

D.M. TEXTILE MILLS LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of members of D.M. Textile Mills Limited will be held at Westridge, Rawalpindi, at 05:00 P.M., on Saturday, 03 November 2012 to transact the following business:

ORDINARY BUSINESS

1. To confirm the Minutes of the last Annual General Meeting of the Company held on 31-10-2011.
2. To receive, consider and adopt the annual audited accounts of the company for the year ended 30 June 2012 together with directors' and auditors' reports thereon.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

1. To consider and if deemed fit, to pass the following resolutions as an ordinary resolution, with or without any modification, addition or deletion in terms of section 196 (3) (a) of the Companies Ordinance 1984.

Resolved unanimously "Sale of plant and machinery and other surplus assets of D.M. Textile Mills Limited be and **are** hereby approved after clearance from the banks / financial institutions wherever assets are under lien / charge, in such lot or lots and in such manner and on such basis and on such terms and subject to such conditions and for such consideration as may be determined by the board of directors of the company".

Further resolved, "Board of Directors of the company or their nominee(s) / representative(s) as the board of directors may from time to time specially designate for the purpose, be and are hereby severally authorized to take any or all actions necessary or conducive for fulfilling any requirement or in implementation thereof including, without limitation, to negotiate, finalize and execute as applicable any and all contracts, instruments, power of attorney, notices, certificates, documents (of whatever nature and description) for or in connection with the aforesaid, issue any notices, seek any approvals, make any filings and do all such acts, deeds and things as they may deem necessary and / or expedient".

GENERAL BUSINESS

2. To transact any other business with the permission of the chair.

Rawalpindi
Date: 09 October 2012

By the order of the Board
M.F. ZAMAN QURESHI - FCA
(Company Secretary)

Notes:

1. The members' register will remain closed from 27 October 2012 to 03 November 2012 (both days inclusive). Transfers received at **Share Registrar Office, Corplink (Pvt) Ltd, Wings Arcade, 1-K, Commercial, Model Town, Lahore** or our registered office by the close of business on 26 October 2012 will be entertained.
2. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time for holding the meeting.
3. Shareholders are requested to immediately notify the change in address, if any.
4. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
 - a. For attending the meeting
 - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
 - ii). In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures 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 holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - 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 owners and the proxy shall be furnished with the proxy form.
 - iv). The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - v). In case of corporate entity, the board of directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE 1984.

Sale of Assets

Textile Industry especially old units have been passing through severe crises for the past few years due to infrastructure bottleneck, high energy cost, rising cost of production etc.

The plant and machinery and other surplus assets of the company **have** become obsolete and cannot be operated efficiently. Therefore, it is appropriate to dispose of the said plant and machinery and other surplus assets. The board of directors of the company in their meeting held on 09 October 2012 after due consideration has decided to dispose of all plant and machinery and other surplus assets of the company subject to consent of members of the company in general meeting and clearance from the banks / financial institutions where such assets are under lien / charge.

The information required under notification no. S.R.O. 1227 / 2005, dated 12 December, 2005 is as follows:

S. No.	Description	Owned and Leased Assets Rupees
1.	Detail of assets to be disposed of:	
	<ul style="list-style-type: none">• Cost of plant and machinery (blow room, carding, ring frames, autocones, compressors, generators etc.)	421,631,569
	<ul style="list-style-type: none">• Book value of plant and machinery	267,391,765
	<ul style="list-style-type: none">• Revalued amount	201,724,457
	<ul style="list-style-type: none">• Approximate current market price / fair value	201,724,457
	<ul style="list-style-type: none">• Other surplus assets (electric installation, factory equipment, furniture and fixtures, stores and spares etc.)	25,040,011

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| 2. | The proposed manner of disposal | Outright sale and / or through any other mean (advertisements for tenders, quotations, bids, etc), to be sold in a transparent manner. |
| 3. | Reason for the disposal of plant and machinery and other surplus assets | <p>Textile Industry especially old units have been passing through severe crises for the past few years due to infrastructure bottleneck, high energy cost, rising cost of production etc.</p> <p>The plant and machinery and other surplus assets of the company has become obsolete and cannot be operated efficiently. Therefore, it is appropriate to dispose of the said plant and machinery and other surplus assets.</p> |
| 4. | Benefits expected to accrue to the shareholders | The sale proceeds will be used to decrease the financial liabilities / over due payments to avoid litigation. |
| 5. | Nature and extent of interest, if any, of Directors | None of the directors have any direct or indirect interest in the sale or disposal of the plant and machinery and other surplus assets save and except as shareholders of the company |

Availability of Relevant Documents

The documents pertaining to above resolutions are available for inspection at the registered office of the company on any working day upto **02 November 2012** during business hours and also at the time of meeting.