



**Condensed Interim  
Un-Audited Financial Statements  
For the 1st Quarter Ended  
September 30, 2019**



**DAR ES SALAAM**





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## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Faisal Mukhtar Ms. Abida Mukhtar Mrs. Mahwesh Faisal Mukhtar Mrs. Nilofar Mukhtar Mr. Muhammad Gul Nawaz Mr. Muhammad Yousaf Mr. Ejaz Hussain	Chairperson & Director Chief Executive Officer
<b>Audit committee</b>	Mr. Muhammad Gul Nawaz Mrs. Mahwesh Faisal Mukhtar Mrs. Nilofar Mukhtar	Chairman Member Member
<b>HR &amp; Remuneration Committee</b>	Mr. Muhammad Yousaf Mrs. Mahwesh Faisal Mukhtar Mrs. Nilofar Mukhtar	Chairman Member Member
<b>Chief Financial Officer Company Secretary</b>	Mr. Shahid Ameen Chaudhry	
<b>Share Registrar</b>	M/s. Corplink (Pvt) Ltd. Wing Arcade, 14-K, Commercial Model Town, Lahore. Tel: 042-35839182, 35869037	
<b>Auditors</b>	M/s Rizwan & Co. Chartered Accountants	
<b>Bankers</b>	National Bank of Pakistan The Bank of Punjab United Bank Limited Faysal Bank Limited Silk Bank Limited Summit Bank Limited	
<b>Registered Office</b>	54-C III, Gulberg III, Lahore. Phones: (042) 3587863-44 Fax : (042) 35878642	
<b>Factory</b>	10th Km Muridke-Sheikhupura Road, Muridke.	

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## DIRECTORS' REPORT

Directors of Dar es Salaam Textile Mills Limited ("the Company") take pleasure in presenting the 1<sup>st</sup> Quarter Report for the period ended September 30<sup>th</sup>, 2019.

### **Economic Outlook / Business, Risk and Challenges**

Financial Year 2018-19 was a tumultuous year for the Pakistani economy - The country's currency saw a devaluation spiral and has and lost 35 percent of its value in just one year, increase in oil prices and other utilities combined with ad-hoc taxes and reversals have resulted in a challenging time for the local economy. Nonetheless, the management is hopeful to kick start its business in the first two quarters of 2019-2020.

In lieu of the approval obtained from shareholders on April 30, 2018, the Company has partially executed the plan and is working towards disposal of land, building and machinery to pay down its liabilities. The management tried its level best to complete the disposal of land and building within stipulated time period, however; the Company could not implement its alternate business plan as envisaged owing to delay in sale of land and building and settlement with lenders and creditors. The management is making all its efforts and currently is in the process of evaluation of the various options such as manufacturing/ trading yarn and / or cloth within the main line of business. The management is also exploring option for potential investments, joint venture, strategic alliance / partnership etc arrangement to overcome the crisis being faced by the Company. Owing to the peculiar economic conditions of the Country, the management is also exploring business opportunities outside the principal line of business for which the Company may be required to seek shareholders' approval, if required.

We are hopeful that our efforts would be successful in near future and the Company shall resume its operations and would be able to earn profits in coming financial year to mitigate its losses with healthy profits and fulfil all its obligations.

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

On behalf of the Board of Directors



**Faisal Mukhtar**  
**Chief Executive Officer**

Lahore: October 29,2019

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## ڈائریکٹر رپورٹ

دارالسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر، 2019 کو ختم ہونے والی مدت کے لئے پہلی سہ ماہی رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

### معاشی آؤٹ لک / کاروبار ، رسک اور چیلنجز

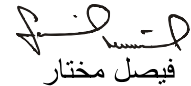
مالیاتی سال 2018-19 پاکستانی معیشت کے لئے ایک پریشان کن سال تھا - ملکی کرنسی کی قدر میں کمی دیکھنے میں آئی اور صرف ایک سال کے دوران 35 فیصد اپنی قیمت کھو دی ، تیل کی قیمتوں میں اضافے اور دیگر افادیت ایک مشکل وقت کا نتیجہ ہے۔ بہر حال ، انتظامیہ ہمیں اضافے کے ساتھ مل کر ایڈجسٹنگ۔ مقامی معیشت کے لیے امید ہے کہ اپنے کاروبار کو 2019-2020 کے پہلے دو سہ ماہی میں شروع کرے گی۔

