

J.K. Spinning Mills Ltd.



Ref: JKSM/T-107/2019
Dated: 05-10-2019

Associated Companies:

J. K. Power Ltd.
J. K. Agriculture Farms (Pvt) Ltd.
J. K. Tech (Pvt.) Ltd.
Fine Fabrics (Pvt) Ltd.

The General Manager
Pakistan Stock Exchange Ltd,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

SUB: NOTICE OF ANNUAL GENERAL MEETING

Dear Sir,

Please find attach herewith a copy of Notice of Annual General Meeting of the Members of J.K. Spinning Mills Ltd to be held on October 28, 2019 for circulation amongst the TRE certificate holders.

Thanking you.

Yours faithfully,

For: **J.K Spinning Mills Ltd.**

Syed Mansoor Naqvi
Company Secretary

Copy to:

The Director/HOD,
Surveillance, Supervision and Enforcement Department,
Security Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area,
ISLAMABAD.

J.K. Spinning Mills Ltd.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 33RD ANNUAL GENERAL MEETING OF THE MEMBERS OF J. K. SPINNING MILLS LIMITED WILL BE HELD ON MONDAY 28TH OCTOBER, 2019 AT 10.00 A.M. AT 29 K.M, SHEIKHUPURA ROAD, KHURRIANWALA, FAISALABAD TO TRANSACT THE FOLLOWING BUSINESS:

Associated Companies:

J. K. Power Ltd.
J. K. Agriculture Farms (Pvt) Ltd.
J. K. Tech (Pvt.) Ltd.
Fine Fabrics (Pvt) Ltd.

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary General Meeting held on 24th May, 2019.
2. To receive, consider and adopt the Annual Audited Accounts along with the reports of Directors' and Auditors of the company for the year ended 30th June, 2019.
3. To consider, approve and declare Final Cash Dividend at Rs.2/- per share @ 20 % to Ordinary Share Holders for the year ended 30th June, 2019 as recommended by the Board of Directors.
4. To appoint Auditors for the year 2019-2020 and fix their remuneration. The present Auditors M/S EY Ford Rhodes, Chartered Accountants, being eligible offer themselves for reappointment.

SPECIAL RESOLUTION:

5. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2019 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the note 41 of the financial statements for the year ended June 30, 2019 and specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

6. To authorize the Board of Directors of the Company to approve transactions with Related Parties Transactions for sale and purchase of goods/ Services to / from J.K. Tech (Pvt.) Limited up to Rs: 200 Million & J.K. Agriculture Farms (Pvt.) Limited up to Rs: 100 Million - associated companies for the year ending June 30, 2020 by passing the following Special resolution with or without:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2020."

"RESOLVED FURTHER that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

Head Office: 29-KM, Sheikhpura Road, Khurrianwala, Faisalabad, Pakistan. UAN Tel: (92-41) 111151515 UAN Fax: (92-41) 111-161616

Ph: (92-41) 2401011-16 Fax: (92-41) 2401017-18

Mills: Ph: 041-2401100-03 Fax: 041-2401104

Email: jkgroup@jkgroup.net **URL:** <http://www.jkgroup.net>

J.K. Spinning Mills Ltd.



ANYOTHER BUSINESS:

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

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Fine Fabrics (Pvt) Ltd.

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134 (3) of the Companies Act, 2017).

BY THE ORDER OF THE BOARD

SYED HUSSAIN SHAHID MANSOOR NAQVI
COMPANY SECRETARY

FAISALABAD:

Dated: **02-10-2019**

NOTES:

1. The Register of Members will remain closed from October 22, 2019 to October 28, 2019 (both days inclusive). The Members whose names appear on the Register of Members as on October 21, 2019 shall be entitled to attend and vote at the AGM.
2. A member entitled to attend. Speak and vote at the meeting shall also be entitled to appoint another member as his/her proxy to attend. Speak and vote instead of him/her and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the member appointing him/her as proxy. The Instrument of Proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarized certified copy of that Power of Attorney or authority, in order to be effective must be received by the Company at least 48 hours before the meeting. A proxy need not be a member of the Company. The Form of Proxy is enclosed with this notice.
3. Any company or other body corporate which is a member of the Company may, by resolution of its Directors, or proxy signed by authorized officers, authorize any of its officials or any other person to act as its representative at the meeting and the person so authorized shall be entitled to exercise the same powers as if he/she were an individual member of the Company.

