



**Notice of Extra Ordinary
General Meeting
to be held on
27th December, 2023**



NOTICE OF EXTRA ORDINARY GENERAL MEETING

This is to inform you that pursuant to the Order of the High Court of Sindh at Karachi dated December 5, 2023, passed in Civil Miscellaneous Application No. 2634 of 2023 (“Order”), in Petition bearing J. C. M. No. 34 of 2023, an Extraordinary General Meeting of Dar Es Salaam Textile Mills Limited (the “Company”) shall be held at, and conducted from, The Hive, 1st Floor, Gizri Road, Block 9, Clifton, Karachi, including through video link facility, on 27th December, 2023 at 10:00 a.m. to transact the following business:

A. Special Business

Pursuant to the Order of the High Court of Sindh at Karachi dated December 5, 2023, passed in Civil Miscellaneous Application No. 2634 of 2023, in Petition bearing J. C. M. No. 34 of 2023, to consider and, if thought fit, to pass, with or without modification, the following resolution for, *inter alia*, the merger, by way of amalgamation, of the entire undertaking of TPL Life Insurance Limited with and into the Company, along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated November 29, 2023, as approved by the Board of Directors of the Company on November 29, 2023.

The resolution to be passed by the requisite majority of members of the Company under Sections 279 and 282 of the Companies Act, 2017 is as under:

“RESOLVED THAT the Scheme of Arrangement dated November 29, 2023, for, inter alia, the merger, by way of amalgamation, of the entire undertaking of TPL Life Insurance Limited with and into Dar Es Salaam Textile Mills Limited (the “Company”), along with all ancillary matters thereto including, but not limited to, the change in the name of the Company, the change in the principal line of business of the Company, and the change in the financial year of the Company, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017.”

B. Other Business

To transact any other business that may be placed before the meeting with the permission of the Chair.

Copies of the (a) Statement of Material Facts under Section 134(3) of the Companies Act, 2017 concerning the Special Business; (b) Statement under Section 281 of the Companies

Act, 2017; (c) Scheme of Arrangement; and (d) Swap Letter dated November 21, 2023 issued by Grant Thornton Anjum Rahman, Chartered Accountants, are being circulated to the members along with this notice of the Extraordinary General Meeting.

Karachi: December 06, 2023

By the Order of the Board


Shahid Amin Chaudry
Company Secretary

Notes:

1. The Members Register and Share Transfer Books will remain closed from Thursday, 21st December 2023 to Wednesday, 27th December 2023 (both days inclusive) for the purpose of the Extra Ordinary General Meeting (EOGM). Transfers received at Corplink (Pvt.) Limited, Wing Arcade, 1-K Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on Wednesday, 20th December 2023 will be treated in time for the purpose of Extra Ordinary General Meeting.

Only those persons whose names appear in the Register of Members of the Company as at Wednesday, 20th December 2023 are entitled to attend and vote at the Extra Ordinary General Meeting.

2.

A. FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport of the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. FOR APPOINTING PROXIES:

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC
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Regulations, shall submit the proxy form as per the above requirements.

- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
- v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Members are requested to notify/submit the following information/documents, in case of book entry securities in CDS to their respective participant/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio number and name of the Company at the above-mentioned address, if not earlier notified/submitted:

- Members are requested to notify any change in their registered address immediately.
- Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity).

C. E-Voting / Postal ballot:

Members can exercise their right to poll/postal ballot subject to meeting the requirement of Sections 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website <https://daresalaamtextilemills.com> to download.

Procedure for e-Voting:

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on Wednesday, 20th December 2023.
 - b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
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- c) Identity of the Members intending to cast vote through e Voting shall be authenticated through electronic signature or authentication for login.
- d) Members shall cast vote online at any time from 24th December, 2023, 9:00 a.m. to 26th December, 2023. Voting shall close on 26th December, 2023, at 5:00 p.m. Once the vote on the resolution is casted by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through postal ballot paper:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 05, 2022, issued by the SECP, wherein, the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business. Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Extraordinary General Meeting to be held on 27th December, 2023, at 10:00 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

The members shall ensure that duly filled and signed ballot paper along with copy of CNIC should reach the chairman of the meeting through post on the Company's address at 210, 2nd Floor, Marine Point, Khayaban-e-Iqbal, Clifton Block 9, Karachi or email at info@daressalaamtextilemills.com one day before the day of poll, during working hours. The signature on ballot paper shall match with signature on CNIC.

3. Online participation in the Meeting:

As per Circular No. 05 of 2020 dated March 16, 2020 read with Circular No. 4 of 2021 dated February 15, 2021; for attending the meeting through video link, the shareholders may contact the Company at either of following at least 48 hours before the time of the EOGM:

Email: info@daressalaamtextilemills.com
WhatsApp: 0300-4010996
Mobile: 0300-4010996

Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.

BALLOT PAPER FOR VOTING THROUGH POST:

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio /CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory – (copy to be attached)	

4. Copies of the Memorandum and Articles of Association of the Company, Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special business, Statement under Section 281 of the Companies Act, 2017, Scheme of Arrangement dated November 29, 2023, Swap Letter dated November 21, 2023 issued by Grant Thornton Anjum Rahman, Chartered Accountants, the annual audited financial statements of the Company for the year ended June 30, 2023, and any other information relevant to the special business in respect of the Company shall be available upon request, and for inspection, by any person entitled to attend the EOGM from the registered office of the Company, located at 210, 2nd Floor, Marine Point, Khayaban-e-Iqbal, Clifton Block 9, Karachi, free of cost during normal office hours, from the date of this notice till the conclusion of the EOGM. Such information shall also be placed for inspection of members of the Company during the EOGM. The aforementioned documents have been circulated to the members with the notice of the EOGM.
5. The notice of the EOGM along with the statements, the Scheme of Arrangement and the latest annual Audited Financial Statements have also been placed on the website of the Company.

Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business to be transacted at the Extraordinary General Meeting of Dar Es Salaam Textile Mills Limited

Subject to the sanction of the High Court of Sindh at Karachi, under the Scheme of Arrangement dated November 29, 2023 (the "Scheme of Arrangement"), the entire undertaking of TPL Life Insurance Limited ("TPL Life") shall be merged, by way of amalgamation, with and into Dar Es Salaam Textile Mills Limited (the "Company") (the "Amalgamation") by transfer to and vesting in the Company all the assets, properties, investments, rights, liabilities, quotas, benefits, powers, contracts, bank accounts, authorizations, obligations etc. comprised in TPL Life, with effect from the start of business on July 1, 2024 or at such other date stated by the Court (the "Effective Date"), against the issuance of shares by the Company to the shareholders of TPL Life.

The proposed Amalgamation, along with all ancillary and related matters thereto, shall be effective by way of the Scheme of Arrangement, in accordance with the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017. The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 34 of 2023. Furthermore, in accordance with the directions of the High Court of Sindh, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

A copy of the Scheme of Arrangement is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at 210, 2nd Floor, Marine Point, Khayaban-e-Iqbal, Clifton Block 9, Karachi, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of the Company free of cost during normal office hours. Furthermore, in accordance with the provisions of Section 282(2) of the Companies Act, 2017, a copy of the Scheme of Arrangement has been enclosed with the notice of the meeting circulated to the members of the Company.

The objects and benefits of the arrangements are also provided in detail in the Scheme of Arrangement. The Amalgamation constitutes a "Reverse Merger" for the purposes of Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, which will enable the Company to become an operative entity, considering the fact that it has been a dormant company with no operations since 2014. Subject to the sanction of the Scheme of Arrangement, the Company will be able to and carry on the business of life insurance, which will benefit its shareholders.

The details pertaining to the consideration for the Amalgamation, including the ordinary shares to be issued by the Company along with the swap ratio are stipulated in the Scheme of Arrangement. In accordance with the same, the Company shall allot and issue ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the shareholders of TPL Life existing on the Record Date (as detailed in the Scheme of Arrangement), on the basis of a swap ratio of 1 (one) share of the Company for every 1 (one) share of TPL Life held by each shareholder of TPL Life. The aforementioned consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies on the basis of the accounts of each company, audited for the period ended June 30, 2023, and from the calculations / valuation as stated in the Swap Letter dated November 21, 2023 issued by Grant Thornton Anjum Rahman, Chartered Accountants (attached as Annexure C to the Scheme of Arrangement). The said Swap Letter has also been approved by the Board of Directors of each company. It may be noted that while a swap ratio of 1.09 shares of the Company for every 1 (one) share of TPL Life has been stipulated in the Swap Letter (based on a weighted average of the valuations of the companies), the Board of Directors of the Company have rounded down the same to the approved swap ratio, which will benefit the shareholders of the Company in terms of their shareholding position subsequent to the Amalgamation.

The aggregate quantum of ordinary shares to be issued by the Company to the shareholders of TPL Life will be determined on the Record Date, as detailed in the Scheme of Arrangement, based on the shareholding position of TPL Life i.e., its issued and paid-up share capital. It is expected that prior to the sanction of the Scheme of Arrangement, TPL Life may issue shares against subscription from its shareholders to fund the operations of its business.

Furthermore, pursuant to the sanction of the Scheme of Arrangement, and in accordance with the provisions thereof:

- (i) The authorized share capital of the Company shall stand automatically increased from PKR 150,000,000/- (Pak Rupees One Hundred Fifty Million), divided into 15,000,000 (Fifteen Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, to PKR 2,550,000,000/- (Pak Rupees Two Billion Five Hundred Fifty Million), divided into 255,000,000 (Two Hundred Fifty Five Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, by merger of the existing authorized share capital of the Company and TPL Life. The Memorandum and Articles of Association of the Company shall stand amended in terms of the Scheme of Arrangement in this respect.
 - (ii) The name of the Company shall stand changed / altered from "Dar Es Salaam Textile Mills Limited" to "TPL Life Insurance Limited", and the Memorandum and
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Articles of Association of the Company shall accordingly stand amended to, inter alia, reflect the change in the name of the Company. It may be noted that the members of the Company, vide special resolutions passed at the general meeting held on June 27, 2023, resolved to change / amend the Company’s name to “DTM Limited; however, the said process has not been completed. The proposed change of name of the Company under the Scheme of Arrangement shall be deemed to be a subsequent change of name of the Company, and shall override / supersede any prior change.