30 اپریل ، 2018 کو حصص یافتگان سے حاصل شدہ منظوری کے بدلے ، کمپنی نے اس منصوبے کو جزوی طور پر نافذ کیا ہے اور وہ اپنی ذمہ داریوں کو ادا کرنے کے لئے زمین ، عمارت اور مشینری کو بیچنے کی کوشش کر رہی ہے۔ تاہم انتظامیہ نے زمین اور عمارت کے تصفیے کو مقررہ مدت کے اندر مکمل کرنے کی پوری کوشش کی۔ کمپنی اپنے متبادل کاروباری منصوبے پر عمل درآمد نہیں کر سکی کیونکہ زمین کی فروخت میں تاخیر اور قرض دہندگان کے ساتھ تصفیہ اور تعمیراتی منصوبے پر تاخیر کی وجہ سے۔ انتظامیہ اپنی تمام تر کوششیں کر رہی ہے اور فی الحال مختلف اختیارات جیسے مینوفیکچرنگ / ٹریڈنگ دھاگہ اور / یا کاروبار کی مرکزی لائن میں کپڑے کی جانچ پڑتال میں ہے۔ انتظامیہ ممکنہ سرمایہ کاری ، جو انٹنٹ وینچر ، اسٹریٹجک اتحاد / شراکت داری وغیرہ کے متبادل کے بارے میں بھی کمپنی کی تلاش میں ہے۔ ملک کے مخصوص معاشی حالات کے پیش نظر ، انتظامیہ بنیادی کاروبار سے باہر کاروباری مواقع کی بھی تلاش کر رہی ہے جس کے لئے کمپنی کو ضرورت پڑنے پر حصص یافتگان کی منظوری لینے کی ضرورت ہوگی۔

ہمیں امید ہے کہ ہماری کوششیں مستقبل قریب میں کامیاب ہوں گی اور کمپنی اپنی کاروائیاں دوبارہ شروع کرے گی اور آنے والے مالی سال میں نفع کمانے میں کامیاب ہوگی تاکہ اس کے نقصانات کو صحت مند منافع سے کم کیا جاسکے اور اپنی تمام ذمہ داریوں کو پورا کیا جاسکے۔

بہترین ممکنہ حل تلاش کرنے کیلئے اپنی تمام تر کوششیں جاری رکھے ہوئے ہیں۔ آپ کے ڈائریکٹرز تمام اسٹیک ہولڈرز کی بہتری کیلئے اپنے تمام حصص یافتگان کی مسلسل حمایت کیلئے ان کا شکریہ ادا کرتے ہیں

