

**SHAKARGANJ MILLS LIMITED**  
**NOTICE OF EXTRA-ORDINARY GENERAL MEETING**

NOTICE is hereby given that an Extra-Ordinary General Meeting of the shareholders of SHAKARGANJ MILLS LIMITED (the "Company") will be held on **Friday, 30 May 2014 at 11:30 a.m at Noor Benquet Hall,9-E/A2, Main Boulevard, Gulberg III, Lahore** to transact the following business:

**Ordinary Business:**

- 1) To elect seven (7) Directors of the Company as fixed by the Board under Section 178 (1) of the Companies Ordinance, 1984 for a period of three (3) years commencing from June 01, 2014. Following are the names of retiring Directors who are eligible for re-election:
  1. Mr. Ahsan M. Saleem
  2. Mr. Ali Altaf Saleem
  3. Mr. Khalid Bashir
  4. Mr. Muhammad Anwar
  5. Mr. Muhammad Arshad
  6. Mr. Rasul Bux Phulpoto (Nominee NIT)
  7. Mr. Shehryar Mazhar

**Special Business:**

- 2) To approve increase in authorized capital of the Company and consequent amendments in the Memorandum and Articles of Association.

By order of the Board

Lahore: 06 May 2014

Asif Ali  
Company Secretary

**NOTES**

1. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting.
2. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
3. 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
    - a. In case of Individuals, the account holder and/or sub-account holder whose 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**

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. 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.

4. Members are requested to timely notify any change in their addresses.

**Book Closure:**

The Register of Members of the Company will remain closed from 23 May 2014 to 30 May 2014 (both days inclusive). Transfers received in order at the office of the company's Independent Share Registrar, M/s. CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore by the close of business (5:00 PM) on Thursday, 22 May 2014 will be considered in time to be eligible for the purpose of attending and voting at the extraordinary general meeting.

**Notice to members who have not provided their CNIC:**

The directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I) / 2012 dated 05 July 2012 provides that the dividend warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC number of the members are, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to Independent Share Registrar at the address given above without any further delay:

**E-dividend mandate:**

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged by SECP where shareholders can get amount of the dividend credited into their respective bank accounts electronically. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 has advised all listed companies to adopt e-dividend mechanism due to the benefits it entails for their members. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

**STATEMENTS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 IN RESPECT OF SPECIAL BUSINESS AND RELATED DRAFT RESOLUTIONS**

**1. Election of Directors**

The term of office of the present Directors of the Company will expire on 31 May 2014. In terms of Section 178 (1) of the Companies Ordinance, 1984, the directors have fixed the number of elected directors at seven (7) to be elected in the extraordinary general meeting for a period of three years.

The present Directors are interested to the extent that they are eligible for re-election as Directors of the Company.

Any person who seeks to contest election to the office of director shall, whether he is a retiring director or otherwise, file with the Company at its Registered Office, 10<sup>th</sup> Floor, BOP Tower, 10-B, E-2, Gulberg-III, Lahore, not later than fourteen days before the day of the meeting, the following documents:

- i. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 178(3) of the Companies Ordinance, 1984, together with the consent to act as a director in Form 28 prescribed under Section 184 of the Companies Ordinance, 1984;
- ii. A detailed profile along with office address as required under SECP's SRO 25 (1) 2012 dated 16 January 2012;
- iii. A director must be a member of the company at the time of filing of his/her consent for contesting election of directors.
- iv. A declaration confirming that:
  - 1) He/she is aware of duties and powers under the relevant laws, Memorandum & Articles of Association of Company and listing regulations of stock exchanges;
  - 2) He/she and his/her spouse does not engage in business of stock brokerage;
  - 3) He/she is not serving as a director in more than seven (7) listed companies including this Company excluding directorship in listed subsidiaries of listed holding companies;
  - 4) He/she is not ineligible to become a director of a listed company under any applicable laws and regulations.

