



DAR ES SALAAM TEXTILE MILLS LIMITED

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

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

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra-Ordinary General Meeting of the members of the Dar es Salaam Textile Mills Limited will be held on 15 April 2021, Monday at 09:30 a.m. at the Company's registered office, located at House No 37, Street No 14, Cavalry Ground, Lahore Cantt., Lahore, to transact the following businesses:

Special Business:

1. To consider and approve the change of principal line of business in Memorandum of Association of the Company and Company's Articles of Association by passing the following resolutions as special resolutions, with or without modification, addition or deletion in terms of Companies Act, 2017:

RESOLVED THAT approval of the members of the Company for the change of principal line of business in Memorandum of Association of the Company and accordingly alter, by replacing, its existing object Clause III and its Sub-clauses numbered from 1 to 57 of Memorandum of Association of the Company in accordance with the provisions of the Companies Act, 2017 be substituted by adopting following main new object clause III and its sub-clauses numbers (i) to (iv) (a, b, c), accordingly:

III (i) "To carry on and undertake the business of leasing/warehousing property and to deal in all kinds of immovable property including land and building, commercial and industrial items and to lease out or otherwise deal with in any manner whatsoever and to provide leasing and to purchase properties, movable and immovable for being leased out or for being sold on hire purchase basis or on deferred payment basis".

(ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company may engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.

(iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, *Modaraba* management company, Stock Brokerage business, forex, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:

- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
- (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

RESOLVED FURTHER THAT the pursuant to provisions of Section 38 of the Companies Act, 2017 (including any amendments thereto or re-enactment thereof) and subject to the approval of shareholders and Securities and Exchange Commission of Pakistan, permission and consents as may be required, the Company's Articles of Association be and hereby altered as per the provisions of the Companies Act, 2017.

RESOLVED FURTHER THAT the aforesaid alteration in the Memorandum of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or as may be suggested, directed and advised by the Securities and Exchange Commission of Pakistan which suggestion, direction and advice shall be deemed to have been approved as part of the past Special Resolution without the need of the members to pass as Special Resolution

RESOLVED FURTHER THAT Chief Executive Officer and/or Secretary of the Company be and is/are hereby authorised and empowered on behalf of the Company to do all acts, deeds and things, take all steps and action necessary, ancillary and incidental for altering Memorandum re-phrase/change the main object Clause of Principal line of business in Memorandum of Association of the Company and Company's Articles of Association whenever and wherever it may require.

RESOLVED FURTHER THAT certified copies of this resolution be communicated to the concerned authorities, wherever required and shall remain in force until notice in writing to the contrary be given.

2. **To consider and approve the change of Company Name and if thought fit, to pass the following resolutions as special resolutions, with or without modifications, addition or deletion**

RESOLVED THAT subject to the approval of Securities and Exchange Commission of Pakistan under Section 12 of the Companies Act, 2017, the name of the Company be changed from "Dar es salaam Textile Mills Limited" to "Dar es salaam Limited" and consequently the name be hereby changed in the Memorandum and Articles of Association of the Company and all other formalities be completed in respect thereof.

RESOLVED THAT approval of the members of the Company for the change of name of the Company in Memorandum of Association and Articles of Association of the Company and accordingly alter, by replacing, its Clause I of the Memorandum of Association of the Company and Article 1 of Articles of Association of the Company in accordance with the provisions of the Companies Act, 2017 be substituted with the following:

Clause I of the Memorandum of Association be and is hereby amended to read as follows:

"The name of the company is Dar es Salaam Limited"

Article 1 of the Articles of Association be and is hereby amended to read as follows:

"The Company means Dar es Salaam Limited"

RESOLVED FURTHER THAT the name Dar es salaam Textile Mills Limited, wherever it occurs in the Memorandum and Articles of Association of the Company and/or any other Deed, Document, Titles etc. be substituted with the name "Dar es Salaam Limited".

