

August 02, 2024

The Board of Directors
Dar es Salaam Textile Mills Limited
210, 2nd Floor, Marine Point
Khayaban-e-Iqbal
Clifton Block 9, Karachi.

Dear Board Members,

Certificate of revised share capital after issuance of shares as per Scheme of Arrangement approved by the Honorable Sindh High Court

We, being the statutory auditors of Dar es Salaam Textile Mills Limited ("the Issuer" and "The Transferee Company"), have been requested to provide you with a certificate on the revised capital after issuance of shares as per scheme of arrangement, as required under the CDC Regulations.

Scope of Certificate

We are required, under the CDC Regulations, as the statutory auditor to certify the following:

1. Revised paid-up capital of the Transferee Company after credit of merger;
2. That all the requirements of Section 282 of the Companies Act, 2017 have been ensured by the Transferee Company;
3. That all requirements with regards to allotment of securities in the name of CDC have been fulfilled by the Issuer;
4. That conditions (if any) imposed by the competent authority / court have been satisfied by the Issuer in every respect; and
5. All the moveable and / or immovable assets against issuance of securities as per the Scheme of Arrangement has been transferred to the Transferee Company.

Management's Responsibility

It is the management's responsibility to ensure compliance with the provisions of CDC Regulations and to provide all the underlying information as described in the scope above to the auditor certifying the same.

Auditor's Responsibility

Our responsibility is to certify the compliance of the requirements of CDC Regulations in accordance with the Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to obtaining and reviewing the supporting documentation to verify that the paid-up capital of the Transferee Company has been revised, all requirements as specified under by CDC for the allotment of securities have been fulfilled by the Issuer, all conditions (if any) imposed by the competent Court have been satisfied by the Issuer in every respect and issuance of shares by the Issuer to the members of TPL Life Insurance Limited pursuant to the Scheme of Arrangement...

Certificate

Based on the procedures mentioned above, we have reviewed the documents related to issuance of shares by the Issuer to the shareholders of TPL Life Insurance Limited as per swap ratio of 1 share for every 1 share held in TPL Life Insurance Limited by its shareholders, as per scheme of arrangement approved by the Honorable Sindh High Court under J.C.M Petition No. 34 of 2023 dated June 10, 2024.

As desired, we certify the following:

1. The authorized share capital of Dar es Salaam Textile Mills Limited before the merger is Rupees 150,000,000 divided into 150,000,000 shares of Rupees 10 each, out of which 8,000,000 shares of Rupees 10 each are currently issued that are fully paid-up and remaining are un-issued.

The authorized share capital of TPL Life Insurance Limited is Rupees 2,400,000,000 divided into 240,000,000 shares of Rupees 10 each. Out of which 216,500,000 shares of Rupees 10 each are currently issued and are fully paid-up, the remaining shares are un-issued.

The revised share capital of the Issuer after issuance of shares to the shareholders of TPL Life Insurance Limited as per scheme of merger is as under:

a. Revised authorized share capital of the Issuer after merger

Particulars	No. of shares	(Rupees)
Authorized share capital before merger	15,000,000	150,000,000
Authorized share capital acquired under approved scheme of merger	240,000,000	2,400,000,000
Authorized share capital after merger	255,000,000	2,550,000,000

b. Revised paid up capital of the issuer after merger:

Particulars	No. of shares	(Rupees)
Paid up share capital before merger	8,000,000	80,000,000
Issuance of shares under approved scheme of merger	216,500,000	2,165,000,000
Paid up share capital after merger	224,500,000	2,245,000,000

c. Issued, subscribed, and paid-up capital of the Companies:

Particulars	Dar es Salaam Textile Mills Limited		TPL Life Insurance Limited		Total	
	No. of shares	Rupees	No. of shares	Rupees	No. of shares	Rupees
Before Merger	8,000,000	80,000,000	216,500,000	2,165,000,000	224,500,000	2,245,000,000
Issuance of shares	216,500,000	2,165,000,000	(216,500,000)	(2,165,000,000)	-	-
After Merger	224,500,000	2,245,000,000	-	-	224,500,000	2,245,000,000

- All requirements of the provisions Sections 279 to 283 and 285 of the Companies Act, 2027 have been ensured by the Company, as verified from the Court's order.
- That all requirements with regard to allotment of shares in the name of CDC, in respect of CDC shares, have been fulfilled by the Issuer.
- No condition was imposed by the Honorable Sindh High Court, Karachi in its order dated June 10, 2024 with respect to issuance of shares under the Scheme of Arrangement.
- The management has represented that pursuant to sanction of the Scheme of Arrangement by the Court; all the assets, rights, liabilities and obligations of TPL Life Insurance Limited have been amalgamated with, transferred to, and vested in the Transferee with effect from June 10, 2024 and on the basis of a Swap Ratio; 1 share of Rupees 10 of the Issuer will be issued to the shareholders of TPL Life Insurance Limited against 1 share of Rupees 10 of TPL Life Insurance Limited held by them. The effect of transfer of all movable and / immovable assets and liabilities and issuance of 216,500,000 shares of Rupees 10 each by the Issuer to the shareholders of TPL Life Insurance Limited will be reflected in future financial statements of the Issuer.

Restriction on use and distribution

This certificate is being issued on the specific request of the issue for submission to Central Depository Company of Pakistan as required under the CDC Regulations and is not to be used or distributed for any other purpose. This certificate is restricted to the facts stated herein and the attachments.

Yours truly,

