

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 25th annual general meeting of the members of Hira Textile Mills Limited will be held on Monday, October 31, 2016 at 11.00 AM at the registered office of the company i.e. 44 E/1 Gulberg III, Lahore, to transact the following:

1. To confirm the minutes of the last General Meeting.
2. To receive and adopt the audited accounts of the company for the year ended on June 30, 2016 together with the Directors and auditor's reports thereon.
3. To appoint auditors and fix their remuneration. The retiring auditors M/S Deloitte Yousaf Adil Chartered Accountants, being eligible offer themselves for reappointment.
4. **SPECIAL BUSINESS:**
To consider and, if thought fit, Pass the following Special Resolution in terms of Section 208 of The Companies Ordinance 1984, with or without amendments.
"RESOLVED THAT the Company be and is hereby authorized to make temporary loans/advances from time to time to the extent of Rs. 250,000,000/- (Rupees Two Hundred Fifty Million only) to Hira Terry Mills Ltd an associated Company.
"FURTHER RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to undertake and make the above temporary loans/advances as short term financing on the terms and conditions given in the statement under Section 160(1) (b) annexed herewith
5. To transact any other business with the permission of the Chair.

(By the order of the Board)

Saeed Ahmad Khan
Company Secretary

Lahore: October 08, 2016

Notes

- 1- The statement under section 160(1) (b) of the Companies Ordinance, 1984, read with S.R.O 865 (1)/ 2000 dated December 6, 2000 issued by SECP pertaining to the Special Business is annexed with this notice to the members.
- 2- The Share Transfer Books of the Company will remain closed from October 24, 2016 to October 31, 2016 (both days inclusive).
- 3- A member entitled to attend and vote at the General Meeting may appoint any person as proxy to attend and vote instead of him/her. No person other than a member shall act as proxy.
- 4- An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed.
- 5- Members who have not submitted copy of valid CNIC are once again advised to submit the same without further delay to ensure compliance with the Securities and Exchange Commission of Pakistan (SECP) Notification S.R.O.19(1)2014 dated January 10, 2014 read with Notification S.R.O. 831(1)2012 dated July 5, 2012.
- 6- The account holders of CDC are requested to bring their original NI/Passport for the purpose of identification at the meeting.
- 7- As directed by the SECP vide Circular No. 18 of 2012 dated June 5, 2012, we once again give the opportunity to those shareholders who have not yet provided mandate information, to authorize the company to directly credit the cash dividend, if any, declared by the company in future, in their respective bank account instead of issuing a dividend warrant by providing their dividend mandate, in case of book entry securities in CDS, to respective CDS

participants and in case of physical share to Company's Independent Share Registrar. Copy of dividend mandate from may be downloaded from Company's website www.hiratex.com.pk

8- In compliance with directives issued by the Securities and Exchange Commission of Pakistan and / or Federal Board of Revenue from time to time. Shareholders who have not yet provided their dividend mandate information and / or CNIC and / or NTN (as the case may be) are requested to provide the same at the earliest as follows:

- The shareholders who hold Company Shares in Physical form are requested to submit the above information to the Share Registrar.
- Shareholders maintaining their shareholdings under Central Depository system (CDS) are advised to submit the above information directly to relevant participant / CDC Investor Account Service
- Members are also requested to update their tax paying status (Filler/Non-Filer) to the Company Share Registrar.

The above information may please be provided as follows.

Folio / CDC ID/Account No.	Name	National Tax No.	CNIC No. (in case of individual)	Income tax return for year 2014 filed (Yes or No)
----------------------------	------	------------------	----------------------------------	---

This would enable us to process future dividend payments "if any" in accordance with the tax payment status of the members pursuant to the provisions of Finance Act,2015 effective July 1,2015 whereby the rates of deduction of income tax under section 150 of the Income Tax Ordinance, 2001 from dividend payment have been revised as follows:

1.	Rate of tax deduction for filer of income tax returns	12.5 %
2.	Rate of tax deduction for non-filers of income tax returns	17.5 %

9- The directive of SECP contained in SRO 787(1) 2014 dated September 8, 2014, whereby Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate annual balance sheet, profit and loss account, auditor's report and director's report etc. (Audited Financial Statements) along with notice of annual general meeting (Notice) to its members **by email** are requested to provide their email addresses on registered address of the Company.

