D.S. INDUSTRIES LIMITED

Head Office:
20-K, Gulberg-II, Lahore.
Pakistan

Ph: +92-42-35715340
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Fax: +92-42-35752160

www.dsil.com.pk
dsilspinning@gmail.com

March 7, 2016

Mr. Muhammad Ghufran
DGM Companies Affairs
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi – 74400

Subject: Material Information

Dear Sir,

This is with reference to your letter dated February 28, 2017 regarding increase in share capital of the Company by way of otherwise than right issue

In this regard we are pleased to enclose herewith the following documents

1. Copy of Special Resolution
2. Payment of additional listing fee of Rs. 213,170 after tax deduction of 10% in favour of Pakistan Stock Exchange Limited
3. Approval of Securities & Exchange Commission of Pakistan under Section 86(1) of the Companies Ordinance 1984
4. Form 3, regarding return of Allotment filed with the Registrar of Companies
5. Auditor's Certificate confirming increase in paid up capital of the Company
6. Payment of supervisory fee of SECP @ 10% of Rs. 23,686 in favour of Pakistan Stock Exchange Limited.

Thanking you

Yours truly,
For D S Industries Limited

Salman Farooq
Company Secretary

A/c dept.

8/3/2017

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Minutes of the 36th Annual General Meeting
Held at the Registered Office 20-K, Gulberg II, Lahore at 3.30 p.m.
On Monday, October 31, 2016

Present in person:-

Directors & Associated Undertakings

Mr. Pervez Ahmed
Mr. Ali Pervez Ahmed
Mr. Hassan Ibrahim Ahmed
Mr. Suleman Ahmed
Mr. Atta-ur-Rehman
Mr. Muntazir Mehdi
Mr. Muhammad Yousaf
M/s D.S. Textiles Limited through Mr. Ali Pervez Ahmed
M/s Pervez Ahmed Securities Limited through Mr. Pervez Ahmed
M/s Infinite Securities Limited through Mr. Hassan Ibrahim Ahmed

Other Shareholders:

1-Mubashar Sana 2-Ahmad Majeed 3-Muhammad Shahid 4-Irfan Yousaf 5-Basharat Ahmad Ghani (Lhr) 6-Jameel Ahmed Saleemi 7-Afzal Rasul 8-Shahid Mehmood 9-Muhammad Jehangir Malik 10-Amjad Pervez 11-Muhammad Latif 12-Amjad Ali 13-Muhammad Ayub 14-Ambreen Ashraf 15-Imdad Ali 16-Rashid Siddiqui 17-Faryad Ali 18-Muhammad Amin 19-Abid Hussain 20-Muhammad Mushtaq Toor 21-Khalid Mahmood 22-Mohammad Bilal Khan 23-Parveen Akhtar 24-Javaid Jaan 25-Tariq Khurshid 26-Mubashir Sana 27-Ashraf Ali 28-Tariq Masood Makhdumi 29-Mohammad Yousaf 30-Mohammad Ashiq 31-Sh. Abdul Quyyum 32-Laeeq Ahmad 33-Kamran Rais 34-Amer Ikram 35-Bushra 36- Zafar Iqbal 37-Sumera Sheikh 38-Sheikh Muhammad Dawood 39-Muhammad Arshad 40- Shahnaz Perveen 41-Amna Tamseel 42-Khalid Mahmood 43-Hamid Mahmood 44-Zeeshan Munir 45- Muhammad Asif Aslam 46- Zafar Iqbal 47-Zafar Iqbal 48-Sughra Fardous 49-Muhammad Shafique Sheikh 50-Muhammad Aslam 51-Mubashar Sana 52-Tariq Mahmood 53-Shahid Mehmood 54-Muhammad Ashraf 55-Shaista Kanwal 56-Shagufta Rashid 57-Zeeshan Yousaf 58-Muhammad Yousaf 59-Fahad Ali 60-Tahir Javaid 61-Muhammad Bilal 62-Salman Yousaf 63-Rizwan Yousaf 64-Muhammad Hussain 65-Mahmood Akhtar Bhatti 66-Iftikhar Ahmed 67-Syed Sajid Hussain 68-Adil Pervaiz 69-Adil Pervaiz 70-Shahina Yasmin 71-Shaffi Ahmed Khan 72-Abdul Hamid Khan 73-Saima Ishtiaq 74-Shaikha Amjad 75-Iqra Shahid 76-Muhammad Anwar Khan 77-Muhammad Ashiq 78-Syed Khalid Mehmood 79-Naeem Ur Rehman 80-Muhammad Faizan 81-Nafeesa Kanwal 82-Yasir Munir Kakar 83-Maqsood Ahmad 84-Naila Ashiq 85-Faheem Ali Akbar 86-Sheikh Muhammad Dawood 87-Sheikh Abdul Qayyum 88-Muhammad Arshad 89-Nazar Mohy Ud Din 90-Samin Ather 91-Tehmina Hameed 92-Asiya Akbar 93-Saira Akbar 94-Sumera Sheikh 95-Sheikh Muhammad Umer 96-Asma Shahid 97-Nargas Sultana 98-Akbar Ali 99-Ahsanat Ali 100-Farhana Farooq 101-Sheikh Ghulam Nabi 102-Rizwan Hameed 103-Malik Asghar Ali 104-Sheikh Muhammad Wahid 105-Malik Muhammad Sageer -Ud-Din 106-Muhammad Siddique 107-Muhammad Hassan. 108-Urooj Siddique 109-Tanweer Kausar 110-Samina Kausar 111-Ejaz Masood Makhdumi 112-Sheikh Abdul Qayyum. 113-Sheikh Abdul Quyyum 114-Sheikh Abdul Qayyum 115-Sumera Sheikh 116-Bushra 117-Muhammad Rizwan Hanif 118-Mian Arif Masood Makhdumi 119-Najam Us Saqib 120- Attiq Ur Rehman Awan 121-Shahid Mehmood Bhatti . 122-Muhammad Kamil Kurd 123-Arman Ilyas 124-Rashid Majeed 125-Muhammad Zubair 126-Sultan Alam Ch 127-Manzoor Ahmad 128-Muhammad Ehsan-Ul-Haq 129-Sohail Zia 130-Nazir Ahmed . 131-Moomal Tabraiz 132-Saeed Ahmed Nizami 133-Ahmad Abaid Awan / Sajida Abaid 134 Rehana Pervez Ahmed