The proposed change of name of the Company in terms of the Scheme of Arrangement is in line with the business intended to be carried out by the Company upon the effectuation of the Amalgamation.

- (iii) The principal line of business of the Company, appearing in Clause (III)(i) of the Memorandum of Association of the Company, shall stand substituted as follows:

Existing Clause	Revised Clause
To import the plant and machinery for the purpose of installation of Textile Mills to manufacture cotton yarn and cloth and to import the raw material for the purposes of manufacturing of such goods incidental to the business of the Company.	To carry on in Pakistan and elsewhere all kinds of business in respect of life insurance, reinsurance, counter reinsurance or counter reinsurance, Family Takaful & Family Re-Takaful and all kinds of guarantee and indemnity business and, in particular and without prejudice to the generality of the foregoing, to carry out life endowment, medical personal accident, disability, capital redemption, pension funds, transit insurance and every other description of business kindred to the above, whether was known or hereafter to be devised and all the insurance which are permissible under the law for the time being in force and are decided by the Company to be carried on.

It may be noted that the members of the Company, vide special resolutions passed at the general meeting held on June 27, 2023, resolved to change the principal line of business of the Company to engaging in general trading activities; however, such change is still in process. The proposed change in the principal line of business of the Company under the Scheme of Arrangement shall be deemed to be a subsequent change in the principal line of business of the Company, and shall override / supersede any prior change.

The same will enable the Company to carry out the business of life insurance (currently being carried out by TPL Life) after the effectuation of the Amalgamation, and continue as a going concern.

- (iv) The financial year of the Company shall stand revised and amended to be from the first day of January of each year to the 31st day of December of such year, so that the same shall be in line with the current financial year of TPL Life, which is an operating company, and the business of which shall be carried out by the Company upon the effectuation of the Amalgamation.

Approval of the Scheme of Arrangement by the members of the Company shall include and constitute and approval for all matters thereunder, including by way of special resolution.

The directors of the Company are interested in the Scheme of Arrangement to the extent of their directorships and direct and indirect shareholdings in the Company (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement.

Subject to the sanction of the Scheme of Arrangement, the directors of the Company shall cease to hold office as directors of the Company, and the vacancies arising from such cessation shall be filled by the directors of TPL Life in the manner detailed in the Scheme of Arrangement.

In view of the above, the Board of Directors of the Company has approved and recommended the Scheme of Arrangement, along with the arrangements stipulated thereunder which have been described above.

Statement under Section 281 of the Companies Act, 2017 concerning the Special Business

The statement setting forth the terms of the Scheme of Arrangement and explanation of its effects, including the interests of the directors of the Company and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the Extraordinary General Meeting from the registered office of the Company situated at 210, 2nd Floor, Marine Point, Khayaban-e-Iqbal, Clifton Block 9, Karachi, free of cost during normal office hours

The aforesaid statement is also enclosed along with this notice of the Extraordinary General Meeting.

**STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017, ACCOMPANYING
THE NOTICES TO THE MEMBERS OF DAR ES SALAAM TEXTILE MILLS LIMITED**

Pursuant to the Order dated December 5, 2023, passed by the High Court of Sindh at Karachi in Civil Miscellaneous Application No. 2634 of 2023, in Petition bearing J. C. M. No. 34 of 2023, under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, inter alia, that a meeting of the members of Dar Es Salaam Textile Mills Limited (the "Company") be convened for seeking approval with respect to the Scheme of Arrangement dated November 29, 2023, pertaining, inter alia, to the merger, by way of amalgamation, of the entire undertaking of TPL Life Insurance Limited ("TPL Life") with and into the Company, by transfer to and vesting in the Company all the assets, properties, rights, investments, liabilities, quotas, benefits, bank accounts, powers, contracts, authorizations, obligations etc. comprised in TPL Life (the "Amalgamation"), along with all ancillary matters thereto, as approved by the Board of Directors of the Company on November 29, 2023 (the "Scheme of Arrangement").

A copy of the Scheme of Arrangement (along with its annexures) may be obtained from the registered office of the Company, situated at 210, 2nd Floor, Marine Point, Khayaban-e-Iqbal, Clifton Block 9, Karachi, free of cost during normal business hours. Furthermore, a copy of the Scheme of Arrangement has been enclosed with the notice of the meeting circulated to the members of the Company.

The notices issued and published to the members of the Company are for the purpose of convening a meeting of the members of the Company, as directed by the Court, for the purpose of passing, inter alia, the following resolution for obtaining approval in respect of the Scheme of Arrangement and the Amalgamation contemplated thereunder, along with ancillary matters:

"RESOLVED THAT the Scheme of Arrangement dated November 29, 2023, for, inter alia, the merger, by way of amalgamation, of the entire undertaking of TPL Life Insurance Limited with and into Dar Es Salaam Textile Mills Limited (the "Company"), along with all ancillary matters thereto including, but not limited to, the change in the name of the Company, the change in the principal line of business of the Company, and the change in the financial year of the Company, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

As required under section 279(2) of the Companies Act, 2017, the above resolution is required to be passed at the meeting of the members convened pursuant to the Order of the Court, by a majority representing three-fourths in value of the issued shares held by the members of the Company, present in person or by proxy, and voting at the Extraordinary

General Meeting. The sanctioning of the Scheme of Arrangement and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme of Arrangement is approved as aforesaid.

In the manner prayed in terms of the application filed with the Court, the Court has appointed Ms. Abida Mukhtar or in her absence, any other director of the Company, to act as Chairman of the meeting of the members, and has directed the Chairman to report the results thereof to the Court.

The Scheme of Arrangement is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and the Scheme, with such modification or addition if any, is also subject to any conditions which the Court may impose. The respective Boards of Directors of the Company and TPL Life have the power (in the manner specified under the Scheme of Arrangement) to consent on behalf of all concerned to any modifications of, or additions to, the Scheme of Arrangement, or to any conditions which the Court may think fit to impose. Furthermore, the Company and TPL Life shall also take steps to obtain the necessary regulatory / third party approvals, as may be required under the applicable laws.

The principal object of the Scheme of Arrangement is, inter alia, to effect the Amalgamation, as further detailed in the Scheme of Arrangement, with effect from the start of business on July 1, 2024 or at such other date stated by the Court (the "Effective Date"), by transfer to and vesting in the Company the entire business and undertaking of TPL Life, including all the assets, properties, investments, rights, liabilities, benefits, powers, bank accounts, quotas, contracts, authorizations, obligations etc. of every description of TPL Life, subsisting immediately preceding the Effective Date, without any further act or deed or documents being required to be carried out, executed, registered or filed in respect of such transfer, vesting, and / or assumption, in the manner stipulated under the Scheme of Arrangement. Thereafter, TPL Life shall be dissolved without winding up in the manner prescribed under the Scheme of Arrangement, while the Company shall continue as a going concern under the name "TPL Life Insurance Limited".

The Amalgamation constitutes a "Reverse Merger" for the purposes of Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, which will enable the Company to become an operative entity, considering the fact that it has been a dormant company with no operations since 2014. Subject to the sanction of the Scheme of Arrangement, the Company will be able to and carry on the business of life insurance, which will benefit its shareholders. The details pertaining to the consideration for the Amalgamation, including the ordinary shares to be issued by the Company along with the swap ratio are stipulated in the Scheme of Arrangement. In accordance with the same, the Company shall allot and issue ordinary shares, having face value of PKR 10/- (Pak Rupees Ten) each, to the shareholders of TPL Life existing on the Record Date (as detailed in the Scheme of Arrangement), on the basis of a

swap ratio of 1 (one) share of the Company for every 1 (one) share of TPL Life held by each shareholder of TPL Life. The aforementioned consideration, including the swap ratio, has been determined and approved by the Board of Directors of the respective companies on the basis of the accounts of each company, audited for the period ended June 30, 2023, and from the calculations / valuation as stated in the Swap Letter dated November 21, 2023, issued by Grant Thornton Anjum Rahman, Chartered Accountants (attached as Annexure C to the Scheme of Arrangement). The said Swap Letter has also been approved by the Board of Directors of each company. It may be noted that while a swap ratio of 1.09 shares of the Company for every 1 (one) share of TPL Life has been stipulated in the Swap Letter (based on a weighted average of the valuations of the companies), the respective Board of Directors of each company have resolved to round down the same to the approved swap ratio, which will benefit the shareholders of the Company in terms of their shareholding position subsequent to the Amalgamation.

The aggregate quantum of ordinary shares to be issued by the Company to the shareholders of TPL Life will be determined on the Record Date, as detailed in the Scheme of Arrangement, based on the shareholding position of TPL Life i.e., its issued and paid-up share capital. It is expected that prior to the sanction of the Scheme of Arrangement, TPL Life may issue shares against subscription from its shareholders to fund the operations of its business.

All information / particulars with respect to the Amalgamation and the arrangement in respect thereof, including all ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including, details of the companies, and the objects and benefits of the entire arrangement. Approval of the Scheme of Arrangement by the members of the Company shall also constitute an approval by way of special resolution from the members of the Company with respect to all matters prescribed under the Scheme of Arrangement, including the following:

- i) An increase in the authorized share capital of the Company to PKR 2,550,000,000/- (Pak Rupees Two Billion Five Hundred Fifty Million), divided into 255,000,000 (Two Hundred Fifty-Five Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, by merger of the existing authorized share capital of the Company and TPL Life, along with the consequential amendments to the Memorandum and Articles of Association of the Company.
 - ii) The change / alteration of name of the Company to "TPL Life Insurance Limited", along with the consequential amendments to the Memorandum and Articles of Association of the Company.
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- iii) The change in the principal line of business of the Company, appearing in Clause (III)(i) of the Memorandum of Association of the Company.
- iv) The change / revision in the financial year of the Company to be from the first day of January of each year to the 31st day of December of such year.

