



## MAPLE LEAF CEMENT FACTORY LTD

Registered Office: 42-Lawrence Road, Lahore  
Phones: 042-36278904-5, Fax: 042-36368721

**KMLG**  
Kohinoor Maple Leaf Group

### Notice of Annual General Meeting

**Notice** is hereby given that the 54<sup>th</sup> Annual General Meeting of the members of Maple Leaf Cement Factory Limited (the "Company") will be held on **Thursday, October 30, 2014 at 11:00 AM** at 42-Lawrence Road, Lahore, the Registered Office of the Company, to transact the following business:-

#### Ordinary Business:

- 1) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2014 together with the Directors' and Auditors' Reports thereon.
- 2) To appoint Auditors for the year ending on June 30, 2015 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants, the retiring auditors and being eligible offer themselves for re-appointment.

#### Special Business:

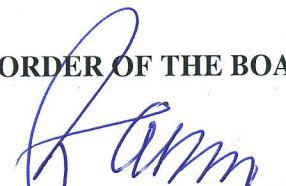
- 3) To consider and if deemed fit, to pass the following resolution under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), as recommended by the Directors:-

**"Resolved** by way of special resolution that consent and approval of Maple Leaf Cement Factory 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 Kohinoor Textile Mills Limited, the holding company, upto an aggregate sum of Rs.300 million (Rupees three hundred million only) for a period of one year commencing from November 01, 2014 to October 31, 2015 (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, 2013 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs.300 million which is valid till October 31, 2014.

**Resolved further** that the Chief Executive 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 holding company but not limited to filing of all the requisite statutory forms and all other documents with SECP, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

BY ORDER OF THE BOARD



  
(Muhammad Ashraf)  
Company Secretary

Lahore: October 09, 2014



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### NOTES:

1. Share transfer books of the Company will remain closed from October 23, 2014 to October 30, 2014 (both days inclusive). Physical transfers/CDS Transaction IDs received in order at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, upto the close of business on October 22, 2014 will be considered in time to determine voting rights of the shareholders for attending of 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. CDC shareholders are requested to bring with them their CNIC / Passport in original along with Participants' ID Numbers and their Account Numbers to prove his/her identity.
4. Shareholders are requested to notify / submit the following, in case of book entry securities in CDS to respective CDS participants and in case of physical shares to the Company's Share Registrar, if not earlier provided / notified:-
  - a. Change in their addresses;
  - b. Valid and legible photocopies of National Tax Number (NTN), both for individuals & corporate entities; and
  - c. Dividend mandate information i.e. Title of Bank Account, Bank Account Number, Bank's Name, Branch Address, CNIC, NTN and Cell / Landline Number(s) of Transferee(s) towards direct credit of cash dividend through e-dividend mechanism, if announced by the Company at later stage.

### STATEMENT UNDER SECTION 160(1)(b) OF THE ORDINANCE:

#### INVESTMENT IN HOLDING COMPANY

This statement sets out the material facts pertaining to the special business proposed to be transacted under Section 208 of the Ordinance at the forthcoming Annual General Meeting of the Company to be held on October 30, 2014.





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Kohinoor Textile Mills Limited (“KTML”), the holding company, having its Registered Office at 42-Lawrence Road, Lahore, is manufacturer of yarn and cloth, processing and stitching the cloth and trade of textile products and its production comprise 156,528 ring spindles capable of spinning a wide range of counts using cotton and Man-made fibers. The weaving facilities at Raiwind comprise 204 looms capable of weaving wide range of greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics for the home textile market. The stitching facilities produce a diversified range of home textiles for the export market. Both the dyeing and stitching facilities are being augmented to take advantage of greater market access.

The Board of Directors of the Company in their meeting held on September 17, 2014 has approved Rs.300 million as loan / advances, being a reciprocal facility, to KTML on the basis of escalating profit trend of KTML subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to KTML 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 KTML and it has been kept at Registered Office of the Company for inspection of the members along with audited accounts of KTML as required under the Regulations.