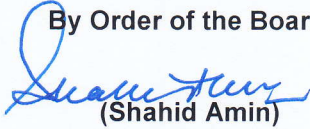
RESOLVED FURTHER THAT the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed/required by Securities and Exchange Commission of Pakistan without the need for passing any fresh resolution by the members.

RESOLVED FURTHER THAT the Chief Executive Officer and / or Secretary of the Company be and are hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary or incidental and to complete all legal formalities and file all necessary documents to Securities and Exchange Commission of Pakistan, as may be necessary for the purpose of implementing the aforesaid resolution

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

Statement under Section 134(3) of the Companies Act, 2017, pertaining to the Special Business referred to the above is annexed to this notice of meeting, being sent to the shareholders.

Lahore: March 25, 2021

By Order of the Board

(Shahid Amin)
Company Secretary

Notes:

- 1) The Members Register and Share Transfer Books will remain closed from 08 April 2021 to 15 April 2021 (both days inclusive) for the purpose of the Extra-ordinary General Meeting. Transfers received at M/s 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 07 April 2021 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 07 April 2021 are entitled to attend and vote at the Extra-ordinary General Meeting.
- 2) A Member entitled to attend and vote at the Extra-ordinary General Meeting may appoint another Member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a Member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of the Extra-ordinary General Meeting.
- 3) CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

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 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.
4. 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). Please note that CNIC Number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.
- Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN) bank name, branch name, branch code, and address towards direct transfer/credit of cash dividend in your account. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017.

5. Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar

available on the company's website.

The Company will intimate respective members regarding venue of the video-link facility before five days of the Meeting along with complete information necessary to enable them to access the facility.

I/we _____ of _____ being members of Dar es Salaam Textile Mills Limited holder _____ Ordinary Shares(s) as per Registered Folio No. CDC/Account No. _____ hereby opt for video conference facility at Lahore in respect of Extra Ordinary General Meeting of the Company.

6. For any query / problem/information Members may contact the Company at email info@daressalaamtextilemills.com and/or the Share Registrar of the Company at above mentioned address
7. Members can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.
8. The Company also considered to provide e-voting facility in accordance with the requirements of the Companies (E-Voting) Regulations, 2016. However, e-voting facility cannot be made available to the members for this meeting as other mandatory conditions prescribed under the aforesaid Regulations including the availability of accredited intermediary could not be satisfied.
9. As per Circular No. 5 of 2020 dated March 16, 2020 read with Circular No. 4 of 2021 dated February 15, 2021; the shareholders may contact the Company at either of following:

Email: info@daressalaamtextilemills.com

Whatsapp: 0300-4010996

Mobile: 0300-4010996



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STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted at the Extra-Ordinary General Meeting of the Company to be held on 15 April 2021.

To consider and approve the change of principal line of business

Under the provisions of the Companies Act, 2017, a Company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities, however, the principal line of business of the company shall be mentioned in the Memorandum of Association of the company which shall not be inconsistent or contradictory with name of the Company. The 'principal line of business' has been defined to mean the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher. The Company has or likely to have substantial assets in investments property and it also derives or likely to derive substantial revenues from this business. Accordingly, the Board of Directors of the Company has recommended the alteration in Memorandum of Association by replacing its existing object Clause III with the new Clause III as mentioned hereinafter. The object stated at serial number 3 of the object Clause of the existing Memorandum of Association of the Company (treated as the principal line of business under the Companies Act, 2017) is Manufacturing and Sale of textile products. As the Company has disposed off its plant and machinery and is in the process of disposing of remaining assets of the Company, hence manufacturing and sale of textile is no more the business of the Company. The information required under SRO 423(I)/2018 dated April 03, 2018 is as under.