بزرگ بورڈ

  
فیصل مختار

چیف ایگزیکٹو آفیسر

لاہور: 29 اکتوبر، 2019

**Condensed Interim Statement of Financial Position (Un-audited)**  
**As at September 30, 2019**

	Note	30-Sep-2019 Rupees (Un-Audited)	30-Jun-19 Rupees (Audited)
<b>Non-current assets</b>	7		
Intangible		-	-
Long term deposits		1,426,354	1,426,354
		<b>1,426,354</b>	<b>1,426,354</b>
<b>Current assets</b>			
Advances, deposits, prepayments and other receivables		2,053,855	2,115,119
Advance Income Tax		19,585,244	19,585,244
Tax refunds due from Government		4,056,968	4,056,968
Non-Current Assets held for Sale	8	370,713,296	370,713,296
Cash and bank balances		373,455	283,435
		<b>396,782,818</b>	<b>396,754,062</b>
<b>Current liabilities</b>			
Trade and other payables		134,674,805	133,990,197
Unclaimed Dividend		1,159,777	1,159,777
Accrued Markup		108,429,327	108,429,327
Short term borrowings		116,220,088	116,220,088
Current portion of long term loan	10	156,645,197	156,645,197
Provision for Taxation		-	-
		<b>517,129,194</b>	<b>516,444,586</b>
<b>Working capital employed</b>		<b>(120,346,376)</b>	<b>(119,690,524)</b>
		<b>(118,920,023)</b>	<b>(118,264,170)</b>
<b>Non-current liabilities</b>			
Long term loan	8	-	-
Deferred tax liability		-	-
		-	-
<b>Contingencies and commitments</b>	9	-	-
<b>Net capital employed</b>		<b>(118,920,023)</b>	<b>(118,264,170)</b>
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Authorized share capital		150,000,000	150,000,000
Share capital		80,000,000	80,000,000
Accumulated losses		(295,242,120)	(293,786,257)
Loan from Sponsors		96,322,097	95,522,087
		<b>(118,920,023)</b>	<b>(118,264,170)</b>

The annexed notes from 1 to 14 form an integral part of these condensed financial information.

Lahore: October 29, 2019

  
Faisal Mukhtar  
Chief Executive Officer

  
Abida Mukhtar  
Director

  
Shahid Ameen Chaudhry  
Chief Financial Officer

**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
for the quarter ended September 30, 2019

	<i>Note</i>	Quarter ended September 30,2019 (Un-Audited)	Quarter ended September 30,2018 (Un-Audited)
<b>Sales</b>		-	-
Cost of sales		-	-
<b>Gross Loss</b>		-	-
<b>Operating expenses:</b>			
Administrative expenses		2,254,905	2,053,975
Distribution cost		-	-
		2,254,905	2,053,975
<b>Operating Loss</b>		(2,254,905)	(2,053,975)
Finance cost		(957)	(7,055)
Other Income	11	800,000	15,000
Other operating charges		-	-
<b>Loss before taxation</b>		(1,455,862)	(2,046,030)
<b>Total Comprehensive Loss for the period</b>		(1,455,862)	(2,046,030)
<b>Loss per share - basic and diluted</b>		(0.18)	(0.26)

The annexed notes from 1 to 14 form an integral part of these condensed financial information.

Lahore: October 29, 2019

  
Faisal Mukhtar  
Chief Executive Officer

  
Abida Mukhtar  
Director

  
Shahid Ameen Chaudhry  
Chief Financial Officer



**Condensed Interim Statement of Cash Flows (Un-audited)  
for the quarter ended September 30, 2019**

	September 30,2019 Rupees (Un-Audited)	September 30,2018 Rupees (Un-Audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(1,455,862)	(2,046,031)
<b>Adjustments for:</b>		
Amortization	-	14,589
Rental & Agricultural Income	(800,000)	(15,000)
Finance cost	957	7,055
	(799,043)	6,644
<b>Operating Cashflow before changes in working capital</b>	<b>(2,254,905)</b>	<b>(2,039,387)</b>
<b>Changes in working capital</b>		
Advances, prepayments and other receivables	61,264	(232,000)
Trade and other payables	684,598	(2,487,019)
	745,862	(2,719,019)
<b>Cash generated from operations</b>	<b>(1,509,043)</b>	<b>(4,758,406)</b>
Payments for :		
Finance cost paid	(957)	(7,055)
<b>Net cash flow from operating activities</b>	<b>(1,510,000)</b>	<b>(4,765,461)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Other Income	800,000	-
<b>Net cash used in investing activities</b>	<b>800,000</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from Sponsors	800,009	12,000,000
Short term finance	-	(25,100,000)
<b>Net cash used in financing activities</b>	<b>800,009</b>	<b>(13,100,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>90,009</b>	<b>(17,865,461)</b>
<b>Cash and cash equivalents as at beginning of the year</b>	<b>283,435</b>	<b>18,889,427</b>
<b>Cash and cash equivalents as at end of the year</b>	<b>373,444</b>	<b>1,023,966</b>

The annexed notes from 1 to 14 form an integral part of these condensed financial information.

