

Notice of Annual General Meeting

Notice is hereby given that the 48th Annual General Meeting of the members of **Kohinoor Textile Mills Limited** (the "Company") will be held on **Monday, October 31, 2016 at 12:30 PM** at its Registered Office, 42-Lawrence Road, Lahore, to transact the following business:-

Ordinary Business:

- 1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2016 together with the Directors' and Auditors' Reports thereon.
- 2) To approve final cash dividend for the year ended June 30, 2016 at Rs. 3/- per share (30%), as recommended by the Board of Directors. This is in addition to the interim 15% cash dividend and 15% bonus shares, already paid / allotted to the shareholders.
- 3) To appoint Auditors for the year ending on June 30, 2017 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, the retiring auditors and being eligible offer themselves for re-appointment.

Special Business:

- 4) To consider and if deemed fit, to pass the following special resolution under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), as recommended by the Directors:-

“Resolved by way of special resolution that consent and approval of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 (the "Ordinance") for investment in the form of loans/advances from time to time to Maple Leaf Cement Factory Limited, a subsidiary of the Company, upto an aggregate sum of Rs. 1,000 million (Rupees one thousand million only) for a period of one year commencing from November 01, 2016 to October 31, 2017 (both days inclusive) at the mark-up rate of one percent above the average borrowing cost of the Company. Vide special resolution passed in general meeting held on October 31, 2015 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs.500 million which is valid till October 31, 2016.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the





requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan (SECP), executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution.”

- 5) To consider and if thought fit, to pass the following resolution as special resolution with or without modification(s), addition(s) or deletion(s) to alter the Articles of Association of the Company:-

“**Resolved** that in accordance with the provisions of Section 28 and other applicable provisions of the Companies Ordinance, 1984, and subject to requisite permission and clearance, the following new Article 73A be and is hereby inserted after the existing Article 73 in the Articles of Association of the Company:

“73A. Electronic Voting:

- I. This article shall only be applicable for the purposes of electronic voting;
- II. The Company shall comply with the mandatory requirements of law regarding the use of electronic voting by its members at general meetings. Members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this article.”

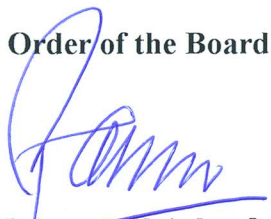
Resolved further that the Company Secretary be and is hereby authorized to take or cause to be taken any and all actions necessary and make necessary filings and complete legal formalities as may be required to implement this resolution.”

- 6) To consider dissemination of annual audited accounts through CD/DVD/USB instead of transmitting the same in the form of hard copies and approve the following resolution as a Special Resolution with or without modification:-

“**Resolved** that dissemination of information regarding annual audited accounts to the shareholders in soft form i.e. CD/DVD/USB as notified by Securities and Exchange Commission of Pakistan vide its SRO 470(I)/2016 dated May 31, 2016, be and is hereby approved.”

By Order of the Board




(Muhammad Ashraf)
Company Secretary

Lahore: October 10, 2016



NOTES:

1. The Share Transfer Books of the Company will remain closed from October 20, 2016 to October 31, 2016 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 19, 2016 will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.
2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy and CDC shareholders shall attach an attested copy of his/her Computerized National Identity Card (CNIC) / Passport. Proxies, in order to be effective, must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Representatives of corporate members should bring the usual documents required for such purpose.
3. The Members, who desire for receiving the annual financial statements and AGM Notice through e-mail, are requested to send their written consent on a Standard Request Form available on website www.kmlg.com in order to avail this facility.
4. The audited financial statements for the year ended June 30, 2016 are available on website of the Company www.kmlg.com.
5. Shareholders are requested to notify / submit the following information & documents, in case of book entry securities in CDS to their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier provided / notified:-
 - a. Change in their addresses;
 - b. Dividend mandate information i.e. Title of Bank Account, Bank Account No., Bank's Name, Branch Address and Cell / Landline No(s). of the Transferee(s) towards direct dispatch of cash dividend cheque(s) to their bankers;
 - c. Valid and legible copies of CNIC for printing of CNIC number(s) on their Dividend Warrant(s) as required vide SRO 831 (I)/2012 dated July 05, 2012. In case of non-submission of valid & legible copy of CNIC, the Company will be constrained to withhold the Dividend Warrant(s) till such time the CNIC copy is provided by them;
 - d. Valid and legible copies of National Tax Number (NTN) or NTN Certificate(s) of corporate entities and must quote the company name and their respective folio numbers thereon while sending the copies;
 - e. Pursuant to requirement of the Finance Act, 2016 effective July 01, 2016, the 'Filer' & 'Non-Filer' shareholders will pay tax on dividend income @12.5% and 20% respectively. Therefore, please ensure that their name(s) have been





