

April 11, 2001 Investment in associated companies by Dewan group of companies.

Annual General Meetings of M/s. Dewan Sugar Mills Limited, Dewan Mushtaq Textile Mills Limited, Dewan Khalid Textile Mills Limited and Dewan Textile Mills Limited were scheduled to be held on March 31, 2001. While examining the contents of the notices of the said AGMs, it was observed that the companies intended to seek approval of the shareholders for passing Special Resolutions pertaining to loans and advances to their associated companies. It was further checked that all the companies have already exceeded the limit of 30% as fixed under Section 208(1) of the Companies Ordinance, 1984 for making investment in associated companies

Since the proposed special resolutions were found in violation of the provisions of Section 208(1) of the Companies Ordinance, 1984, the companies were directed not to proceed further for getting approval of the shareholders.

On our direction, the management of the aforesaid companies have confirmed in writing that the proposed resolutions pertaining to the investments in associated companies will not be moved in the AGMs.