nilofar Mukhtar
Director

**Notes to the Condensed Interim Financial Information (Un-audited)
for the nine months period ended March 31, 2024**

1 LEGAL STATUS AND OPERATIONS

Dar es Salaam Textile Mills Limited ("the Company") was incorporated in Pakistan on September 28, 1989 as public unlisted company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of the Company was situated at House No. 37, Street 14, Cavalry Ground, Lahore which has been shifted/changed to 210, 2nd Floor, Clifton, Block 9, Marine Point, Khayaban-e-Iqbal, Karachi with effect from November 29, 2023. The Company is listed on Pakistan Stock Exchange. The Company was principally engaged in the business of manufacturing and sale of yarn.

The shareholders of the Company in their extraordinary general meeting held on June 27, 2023 decided to change its main business object to engage in general trading activities and change the name of the Company to "DTM Limited. However, the change of object clause and change of the name have not been implemented as the Company intends to pursue for completion of the merger as fully explained in note 2 and change in object clause and name would be contemplated in accordance with the Scheme of Arrangement approved by the Honorable Sindh High Court, Karachi.

2 SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

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

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

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

3 GOING CONCERN ASSUMPTION

The Company has closed its operations since 2014 and reported loss after taxation of Rupees 1.152 million (March 31, 2023: Rupees 6.556 million) during the period under review and its accumulated losses stood at Rupees 99.859 million (June 30, 2023: Rupees 98.707 million) against paid up capital of Rupees 80 million (June 30, 2023: Rupees 80 million).

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

- The Company entered into a Memorandum of Understanding (MOU) on September 04, 2023 with M/s TPL Life Insurance Limited (TPL Life), pursuant to which the parties explore the possibility of and enter into
-
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discussions and negotiations for potential merger of TPL Life and the Company, by way of a Scheme of Arrangement (proposed transaction).

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

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

In view of the above, these financial statements have been prepared on going concern basis and consequently do not include any adjustment relating to the realisation of the assets and liquidation of its liabilities that might be necessary would the Company be unable to continue as a going concern.

4 Basis of Preparation

4.1 Statement of compliance

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

4.2 These interim financial statements are unaudited and being submitted to shareholders, as required by Section 237 of the Companies Act, 2017. The figures included in the condensed interim statement of profit or loss and other comprehensive income for the nine months period ended March 31, 2024 and March 31, 2023 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the six months period ended December 31, 2023 and December 31, 2022.

4.3 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with

Company's annual audited financial statements for the year ended June 30, 2023.

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

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

5 Material accounting policy information

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

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

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

5.4 Functional and presentation currency

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

6 Accounting Estimates, Judgements and Financial Risk Management

The preparation of these condensed interim financial statements are in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

		March 31, 2024 Rupees	June 30, 2023 Rupees
7 Equipment			
Book value at beginning of the period		134,050	129,500
Additions during the period		-	62,000
Disposal / Write offs			
Cost		210,000	-
Accumulated depreciation		(102,760)	-
		107,240	-
Depreciation charge for the period		(26,810)	(57,450)
Book value at end of the period		-	134,050
Rate of depreciation		30%	30%
8 Long term deposits			
Long term deposits		27,025	27,025
<p>This deposit has been given to Central Depository Company and has been classified at 'amortised cost' under the requirement of International Financial Reporting Standard 9 - Financial Instruments. However, these, being held for an indefinite period with no fixed maturity date, are carried at cost as their amortised cost is impracticable to determine.</p>			
9 Advances and other receivables	Note	March 31, 2024 Rupees	June 30, 2023 Rupees
Unsecured and Considered good:			
Trade Debtors		-	-
Advances to suppliers		-	-
Advances to employees against salary		-	602,265
Accrued income on short term investment		-	641,076
		-	1,243,341
10 Short term investment			
Investment in term deposit receipts - At amortised cost		-	60,000,000
11 Trade and other payables			
Accrued liabilities		3,567,419	4,996,305
Payable to related party		-	231,767
Refundable advance from TPL Life Insurance Limited	11.1	3,750,000	-
Withholding Income tax payable		409,556	443,864
Others		-	5,082,398
		7,726,975	10,754,334

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

12 Unclaimed dividend

The Company issued dividends during the financial years 2000 and 2001 and as per the practice in vogue at that time; the amount of dividend was deposited into escrow account with the designated bank. At that time; no record was maintained by the banks about the dividend warrants that were used for encashment. Therefore, the Company does not have any record about the shareholders who have not presented their dividend warrant for encashment. However, during past two decades, the management has paid all dividend warrants as and when claimed by the shareholders. However, an amount of Rupees 1.160 million remained unclaimed which is reflected in the financial statements.