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4. Since all shares issued to members are in dematerialized format in their respective Central Depository Company of Pakistan Limited [CDC] accounts, the individual members desiring to attend the meeting are requested to bring their original Computerized National Identity Cards (CNICs) along with the Investor Account or Participant ID and House Account/ Sub-Account numbers, for identification purposes, whereas, in case of corporate member, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee may preferably be provided to the Company well in advance or otherwise produced at the time of meeting.
5. Members are requested to notify the change of their registered address, if any. Immediately but before the first day of book closure, to their Participant/CDC Investor Account Services which maintains their CDC account.
6. E-Dividend
Pursuant to Section 242 of the Companies Act, 2017 [the Act] read with relevant provisions of the Companies (Distribution of Dividends) Regulations, 2017 [the Regulations], all listed companies have been mandated to pay dividend only by way of electronic mode, directly into the bank accounts of entitled shareholders designated by them. Accordingly, all shareholders of the Company who have not yet provided their bank account details (including IBAN) to their participant/CDC Investor Account Services which maintains their CDC account are requested to provide the same at the earliest, otherwise, the Company would be constrained to withhold their amount of dividend, if any, in accordance with the requirements of the Act and the Regulations.
7. Consent for Video Conference Facility
In term of SECP's Circular No. 10 of 2014 dated 21 May 2014 read with provisions contained under Section 134(1) (b) of the Act, members of the Company may also attend and participate in the AGM through video conference facility in a city other than Faisalabad, if members residing in the vicinity, collectively holding 10% or more shareholding, demand in writing, to participate in the AGM through video conference (as per the format appended below) at least seven (7) days prior to the date of AGM.

After receiving the consent of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of the AGM along with complete information necessary to enable them to access such facility.

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Contents for Video Calling Facility
I/We/Messrs., _____ of _____, being a Member of J.K. Spinning Mills Limited, holder of _____ Ordinary Share(s) as per CDC Participant ID & Sub-Account No. _____, hereby, opt for video conference facility at _____
_____ Signature of the Member(s) (Please affix company stamp in case of corporate entity)

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

- Item Number 5 of the notice Ratification and approval of the related party transactions carried out during the year ended June 30, 2019.

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the listed Companies (Code of Corporate Governance) Regulations, 2017. However, during the year since Company's Directors were interested in certain transactions due to their common directorships in the associated companies, therefore common directors did not participate for approval of these transactions pursuant to section 207 of the Companies Act, 2017. During the 32nd Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2019 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in next AGM for their formal approval ratification.

Accordingly, these transactions are being placed before the AGM for the formal approval ratification by shareholders.

All transactions with related parties to be ratified have been disclosed in the note 41 to the financial statement for the year ended June 30, 2019. Party-wise details of such related party transactions are given below:

Name of Related Party	Relationship with the company	Transaction Type	PKR in '000'
J. K. Tech (Private) Limited	Associated Company	Service charges paid	2,168
		Rental income recovered	1,920
Employees' Provident Fund Trust	Other Related Party	Company's contribution to Employees' Provident Fund Trust	23,517
Directors	Director	Loan repaid to directors - net	8,114
		Dividend paid	60,166

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Fine Fabrics (Pvt) Ltd.

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, service charges paid / Rental Income Recovered, dividends, Loan repaid to directors and investments made (in accordance with the approval of shareholders and board where applicable).

The nature of relationship with these related parties has also been indicated in the note 41 to the financial statement for the year ended June 30, 2019. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

2. Item Number 6 of the notice - Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2020.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2020 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The Directors interested in these transactions due to their common directorship in the associated companies and other related parties. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2020, which transactions shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their common directorships in such related parties.