Kohinoor Textile Mills Limited

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Ph. # 042-36302261-62, Fax # 042-36368721



entered into Active Taxpayers List (ATL) provided on website www.fbr.gov.pk of the Federal Board of Revenue (FBR), despite the fact that the shareholder is a filer, before the payment date of final cash dividend i.e. **November 26, 2016**, otherwise tax on cash dividend will be deducted @20% instead of 12.5%;

- f. As per clarification of FBR, each joint holder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding notified by each joint holder. Accordingly, such shareholder(s) may notify in writing within 10 days from entitlement date i.e. **October 19, 2016** as per under format to our Share Registrar. If no notification is received to our Share Registrar, then it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s);

Folio/CDC A/c. No.	Total Shares	Principal Shareholder		Joint Shareholder(s)		Signature(s)
		Name & CNIC #	Shareholding Proportion (No. of Shares)	Name & CNIC #	Shareholding Proportion (No. of Shares)	

- g. Valid income tax exemption certificate issued by the concerned Commissioner of Inland Revenue is to be furnished to the Company / Share Registrar in order to avail tax exemption u/s 150 of the Income Tax Ordinance 2001 (tax on dividend) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available and want to avail exemption u/s 150 of the Ordinance, otherwise tax will be deducted under the provisions of laws;
- h. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

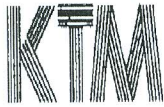
Statement Under Section 160(1)(b) of the Ordinance:

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 31, 2016:-

Item agenda 4: Investment in Maple Leaf Cement Factory Limited

Maple Leaf Cement Factory Limited, having its Registered Office at 42-Lawrence Road, Lahore (the "MLCF") is a subsidiary of the Company and the Company, being a holding company, holds 291,410,425 ordinary shares constituting 55.22% of the aggregate paid-up





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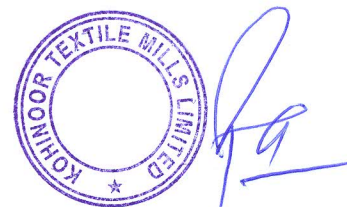
capital in MLCF, a public listed company engaged in the business of manufacturing and sale of cement and the factory is located at Iskanderabad, District Mianwali.

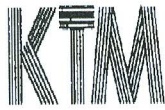
The Board of Directors of the Company in their meeting held on September 05, 2016 has approved Rs. 1,000 million as loans / advances, being a reciprocal facility, to MLCF on the basis of escalating profit trend of MLCF subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCF in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in MLCF and it has been kept at Registered Office of the Company for inspection of the members along with audited accounts of MLCF as required under the Regulations.

Information under clauses 3(1)(b) & 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Ref. No.	Requirement	Information
(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;	Maple Leaf Cement Factory Limited (the "MLCF") MLCF is a subsidiary of Kohinoor Textile Mills Limited (the "Company") and the Company holds 55.22% of the aggregate paid-up capital in MLCF.
(ii)	Amount of loans or advances;	Rs. 1,000 million (Rupees one thousand million only).
(iii)	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances;	Purpose: To earn income on the loan and/or advances to be provided to MLCF from time to time for working capital requirements of MLCF. Benefits: The Company will receive mark up at the rate of one percent above of its average borrowing cost. This shall benefit the Company's cash flow by earning profit on idle funds.