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Chairman

Mr. Hassan Ibrahim Ahmed proposed the name of Mr. Pervez Ahmed to chair the meeting which was seconded by Mr. Ali Pervez Ahmed; Mr. Pervez Ahmed was appointed Chairman of the meeting.

In Attendance

Mr. Muhammad Rafique Qureshi – Chief Financial Officer
Mr. Salman Farooq – Company Secretary

Quorum

The Company Secretary confirmed that the Quorum necessary for the meeting, as required under section 160 (2) (a) the Companies Ordinance, 1984 and Articles of Association of the Company was present.

The Meeting commenced with recitation from The Holy Quran by Mr. Hafiz Mohammad Yousuf. Notice convening the meeting and Statement under Section 160(1) (b) of the Companies Ordinance, 1984 were read. The Chairman informed that Annual Report including Notice of Meeting has been sent to Members, SECP and Pakistan Stock Exchange Limited. In addition, for the convenience of the members, the accounts have also been placed on our web site.

A. **ORDINARY BUSINESS**

Agenda item 1: To confirm minutes of the Annual General Meeting held on October 31, 2015

The minutes of the Annual General Meeting held on October 31, 2015 were read. There being no objection. The minutes were confirmed as being correct and were signed by the Chairman of the meeting.

Agenda item 2: To receive and adopt Audited Accounts of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.

The Chairman presented the Annual Audited Accounts of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' reports thereon and Statement of Compliance with Code of Corporate Governance to the members. The Chairman explained the performance of the Company for the year under review stated that the salient features of the accounts have been explained in the Directors' report; however, if any further explanation is required, he would be glad to explain. The Annual Audited Accounts were examined and discussed in detail and the following was unanimously approved.

"**RESOLVED** that the Annual Audited Accounts of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' reports thereon and Statement of Compliance with Code of Corporate Governance be and are hereby approved and adopted".

Agenda item 3: To appoint Auditors and fix their remuneration

Chairman informed the members that the present auditors of the Company M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants being eligible have offered themselves for re-appointment for the year ending June 30, 2017 and the Board of Directors, on recommendation of the Audit Committee, has recommended the appointment of retiring auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants for the financial year 2016-17. Mr. Ahmad Majeed proposed the following resolution:

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"**RESOLVED** that M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants be and are hereby re-appointed auditors of the Company for the year ending June 30, 2017 and that Mr. Pervez Ahmed, Chief Executive, be and is hereby authorized to negotiate and fix auditor's remuneration."

Mr. Rizwan Hameed seconded the resolution. The resolution was unanimously approved.

B. **SPECIAL BUSINESS**

Agenda item 1: To discuss, consider, approve and, if thought fit, pass the Special Resolution under section under section 84 and 86(1) of the Companies Ordinance, 1984.