The latest annual audited financial statements of the Company are available on the Company's website.

The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 34 of 2023. Furthermore, in accordance with the directions of the High Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

The respective directors of the Company and TPL Life are interested in the Scheme of Arrangement to the extent of their directorships and (direct and indirect) shareholdings in the respective companies (to the extent applicable). The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement. Furthermore, subject to the sanction of the Scheme of Arrangement, the directors of the Company shall cease to hold office as directors of the Company, and the vacancies arising from such cessation shall be filled by the directors of TPL Life in the manner detailed in the Scheme of Arrangement.



Shahid Amin Chaudry
Company Secretary
DAR ES SALAAM TEXTILE MILLS LIMITED

Karachi
Dated: December 6, 2023

خصوصی کاروبار سے متعلق کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت بیان
EOGM میں لین دین کیے جانے والے خصوصی کاروبار کے مادی حقائق سے متعلق بیان، بشمول اسکیم آف اریجنٹ کے حوالے سے کمپنی کے
ڈائریکٹرز کی نوعیت اور مفادات، دیگر ذیلی معلومات کے ساتھ کسی کی درخواست پر حاصل کیا جاسکتا ہے۔ کمپنی کے رجسٹرڈ آفس 210، دوسری
منزل، Marine Point، خیابان اقبال، ہلفٹن بلاک 9، کراچی سے EOGM میں شرکت کرنے حقدار شخص عام دفتری اوقات میں مفت
مذکورہ بیان ممبران کو EOGM کے نوٹس کے ساتھ بھیجا گیا ہے۔

خصوصی کاروبار سے متعلق کمپنیز ایکٹ 2017 کے سیکشن 281 کے تحت بیان
کمپنیز ایکٹ 2017 کے سیکشن (a) 281 کے تحت بیان میں اسکیم آف اریجنٹ کی شرائط اور اس کے اثرات کی وضاحت کی گئی ہے۔ بشمول
کمپنی کے ڈائریکٹرز کے مفادات، اور ان مفادات کے اثرات کے ساتھ دیگر ذیلی معلومات کمپنی کے رجسٹرڈ آفس سے EOGM میں شرکت
کے حقدار کسی بھی شخص کی درخواست پر حاصل کی جاسکتی ہیں، عام دفتری اوقات میں مفت۔
مذکورہ بیان ممبران کو EOGM کے نوٹس کے ساتھ بھیجا گیا ہے۔

3. مؤرخہ 16 مارچ 2020ء کے مراسلہ نمبر 05 اور مؤرخہ 15 فروری 2021ء کے مراسلہ نمبر 04 کے تحت شیئر ہولڈرز مندرجہ ذیل میں سے کسی پر کمپنی سے رابطہ کر سکتے ہیں:

ای میل: info@daressalaamtextilemills.com

وٹس ایپ: 0300-4010996

موبائل نمبر: 0300-4010996

ممبران کو مندرجہ بالا ضرورت کے مطابق ضروری تصدیق کے بعد رجسٹرڈ کیا جائے گا۔ اور کمپنی کی طرف سے ای میل ایک ویڈیو لنک فراہم کیا جائے گا۔

پوسٹ کے ذریعے ووٹنگ کے لیے بیلٹ پیپر:

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio /CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory – (copy to be attached)	

4۔ کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کی کاپیاں کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت بیان، خصوصی کاروبار کے مادی حقائق کے حوالے سے بیان، کمپنیز ایکٹ 2017 کے سیکشن 281 کے تحت بیان، بندوبست کی اسکیم مورخہ 29 نومبر 2023، سویپ لیٹر مورخہ 21 نومبر 2023 جو Grant Thornton انجم رحمان چارٹرڈ اکاؤنٹنٹس کے ذریعے جاری کیا گیا، 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مالیاتی بیانات اور اس میں خصوصی کاروبار سے متعلقہ کوئی دوسری معلومات، کمپنی کا احترام درخواست پر، اور معائنہ کیلئے، کمپنی کے رجسٹرڈ آفس 210، دوسری منزل، Marine Point، خیابان اقبال، کلفٹن بلاک 9، کراچی میں واقع EOGM میں شرکت کے حقدار کسی بھی شخص کے ذریعے دستیاب ہوگا۔ اس نوٹس کی تاریخ سے EOGM کے اختتام تک، عام دفتری اوقات میں مفت، اس طرح کی معلومات EOGM کے دوران کمپنی کے ممبران کے معائنہ کیلئے بھی رکھی جائیں گی۔ مذکورہ بالا دستاویزات EOGM کے نوٹس کے ساتھ ممبران کو بھیج دی گئی ہیں۔

5۔ EOGM کا نوٹس اسٹیٹمنٹس کے ساتھ، اسکیم آف اریجمنٹ ارتازہ ترین سالانہ آڈٹ شدہ مالیاتی گوشواروں کو بھی کمپنی کی ویب سائٹ پر رکھا گیا ہے۔

C. ای-ووٹنگ/پوسٹل بیلٹ

کمپنیز ایکٹ 2017ء کے سیکشن 143-145 کے قواعد و کمینیز (پوسٹل بیلٹ) ضوابط، 2018ء کی مروجہ شقوں کی پیروی سے مشروط اراکین رائے شماری/پوسٹل بیلٹ کا حق استعمال کر سکتے ہیں۔ اراکین کی سہولت کے لئے اس نوٹس کے ساتھ بیلٹ پیپر منسلک کیا گیا ہے اور ڈاؤن لوڈ کرنے کے لئے یہ بیلٹ پیپر کمپنی کی ویب سائٹ <https://daresalaamtextilemills.com> پر بھی دستیاب ہے۔

ای-ووٹنگ کا طریقہ کار

- ای-ووٹنگ سہولت کی تفصیلات کمپنی کے ان اراکین کے ای میل پر شیئر کی جائیں گی جن کے کارآمد شناختی کارڈ نمبر، بیل نمبر اور ای میل ایڈریس بدھ 20 دسمبر 2023 کو کاروبار بند ہونے تک کمپنی اراکین کے رجسٹر میں دستیاب ہوں۔
- ویب ایڈریس، لاگ ان تفصیلات اور پاس ورڈ بذریعہ ای میل اراکین کو بھیجا جائے گا۔ سکیورٹی کوڈ CDC شیئر رجسٹر ارسروسز لمیٹڈ (بطور ای-ووٹنگ خدمات فراہم کنندہ) کے ویب پورٹل سے اراکین کو بذریعہ SMS بھیجا جائے گا۔
- ای-ووٹنگ کے ذریعے ووٹ کاسٹ کرنے کے خواہش مند اراکین کی شناخت برقی دستخط یا لاگ ان کے لئے تصدیق کے ذریعے کی جائے گی۔
- اراکین 24 دسمبر 2023ء کو صبح 09:00 بجے سے 26 دسمبر 2023ء تک کسی بھی وقت آن لائن ووٹ کاسٹ کر سکتے ہیں۔ ایک رکن قرارداد پر ووٹ کاسٹ کرنے کے بعد اسے میں تبدیلی کا مجاز نہ ہوگا۔

پوسٹل بیلٹ کے ذریعے ووٹنگ کا طریقہ کار

ممبران کو مطلع کیا جاتا ہے کہ کمینیز (پوسٹل بیلٹ ریگولیشنز، 2018ء کے مطابق ترمیم شدہ نوٹیفیکیشن مورخہ 05 دسمبر 2022ء کو ایس ای سی پی کے ذریعے جاری کیا گیا، جس میں ایس ای سی پی نی تمام لٹھ کمپنوں کو ہدایات کی ہے کہ الیکٹرونک ووٹنگ کی سہولت کے ذریعے ووٹ دیں اور خصوصی کاروبار کے طور پر درجہ بند تمام کاروباروں پر ممبران کو ڈاک کے ذریعے ووٹ کا حق استعمال کرنے یا خصوصی کاروبار کے لیے ڈاک کے ذریعے ووٹ ڈالنے کی اجازت ہوگی جو اس کی آئندہ غور معمولی جنرل میٹنگ میں مورخہ بدھ 27 دسمبر 2023ء بوقت 10 بجے صبح منعقد کی جائے گی۔ ضروریات کے مطابق اور مذکورہ ضوابط می موجود شرائط کے تابع۔

اراکین یقینی بنائیں گے کہ باقاعدہ پُر اور دستخط شدہ بیلٹ پیپر بمعہ نقل شناختی کارڈ کام کے اوقات کار کے دوران رائے شماری سے ایک دن قبل اجلاس کے چیئرمین کو بذریعہ ڈاک کمپنی کے پتہ 2nd، 210 فلور مارن پوائنٹ، خیابان اقبال، کلفٹن بلاک 9، کراچی یا info@daressalaamtextilemills.com پر بذریعہ ای میل پہنچ جانا چاہئے۔ بیلٹ پیپر کے دستخط شناختی کارڈ پر موجود دستخط کے عین مطابق ہونے چاہئیں۔

مندرجات:

1. غیر معمولی اجلاس عام کے لئے اراکین کارجنر اور شیئر ٹرانسفرنگس جمعرات 21 دسمبر 2023 تا بدھ 27 دسمبر 2023 (بشمول دونوں ایام) بند رہیں گی۔ میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ K-1 کمرشل، ماڈل ٹاؤن، لاہور کمپنی کے رجسٹرار اور شیئر ٹرانسفر آفس کو 20-12-2023 کو کاروبار بند ہونے تک موصول ٹرانسفرز کو غیر معمولی اجلاس عام کی غرض سے بروقت وصولی شائع کیا جائے گا۔ بدھ 20 دسمبر 2023 تک کمپنی کے اراکین رجسٹر میں ظاہر ہونے والے افراد ہی غیر معمولی اجلاس عام میں شرکت اور ووٹ کرنے کے اہل ہوں گے۔