### The 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;	<b>Kohinoor Textile Mills Limited</b> (the “KTML”)  KTML is a holding company of Maple Leaf Cement Factory Limited (the “Company”).
(ii)	Amount of loans or advances;	Rs.300 million (Rupees three hundred 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;	<b>Purpose:</b> To earn income on the loan and/or advances to be provided to KTML from time to time for working capital requirements of KTML.  <b>Benefits:</b> The Company will receive





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		<p>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.</p> <p><b>Period:</b> For a period of one year from November 01, 2014 to October 31, 2015.</p>																										
(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.300 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, 2013 which is valid till October 31, 2014.																										
(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;	<p>Based on the audited financial statements for the financial year ended 30 June 2014, the financial position of KTML is as under:-</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td>Rupees (000)</td> </tr> <tr> <td>Paid up capital</td> <td>2,455,262</td> </tr> <tr> <td>Reserves</td> <td>3,713,659</td> </tr> <tr> <td>Surplus on revaluation of land and investment properties</td> <td>3,673,825</td> </tr> <tr> <td>Current liabilities</td> <td>5,868,566</td> </tr> <tr> <td>Current assets</td> <td>5,359,518</td> </tr> <tr> <td>Breakup value per share (Rs.) without revaluation</td> <td>25.13</td> </tr> <tr> <td>Sales</td> <td>15,302,242</td> </tr> <tr> <td>Gross Profit</td> <td>1,907,163</td> </tr> <tr> <td>Operating Profit</td> <td>1,853,976</td> </tr> <tr> <td>Net Profit</td> <td>1,169,652</td> </tr> <tr> <td>Earnings per share (Rs.)</td> <td>4.76</td> </tr> </tbody> </table>	Particulars	Amount		Rupees (000)	Paid up capital	2,455,262	Reserves	3,713,659	Surplus on revaluation of land and investment properties	3,673,825	Current liabilities	5,868,566	Current assets	5,359,518	Breakup value per share (Rs.) without revaluation	25.13	Sales	15,302,242	Gross Profit	1,907,163	Operating Profit	1,853,976	Net Profit	1,169,652	Earnings per share (Rs.)	4.76
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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 10.46% for the year ended June 30, 2014.
(vii)	Rate of interest, mark up, profit, fees or commission etc. to be charged;	Mark-up will be charged from KTML at one percent above the average borrowing cost of the Company.
(viii)	Sources of funds from where loans or advances will be given;	Loan and / or advance will be given out of own funds of the Company.
(ix)	Where loans or advances are being granted using borrowed funds,- justification for granting loan or advance out of borrowed funds; detail of guarantees / assets pledged for obtaining such funds, if any; and 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 KTML is a holding 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, 2014 to October 31, 2015 (both days)





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		inclusive). KTML will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2015.												
(xiii)	Salient features of agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	<table border="1"> <tr> <td><b>Nature</b></td> <td>Loan / advance</td> </tr> <tr> <td><b>Purpose</b></td> <td>To earn mark-up / profit on loan / advance being provided to KTML which will augment the Company's cash flow</td> </tr> <tr> <td><b>Period</b></td> <td>One Year</td> </tr> <tr> <td><b>Rate of Mark-up</b></td> <td>Above one percent the average borrowing cost of the Company</td> </tr> <tr> <td><b>Repayment</b></td> <td>Principal plus mark up/profit upto October 31, 2015</td> </tr> <tr> <td><b>Penalty charges</b></td> <td>@3-months KIBOR plus one percent in addition to the outstanding amount(s).</td> </tr> </table>	<b>Nature</b>	Loan / advance	<b>Purpose</b>	To earn mark-up / profit on loan / advance being provided to KTML which will augment the Company's cash flow	<b>Period</b>	One Year	<b>Rate of Mark-up</b>	Above one percent the average borrowing cost of the Company	<b>Repayment</b>	Principal plus mark up/profit upto October 31, 2015	<b>Penalty charges</b>	@3-months KIBOR plus one percent in addition to the outstanding amount(s).
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(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	<p>Investing Company i.e. the Company is a subsidiary company of KTML and six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding.</p> <p>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.</p>												





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(xv)	Any other important details necessary for the members to understand the transaction.	N/A
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Six Directors including sponsor Directors of the Company are also the members of investee company i.e. KTML and are interested to the extent of their shareholding as under:-

Name	%age of shareholding in KTML	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol & his spouse	4.2727	0.3540
Mr. Taufique Sayeed Saigol	4.4098	0.0010
Mr. Sayeed Tariq Saigol	0.1286	0.0010
Mr. Waleed Tariq Saigol	0.0289	0.0010
Mr. Danial Taufique Saigol	0.0010	0.0005
Mr. Zamiruddin Azar	0.0024	0.0020

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