Mr. Salman Farooq, Company Secretary, with the permission of the Chairman explained in detail the purpose of passing Special Resolution in this Annual General Meeting. Mr. Salman Farooq explained that the Company has obtained the advance against issue of shares and short term borrowings / loans from the shareholders and related parties and these advances were extended to the Company without any security, markup / interest and definitive terms of repayment. He further explained that these advances / short term borrowings extended by the shareholders were utilized by the Company as working capital to support its operations and pay company's liabilities.

He said that this issuance of shares at discount will strengthen the shareholders' equity and will improve the debt equity and working capital ratios of the Company which will enable the company to borrow funds from the Financial Institutions.

He added that the proposed Resolution and Statement u/s 160(1) (b) of the Companies Ordinance, 1984, were sent to all the shareholders along with notice of AGM, in addition a statement containing the following disclosures / information has also been circulated to the shareholders before the holding of AGM.

1 The issuance price of Rs 4/- per share (i.e. 60% discount) has been determined by the management by taking into account all the relevant factors which were:

2 The volume weighted average price of share for the last six (6) months as on 30th September, 2016 comes to Rs. 3.53 per share.

3 The scrip of the Company at the close of trading hours at Pakistan Stock Exchange Limited ("PSX") on September 30, 2016 was Rs.4.22 per share.

4 Based on the above calculations and trading data it was decided that the discounted issue price of Rs. 4 per share is a reasonable price for issue of shares. The same has already been explained in statement u/s 160 (1) (b) of the Companies Ordinance, 1984 circulated with notice of Annual General Meeting (AGM) to shareholders.

D.S. INDUSTRIES LTD.

5 The notice of Board of Directors' meeting was sent to Directors and Pakistan Stock Exchange Limited on October 03, 2016. The Board of Directors approved the issuance of shares at Rs 4/- per share (i.e. 60% discount) in their meeting held on October 10, 2106. The notice of AGM was sent to shareholders on October 10, 2016. So it was not possible to take into account the price movement after the dispatch of notices to directors and shareholders. However current volume weighted average price for last six months as on October 25, 2016 comes to Rs.4.23 per share.

i. In the Statement u/s 160 (1) (b) of the Companies Ordinance, 1984 sent to shareholders it has been explained that pursuant to issuance of shares at discount otherwise than right, the shareholding of four persons / related parties acting in concert shall increase to 51.27% as compared to present shareholding of 19%. This issuance of shares otherwise than right and at discount shall be subject to compliance of applicable takeover law

He replied to the questions raised by some of the shareholders regarding the Special Resolution. On consensus, Mr. Mohammad Ashiq proposed and Mr. Sheikh Muhammad Dawood seconded the following resolutions:

RESOLVED that the Company, subject to the approval of the shareholders of the Company and the Securities and Exchange Commission of Pakistan ("SECP"), be and is hereby authorized to issue 40,000,000 ordinary shares of the Company by way of other than right at 60% discount to the par value of Rs. 10/- each at Rs. 4/- per share to the following shareholders and related parties against the advance for issue of shares and the short term borrowing / loan under section 84 and 86(1) of Companies Ordinance, 1984 ("the Ordinance") as follows:

		Shares
a)	M/s Origins	8,816,666
b)	Mr. Pervez Ahmed	10,224,168
c)	Pervez Ahmed Capital (Pvt.) Ltd	6,499,250
d)	Mrs. Rehana Pervez Ahmad	14,459,916
	Total	**40,000,000**

RESOLVED that these new ordinary shares shall from the date of allotment, rank pari passu in all respect with the existing fully paid ordinary shares of the Company

RESOLVED that the Chief Executive and / or Company Secretary ("Authorized Officers") be and are hereby authorized and empowered to complete all such legal formalities to give effect of the aforesaid Resolutions(s) on behalf of the Company. In case any error, omission or mistake is pointed by the Securities and Exchange Commission of Pakistan ("SECP") and any other Competent Authority in, the aforesaid resolution(s), the Chief Executive and / or Company Secretary be and is hereby authorized to make necessary amendment, modification, addition or deletion as may be required

RESOLVED that the aforesaid Special Resolution shall be subject to any amendment, special instruction, modification, addition or deletion as may be suggested, directed or advised by the SECP which suggestion, direction or advice shall be deemed to be part of these Special Resolutions without the need of the shareholders to pass a fresh Special Resolution.

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RESOLVED that the all actions hereto taken and or to be taken by and on behalf of the company by the Authorized Officers in terms of these resolutions be and hereby ratified and confirmed by the Company.

FURTHER RESOLVED that Company Secretary be and is hereby authorized to file necessary returns of Form – A and 29 together other documents and information, with the Registrar of Companies, Lahore within the prescribed period of limitation as required under the law.