	March 31, 2024 Rupees	June 30, 2023 Rupees
13 Loan from sponsors		
Opening balance	69,240,994	104,164,656
Loan received during the year	50,347,100	514,400
Loan repaid during the year	(61,531,722)	(35,438,062)
Closing balance	<u>58,056,372</u>	<u>69,240,994</u>

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

14 CONTINGENCIES AND COMMITMENTS**14.1 Contingencies**

14.1.1 The Company filed Income Tax Return for the Tax Year 2009 by declaring taxable loss of Rupees 14,534,816 for the year and claimed brought forward losses of Rupees 123,213,497. The assessment Order under Section 122 (5A) of the Income Tax Ordinance, 2001 was finalised by the Department at taxable income of Rupees 137,646,895 and computed tax payable of Rupees 47,443,907. The Company preferred an appeal before Commissioner Appeals [CIR(A)] whereby CIR concluded the matter by deletion of proration of expenses, deletion of loan by Rupees 55,600,000, cash payments by Rupees 100,455,778 and understatement of imports by Rupees 11,565,330, School expenses by Rupees 349,422 and confirmation of addition of retirement by Rupees 3,166,000 benefits and department being aggrieved with the decision of CIR filed an appeal before ATIR which is pending for adjudication. The management is of the view that matter will be decided in the company's favour.

14.1.2 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 of the Income Ordinance, 2001 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. The management is of the view that matter will be decided in the Company's favour. The Department, being aggrieved, on this point filed an appeal before ATIR and the next date of hearing is fixed on February 09, 2024. The management is of the view, as per advice of tax advisor, that the matter would be decided in the Company's favour.

14.1.3 The proceedings under Section 11(2) of the Sales Tax Act, 1990 for the tax period July 2011 to February 2013 were finalized by the department against the taxpayer by creating sales tax demand of Rupees

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

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

The NAB challenged the judgment in Supreme Court of Pakistan vide CPLA No.1478/2019, however, subsequent to multiple hearings, the Honorable Bench of Supreme Court of Pakistan concluded that NAB lacked jurisdiction in banking matters, rendering the appeals filed by NAB subject to dismissal.

In alignment with the view of Honorable Supreme Court of Pakistan, NAB decided to withdraw these appeals and thus gave statement in Court that they do not want to pursue the said appeals.

Even otherwise, there is no financial liability that is owed by the company to any bank/financial institution, therefore, this appeal also becomes infructuous.

14.1.5 During the period under review; Securities and Exchange Commission of Pakistan has initiated show cause proceedings under Sections 183, 199 and 257 of the Companies Act, 2017 (the "Act") against the Company and its directors. Securities and Exchange Commission of Pakistan have imposed fines/penalties in case of show cause proceedings under Section 183 and Section 199 of the Act against which the Company has made payments as it does not want to file appeal before appellate forum.

The show cause proceedings under Section 257 of the Act is still pending before the adjudicating officer. The management is of the view, on the advice of corporate consultant, that show cause proceedings would be dropped.

14.2 Commitments

14.2.1 There are no commitments to report as at reporting date.

15 OTHER INCOME

	Three months period ended		Nine months period ended	
	March 31, 2024 (Rupees)	March 31, 2023	March 31, 2024 (Rupees)	March 31, 2023
Credit balances written back	5,082,398	-	5,082,398	126,870
Markup income	1,991,489	1,596,725	5,144,320	4,255,930
	7,073,887	1,596,725	10,226,718	4,382,800

16 INCOME TAX EXPENSE

Tax liability in respect of income tax has been determined under the provisions of the Income Tax Ordinance, 2001 and no provision for income tax is required to be incorporated in these interim financial statements.

17 EARNING PER SHARE

	Three months period ended		Nine months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Earning after taxation - (Rupees)	4,620,098	(4,774,677)	3,381,441	(6,556,270)
Weighted average	80,000,000	80,000,000	80,000,000	80,000,000
Earning per share - (Rupees)	0.058	(0.06)	0.04	(0.08)

17.1 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.

18 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:

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

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

Associate

M/S Super Bird (Private) Limited

Key Management personnel

Mr. Shahid Amin

18.2 Transactions with related parties

Nature of Relationship	Nature of Transaction	Nine months period ended	
		March 31, 2024	March 31, 2023
		(Rupees)	
Sponsors	Loan received	50,347,100	200,000
	Loan repaid	(61,531,722)	(34,908,662)
Associate	Funds disbursed	-	(650,000)
	Funds received	-	4,150,000
	Markup income	-	113,077
	Expenses incurred	58,003	
Others	Remuneration of key management	2,771,630	-

19 FINANCIAL RISK MANAGEMENT**19.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk.

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

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

19.2 Fair value measurement

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

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

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

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

20 GENERAL AND CORRESPONDING FIGURES

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

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

21 DATE OF AUTHORIZATION

21.1 These interim financial statements was approved by the Board of Directors of the Company and authorized for issue on April 29, 2024.


Abida Mukhtar
Chief Executive Officer


Shahid Amin Chaudhry
Chief Financial Officer


Nilofar Mukhtar
Director

Lahore: April 29, 2024

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