



DAR ES SALAAM TEXTILE MILLS LIMITED

House No 37,
Street No 14, Cavalry Ground,
LAHORE – 54662, PAKISTAN

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Statements under Section 134(3) of the Companies Act, 2017 concerning the special business to transacted at the Annual General Meeting

This Statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting to be held on September 30, 2023

Item 3 and 4 of the Agenda:

Pursuant to Memorandum of Understanding (MOU) with TPL Life Insurance Limited (TPL Life), the Company will explore the possibility of and enter into discussions and negotiations for a potential merger of TPL Life and the Company, by way of a scheme of arrangement. In order to resolve the jurisdictional issues in the High Court for the scheme of arrangement, the board has decided to change the registered office of the Company from the province of Punjab to the province of Sindh. Consequential changes are proposed to be made in the memorandum of association of the Company.

- (i) Existing registered office is located at House No 37, Street No 14, Cavalry Ground, Lahore Cantt., Lahore. Proposed registered office will be 210, 2nd Floor, Marine Point, Khayaban -e -Iqbal Clifton Block 9, Karachi Pakistan.
- (ii) The reason for change in registered office is to resolve the jurisdictional issues in the High Court for the scheme of arrangement.
- (iii) Geographical dispersion of the members of the company (of total as well as of those who attended last three annual general meetings) is given below:
Punjab
- (iv) The Company will be saving the cost of filing scheme of arrangement at two different high court.
- (v) At present no inquiry, inspection or investigation or prosecution has been pending against the company.

Item 5 of Agenda item

For As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors:

- 1) Abida Mukhtar
- 2) Faisal Mukhtar

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O 1240(I)/2017 is provided below:

| Sr. No. | Description | Information Required |
|---|--|--------------------------|
| (a) Disclosure for all types of Investments | | |
| (A) Disclosure regarding associated company | | |
| (i) | Name of associated company or associated undertaking | Super Bird (Pvt) Limited |

| | | |
|-------|---|---|
| (ii) | Basis of relationship | Due to common directorship by the following 1) Abida Mukhtar 2) Faisal Mukhtar |
| (iii) | Earnings per share for the last three years | PKR 4.94% per share for the year 2020 PKR 9.5% per share for the year 2021 PKR 4.42% for the year 2022 |
| (iv) | Break-up value per share, based on latest audited financial statements | PKR 20.30 |
| (v) | Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements | As per the audited Financial Statements for the year ended June 30, 2022 <div style="text-align: right; padding-right: 20px;">PKR in Million</div> <div> <div>Authorized Capital</div> <div>132.266</div> <div>Paid-up capital and reserves</div> <div>254.102</div> <div>Non-Current Liabilities</div> <div>30.000</div> <div>Current Liabilities</div> <div>79.020</div> <div>Current Assets</div> <div>80.020</div> <div>Non-Current Assets</div> <div>283.102</div> <div>Revenue</div> <div>209.438</div> <div>Gross Profit</div> <div>62.894</div> <div>Finance Cost</div> <div>NIL</div> <div>Profit After Tax</div> <div>5.847</div> </div> |
| (vi) | In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations. | Not applicable |

(B) General Disclosures

| | | |
|-------|---|--|
| (i) | Maximum amount of investment to be made | Loan facility up to PKR 3.5 Million (Already made & recovered). |
| (ii) | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment | To support the functionality and operations of the associated undertaking and to investment Company's funds at an attractive rate of mark-up for a further period of one year. |
| (iii) | Sources of funds to be utilized for investment. | Already given/Own sources of the Company and fully recovered. |
| (iv) | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment | TOR was approved by Board of Directors |
| (v) | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration | The following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company: Directors 1) Abida Mukhtar 2) Faisal Mukhtar |
| (vi) | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs | A loan of an aggregate amount of up to PKR3.5 million has already been granted and recovered along with mark up @ 15.36%. |
| (vii) | Any other important details necessary for the members to understand the transaction | None |

(b) Additional Disclosures regarding Loan Investment

| | | |
|-----|------------------------------------|---|
| (i) | Category-wise amount of investment | Loan amounting to PKR 3.5 Million (Already made |
|-----|------------------------------------|---|

| | | |
|-------|---|---|
| | | & recovered). |
| (ii) | Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period | The average borrowing cost of investing company is 0.0%. |
| (iii) | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company | 15.36 % per annum but not less than the borrowing cost |
| (iv) | Particulars of collateral or security to be obtained in relation to the proposed investment | No security was obtained owing to a small amount. |
| (v) | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable | None |
| (vi) | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking. | The Loan will be repayable within a year and was fully recovered. |

Shamsher

