



DAR ES SALAAM TEXTILE MILLS LIMITED

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

Telephone No. +92 42 36610643-4
Email: info@daressalaamtextilemills.com

June 13, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: Disclosure of Material Information

Dear Sir:

In accordance with Sections 96 and 131 of the Securities Act, 2015 and Clause 5.6.1(a) of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following:

Further to the disclosure of material information made by Dar Es Salaam Textile Mills Limited (the "**Company**") on November 29, 2023, this is to update that the Scheme of Arrangement dated November 29, 2023, under Section 279 to Section 283 and Section 285 of the Companies Act, 2017 for, inter alia, the merger, by way of amalgamation, of the entire business and undertaking of TPL Life Insurance Limited ("**TPL Life**") with and into the Company has been sanctioned by the Honourable High Court of Sindh at Karachi vide Order dated June 10, 2024 in J.C.M. 34 of 2023.

By virtue of the sanctioning of the Scheme of Arrangement, all assets, rights, liabilities, and obligations et'al of TPL Life, now stand amalgamated with, transferred to, and vested in the Company. As a consequence of the merger, the name of Dar Es Salaam Textile Mills Limited shall stand altered to "TPL Life Insurance Limited", along with the change in the principal line of business.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,

Company Secretary



Copy to: **Director / HOD**
Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad.

Enclosure: Copy of the aforementioned Order dated June 10, 2024.

IN THE HIGH COURT OF SINDH AT KARACHI

JCM No. 34 of 2023

In the matter of
DAR ES SALAAM TEXTILE MILLS LIMITED
AND
TPL LIFE INSURANCE LIMITED

Date of Hearing : 10.06.2024
Petitioner through : M/s. Halder Waheed, Mikael Rahim
and Zoha Sirhindi.
Respondents through : Hafiz Ebad, Advocate for the SECP.

ORDER

Zulfiqar Ahmad Khan, J:- This petition under sections 279 to 283 and 285(8) of Companies Act, 2017 pertains to merger of petitioner No.1 with petitioner No.2. The purpose of the petition is sanction of the scheme of arrangement attached as Annexure 'F' to the petition. In substance the petitioners have proposed to restructure in terms whereof petitioner No.2 i.e. TPL LIFE INSURANCE LIMITED is required to be merged and amalgamated into petitioner No.1 i.e. DAR ES SALAAM TEXTILE MILLS Limited

2. I have heard learned counsels for the petitioners as well as law officer SECP and perused material available on record.

3. In terms of the Scheme of Arrangement, the entire undertaking and business including assets, rights, properties, benefits, powers privileges, contracts, liabilities, encumbrances, obligations and dues of petitioner No.2 will be transferred to and vested in and assumed by petitioner No.1 against the issuance of shares of petitioner No.1 to shareholders of petitioner No.2 as per the computed share swap ratio stipulated in the Scheme. Thus, in terms of Scheme of arrangement petitioner No.1 will act accordingly whereas petitioner No.2 shall

cease to exist without winding up. Furthermore, as per the scheme, the name of the Petitioner No.1 will stand changed to 'TPL Life Insurance Limited', the principle line of business of petitioner No.1 shall be amended and the financial year of petitioner No.1 shall stand changed.

4. Pursuant to order dated 05.12.2023, the application under Rule 55 of the Companies (Court) Rules, 1997 (CMA No. 2634/2023) was allowed, and permission was granted to convene the required meetings of the members/creditors of the petitioners companies (to the extent applicable). Furthermore, directions were given to fulfill the required formalities.

5. Pursuant to the above order, separate extraordinary meetings of the two petitioners were held on 27.12.2023 and Chairman's reports of each meeting were submitted to this Court. It has been informed that neither Petitioner has any secured creditors. Additionally, publications of the petition were carried out in the "News" daily "Jang" and gazette of Pakistan. Notice was also issued to the SECP. The SECP has duly submitted its para-wise comments which have also been placed before this Court.

6. It has been submitted by the counsel of the Petitioners that all requisite formalities under the law have been fulfilled, including obtaining the approval of the shareholders of the respective companies. Not a single shareholder of either company has objected to the proposed scheme of arrangement. The Petitioners have also filed an application under Sections 68 & 69 of the Insurance Ordinance, 2000, read with section 505(1)(a) of the Companies Act, 2017 and Section 151 CPC confirming compliance with applicable

procedures, including fulfillment of requirements under the Insurance Ordinance, 2000.

7. As far as the issues raised in the para-wise comments are concerned, which the Law Officer has also agitated during the course of arguments, a perusal of the record reveals that all such objections are met. The counsels for the Petitioners have stated that there is no legal requirement to seek comments from the Pakistan Stock Exchange nor either is any precedent for the same. The petitioners have also demonstrated compliance of the requirements of Section 68(3) of the Insurance Ordinance, 2000 by issuing an intention to the SECP vide letter dated 21.11.2023 which was confirmed and noted by the SECP vide letter dated 18.12.2023. Hence in substance the counsel for the SECP has conceded to the Scheme of Arrangement.

8. In view of the above, it appears that the petitioners completed all necessary legal formalities, including holding separate meetings of shareholders and board of directors, requisite publication and issuance of notices to the Securities & Exchange Commission of Pakistan. In terms of such meetings of the board of directors and shareholders to the extent it is applicable and report pertaining to such meetings are available on record and not a single shareholder of any of the two petitioners objected to the scheme. Copies of letter of swap ratio calculation issued by the Chartered Accountants are available on record. The publication of the instant petition was effected in Daily 'Jang' and 'The News' Karachi and the Official Gazette.


8. It is settled principle of law that the approach is channelized to ascertain (i) whether the statutory requirements were complied with

and (ii) to determine whether the scheme as a whole has been arrived at by the majority, bona fide and the interest of whole body of shareholders in whose interest the majority purported to act and (iii) whether scheme is such that fair and reasonable shareholder will consider it to be for the benefit of the company for himself. In the instant case no objection of whatsoever from any quarter has come forward while all the requisite formalities have been fulfilled hence no exception could be taken.

9. In view of the above, I do not see any impediment in granting this petition, which is accordingly allowed as prayed and the Scheme of Arrangement stands sanctioned. Having said that, as per the request of Mr. Mikael Rahim, the counsel for the petitioners, and as permitted under Article 3.1 of the Scheme of Arrangement, the effective date of the Scheme of Arrangement shall be the date of this Order.

Karachi
Dated: 10.06.2024.

Aadil Arab.


JUDGE
10/6/2024