Existing and proposed principal line of business of the company

Existing	Proposed
<p>The objects for which the Company is established are to carry out all or any of the following:</p> <p>III (3) To carry on the business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, twisting or otherwise handling, or dealing in Polyester Staple Fiber, Rayon, Viscos, Raw Silk, Silk Yarns or Artificial Silk Yarn and which expression shall include all synthetic Fibers whatsoever for textile use, Staple Fiber, Staple Fiber Yarn and such other Fibers or Fibrous materials or allied products, by products or substances or substitutes for all or any of them or Yarn or Textile or other use, as may be practicable or deemed expedient and to carry on business of dyeing, bleaching and printing of cloth.</p>	<p>"III To carry on and undertake the business of leasing/warehousing property and to deal in all kinds of immovable property including land and building, commercial and industrial items and to lease out or otherwise deal with in any manner whatsoever and to provide leasing and to purchase properties, movable and immovable for being leased out or for being sold on hire purchase basis or on deferred payment basis".</p>

Reasons for change in principal line of business of the company

The Company has suspended its operations since September 2016 owing to shortage of working capital, unfavorable market conditions and continuous losses. As on 31 December 2020, the Company's accumulated losses stood at Rupees 342.970 million; its equity eroded by Rupees 156.792 million whereas its current liabilities had exceeded its current assets by Rupees 480.349 million. Therefore, the management of the Company decided to shift its main object line of business from textile to warehousing. This change shall be implemented forthwith by the Company as it has all the resources for implementation. Benefits likely to accrue to the Company and its Members from this change and financial

projections are stated in detail in copies of Business Plan. Business Plan is available for inspection at the Registered Office of the Company on any working day up to April 14, 2021 during Business Hours and also at the time of the Extraordinary General Meeting. Highlights of Business Plan are also given in this statement under section 134(3) of the Companies Act, 2017 under the agenda relating to approval of Business Plan.

Benefits likely to accrue to the company and its members from the proposed change

As operations of the Company has been suspended and all of its plant and machinery has been disposed off with the approval of the shareholders sought on April 30, 2018. Now, the board of directors has proposed alteration in principal line of business to use idle factory premises by letting out to earn rental income as previously approval from shareholders were sought with the intention to dispose off land and building in near future and till such time factory premises may be let out to meet cash flow requirements of the Company. The shareholders of the Company shall benefit from this business plan through better return on investment and enhance the shareholders' value. The management of the Company believes that Business Plan shall pave the way for restoration of Company's status to Normal Counter of PSX and the withdrawal of show cause proceedings against the Company by Commission to windup the Company.

Financial projections, including, inter alia, project cost for new proposed principal business, sources of funds to cover the project cost, revenues, expenses etc. along with underlying assumptions

Financial projections, including project cost for new proposed principal business, sources of funds to cover the project cost, revenues, expenses etc. along with underlying assumptions maybe reviewed from the registered office of the Company during business hours before the convening of the Extra Ordinary General Meeting. The Company has already leased out its premises in accordance with the approval of the shareholders; therefore, no further time would be required by the Company.

	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5
	-----Rupees-----				
Rental Income	19,500,000	21,450,000	23,595,000	25,954,500	28,549,950
Cost of Sales	-	-	-	-	-
Gross profit	19,500,000	21,450,000	23,595,000	25,954,500	28,549,950
General and administrative expenses	(9,215,000)	(10,025,750)	(10,912,038)	(11,881,139)	(12,941,046)
Other operating income	-	-	-	-	27,716,375
Other operating expense	(452,803)	(590,733)	(736,692)	(891,657)	(2,985,962)
	(9,667,803)	(10,616,483)	(11,648,729)	(12,772,796)	11,789,367
Change in fair value of investment property	975,060	2,292,836	3,654,045	5,065,262	6,533,432
Profit from operations	10,807,257	13,126,353	15,600,316	18,246,966	46,872,748
Finance costs	-	-	(5,802,902)	-	-
Profit before tax	10,807,257	13,126,353	9,797,414	18,246,966	46,872,748
Taxation	(4,276,050)	(4,705,830)	(5,178,588)	(5,698,622)	(6,270,659)
Net Income	6,531,207	8,420,523	4,618,826	12,548,344	40,602,089
Earning per Share	0.82	1.05	0.58	1.57	5.08
Dividend per Share		0.50			0.50

This whole Business Plan shall be financed by the Company from its own sources. The shareholders of the Company shall benefit from this Business Plan through better return on investment and enhance the shareholders' value. It is expected that minority shareholders will get dividend in coming years.