 <b>Faisal Mukhtar</b> Chief Executive Officer	 <b>Abida Mukhtar</b> Director	 <b>Shahid Ameen Chaudhry</b> Chief Financial Officer
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Lahore: October 29, 2019

**Condensed Interim Statement of Changes in Equity (Un-audited)  
for the quarter ended September 30, 2019**

	Issued subscribed and paid-up capital	Accumulated Losses	loan from Directors & Sponsors	Total Equity
Balance as at July 01 , 2018 - Audited	80,000,000	(288,851,898)	75,882,097	(132,969,801)
Total Comprehensive loss for the period	-	(4,079,186)	12,000,000	7,920,814
Balance as at September 30, 2018 - Un- audited	80,000,000	(292,931,084)	87,882,097	(125,048,987)
Balance as at June 30, 2019 - Audited	80,000,000	(293,786,258)	95,422,097	(118,364,161)
Total Comprehensive loss for the period	-	(1,455,862)	900,000	(555,862)
Balance as at September 30, 2019 - Un- audited	80,000,000	(295,242,120)	96,322,097	(118,920,023)

The annexed notes from 1 to 14 form an integral part of these condensed financial information.

Lahore: October 29, 2019

  
Faisal Mukhtar  
Chief Executive Officer

  
Abida Mukhtar  
Director

  
Shahid Ameen Chaudhry  
Chief Financial Officer

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**Notes to the Condensed Interim Financial Information (Un-audited)  
for the quarter ended September 30, 2019**

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**1 Reporting entity**

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Dar Es Salaam Textile Mills Limited ("the Company") was incorporated in Pakistan on September 28, 1989 as public unlisted company under the Companies Ordinance, 1984 and was subsequently listed on the Karachi and Lahore Stock Exchanges in 1991. The registered office of the Company is 54 C-III, Gulberg-III, Lahore. The Company is engaged in the business of manufacturing and sale of yarn. The company's manufacturing facility is located at 10th km Muridke- Sheikhupura Road, Muridke.

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**2 Significant matters**

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During the period the Company is still in the process of due diligence for the disposal of Plant, land and Building.

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**3 Basis of preparation**

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**3.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan Accounting and reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act 2017 and provisions of and directives issued under the Companies Act 2017. Where the provisions of and directives issued under the Companies Act 2017 differ from the IFRS Standards, the provisions of and directives issued under Companies Act 2017 has been followed.

The disclosures made in this interim financial information of the Company have, however, been limited based on the requirements of the International Accounting Standard 34 - Interim Financial Reporting thus these do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended June 30, 2019. These interim financial information are un-audited and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and Listing Regulations of Stock Exchange of Pakistan.

The comparative financial position presented in these interim financial information have been extracted from the audited financial statements of the Company for the year ended June 30, 2019, whereas the comparative condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the quarter ended September 30, 2019.

**3.2 Going concern assumption**

The Company has closed its operation since 2014 and reported accumulated loss of Rupees 295.242 million (June 2019: Rupees 293.786 million). The current liabilities exceeded its current assets by Rupees 120.326 million (June 2019: Rupees 101.758 million) as of reporting date. In order to settle the liabilities towards lenders and other creditors, the Company in Extra Ordinary General Meeting held on April 30, 2018 approved alternate business plan, settlement with lenders by disposal of property, plant and equipment. The alternate business plan that resulted into a feasible solution was to enter the yarn trading business in the next 24 months. The 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 alternate business plan. The Company has already disposed off plant and machinery and is making all of its efforts to settle its obligations to lenders from proceeds realized on disposal of property, plant and equipment and utilize surplus funds for implementation of alternate business plan. At present, the Company has partially executed the plan and is working towards disposal of land, building and other assets to settle its liabilities with the lenders and creditors. The management is confident that it will

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execute the disposal within stipulated timeline and will obtain fresh approval from shareholders, if required, for sale of land, building and implementation of business plan after sale of land and building.

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 based on the plans drawn up by the management for this purpose and bringing its liabilities to serviceable level and availability of adequate working capital through support from sponsors. 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.