A. اجلاس میں شرکت کے لئے:

- i. فرد واحد کی صورت میں اکاؤنٹ ہولڈرز اور/یا ذیلی اکاؤنٹ ہولڈرز اور ان کی رجسٹریشن تفصیلات CDC ضوابط کے تحت شائع ہونی چاہئیں اور اسے اجلاس میں شرکت کے وقت اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کر کے اپنی شناخت ثابت کرنا ہوگی۔
- ii. کاروباری ادارے کی صورت میں، اجلاس میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے مہیانہ کی گئی ہو) پیش کرنا ہوگا۔

B. پراسیسز کی تقرری کے لئے

- i. فرد واحد کی صورت میں اکاؤنٹ ہولڈرز اور/یا ذیلی اکاؤنٹ ہولڈرز اور ان کی رجسٹریشن تفصیلات CDC ضوابط کے تحت شائع ہونی چاہئیں اور اسے مذکورہ بالا معیارات کے تحت پراسیس فارم جمع کرنا ہوگا۔
- ii. دو افراد پراسیس فارم کی تصدیق کریں گے جن کے نام، پتے اور شناختی کارڈ نمبر فارم میں درج ہوں۔
- iii. مستفید ہونے والے فرد اور پراسیس کے شناختی کارڈ اور پاسپورٹ کی مصدقہ نقول پراسیس فارم کے ساتھ فراہم کی جائیں۔
- iv. پراسیس کو اجلاس کے موقع پر اپنا اصلی شناختی کارڈ اور اصلی پاسپورٹ پیش کرنا ہوگا۔
- v. کاروباری ادارے کی صورت میں پراسیس فارم کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد فرد کے نمونہ کے دستخط (اگر پہلے مہیانہ کیا گیا ہو) کمپنی کی جمع کرائے جائیں گے۔

اپنے فولیو نمبر اور کمپنی نام کے ہمراہ مذکورہ بالا پتے پر اراکین سے CDC میں book اینٹری سکیورٹیز کی صورت میں اپنے متعلقہ شریک/سرماہ دار اکاؤنٹ سروسز کو اور طبی حصص کی صورت میں کمپنی کے رجسٹرار کو مندرجہ ذیل معلومات/دستاویز کے بارے میں اطلاع کرنے یا جمع کرانے کی درخواست کی جاتی ہے:

- اپنے رجسٹرڈ پتے میں تبدیلی کی صورت میں اراکین کو فوراً مطلع کرنے کی درخواست کی جاتی ہے۔
- (فرد واحد کی صورت میں) کارآمد اور جائز شناختی کارڈ/پاسپورٹ کی نقول اور (کاروبارے ادارے کی صورت میں) NTN سرٹیفکیٹ۔ یاد رہے کہ منافع منقسمہ کے وارنٹ جاری کرنے کے لئے شناختی کارڈ نمبر لازمی ہوتا ہے اور ایسی معلومات کی عدم موجودگی کی صورت میں منافع منقسمہ کی ادائیگی روک دی جائے گی۔

نوٹس برائے غیر معمولی اجلاس عام

آپ کو مطلع کیا جاتا ہے کہ کراچی میں سندھ ہائی کورٹ کے حکم نامہ کے مطابق سول متفرق درخواست نمبر 2634-2023، کے J.C.M نمبر 34، 2023 پر مشتمل پیشین میں دارالاسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") Ist، The Hive، فلور، غزری روڈ، بلاک 9، کلفٹن، کراچی 27-12-2023 بوقت 10 بجے صبح درج ذیل امور کو انجام دہی اور بشمول ویڈیو لنک کی سہولت کے ذریعے منعقد کیا جائے گا۔

A- خصوصی امور

آرڈر کے مطابق، غور کرنا اور، اگر مناسب سمجھا، ترمیم کے ساتھ یا اس کے بغیر، TPL لائف انشورنس لمیٹڈ کے مکمل انڈر ٹیکنگ کے ساتھ، انضمام کے ساتھ، انضمام کیلئے، مندرجہ ذیل قرارداد کو پاس کرنا کمپنی، 29 نومبر 2023 کی ترتیب کی اسکیم کے مطابق، اس کے ساتھ ساتھ اس کے تمام ذیلی امور، جس کی منظوری کمپنی کے بورڈ آف ڈائریکٹرز نے 29 نومبر 2023 کو دی تھی۔

کمپنی ایکٹ 2017 کے سیکشن 279 اور 282 کے تحت کمپنی کے ممبران کی مطلوبہ اکثریت سے منظور کی جانے والی قرارداد حسب ذیل ہے:-


یہ طے کیا گیا کہ 29 نومبر 2023 کو ترتیب دینے کی اسکیم، دوسری باتوں کے ساتھ ساتھ TPL لائف انشورنس لمیٹڈ کے دارالاسلام ٹیکسٹائل ملز لمیٹڈ ("کمپنی") کے ساتھ اور اس میں انضمام کے ذریعے، اس کے ساتھ تمام ذیلی امور بشمول، لیکن ان تک محدود نہیں، کمپنی کے نام میں تبدیلی، کمپنی کے کاروبار میں اصل لائن میں تبدیلی، اور کمپنی کے مالی سال میں تبدیلی، جو اجلاس کے سامنے رکھی گئی غور و خوض اور منظوری، کسی بھی ترمیم / ترمیم کی ضرورت کے ساتھ یا کراچی میں سندھ ہائی کورٹ کی طرف سے عائد کردہ شرائط، دفعات کے لحاظ سے، کراچی میں سندھ ہائی کورٹ کی منظوری سے مشروط، اس کے ساتھ منظور شدہ اور اپنایا جائے گا۔ کمپنی ایکٹ 2017۔

انتظامات کی اسکیم کراچی میں سندھ ہائی کورٹ کی منظوری سے مشروط ہوگی۔

B- دیگر امور

کسی دوسرے کاروبار کا لین دین کرنا جو چیز کی اجازت سے مینٹنگ سے پہلے رکھا جائے۔

بحکم بورڈ آف ڈائریکٹرز


شاہد امین
کمپنی سیکرٹری

لاہور: 06 دسمبر 2023ء

SCHEME OF ARRANGEMENT

**UNDER SECTIONS 279 TO 283 AND 285 OF
THE COMPANIES ACT, 2017**

INVOLVING

DAR ES SALAAM TEXTILE MILLS LIMITED

AND

TPL LIFE INSURANCE LIMITED

FOR

The merger / amalgamation of the entire undertaking of TPL Life Insurance Limited with and into Dar Es Salaam Textile Mills Limited, along with all ancillary matters.

SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017

BETWEEN

DAR ES SALAAM TEXTILE MILLS LIMITED, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at 210, 2nd Floor, Marine Point, Khayaban-e-Iqbal, Clifton Block 9, Karachi (hereinafter referred to as “**DSML**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

TPL LIFE INSURANCE LIMITED, a public company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at 20th Floor, Sky Tower East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi (hereinafter referred to as “**TPL Life**”, which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

RECITALS

WHEREAS by this Scheme of Arrangement (“**Scheme**”), it is, *inter alia*, proposed that:-

1. The entire undertaking, comprising all the Assets, Liabilities and Obligations of TPL Life shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by DSML.
 2. As consideration for the above, it is proposed that Shares shall be issued to the Shareholders in accordance with this Scheme.
 3. Upon the merger and transfer of TPL Life in the manner stated under this Scheme, TPL Life shall be dissolved without winding up.
-

4. This Scheme, if approved through a resolution by the requisite majority of the respective shareholders of DSML and TPL Life, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on DSML and TPL Life along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities and any other regulatory / statutory bodies of or with respect to DSML and TPL Life (as applicable) respectively.

BENEFITS OF THIS SCHEME

A. Arrangements Between DSML, TPL Life and their Respective Members

The Amalgamation shall allow DSML and TPL Life to effectuate the arrangement envisaged by the parties, including the companies and their respective members, through the provisions of sections 279 to 283 and 285 of the Act, in a seamless and tax efficient manner.

B. Strategic Rationale

The Amalgamation would benefit the members and employees of both the companies. DSML is a dormant company with no operations since 2014 and its minority shareholders have no incentive of continuing with it. However, pursuant to the Amalgamation, DSML's shareholders will be able to become members of an operating and growing company having a gross premium revenue of approximately PKR 275 million (as of June 30, 2023).

On the other hand, the members and employees of TPL Life will become part of a listed entity which will have customer visibility, public image, enhanced corporate governance and an exit platform for its members. The Amalgamation would also improve the capital raising capacity of TPL Life's business, which would allow it to expand and grow its business and operations.

C. Larger Equity and Asset Base

The Amalgamation would lead to an increased asset base and the size of DSML (as the merged / surviving entity), which is a listed company. This would

in turn assist the management to have access to more external funds at competitive rates. The larger size of the asset base would provide greater comfort to existing and potential creditors of the surviving entity.

Moreover, access to larger resources would in turn improve growth prospects and ability to undertake large assignments / projects.