Impact on existing line of business

The Company has already leased out its premises in accordance with the approval of the shareholders; therefore, the approval of shareholders would align its business with the main object clause.

Expected time period when proposed change is expected to be implemented

The Company has already leased out its premises in accordance with the approval of the shareholders; therefore, no further time would be required by the Company.

A statement by the board that the proposed change will not be detrimental to the interest of the company or its members as a whole

The Board of Directors of the Company is confident that this change will not be determinant to the interest of the Company or its Members as a whole. This change shall be implemented forthwith by the Company as it has all the resources for implementation.

Interest of directors and their relatives

No Directors or Chief Executive of the Company or their relatives have any interest in the approval of Business Plan of the Company except in their capacities as Directors / Chief Executive / Shareholders. The Directors also undertake and confirm that they have carried out due diligence in respect of Business Plan.

Availability of Relevant Documents

The documents pertaining to foregoing Special Businesses including the Business Plan are available for inspection at the Registered Office of the Company on any working day up to April 15, 2021 during Business Hours and also at the time of Extraordinary General Meeting.

To consider and approve the change of Company Name and if thought fit, to pass the following resolutions as special resolutions, with or without modifications, addition or deletion

Due to change in the main principal line of business of the Company as stated above; it is essential for the Company to ensure that name of company is commensurate with the main line of business. Change of name shall not affect any legal proceedings that might have commenced by or against the company under its former name. It would also not affect rights and obligations of the Company. The information required under S.R.O. 423(I)/2018 dated April 03, 2018 is as under:

i) Reasons and effects of change of name by the company

In order to make sure that the new Principal Line of Business of the Company is consistent with the name of the Company, it has been decided by the Board of Directors of the Company that name of "Dar es salaam Textile Mills Limited" be changed to 'Dar es Salaam Limited'. The availability of the name "Dar es Salaam Limited" for use by the Company has been confirmed by the office of the Registrar of Companies, Securities and Exchange Commission of Pakistan, Lahore. Consequent to the change in the name of the Company, alteration in Memorandum and Articles of Association would also be required, wherever the extant name of the Company appears. Since prior consent of the members by way of a special resolution is required for affecting any change in the name of a company, consent of the Members to the change in the name of the Company, as aforesaid, is being sought in terms of the Special Resolution set out in the Notice.

Upon approval by the members, the Company shall make an application to the Registrar of Companies, Securities and Exchange Commission of Pakistan, Lahore for approving the change in the name of the Company and issuing a fresh Certificate of Incorporation to the Company in the new name as aforesaid, upon receipt of which the Company shall make the required alteration in the Memorandum and Articles of Association of the Company, title of bank accounts, deeds, registration, other documents etc. so that the said documents reflect the new name as aforesaid, in place of the Dar es salaam Textile Mills Limited, the current name of the Company.

ii) Proposed new name of the company

"Dar es Salaam Limited"

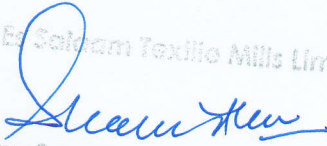


iii) Confirmation that the proposed name is not incommensurate with the principal line of business of the company

There is nothing inappropriate in the proposed name that give rise to any disparity with the proposed line of business.

iv) If change of name is due to diversification of main business activities or entering a new geography etc. same shall be disclosed

Not applicable

For Dar Es Salaam Textile Mills Limited.

Company Secretary