**2. Increase in Authorized Share Capital of the Company and Consequent Amendments in the Memorandum and Articles of Association:**

The present Authorized Share Capital of the Company is insufficient to allow any further increase in capital for the future financing needs of the Company. Therefore, in order to cater for the future increase in paid up share capital, the Authorized Share Capital of the Company needs to be enhanced. Accordingly, the Board of Directors has recommended to increase the Authorized Share Capital of the Company from Rs. 1,300,000,000/- divided into 80,000,000 ordinary shares of Rs 10 each and 50,000,000 preference shares of Rs. 10 each to Rs. 2,000,000,000/- divided into 150,000,000 ordinary shares of Rs. 10 each and 50,000,000 preference shares of Rs. 10 each subject to approval of shareholders.

The proposed increase in the Authorized Share Capital of the Company will also necessitate amendments in clause V of the Memorandum of Association

and clause 5(2) of the Articles of Association of the Company. The Board of Directors have also recommended alteration in the Memorandum and Articles of Association of the Company to reflect increase in Authorized Share Capital of the company.

The new ordinary shares when issued shall rank *pari passu* with the existing ordinary shares in all respects.

No directors or Chief Executive of the Company or their relatives have any interest in the proposed increase in authorized share capital and alterations of the Memorandum and Articles of Association of the Company except in their capacities as directors/Chief Executive/shareholders.

The following resolutions are proposed to be passed as Special Resolutions:

#### **Draft Resolutions**

"RESOLVED that:

- a) the Authorized Share Capital of the Company be and is hereby increased from Rs. 1,300,000,000/- divided into 80,000,000 ordinary shares of Rs 10 each and 50,000,000 preference shares of Rs. 10 each to Rs. 2,000,000,000/- divided into 150,000,000 ordinary shares of Rs. 10 each and 50,000,000 preference shares of Rs. 10 each
- b) consequent upon the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company and Article 5 (2) of the Articles of Association of the Company be and is hereby amended to read as follows:

*Clause V of the Memorandum of Association:*

"V. The authorized share capital of the Company is Rs.2,000,000,000 (Rupees two billion only) divided into 1,500,000,000 (one billion five hundred million) ordinary shares of Rs.10 (Rupees ten) each, and 50,000,000 (fifty million) preference shares of Rs.10 (Rupees ten) each, with the power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984 and any rules made thereunder, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association or the Policies of the Company for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association or Policies of the Company."

*Article 5 (2) of the Articles of Association:*

"(2) The authorized share capital of the Company is Rs.2,000,000,000 (Rupees two billion only) divided into 1,500,000,000 (one billion five hundred million) ordinary shares of Rs.10 (Rupees ten) each, and 50,000,000 (fifty million) preference shares of Rs.10 (Rupees ten) each, with such preferential, qualified or special rights, privileges, conditions or restrictions or postponement of rights as the Company may from time to time determine by Special Resolution, with the power insofar as is permitted by law, to redeem any of its shares, to increase or

reduce the share capital for the time being and to divide the share capital into several classes, and to attach thereto, respectively, such preferential, qualified or special rights, privileges, conditions or restrictions or postponement of rights and to vary, modify or abrogate such rights, as may be determined by or in accordance with the Ordinance and the Policies of the Company for the time being."

- c) the ordinary shares when issued shall carry equal voting rights and rank *pari passu* with the existing ordinary shares of the company in all respects/matters in conformity with the provisions of Section 92 of the Companies ordinance, 1984.
- d) the Chief Executive Officer and / or Company Secretary be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities, make amendments, modification addition or deletion and file all requisite documents with the Registrar to effectuate and implement this resolution.
- e) the aforesaid amendments in the Memorandum and Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be deemed appropriate by the authorized person or as may be suggested, directed and advised by the SECP which suggestion, direction and advise shall be deemed to be have been approved as part of these Special Resolutions without the need of the shareholders to pass a fresh Special Resolution."

A copy of the Memorandum and Articles of Association has been kept at the registered Office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the extraordinary general meeting.