CDC account holders are requested to provide their email addresses to the relevant member stock exchange and CDC. If maintaining CDC investor account.

10- Members are requested to immediately inform of any change in their address.

STATEMENT OF MATERIAL FACTS UNDER SECTION 160 (1) (B) OF THE COMPANIES ORDINANCE, 1984

Hira Terry Mills Limited is public limited (unlisted) Company having assets of Rs. 4,049.995 millions with paid up capital of Rs. 393.400 millions. The company manufactures and deals in all types of Towels.

INVESTMENT IN ASSOCIATED COMPANY

(A) Maximum limit of running advance / temporary loan Rs.250 million to Hira Terry Mills Limited in terms of section 208 was approved by the members for a period of two years on Oct 31, 2014 with a provision for extension of two years. This limit is to be enhanced for one year further. The temporary loan / advance is completely adjusted as on June 30, 2016 and now no amount is outstanding. No loan was written off. It is now purposed that members may approve limit of Rs. 250 million for one year in the advance / temporary loan to Hira Terry Mills Limited.

(B) The investment would be made at such times as the Chief Executive may think appropriate in the following manner:

- | | | |
|--------|---|--|
| (i) | Name of Investee Company | Hira Terry Mills Limited |
| (ii) | Nature of Loan/Advance | Short Term running advances from time to time |
| (iii) | Purpose of short term loans and advances | The purpose of short term loans and advances is to provide financial facilities as and when required for meeting the Immediate requirements of Working Capital of the borrowing Company. |
| (iv) | Amount of Loan /Running advance (Maximum Limit) | Rs. 250,000,000/- (Rupees Two hundred fifty million only) |
| (v) | Rate of mark up | 1% above the prevailing short term lending rates of the Commercial banks which, in any case, will not be less than the borrowing cost of the investing Company. |
| (vi) | Tenor | For a period of 1 year commencing from Nov 1, 2016 to Oct 31, 2017 extendable depending upon financial conditions of Hira Terry Mills Ltd. |
| (vii) | Securities | No security is considered necessary as both the Companies are under common management control. |
| (viii) | Source of Funds | Company's own internal cash reserves. |
| (ix) | Repayable Schedule | The loans and advances are adjustable maximum within a period of twelve months. |
| (x) | Other Terms & Conditions | i) Hira Textile shall have the right to add, amend or alter any terms and conditions including the rate of Markup or call back the advance amount after notice to Hira |

Terry.

ii) In the event of default the Board of Directors shall have the right to call back the amount and/or charge additional markup as penalty.

(xi) Benefits likely to accrue to the Company and its shareholders from loans and advances

The Investing Company and its shareholders will be benefited in a manner that their investment will fetch a return of 1% above the Lending rates of commercial banks. Hira Textile owns 18,450,000 shares in the issued capital of Hira Terry and shall also benefit if Hira Terry declares dividends on account of better business of Hira Terry on the basis of Financial Facility being provided to it.

(C) Brief about Hira Terry Mills Limited the investee Company on the basis of last audited financial statements for the year ended 30-06-2016:

Net Sales	Rs. 3,181.981 Million
Equity- Net	Rs. 1,412.052 Million
Long term Loans and Lease	Rs. 151.023 Million
Current Ratio	1.117: 1
GP Ratio	21.17 %
Net Profit Ratio	6.17 %
Shareholding of Hira Textile Mills Ltd.	18.450 Million Shares or 46.90 %
Share of Profit to Hira Textile Mills Ltd.	Rs. 91.564 Million
Outstanding Balance of Running advances / Loan as on June 30, 2016	Nil
Maximum outstanding Balance of Running advance / Loan during the year 2015-2016.	Rs. 7.983 Million

(D) The Directors of Hira Textile Mills Limited have no other interest in the investment except that 3 Directors of Hira Textile Mills Limited and two spouse are share holders in Hira Terry Mills Ltd, the associated company. Their consolidated holding is 1,018,000 shares (2.59%).

(E) The audited Financial Statement of Hira Terry Mills Limited and Hira Textile Mills Limited for the year ended June 30, 2016, can be inspected from 10.00 a.m. to 11.30 a.m. in all working days up-to October 22, 2016 by the shareholders of Hira Textile.