#### 4 Accounting policies

The accounting policies and methods of computation adopted in the presentation of these condensed interim financial information are the same as those adopted in the preparation of audited annual financial statements of the Company for the preceding year ended June 30, 2019.

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

#### 5 Accounting estimates and judgements

The preparation of condensed interim financial information required management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the accounting policies and the key sources of estimating uncertainty were the same as those applied to in the financial statements for the year ended June 30, 2019.

#### 6 Taxation

Provisions in respect of taxation is estimated and is subject to final adjustments in the annual audited financial statements. Deferred tax impact in the condensed interim financial information including on revaluation of fixed assets, has not been accounted for.

#### 7 Non Current Assets

##### Intangible assets

	September 30, 2019 Rupees	June 30, 2019 Rupees
Cost	-	1,874,241
Opening accumulated amortization	-	1,577,535
Amortization for the period / year	-	59,341
	-	<b>1,636,876</b>
Net Book Value	-	<b>237,365</b>
Impairment Loss	(237,365)	
Closing Carrying Value	-	-
Long Term Deposit	<b>1,426,354</b>	1,426,354
	<b>1,426,354</b>	<b>1,426,354</b>

	September 30, 2019 Rupees	June 30, 2019 Rupees
<b>8 Non Current Assets Held For Sale</b>		
Freehold Land	125,381,520	125,381,520
Building on Freehold Land	227,633,395	227,633,395
Other Fixed Assets	17,698,381	17,698,381
	<u>370,713,296</u>	<u>370,713,296</u>
<b>9 LOAN TERM LOANS - SECURED</b>		
<b><u>From Commercial Banks</u></b>		
- Bank of Punjab	12,412,177	12,412,177
- United Bank Limited (NIDF-V)	14,959,062	14,959,062
- United Bank Limited (NIDF-VI)	20,000,000	20,000,000
United Bank Limited Encashment of BG	10,000,000	10,000,000
- National Bank of Pakistan	78,749,958	78,749,958
- National Bank of Pakistan (CF swap)	15,976,000	15,976,000
- National Bank of Pakistan (Frozen mark-up)	4,548,000	4,548,000
	<b>156,645,197</b>	<b>156,645,197</b>
<b>Less Current maturity</b>	(156,645,197)	(156,645,197)
	<u>-</u>	<u>-</u>

**9.1** The above loans are secured against first pari passu charge on fixed assets for Rs 534.00 million.

**9.2** The Company is not accruing Mark up on long term and short term loans for the quarter as the management is in negotiations with the lenders.

## **10 Contingencies and commitments**

### **10.1 Contingencies**

**10.1.1** In tax year 2005 ending on 30-09-2004 and 30-06-2005 respectively the department has not given credit of tax deducted on exports u/s 154 amounting to Rs. 6,617,590 and Rs. 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) but he rejected the plea of the Company. The Company preferred an appeal before Appellate Tribunal Inland Revenue which is pending for adjudication.

**10.1.2** As a result of assessment order u/s 122(5A), the tax liability amounting to Rs. 1,594,999/- is created. The case has been responded by the company at its own. Further, the Company filed an appeal before Commissioner Inland Revenue and the appeal was decided that the tax demand created was adjusted against the tax credit u/s 65B amounting to Rs. 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 amounting to Rs. 1,990,851/.