There being no further business the meeting ended with a vote of thanks to the Chair

CHAIRMAN

D.S. INDUSTRIES LTD.

Company Secretary

D.S. INDUSTRIES LTD.

SECP

No.CSD/CI/6/2016 2012

February 23, 2017

Mr. Imtiaz Majeed
Chief Executive
Hameed Majeed Associates (PVT.) Limited
H.M. House, 7 Bank Square,
Lahore
Fax: 042-37358817

Subject: Review Application for issuance of shares other than right issuance at discount

Dear Sir,

Please refer to your application dated February 02, 2017 and subsequent correspondence regarding the aforementioned subject.

2. In this connection, I am pleased to inform you that the competent authority on the basis of special resolution passed by the shareholders of D.S Industries Limited ("the Company") in the annual general meeting (AGM) held on October 31, 2016, information provided to the Commission and circumstances of the case presented by Company has allowed the Company to issue 23,685,631 shares at price of Rs. 6.50 per share by way of shares otherwise than right under Section 86 of the Companies Ordinance, 1984 to the following:

i.	Mr. Pervez Ahmed	6,329,683
ii.	Origins	5,422,564
iii.	Mrs. Rehana Pervez	7,958,461
iv.	Pervez Ahmed Capital (Private) Limited	3,974,923
	Total	**23,685,631**

3. Please note that the aforesaid approval is being given against outstanding loan of sponsors/ associates provided directly to the Company. The aforesaid approval is, however, subject to the following conditions:

a) Shares shall be issued within 60 days from the date of this letter under intimation to this office;
b) The Company shall inform the Commission within 07 days of the issuance of shares;
c) The directors of the Company shall not divest their shareholding for a period of three years;
d) The aforesaid approval for issuance of shares is being given based on the documents/ information provided, relevant laws and regulations and hence the Commission bears no responsibility whatsoever for the (express or implied) agreements between the lenders and the Company.

4. It may be noted that the aforesaid is issued without prejudice to the relevant requirements of Securities Act, 2015, if applicable.

5. Please acknowledge receipt.

Amina Aziz
Director
Corporate Supervision Department

D.S. INDUSTRIES LTD.
Company Secretary

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN

Russell Bedford

Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

72-A, Faisal Town, Lahore.

T: +92 42 35160431 - 35160432
F: +92 42 35160433

Board of Directors
D.S. Industries Limited
20-K, Gulberg II,
Lahore.

Gentlemen,

AUDITORS' CERTIFICATE ON INCREASE IN PAID-UP CAPITAL

We have been requested to provide you with a certificate confirming increase in paid-up capital of D.S Industries Limited ('the Company') along with total paid-up capital after the issuance of 23,685,631 ordinary shares of Rs. 10 each issued as otherwise than right.

Scope of Certificate

This certificate has been issued to confirm increase in paid-up capital of the Company along with total paid-up capital after the issuance of 23,685,631 ordinary shares of Rs. 10 each issued as otherwise than right, for onward submission to the Pakistan Stock Exchange Limited.

Management's Responsibility

It is the management's responsibility to provide the books and records of the Company related to issue of ordinary shares.

Auditor's Responsibility

Our responsibility is to confirm increase in paid-up capital of the Company along with total paid-up capital after the issuance of 23,685,631 ordinary shares of Rs. 10 each issued as otherwise than right, in accordance with the '*Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms*' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

a. Examined approval of the Securities and Exchange Commission of Pakistan for issuance of shares; and

b. Verified the issue and paid-up value of ordinary shares issued from Form III filed with Securities and Exchange Commission of Pakistan.

Certificate

Based on procedures mentioned above, we certify that the paid-up capital of the Company after the issue of 23,685,631 ordinary shares of Rs 10 each at Rs. 6.5 per ordinary share is as follows:

Investor Name	No. of Shares	Amount *(Rupees)*
Issued, subscribed and paid-up capital before issue of ordinary shares	60,000,000	600,000,000
Issue of ordinary shares	23,685,631	236,856,310

Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, is a partnership firm registered in Pakistan and a member of Russell

Investor Name	No. of Shares	Amount (Rupees)
Issued, subscribed and paid-up capital after issue of ordinary shares	83,685,631	836,856,310

Restriction on use and distribution

This certificate is issued to confirm increase in paid-up capital of the Company along with total paid-up capital after the issuance of 23,685,631 ordinary shares of Rs. 10 each issued as otherwise than right, for onward submission to the Pakistan Stock Exchange Limited and is not to be used for any other purpose. This certificate is restricted to the facts stated herein.

RAHMAN SARFRAZ RAHIM IQBAL RAFIQ
Chartered Accountants

Lahore: March 04, 2017