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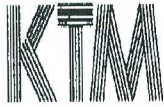
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		Period: For a period of one year from November 01, 2016 to October 31, 2017.																										
(iv)	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;	A similar nature of loan/advance facility of Rs.500 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 31, 2015 which is valid till October 31, 2016.																										
(v)	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2016, the financial position of MLCF is as under:- <table border="1" data-bbox="809 892 1412 1511"> <thead> <tr> <th>Particulars</th> <th>Amount Rs.(000)</th> </tr> </thead> <tbody> <tr> <td>Paid up capital</td> <td>5,277,340</td> </tr> <tr> <td>Capital reserves</td> <td>2,058,137</td> </tr> <tr> <td>Accumulated profits</td> <td>9,414,403</td> </tr> <tr> <td>Surplus on revaluation of fixed assets-net of tax</td> <td>4,587,255</td> </tr> <tr> <td>Current liabilities</td> <td>5,027,065</td> </tr> <tr> <td>Current assets</td> <td>8,477,707</td> </tr> <tr> <td>Breakup value per share (Rs.) without revaluation</td> <td>31.74</td> </tr> <tr> <td>Sales - Net</td> <td>23,432,696</td> </tr> <tr> <td>Gross Profit</td> <td>10,022,132</td> </tr> <tr> <td>Operating Profit</td> <td>7,553,042</td> </tr> <tr> <td>Net Profit</td> <td>4,884,585</td> </tr> <tr> <td>Earnings per share (Rs.)</td> <td>9.26</td> </tr> </tbody> </table>	Particulars	Amount Rs.(000)	Paid up capital	5,277,340	Capital reserves	2,058,137	Accumulated profits	9,414,403	Surplus on revaluation of fixed assets-net of tax	4,587,255	Current liabilities	5,027,065	Current assets	8,477,707	Breakup value per share (Rs.) without revaluation	31.74	Sales - Net	23,432,696	Gross Profit	10,022,132	Operating Profit	7,553,042	Net Profit	4,884,585	Earnings per share (Rs.)	9.26
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(vi)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	Average borrowing cost of the Company is 5.35% for the year ended June 30, 2016.																										
(vii)	Rate of interest, mark up, profit, fees or commission etc. to be charged;	Mark-up will be charged from MLCF at one percent above the average borrowing cost of the Company.																										
(viii)	Sources of funds from where	Loan and / or advance will be given out of																										





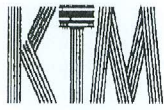
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	loans or advances will be given;	own funds of the Company.	
(ix)	Where loans or advances are being granted using borrowed funds,- A) justification for granting loan or advance out of borrowed funds; B) detail of guarantees / assets pledged for obtaining such funds, if any; and C) repayment schedules of borrowing of the investing company;	N/A	
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	No collateral is considered necessary since MLCF is a subsidiary company of the Company.	
(xi)	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A	
(xii)	Repayment schedule and terms of loans or advances to be given to the investee company;	The loan / advance would be for a period of one year from November 01, 2016 to October 31, 2017 (both days inclusive). MLCF will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2017.	
(xiii)	Salient features of agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	Nature	Loan / advance
		Purpose	To earn mark-up / profit on loan/advance being provided to MLCF which will augment the Company's cash flow
		Period	One Year





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		Rate of Mark-up	Above one percent the average borrowing cost of the Company
		Repayment	Principal plus mark-up/profit upto October 31, 2017.
		Penalty charges	@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertakings or the transaction under consideration; and	Investing company i.e. the Company is a holding company of MLCF and six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.	
(xv)	Any other important details necessary for the members to understand the transaction	N/A	

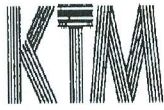
Five Directors of the Company are also the members of investee company i.e. MLCF and are interested to the extent of their shareholding as under:-

Name	%age of shareholding in MLCF	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol & his spouse	0.3540	4.4551
Mr. Taufique Sayeed Saigol	0.0010	4.5922
Mr. Sayeed Tariq Saigol	0.0010	0.1286
Mr. Waleed Tariq Saigol	0.0010	0.0289
Mr. Danial Taufique Saigol	0.0005	0.0010

Item 5 of agenda: Insertion of Article 73A in the Articles of Association of the Company

Securities and Exchange Commission of Pakistan (SECP) has issued Companies (E-Voting) Regulations, 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The Directors have





recommended alteration in the Articles of Association by inserting a new Article 73A therein which will give the members option to be part of the decision making in the general meetings of the Company through electronic means.

The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the Company.

Original and amended copies of the Articles of Association have been kept at the registered office of the Company which can be inspected on any working day during usual business hours till the date of Annual General Meeting.

Item 6 of agenda: Dissemination of information regarding Annual Audited Accounts to the shareholders through CD/DVD/USB

In order to implement SECP directions with respect to transmission / circulation of information such as annual audited accounts through CD/DVD/USB instead of hard copies, special resolution is a part of the notice for concurrence of shareholders to adopt the newly introduced mode of transmission. However, for convenience of shareholders Standard Request Form will be uploaded on Company's website for those who opt to receive Annual Audited Accounts at their registered addresses or through email.

The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the Company.