D. Increase in Risk Absorption Capacity

The larger size of DSML (as the merged / amalgamated entity) would increase its risk absorption capacity thus enhancing the capacity to manage the potential risks arising out of the challenging operating environment. In the long run, this factor would provide greater stability as well as sustainability in operations.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS

- 1.1. In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

“!ct” means Companies Act, 2017;

“Amalgamation” shall have the same meaning as prescribed thereto in Article 2.1 of this Scheme;

“!nnexure A” is the annexure attached hereto which lists the members of the Board of Directors of DSML;

“!nnexure B” is the annexure attached hereto which lists the members of the Board of Directors of TPL Life;

“**Innexure C**” is the annexure attached hereto containing the Swap Letter;

“**Assets**” mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, tax protections, remissions and exemptions (including holding period of such assets and liabilities along with all the rights attached and accrued thereto including, but not limited to, equity-based tax credits for unexpired period), sanctions and authorizations, including all registrations, licences (including related to window takaful license and insurance), Claims, no objection certificates / letters, permits, categories, entitlements, sanctions, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, intellectual property rights, licences, liberties, secret processes, know-how, good-will, data and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the term ‘**Assets**’ shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company, as well as equity, stocks, debentures, bonds, rights under futures, options, derivative contracts, commodities etc. (and all rights associated therewith); (ii) all plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and licences, motor vehicles, office equipment, appliances, and accessories, spare parts and tools, data and information; (iii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, goodwill, revaluation surplus, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (iv) all the connections and facilities for telecommunications, electricity, gas, water and other installations, owned by, leased or licensed to a company (including related deposits); (v) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims; (vi) unadjusted tax

receivables / losses and tax refunds; (vii) sales tax carry forward balance and sales tax refunds; and (viii) registrations and licences with / from all regulatory authorities / bodies;

“CDC” means the Central Depository Company of Pakistan Limited;

“CDS” means the Central Depository System, an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC;

“Claim” means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

“Completion Date” has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

“Contingent Claims” means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

“Contract” means any contracts, agreements, deeds, instruments, letters, insurance / re-insurance policies, treaties, or undertakings of every description, creating any obligations enforceable against the parties, including any finance agreements;

“Court” means the High Court of Sindh at Karachi, or any other Court / authority for the time being having jurisdiction under the Act in connection with the Amalgamation;

“Customer” means any person having entered into a transaction, arrangement or other dealing with a company;

“DSML” shall have the meaning as prescribed in the Preamble above;

“Effective Date” has the same meaning as prescribed thereto in Article 3.1 of this Scheme;

“existing” means existing, outstanding or in force immediately prior to the Effective Date;

“Liabilities and Obligations” includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract, law or otherwise whatsoever, and all Securities, and the term **“Liabilities”** and **“Obligations”** are used interchangeably and / or in conjunction with each other;

“Liquidation” means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

“Record Date” means the date to be fixed by the directors of TPL Life, after the Completion Date (and subject to the occurrence of the Effective Date), to determine the identities and entitlements of the Shareholders;

“Scheme” means this Scheme of Arrangement in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

“Security” or **“Securities”** means interest, right or title in and to any and all mortgages, encumbrances or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations;

“Shareholders” means all the members of TPL Life, as determined on the Record Date, to whom Shares shall be issued in accordance with the provisions of this Scheme;

“Shares” means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of DSML to be issued and allotted to the Shareholders in accordance with Article 9.1 of this Scheme;

“Swap Letter” means the Swap Letter dated November 21 2023, issued by Grant Thornton Anjum Rahman, Chartered Accountants, attached hereto as Annexure C, containing, *inter alia*, the Swap Ratio;

“**Swap Ratio**” has the same meaning as prescribed thereto in Article 9.1 of this Scheme; and

“**TPL Life**” shall have the meaning as prescribed in the Preamble above.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to amalgamate the entire undertaking of TPL Life with and into DSML, by transferring to, merging with and vesting in DSML the whole of TPL Life, including all Assets, Liabilities and Obligations of TPL Life, as of the Effective Date, against the allotment and issue of Shares to the Shareholders based on the Swap Ratio, and dissolving TPL Life without winding-up (the “**Amalgamation**”). Furthermore, the name of DSML shall stand changed / altered in the manner detailed in this Scheme.
- 2.2. It is hereby clarified that although the above steps will take place on the same date, the same shall be deemed to be effective as of the Effective Date.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind DSML and TPL Life as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making the necessary provisions under Section 282 of the Act (hereinafter referred to as the “**Completion Date**”). When this Scheme becomes operative on the Completion Date, the Amalgamation, in accordance with this Scheme, will be treated as having effect from the start of business on July 1, 2024 or such other date as may be stated by the Court (hereinafter referred to as the “**Effective Date**”). Each company shall file a certified copy of the order passed by the Court with the Registrar of Companies, Karachi in accordance with Section 279 of the Act.
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- 3.2. Accordingly, as of the Effective Date and thereafter, until the undertaking of TPL Life (including the Assets, Liabilities and Obligations of TPL Life) is actually transferred to and vested in DSML in terms of this Scheme, the business of TPL Life will be deemed to have been carried for and on account and for the benefit of DSML. The reserves, including un-appropriated profits / losses of TPL Life, up to and immediately preceding the Effective Date, shall constitute and be treated as reserves / losses of a corresponding nature in DSML and shall be accounted for on that basis in the books of account of DSML.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of DSML is PKR 150,000,000/- (Pak Rupees One Hundred Fifty Million), divided into 15,000,000 (Fifteen Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 8,000,000 (Eight Million) shares have been issued, subscribed and paid up.
- 4.2. The authorized share capital of TPL Life is PKR 2,400,000,000/- (Pak Rupees Two Billion Four Hundred Million), divided into 240,000,000/- (Two Hundred and Forty Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 205,000,000 (Two Hundred Five Million) shares have been issued, fully subscribed to and paid up as at the date of this Scheme.
- 4.2. Upon the sanction of this Scheme, the authorized share capital of DSML shall be merged and combined with the authorized share capital of TPL Life. Resultantly, as a consequence of the above, the authorized share capital of DSML shall thus stand enhanced to PKR 2,550,000,000/- (Pak Rupees Two Billion Five Hundred Fifty Million), divided into 255,000,000 (Two Hundred Fifty Five Million) shares of PKR 10/- (Pak Rupees Ten) each, and accordingly the Memorandum and Articles of Association of DSML shall stand amended. Approval of the members of DSML to this Scheme shall also include and constitute an approval by way of special resolution from the members of DSML, to the alteration of the Memorandum and Articles of Association of DSML for the increase of the authorized share capital of DSML to PKR 2,550,000,000/- (Pak Rupees Two Billion, Five Hundred Fifty Million), as required in terms of the Act.
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ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of DSML are listed in Annexure A attached hereto.
- 5.2. The present directors of TPL Life are listed in Annexure B attached hereto.
- 5.3. Upon the sanction of this Scheme, if the Amalgamation / Completion Date occurs (i) after the Effective Date, then from the Completion Date; or (ii) before the Effective Date, then from the Effective Date, the directors of DSML (existing at the time) shall automatically cease to hold office as directors of DSML without any right to any compensation for loss of office, and the vacancies arising from such cessation shall automatically be filled by the directors of TPL Life (existing at such time), who shall thereafter (for the remainder of the term, subject to their ceasing to be directors) continue as directors of the surviving entity i.e. DSML (as renamed in accordance with this Scheme), subject to compliance with the applicable laws.
- 5.4. All the directors of DSML and TPL Life have interest in the Amalgamation to the extent of their directorships and respective direct and indirect shareholdings in DSML and TPL Life (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the members of DSML and TPL Life (except as specified in this Scheme).

ARTICLE 6

AMALGAMATION

- 6.1. **General Description**
 - (i) As of the Effective Date, TPL Life, as a going concern (without discontinuation) for the purpose of all laws, shall be amalgamated with and vest in DSML upon the terms and conditions set forth in
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this Scheme without any further act, deed, matter or thing, process or procedure.

- (ii) DSML shall be able to carry out all the business of TPL Life and shall be entitled to all the rights and the benefits thereof.
- (iii) In consideration of the Amalgamation, DSML shall allot and issue Shares to the Shareholders in accordance with Article 9 below.
- (iv) TPL Life shall be dissolved, without winding up, on the date on which all the Shares are allotted and issued to the Shareholders in consideration of the Amalgamation, or on such later date as the Court may prescribe.

6.2. Transfer of the Assets

As of the Effective Date, all the Assets of TPL Life shall immediately, without any conveyance or transfer and without any further act or deed, be vested in and become the undertaking and Assets of DSML, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by TPL Life prior to the Amalgamation.

6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of TPL Life, including towards the creditors of TPL Life, shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of DSML, which shall pay, undertake, satisfy, discharge and perform, when due, all of the Liabilities and Obligations.

6.4. DSML's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities may, if required, at any time may be executed by officers of DSML authorized in this regard.

6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations of TPL Life is a reference to Assets or Liabilities and Obligations to which TPL Life is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Liabilities are situated or arise and whether or not capable of being transferred or assigned to or by TPL Life under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset vested in TPL Life which immediately before the Effective Date was held by TPL Life as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by DSML in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

Every Contract to which TPL Life is a party shall have effect as of the Effective Date as if:

- (i) DSML had been a party thereto instead of TPL Life; and
- (ii) For any reference (however worded and whether express or implied) to TPL Life therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to DSML.

6.8. Bank Accounts

Any account(s) maintained by TPL Life with any bank or financial institution shall, as of the Effective Date, become account(s) between DSML and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of DSML to vary the conditions or incidents subject to which any account is kept.

6.9. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to TPL Life in writing shall have effect, as of the Effective Date, as if given to DSML.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by TPL Life, or payable at any place of business of TPL Life, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by DSML, or were payable at the same place of business of DSML.

6.11. Custody of Documents

The custody of any document, record or goods held by TPL Life as bailee and duly recorded in their books that pass to TPL Life under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of DSML.

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by TPL Life or by a nominee or agent of or trustee for TPL Life, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for DSML and be available to DSML (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability and obligation.
 - (ii) In relation to any Security vested in DSML, in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, DSML shall be entitled to the rights and priorities to which
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TPL Life would have been entitled if they had continued to hold the Security.

- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to DSML (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, TPL Life or, as the case may be, DSML, were secured thereby immediately before that time.

