



KOHINOOR SPINNING MILLS LIMITED



**NOTICE OF EXTRAORDINARY
GENERAL MEETING
MAY 05, 2017**



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting of the shareholders of Kohinoor Spinning Mills Limited ("Company") will be held on **Friday, 05 May, 2017 at 11.00A.M. at the 7/1 1-E Main Boulevard Gulberg III, Lahore** to transact the following **Special Business**;

1. To consider and, if thought fit, to pass with or without modification(s), addition(s) or deletion(s), the following resolutions as special resolution(s), under first Proviso to Section 86(1) of the Companies Ordinance, 1984 ("Ordinance"):

"Resolved that the special resolution passed by the shareholders on 30 December 2016 for conversion of Directors' loan into equity be and is hereby rescinded.

Further Resolved that, subject to compliance with the provisions of all applicable laws and requisite regulatory approvals, permissions and sanctions, including the approvals of the Securities and Exchange Commission of Pakistan (the "SECP") under first proviso to Section 86 (1) of the Companies Ordinance, 1984 ("Ordinance"), approval of the shareholders of Kohinoor Spinning Mills Limited (the "Company") be and is hereby accorded to increase the paid up share capital of the Company from Rs. 650 million divided into 130 million ordinary shares of PKR 5 each to Rs. 1,078,571,425 divided into 215,714,285 ordinary shares of PKR 5 each by the issuance of additional 85,714,285 Ordinary Shares at Rs. 7 (including premium of Rs. 2) each of by way of otherwise than right shares, total PKR. 599,999,995 to the following Directors of the Company against their outstanding loans towards the Company"

	No. of Shares	Face Value (PKR)	Premium (PKR)	Total (PKR)
Mr. Khawaja Mohammad Kaleem	42,285,714	211,428,570	84,571,428	295,999,998
Mr. Khawaja Mohammad Nadeem	5,857,143	29,285,715	11,714,286	41,000,001
Mr. Khawaja Mohammad Naveed	<u>37,571,428</u>	<u>187,857,140</u>	<u>75,142,856</u>	<u>262,999,996</u>
Total	<u>85,714,285</u>	<u>428,571,425</u>	<u>171,428,570</u>	<u>599,999,995</u>

Further resolved that the shares when issued shall from the date of their allotment, rank pari passu in all respects with the existing fully paid Ordinary Shares and the recipient of such shares shall enjoy similar rights and entitlements in respect of these shares as in respect of previously held shares, from the date of allotment.

Further resolved that the Chief Executive Officer and / or Company Secretary of the Company, be and are hereby authorized singly and / or jointly ("Authorized Persons") to enter into and execute such documents as may be required in relation to the further issue of shares otherwise than right shares.

Further resolved that the Authorized Persons, be and are hereby further authorized singly and / or jointly, to take all steps necessary, ancillary and incidental for the issuance of the shares otherwise than right shares including but not limited to obtaining all requisite regulatory approvals, preparation and circulation of the notice of the General Meeting, preparing the resolutions to be placed before the General Meeting; engaging legal advisor(s) and consultants for the purposes of the above, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the issue of further shares without right shares and all other matters incidental or ancillary thereto.

Further resolved that the Company be and is hereby authorized to take all such actions including but not limited to the filing the requisite applications (through the Authorized Persons or their appointed consultants) for seeking



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permission from the Securities and Exchange Commission of Pakistan and such other regulatory authorities as may be required for issuance of further capital without right offering and all matters relating thereto.

Resolved further that all acts, deeds, and actions taken by the Authorized Persons pursuant to the above resolutions for and on behalf of and in the name of the Company shall be binding acts, deeds and things done by the Company.

Further resolved that the aforesaid special resolution(s) shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by the shareholders, SECP and / or any other regulatory body which suggestion, direction and advice shall be deemed to be part of these Special resolution(s) without the need of the shareholders to pass fresh Special Resolution(s).”

