



**DAR ES SALAAM TEXTILE MILLS  
LIMITED**

54, C III,  
GULBERG-III,  
LAHORE – 54662, PAKISTAN

Telephone No. +92 42 5878643-4  
Telefax No +92 42 5878642  
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 20 April 2020, Monday at 09:30 a.m. at the Company's registered office, located at 54 C-III, Gulberg III, Lahore, to transact the following businesses: -

**Ordinary Business:**

1. To confirm the minutes of the last Annual General Meeting of the Company held on 28 October 2019.

**Special Business:**

2. To consider and if thought fit, to pass the following special resolutions seeking lease of industrial property of the Company with or without any modification, addition or deletion in terms of Section 183(3)(a) of the Companies Act, 2017:

**RESOLVED THAT** approval of the members of the Company be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to lease out its industrial property, i.e. freehold land and building thereon land.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to lease out its industrial property (freehold land and building thereon) and delegate any or all of its powers in this regard to the Chief Executive Officer or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to leasing of its industrial property (freehold land and building).

**RESOLVED FURTHER THAT** Chief Executive Officer and/or Company Secretary be and are hereby authorised and empowered on behalf of the Company to do all acts, deeds and take all necessary steps including negotiations and signing/execution of the agreements and all other documents as may be necessary in order to give effect to lease of Company's premises.

**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.

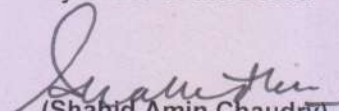
**RESOLVED FURTHER THAT** the resolution passed by the shareholders above authority shall remain in-force until revoked by the shareholders of the Company.

**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.

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.

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

**By Order of the Board**

  
(Shahid Amin Chaudry)  
Company Secretary

Lahore: 27 March 2020



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### Notes:

- 1) The Members Register and Share Transfer Books will remain closed from 13 April 2020 to 20 April 2020 (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 13 April 2020 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 13 April 2020 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 at 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.



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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 at the address given herein above at least 10 days prior to the date of the meeting on the Standard Form 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](mailto: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; shareholders may contact the Company at either of following:

Email: [info@daressalaamtextilemills.com](mailto:info@daressalaamtextilemills.com)  
Whatsapp 0308-1505141  
Mobile 0308-1505141



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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 20 April 2020.

The Company, in its meeting held on 30 April 2018 decided to dispose off freehold land, buildings, plant and machinery including related spare parts and other assets to settle amounts due to lenders and creditors and to implement alternate business plan. Accordingly, the Company disposed off plant & machinery along with stores, spares and loose tools in accordance with the approval of the shareholders whereas disposal of land and building could not be contemplated because of lack of buyers despite giving advertisement in print media and fullest efforts of the management which ultimately resulted in non-implementation of alternate business plan envisaged by the shareholders.

The Company had already suspended its operations since September 2016 owing to shortage of working capital, unfavorable market conditions and continuous losses. As on 31 December 2019, the Company's accumulated losses stood at Rupees 298.047 million; its equity eroded by Rupees 118.674 million whereas its current liabilities had exceeded its current assets by Rupees 120.101 million.

The Board of Directors, after exhausting all its options, is seeking approval of shareholders to lease out freehold land and building thereon to meet cash flow requirements of the Company and generate surplus funds to settle liabilities, as much as, towards its creditors. Now, the Company is seeking approval from its members in accordance with Section 183 of the Companies Act, 2017 to lease out freehold industrial land and building thereon. The information required under SRO 423(I)/2018 of 03 April 2018 is as follows:

i.	<b>Description/Name of the asset lease out</b>	Freehold free hold Industrial land: 126 kanals and 13 marlas of land located at 10 Kilometer Muridke-Sheikhupura Road, Lahore.  Building on freehold industrial land: Total covered area of 250,417 SFT located at 10 Kilometer Muridke-Sheikhupura Road, Lahore.
ii.	Acquisition date of the asset	Freehold industrial land: 16 <sup>th</sup> December 1989.  Building on industrial freehold land: Constructed over the period after acquisition of land
iii.	Cost	Freehold land: Rupees 2,346,030  Building on freehold land: Rupees 89,210,727
iv.	Revalued amount	Freehold land: Rupees 126,648,000  Building on freehold land: Rupees 351,646,545
v.	Date of revaluation	Latest revaluation was conducted on 01 April 2018
vi.	Book value	Freehold land: Rupees 126,648,000 Building on freehold land: Rupees 229,932,722
vii.	Approximate current market price / Fair value	As stated at point (iv)
viii.	Tenure of lease	5 years which is subject to extendable for another term of five years



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ix.	Lease rentals	The yearly rent including applicable taxes shall not be less than 5% of the annual letting value of land and building.
x.	Increment rate	10% per annum.
xi.	Mode/basis of determination of lease rentals	Lease rental will be determined as per current market terms.
xii.	Other terms and conditions of the lease	The prospective lessee has the right to make appropriate alteration in the building for establishing, operating and running of any business and shall provide the possession on expiry of lease, if not renewed.
xiii.	Purpose of the lease	The transaction would allow the Company to generate operating cashflows and day to day business requirements.
xiv.	Utilization of the proceeds received from the transaction	The Company shall utilize the rental received to meet the day to day expenses and surplus funds may be used to settle liabilities towards creditors.
xv.	Effect on operational capacity of the company	Operational capacity of the company would not be affected as the Company has already disposed off its plant and machinery.
xvi.	Qualitative and quantitative benefits expected to accrue to the members	As a result of the aforesaid transaction, if the company obtains a lease rental will generate the income and the management expect to pay dividend out of profits to its minority shareholders in near future.

### Inspection of documents

Information pertaining to company's Memorandum and Articles of Association and other related information of the Company may be inspected during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Extraordinary General Meeting.

### Interest of directors and their relatives

The Directors of the Company and their relatives, if any, are interested to the extent of their shareholdings in the Company.