6.13. **Legal Proceedings**

Where by virtue of this Scheme any right, Claim or Liability of TPL Life, becomes a right, Claim or Liability of DSML as of the Effective Date, DSML shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of DSML, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against TPL Life may be continued by or against DSML.

6.14. **Judgments**

Any judgment or award obtained by or against TPL Life, and not fully satisfied before the Effective Date, shall at that time, to the extent to which it is enforceable by or against TPL Life, become enforceable by or against DSML.

6.15. **Evidence**

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against TPL Life, shall be admissible in evidence in respect of the same matter for or against DSML.

6.16. Authorizations

Any authorizations / powers of attorney granted by TPL Life to any persons, with respect to matters pertaining to the undertaking of TPL Life, shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by DSML to such persons, until or unless otherwise revoked or modified by DSML.

6.17. Policies

Upon the sanction of this Scheme, but with effect from the Effective Date, DSML shall adopt and apply all governance, accounting and other policies and frameworks of TPL Life with respect to the business and operations of DSML (as the surviving company) going forward (to the extent applicable). In the event of any conflict between the existing policies / frameworks of DSML and those of TPL Life, the policies / frameworks of TPL Life shall prevail (except where the same are not in accordance with applicable laws), provided that nothing herein shall affect any right of the Board of Directors of DSML (as the surviving entity) to vary or amend such policies / frameworks (including from the Effective Date).

6.18. Clarification

The provisions contained in Articles 6.2 to 6.17 above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 7

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 7.1. Upon the Amalgamation, but with effect from the Effective Date, DSML shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course.
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- 7.2. As of the Completion Date (but with effect from the Effective Date), DSML shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of TPL Life.

ARTICLE 8

THE SCHEME'S EFFECT

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above.
- 8.2. The execution and / or sanction of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in DSML and / or TPL Life.
- 8.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on DSML and TPL Life and also on all the respective shareholders / members of DSML and TPL Life, the Customers of each of DSML and TPL Life, the creditors of the companies (to the extent applicable) and on any other person having any right or liability in relation to either of the companies.

ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. As consideration for the Amalgamation, DSML shall allot and issue Shares, credited as fully paid up, at par, to the Shareholders, on the basis of a swap ratio of 1 Share for every 1 (one) share of TPL Life, having face value of PKR 10/- (Pak Rupees Ten) each, held by each Shareholder (the "**Swap Ratio**"), as approved by the Board of Directors of each of DSML and TPL Life. All
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entitlements of the Shareholders shall be determined in the proportion aforesaid and in accordance with this Article 9.

- 9.2. The Swap Ratio has been determined on the basis of the accounts of each of DSML and TPL Life, audited for the period ended June 30, 2023 and the calculations / valuations of Grant Thornton Anjum Rahman, Chartered Accountants in terms of, *inter alia*, the Swap Letter. In terms of the Swap Letter, while a swap ratio of 1.09 shares for every 1 (one) share of TPL Life held by each Shareholder has been determined, in order to avoid any fractional shares, the respective Board of Directors of TPL and DSML have rounded down the same and recommended and approved the Swap Ratio (as detailed in Article 9.1 above). The Swap Ratio would also benefit the shareholders of DSML in terms of their shareholding subsequent to the Amalgamation. Furthermore, the Swap Letter has been approved by the Board of Directors of DSML and TPL Life.
- 9.3. The number of Shares to be issued by DSML (on the basis of the Swap Ratio) shall be based on the number of shares of TPL Life held by the Shareholders on the Record Date, provided that the same shall be based on the issued and paid up share capital of TPL Life existing on the Completion Date or Effective Date, whichever is later, taking into account any shares issued by TPL Life till such date (if any).
- 9.4. Subsequent to the Completion Date (and subject to occurrence of the Effective Date), at least 7 (seven) days' notice shall be given to the Shareholders by TPL Life specifying the Record Date in order to determine the identities of the Shareholders and their entitlements. Such notice shall also specify the date by which the Shareholders shall deliver to TPL Life, for cancellation, all the share certificates representing ordinary shares in TPL Life held by them and such share certificates shall be delivered to TPL Life on or before that date. TPL Life shall, within 7 (seven) days of the Record Date, provide DSML with the list of the Shareholders along with details of their respective entitlements. It is clarified that where any shares of TPL Life are held by a nominee shareholder of another member of TPL Life, such nominating member shall determine whether Shares shall be allotted and issued in favour of the nominee shareholder or not (which shall be communicated by the nominating member to TPL Life).
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- 9.5. The share certificates delivered / to be delivered by the Shareholders in accordance with Article 9.3 above shall stand cancelled (whether or not the same have been surrendered to TPL Life by the prescribed date) and the Shareholders shall be entitled to share certificates / CDC book-entries representing the number of fully paid up Shares to which the respective Shareholder is entitled to in accordance with the provisions of this Scheme. The shares of TPL Life held by the Shareholders in book entry form through the CDS shall stand cancelled on the date specified in the notice in accordance with the rules and regulations of the CDC.
- 9.6. The allotment of Shares (in accordance with the provisions of this Article 9) shall be made by DSML within 7 (seven) days from the date notified above. The share certificates for such Shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the Shareholders in the manner provided in the Articles of Association of DSML. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one of the joint holders whose name appears first in respect of such joint holding. DSML shall not be responsible for loss of the share certificates in such transmission. The Shareholders shall have the option of receiving the Shares in book entry form through the CDS, which they shall intimate to TPL Life in advance (which in turn will intimate DSML of the same at the time of sharing details pertaining to the Shareholders in accordance with Article 9.3). In such case and with respect to the Shareholders holding shares of TPL Life, on the date to be specified in the notice mentioned in Article 9.3 above, DSML shall credit the respective CDC accounts / sub-accounts of the relevant Shareholders with book entries relating to the corresponding number of Shares which the relevant Shareholder is entitled to in accordance with this Article 9. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.
- 9.7. The Shares, issued and allotted to the Shareholders in accordance with the provisions of this Scheme, shall, in all respect, rank *pari passu* with the ordinary shares of DSML and shall be entitled to all dividends declared after the Completion Date or Effective Date, whichever is later.
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- 9.8. It is clarified that since the quantum of the aggregate number of shares of TPL Life that will be held by the Shareholders at the Record Date is not determinable at this point of time, the aggregate number of Shares to be allotted and issued as consideration for the Amalgamation is variable. Consequently, the Shares, to be issued by DSML in accordance with this Article 9, shall be recorded in the books of account of DSML at par value. Any differential amount vis-à-vis the par value of the share capital being issued by DSML, including to balance and adjust the books of DSML as of the Effective Date, shall be credited / recorded as reserves, as per the legal and accounting applicable framework, taking into account the carrying values of the net assets comprising undertaking of TPL Life which shall stand vested in DSML pursuant to this Scheme.
- 9.9. Subject to the sanction of the Scheme by the Court, TPL Life shall, without winding up, stand dissolved from the date on which all the Shares, to be allotted by DSML to the Shareholders as prescribed above, have been so allotted.

ARTICLE 10

EMPLOYEES

- 10.1. Subject to the sanction of this Scheme, but with effect from the Effective Date, all full time officers and employees (including workmen, if any) of TPL Life shall become the employees of DSML at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service, unless the employment of any such person(s) is terminated (including pursuant to resignation or otherwise).
- 10.2. On and from the sanction of this Scheme, but with effect from the Effective Date, and as a consequence of the Amalgamation, the provident fund maintained by TPL Life titled "TPL Life Insurance Employees' Provident Fund" (the "**Provident Fund**") shall be transferred to and become the provident fund of DSML. TPL Life and the trustees of the Provident Fund shall take
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necessary steps to amend the trust deed, rules etc. pertaining to the Provident Fund (as may be applicable) for the purposes of the above.

- 10.3 All the funds (including in the nature of monies, investments or otherwise) of the Provident Fund held by the trustees thereof (including amounts standing to the credit of the Provident Fund) with effect from the Effective Date, for the benefit of TPL Life's eligible employees who are members and beneficiaries of the Provident Fund, shall continue to vest with the Provident Fund for the benefit of the same persons, who shall become the employees of DSML as a consequence of this Scheme.

ARTICLE 11

CHANGE OF NAME OF DSML

- 11.1. Upon the sanction of this Scheme, and with effect from the Effective Date, the name of DSML shall stand changed / altered from "Dar Es Salaam Textile Mills Limited" to "TPL Life Insurance Limited".
- 11.2. Without prejudice to the provisions of Article 11.2 above, DSML shall fulfil any documentary formalities / filings for the change of its name.
- 11.3. Approval of the members of DSML to this Scheme shall also include and constitute an approval by way of special resolution from the members of DSML, to the change in the name of DSML in the manner detailed above.

ARTICLE 12

CHANGE IN PRINCIPAL LINE OF BUSINESS IN THE MEMORANDUM OF ASSOCIATION OF DSML

- 12.1. Upon the sanction of this Scheme, and with effect from the Effective Date, the principal line of business of DSML, appearing in Clause (III)(i) of the Memorandum of Association of DSML, shall stand substituted as follows:
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“(i) To carry on in Pakistan and elsewhere all kinds of business in respect of life insurance, reinsurance, counter reinsurance or counter reinsurance, Family Takaful & Family Re-Takaful and all kinds of guarantee and indemnity business and, in particular and without prejudice to the generality of the foregoing, to carry out life endowment, medical personal accident, disability, capital redemption, pension funds, transit insurance and every other description of business kindred to the above, whether was known or hereafter to be devised and all the insurance which are permissible under the law for the time being in force and are decided by the Company to be carried on.”

- 12.2. Accordingly, the Memorandum of Association of DSML shall stand altered in the manner detailed above.
- 12.3. Without prejudice to the provisions of Articles 12.1 and 12.2 above, DSML shall carry out the requisite filings for change in the company’s principal line of business in accordance with Section 32(6) of the Act.
- 12.4. Approval of the members of DSML to this Scheme shall also include and constitute an approval by way of special resolution from the members of DSML, to the alteration of the Memorandum of Association of DSML.