14 April 2017
Lahore

By order of the Board

Hasan Ahmad
Company Secretary



Notes:

1. A statement of material facts under Section 160 of the Companies Ordinance, 1984 concerning the special business to be transacted at EOGM is being sent to the members with the notice of the meeting.
2. The share transfer books of the Company will remain closed from April 28, 2017 to May 05, 2017 (both days inclusive). Transfers received at the Company's Share Registrar's Office by the close of the business on April 27, 2017 will be considered in time for the purpose of attending and voting at the EOGM.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for him/her. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarally certified copy thereof, should be deposited, with the Company Secretary of the Company at Registered Office of the Company not less than 48 hours before the time of holding the meeting. No persons shall be appointed as a Proxy unless he/she is a member of the company.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting Personally

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

The instrument of e-voting under option 2 shall be deposited in advance in writing at least ten days before holding of general meeting, at the registered office 7/1 E-3 Gulberg-3 Lahore of the Company or through e mail: ksmcorporate@chakwalgroup.com.pk.

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b. The proxy/e-voting form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c. The Company will arrange for e-voting if the Company receives demand for poll from at least five members or by an member or members having not less than one tenth of the voting power.
 - d. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - e. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - f. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
5. If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
 6. Shareholders are requested to notify any change in their addresses immediately.



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per share which is Rs. 3 per share (as per audited accounts of 30th June 2016), Rs.0.95 per share (as per reviewed accounts of 31st December 2016) and Rs. 0.01 per share (as per un-audited accounts of 31st March 2017).

(d) Latest Market Price of Share

Rs. 5.40 as of April 14, 2017 as per rate at Pakistan Stock Exchange Limited.

(e) Break-up value per Share:

Break-up value per shares as of March 31, 2017 on the basis of un-audited accounts of the Company is Rs. 0.01.

(f) Consideration for issue of Shares:

The consideration for the proposed issuance of shares will be conversion of director's loans extended by them to the Company as detailed above.

(g) Purpose, Utilization and benefits:

Purpose: To reduce the liabilities and improvement of capital base of the Company and breakup value of the Company and to save mark up.

Utilization: The issuance of the Shares will be against the outstanding loans of the directors.

Benefits: This will enhance the borrowing capacity of the company thereby improving liquidity position and improvement in the business and returns for the Company and value for its shareholders.

(h) Existing shareholding of the persons to whom Shares are proposed to be issued:

	No. of Shares	(%) of Paid Up Capital
Mr. Khawaja Mohammad Kaleem	21,167,854	16.28
Mr. Khawaja Mohammad Nadeem	4,150,500	03.19
Mr. Khawaja Mohammad Naveed	11,845,600	09.11

(i) Total shareholding of the persons after the proposed issuance of Shares:

	No. of Shares	(%) of Paid Up Capital
Mr. Khawaja Mohammad Kaleem	63,453,568	29.42
Mr. Khawaja Mohammad Nadeem	10,007,643	04.64
Mr. Khawaja Mohammad Naveed	49,417,028	22.91

(j) Consent of persons to whom the proposed shares are to be issued:

The directors named above have consented in writing to the acquisition of proposed shares if approved by the shareholders and the Securities and Exchange Commission of Pakistan.

(k) Ranking of shares:

The proposed shares when issued will rank *pari passu* with the existing ordinary shares of the Company.

(l) Approval:



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The proposed issuance of shares shall be subject to approval of the Securities and Exchange Commission of Pakistan.

(m) **Shares issued in past two years:**

No shares have been issued in the past two years:

(n) **Cut-Off Date:**

Completion of procedural process of SECP will be the cut-off date.

7. The Board of Directors of the Company has recommended that the special resolutions as set out in the notice are passed at the Extraordinary General Meeting.
8. The Directors named above are respectively interested in the proposed issuance of shares of the Company in consideration of their outstanding loans. Other directors have no interest in the issue of shares, whether directly or indirectly.