- 10.1.3** The company filed income tax return for the tax year 2009 by declaring the taxable loss of Rs. 14,534,816 for the year and claimed brought forward losses of Rs 123,213,497 . The assessment order under section 122(5A) of the income tax ordinance,2001 was finalized by the at taxable income of Rs 137,646,895 and computed taxable payable of Rs 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 Rs 55,600,000, cash payments Rs 100,455,778 and under statement of imports Rs 11,565,330. School expenses Rs 349,422 and confirmation of addition of retirement Rs 3,166,000 benefits and being aggrieved with the decision filed an appeal before ATIR which is pending for adjudication.
- 10.1.4** The Company filed Income Tax Return for the Tax Year 2012 and paid minimum tax at rate of 0.5% on the basis of Sindh High Court judgement. However the Department disputed the same and changed minimum tax at the 1% resulting in additional minimum tax liability of Rs 3,527,145/-. Further the Department levied penalties under section 182(1)(5) of the Ordinance amounting Rs 176,357/- and Rs 881,786/- for non payment of tax for the first and second defaults respectively. The Company being aggrieved and filed before CIR(A-1) directed DCIR to delete the penalties after verification of available refunds. No further action is taken by the Department.
- 10.1.5** The Company was selected for audit u/s 214(D), the correspondence legal ground with the department are in process.
- 10.1.6** The SNGPL levied surcharge amounting to Rs. 8,213,847 under Gas Infrastructure Development Surcharge on industrial undertakings. Lahore high court passed an order that directed to constitute a high powered committee to look into the case of industrial undertaking. The has supplied all required information, however, the matter is still pending.
- 10.1.7** Faysal Bank Limited filed a suit against the Company and its management for the recovery of Rs 22,697,054/- before Banking Court 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 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.
- 10.1.8** National Bank has filed a suit against the Company and its management before the Lahore High Court Lahore vide COS 16792/2018 wherein the bank claimed recovery of Rs 100.628 million. This suit is still pending adjudication. This case is being vigorously and diligently contested by the company and there are good chances of favourable result in this case.
- 10.1.9** United Bank Limited has filed a suit against the Company and its management before the Lahore High Court Lahore vide 221677/2018 wherein the bank claimed recovery of Rs 183.709 million from the Company. This suit is still pending adjudication. This case is being vigorously and diligently contested by the company and there are good chances of favourable result in this case.
- 10.1.1** The National Bank of Pakistan has lodged a frivolous and time barred claim of Rs 51.48 million based upon the Lc's facilities sanctioned about 7/8 years back. The NAB has also taken up the matter, which act of the bank and NAB has been challenged in a writ petition no 221742/2018 before Lahore High Court Lahore. This writ Petition alongwith similar matter were by the full Bench of Lahore High Court Lahore on December 24, 2018. The NAB has availed this judgement in supreme Court of Pakistan vide CPLA/1478/2019 which is pending for adjudication and there are good chances of a favorable result in this case . There is no scope of any fiscal loss.
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**10.1.11** The Company has filed a suit against National Bank of Pakistan before Lahore High Court Lahore vide COS no 220828/2018 challenging Bank's alleged claim based upon the LC's facilities sanctioned 7/8 years back. The claim of the bank is baseless and time barred. This suit is still pending for adjudication. There is no scope of any financial loss to the Company in the instant matter. This case is being vigorously pursued by the Company.

Securities and Exchange Commission of Pakistan has initiated show cause proceedings against the Company under Section 301 of the Companies Act, 2019. 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 with the approval of board of directors. We are hopeful that show cause proceedings shall be dropped in near future.

## 10.2 Commitments

**10.2.1** There are expired Letter of guarantees to Sui Northern Gas Pipelines Company Limited (SNGPL) amounting to Rupees 20.647 million (2018: Rupees 20.647 million) and Rupees 0.598 million (2018: Rupees 0.598 million ) from United Bank Limited and Faysal Bank Limited respectively for the various amounts expired. These guarantees have not yet been returned by the Sui Northern Gas Pipelines Company Limited for onward submissions to the banks for cancellation.

Note	September 30, 2019 Rupees	June 30, 2019 Rupees
<b>11 Other income</b>		
11.1 Sale Proceeds of Agricultural produce	(65,000)	-
11.2 Rental Income	(735,000)	(15,000)
	<u>(800,000)</u>	<u>(15,000)</u>

## 12 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 29, 2019 by the Board of Directors of the Company.

## 13 GENERAL

**13** Figures have been rounded off to the nearest rupee.

**13.1** Corresponding figures have been re-arranged /classified where necessary to facilitate comparison however, there are no significant reclassifications during the period.

Lahore: October 29, 2019

  
Faisal Mukhtar  
Chief Executive Officer

  
Abida Mukhtar  
Director

  
Shahid Ameen Chaudhry  
Chief Financial Officer



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