ARTICLE 13

CHANGE IN FINANCIAL YEAR OF DSML

- 13.1. Upon the sanction of this Scheme, the financial year of DSML shall stand revised and amended to be from the first day of January of each year to the 31st day of December of such year.
- 13.2. Without prejudice to anything in Article 13.1 above, DSML shall fulfil any documentary formalities / filings for the purposes of the same.
- 13.3. Approval of the members of DSML to this Scheme shall also include and constitute an approval by way of special resolution from the members of DSML, to the change in the financial year of DSML.
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ARTICLE 14

GENERAL

14.1. Modifications by the High Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of DSML and TPL Life respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the shareholders and / or creditors of DSML and / or TPL Life (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of DSML and / or TPL Life shall be entitled to withdraw this Scheme (whether or not approval from the shareholders and creditors of the respective companies has been obtained).

14.2. Headings

Article headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.

14.3. Severability

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

14.4. Costs and expenses

All costs, charges and expenses of DSML and TPL Life in respect of the preparation of this Scheme and carrying the same into effect shall be borne by TPL Life.

Karachi.

Dated: _____, 2023.

For and on behalf of

DAR ES SALAAM TEXTILE MILLS LIMITED

Name: _____

Designation: _____

For and on behalf of

TPL LIFE INSURANCE LIMITED

Name: _____

Designation: _____

LIST OF ANNEXURES

- “Annexure A”** – List of members of Board of Directors of DSML.
- “Annexure B”** – List of members of Board of Directors of TPL Life.
- “Annexure C”** – Swap Letter dated November 21, 2023, issued by Grant Thornton Anjum Rahman, Chartered Accountants.

ANNEXURE A

LIST OF MEMBERS OF BOARD OF DIRECTORS OF DAR ES SALAAM TEXTILE MILLS LIMITED

Mr. Muhammad Yousaf

Ms. Nilofar Mukhtar

Mr. Ejaz Hussain

Mr. Faisal Mukhtar

Mr. Muhammad Gul Nawaz

Ms. Abida Mukhtar

Ms. Mahwesh Faisal Mukhtar

ANNEXURE B

LIST OF MEMBERS OF BOARD OF DIRECTORS OF TPL LIFE INSURANCE LIMITED

Mr. Jameel Yusuf S.St.

Mr. Muhammad Ali Jameel

Mr. Farrukh Shauket Ansari

Mr. Saad Nissar

Mr. Muhammad Aminuddin

Ms. Muneeza Kassim

ANNEXURE C

SWAP LETTER

[•]

November 21, 2023

**Syed Kazim Hasan
Deputy Managing Director,
TPL Life Insurance Limited
Karachi.**

Subject: Submission of Valuation Report & Determination of Swap Ratio to TPL Life Insurance Limited

Dear Sir,

With reference to the Letter of Mandate executed between TPL Life Insurance Limited (“**TPLL**”) and Grant Thornton Anjum Rahman (“**GTAR**”), whereby TPLL is in the process of merging with Dar es Salaam Textile Mills Limited (“**DSML**”) and has sought the services of GTAR to conduct the valuation of both TPLL and DSML in order to determine the Swap Ratio for the underlying transaction, hereinafter referred to as the “**Merger**”. This engagement encompasses both the valuation and the determination of Swap Ratio given as per the Guidelines for Mergers and Amalgamations – Annexure A, hereinafter referred to as the “**Guidelines for M&A**” issued by the Securities and Exchange Commission Pakistan (“**SECP**”) and is attached as part of the Annexure to this letter.

PURPOSE OF LETTER

As informed by the management of TPLL, the management of both TPLL and DSML are interested in successfully executing a Merger and for which GTAR is providing financial advisory and consultancy services to determine the valuation of both companies and calculate the Swap Ratio for issuance of shares in the surviving entity.

In accordance with the Guidelines for M&A issued by the SECP, which states that in order to determine the fair value of shares, multiple valuation methodologies may be applied and since no two valuations are identical then the fair value of shares shall be determined by averaging the fair value calculated using three of

methodologies/approaches mentioned in the Guidelines for M&A. In adherence to the Guidelines for M&A, GTAR has conducted valuation of TPLL and DSML based on the Net-worth Method/Net Asset Valuation, Discounted Cash Flow Method/Future Earning Capacity Approach and Market Value Method.

It is pertinent to note that GTAR understands that the contents of our letter are intended for the sole purpose of assisting in the determination of the Swap Ratio for TPLL to successfully execute the Merger.

ABOUT TPLL & DSML

TPL Life Insurance Limited

TPLL was incorporated on March, 19 2008 under the Repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as public limited company and is registered as a life insurance company by SECP under the Insurance Ordinance, 2000. TPLL obtained license to carry on life and related lines of insurance business on March 2, 2009. TPLL is engaged in life insurance business including ordinary life business and accidental and health business. TPLL is a subsidiary of TPL Corp Limited - Holding Company.

Dar-Es-Salam Textile Mills Limited

DSML was incorporated in Pakistan on September 28, 1989 as public unlisted company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). DSML is listed on Pakistan Stock Exchange (“**PSX**”). The principal line of business of DSML is to manufacture and sale of yarn. The shareholders of DSML in their extraordinary general meeting held on June 27, 2023 decided to change its main business object to engage in general trading activities and also to change the name of DSML to "DTM Limited" as mentioned in the Notes to the Audited Financial Statements for the year 2023, however, as of the date of this letter, the revised name/business has not taken effect.

As mentioned in the audited financial statements, DSML has closed its operations since 2014 and has disposed its operating fixed assets and has settled its liabilities towards lenders and other creditors in accordance with the approval of shareholders.

SHARE CAPITAL

S.No.	Company	Number of Issued Shares as of June 30, 2023	Par Value (PKR)	Issued Share Capital (PKR)
1	TPLL	199,500,000	10	1,995,000,000
2	DSML	8,000,000	10	80,000,000

Pattern of Shareholding

Shareholding pattern of TPLL as of June 30, 2023 is as follows:

S.No.	Shareholders	Number of Shares	Shareholding %
1	TPL Corp. Limited	194,496,000	97.49%
2	Directors	5,002,000	2.51%
3	Others	2,000	0.00%
4	Total	199,500,000	100%

Note: As conveyed by the management of TPLL and evident by the Form 3 of SECP and condensed interim Unaudited Statement of Changes in Equity as of September, 2023 provided by the management of TPLL, the Number of Shares of TPLL have increased to 205,000,000. However, for the purpose of this Swap Letter, the Number of Shares used in the calculations are 199,500,000 as stated in the Audited Financial Statements as of June 30, 2023.

Shareholding pattern of DSML as of June 30, 2023 is as follows:

S.No.	Shareholders	Number of Shares	Shareholding %
1	Mrs. Nilofar Mukhtar	954,540	11.93%
2	Mrs. Mehwish Faisal Mukhtar	302,500	3.78%
3	Mr. Faisal Mukhtar	1,969,274	24.62%

4	Ms. Abida Mukhtar	2,239,352	27.99%
5	Mr. Ejaz Hussain	2,500	0.03%
6	Mr. Muhammad Yousuf	500	0.01%
7	Ch. Muhammad Gul Nawaz	2,500	0.03%
8	NIT and ICP	263,487	3.29%
9	Banks, Development Finance Institutions, Non-Banking Finance Institutions	649	0.01%
10	Pension Funds	24,391	0.30%
11	Join Stock Companies	23,194	0.29%
12	Others	1,356	0.02%
13	Shares Held by The General Public	2,215,757	27.70%
14	Total	8,000,000	100%

VALUATION

As per the Guidelines for M&A, issued by SECP on October 11, 2023, the fair value of shares shall be determined based on the following methodologies or by computing an average of any of the three below-mentioned methodologies:

- i. The Net Worth Method or Net Asset Valuation Method
- ii. The Market Value Method
- iii. Future Earning Capacity or Discounted Cash Flow Method
- iv. The Comparable Transaction Method

For the purpose of calculating the valuations, GTAR adhered to the Guidelines for M&A issued by the SECP and conducted valuation exercise using the following approaches:

- i. Discounted Cash Flow (“**DCF**”) Method
- ii. Net Asset Valuation (“**NAV**”) Method
- iii. Adjusted Market Value (“**AMV**”) Method

It is pertinent to highlight that the rationale for using the above-mentioned methodologies was due to the operational difference between TPLL and DSML, whereby TPLL is a going concern and is operating in a sector that is witnessing growth. In comparison, DSML is non-operational and as stated in the Audited Financial Statements of 2023, the sponsors of DSML have sold the operating fixed assets of the company in 2020. Details

of the rationale are provided below in accordance with the respective approaches used to calculate the valuation on individual basis and to calculate the average valuation for the ultimate purpose of calculating the Swap Ratio.

Our valuation is issued based on the understanding that the management of TPLL has drawn our attention to all matters, financial or otherwise, of which they are aware and which may impact the valuation. Furthermore, it's important to underline that the assumptions and forecasts were provided by TPLL's management whereby GTAR conducted the reasonable assessment of the provided forecasts and assumptions. It must be emphasized that all profit and cash flow forecasts necessarily depend on subjective judgment. They are, to a greater or lesser extent, according to the nature of the business and the period covered by the forecasts, subject to substantial inherent uncertainties. In consequence, they are not capable of being substantiated or audited in the same way as financial statements which present the results of completed accounting periods.

TPL Life Insurance Limited

For the purpose of conducting the valuation exercise for TPLL and as rationalized above, we considered the generally accepted valuation methodologies that include using both DCF and NAV approaches. These methods are particularly relevant as TPLL operates in the life insurance industry, which is witnessing a growing share within the broader insurance sector. As mentioned above, the assumptions for the business model were confirmed by the management of TPLL. Largely, it is assumed that TPLL will follow a multi-prolonged approach, whereby it will focus on sustaining its operations in the future and in parallel intends to strategically increase its share in the life insurance sector through incremental expansion.

The value of a business entity using NAV is estimated by using net book value, which is determined by deducting total liabilities from total assets. In this process, the book

value was ascertained by referencing the audited financial statements provided by TPLL.

The valuation of TPLL was also conducted on the DCF method, which centers on projecting future cash flows. This approach aims to calculate the present value of anticipated cash flows, factoring in the concept of the time value of money. DCF is a comprehensive methodology comprised of two key elements: the forecasted cash flow period and the terminal value. The forecasted cash flow period involves estimating the company's cash flows over a defined period in the future, considering various financial variables, including growth projections and expenses. GTAR employed a weighted approach to ascertain the firm value for the purpose of calculating the swap ratio, wherein equal weights were attributed to both the DCF method and the NAV Approach.

The value per share of TPLL under different valuation approaches are as follows:

S.No	Valuation Approach	Value per Share (PKR)
		TPLL
1	Discounted Cash Flow	13.01
2	Net Asset Valuation	1.43
3	Weighted Average	7.22

Dar-Es-Salam Textile Mills Limited

For determining the valuation of DSML, we have employed two widely recognized valuation methodologies that include using both the NAV and AMV approaches. It is pertinent to highlight that the DCF approach towards calculating the valuation was not considered given information shared by the management, DSML remains non-operational. Incorporated in 1989, DSML ceased its operations in 2014 and has since disposed its operational fixed assets including but may not be limiting to freehold land, buildings, plant and machinery, and

other assets, while selling its liabilities, as reported in the Notes to the Financial Statements for the year ending June 30, 2023. Given this context, a DCF approach is deemed impractical for valuing DSML, thus making the NAV approach a pragmatic choice for conducting the valuation exercise.

Market Value is a reflection of the perceived worth of a company or its equity within the financial markets. It is determined by multiplying the total number of shares available with the current market price of each share. Under this approach, the market price of the equity shares of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the trading. We understand that the position of DSML falls within the defaulter segment and is not actively traded, however, in order to capture the AMV for calculating the Swap Ratio as per the Guidelines for M&A issued by SECP, GTAR has used the prevailing price stated on the PSX, which amounts to PKR 9.25. Given the unique position of DSML's stock price as positioned in the defaulter segment and the company's lack of business activity, GTAR has calculated the AMV while applying an adjustment to factor the lack of liquidity discount.

For determining the single value of DSML from the values determined above, we have computed the weighted average of NAV and AMV, assigning equal weightage to each methodology. The value per share of DSML under different valuation approaches are as follows:

S.No	Valuation Approach	Value per Share (PKR)
		DSML
1	Net Asset Valuation	6.32
2	Adjusted Market Value	6.94
3	Weighted Average	6.63

SWAP RATIO RANGE COMPUTATION:

In the context of the Merger, the proposed consideration for TPLL and its shareholders from DSML will involve issuance of new shares. The Swap ratio is calculated to determine the consideration in shares to be transferred from DSML to the shareholders of TPLL, ensuring an equitable exchange in the form of shares between the two entities. The determination of the Swap Ratio is directed at ensuring fair and equitable consideration on best-effort basis as provided in the Guidelines for M&A.

Consequently, GTAR has calculated the Swap Ratios based on each valuation approach, ensuring that the exchange of shares aligns closely with the financial

standing and intrinsic value of both DSML and TPLL on best-effort basis. In order to determine the Swap Ratio of shares and as provided above, four distinct valuation methodologies are applied to ascertain the value of both entities involved in the Merger, which includes the following:

- i. DCF for TPLL and NAV for DSML
- ii. NAV for TPLL and NAV for DSML
- iii. DCF for TPLL and AMV for DSML
- iv. Weighted Average of the valuation determined via DCF, NAV & AMV where applicable.

Outlined in our valuation report are the outcomes of our comprehensive valuation procedures, which adhere to globally recognized valuation methodologies, as stipulated in the Guidelines for M&A set forth by the SECP. For the purpose of this letter, the Swap Ratio computed using valuation methodologies is presented below:

Option	Valuation Methodology	Value per share (PKR)		Swap Ratio
		TPLL	DSML	
1	Discounted Cash Flow for TPLL & Net Asset Value for DSML	13.01	6.32	2.06
2	Net Asset Value for TPLL & Net Asset Value for DSML	1.43	6.32	0.22
3	Discounted Cash Flow for TPLL & Adjusted Market Value for DSML	13.01	6.94	1.87
4	Weighted Average of Valuation	7.22	6.63	1.09

Based on the above valuations, the range determined for each Swap Ratio falls between 0.22 to 2.06, which equates the range of share issuance between 0.22 to 2.06 of TPLL against 1 share of DSML. In addition, the resulting weighted average value per share of TPLL and DSML is PKR 7.22 and PKR 6.63. This valuation resulted in the determination of a Swap Ratio of 1.09, indicating the share issuance of 1.09 against 1 share of DSML.

Impact on the Number of Shares is as follows:

Option	Valuation Methodology	Pre-Merger Number of Shares		Swap Ratio	Post-Merger Number of Shares	
		TPLL	DSML		TPLL	DSML
1	Discounted Cash Flow for TPLL & Net Asset Value for DSML	199,500,000	8,000,000	2.06	410,958,125	8,000,000
2	Net Asset Value for TPLL & Net Asset Value for DSML	199,500,000	8,000,000	0.22	45,308,564	8,000,000
3	Discounted Cash Flow for TPLL & Adjusted Market Value for DSML	199,500,000	8,000,000	1.87	374,186,799	8,000,000
4	Weighted Average of Valuation	199,500,000	8,000,000	1.09	217,448,991	8,000,000

Therefore, the weighted average results in a Swap Ratio of 1.09. The impact of which indicates DSML will issue 1.09 shares against 1 share of TPLL.

As detailed above, according to the Swap Ratio determined using the Weighted Average of Valuation, in exchange of total issued, subscribed and paid-up 199,500,000 shares of TPLL, the total number of shares of DSML are worked out to be 217,448,991, which shall be issued to the existing shareholders of TPLL as a consequence of the consummation of the proposed scheme.

CAVEATS

The information provided in this letter has been meticulously formulated based on the data and methodologies provided to us by the management of TPLL. However,

it's important to note that our responsibilities do not encompass updates or revisions after the date of issuance. This letter is subject to certain limitations as specified

within the contents of this communication. This letter has been prepared solely for the transaction between TPLL and DSML in relation to the Merger and it is not to be used by any other person or for any other purpose.

Our scope of work primarily focuses on determining the fair market valuation and consequent Swap Ratio by employing internationally recognized valuation methodologies. Notably, the valuation methodologies employed align with the Guidelines outlined in the Mergers and Amalgamations directives set forth by the SECP on October 11, 2023. However, it is important to acknowledge that specific factors influencing the Swap Ratio, despite our adherence to the SECP Guidelines, may extend beyond the direct scope of GTAR's work. The intricacies of specific factors influencing the Swap Ratio might not be wholly within the purview of our assessment. It is also imperative to highlight that valuation is not a precise science, it is subjective and requires the application of experience and judgement to given facts to arrive at a conclusion, whereby it may be possible to not achieve a single answer that is deemed "right" or "correct" and are to be used as reasonable values. As agreed with the management of TPLL, DCF is not considered for DSML given the rationale provided in the letter and in order to adhere to the SECP Guidelines for M&A, the AMV approach was utilized on best-effort basis to calculate the weighted average and determine the Swap Ratio. Therefore, the actual results and accordingly the valuation are likely to be different than the projected as anticipated events do not occur as expected and the variation may be material and thus, we have no responsibility to update this letter for events or circumstances occurring after the date of issuance of this letter.

Further, the implications of relevant IFRS do not fall under the purview of GTAR.

In addition, we do not take any responsibility for any changes in the information used by us to arrive at our conclusion as set out herein which may occur subsequent to the date of this letter or by virtue of fact that the details provided to us are incorrect or inaccurate. GTAR has accepted the data and figures provided by TPLL as received from DSML to conduct the valuation without performing any further financial and tax due-diligence as the sponsors have assured to assume all liabilities of the company upon themselves.

It is crucial to understand that our communication does not serve as investment advice or a directive to the involved Companies regarding their future actions. While our analysis aids the management in their considerations, the ultimate decision regarding the appropriate Share Swap Ratio lies with the Shareholders and the Board of Directors of the Companies. Please be advised that this letter is crafted solely for the stated purpose and may not be used or shared beyond the intended scope without our explicit written consent.

Yours sincerely,

FORM OF PROXY
NOTICE OF EXTRA ORDINARY GENERAL MEETING

The Company Secretary
Dar Es Salaam Textile Mills Limited
H.No. 37, Street No.14, Cavalry Ground,
Lahore-Cantt.

L/F NO.	
NO. OF SHARES	

Dear Sir,

I/We _____

of _____

being a member of DAR ES SALAAM TEXTILE MILLS LIMITED, hereby appoint

(NAME)

of _____

(another member of the Company) to attend, act and vote for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company to be held on Wednesday December 27, 2023 at 10:00 A.M. at the The Hive, 1st Floor, Gizri Road, Block-9, Clifton, Karachi, and at any adjournment thereof.

As witness my hand this _____ day of _____ 2023

Signature on Revenue
Stamp

(Signature should agree with the specimen
Signature registered with the Company)

Date: _____

Note: Proxies must be received at the Registered office of the Company not later than 48 hours before time of holding the meeting duly stamped, Signed and witnessed.

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DAR ES SALAAM

TEXTILE MILLS LIMITED

HEAD OFFICE: The Hive, 1st Floor,
Gizri Road, Block-9, Clifton-Karachi.
Phones: (021) 111-000-300