

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF J. K. SPINNING MILLS LIMITED WILL BE HELD ON TUESDAY 25 OCTOBER, 2022 AT 11.00 A.M. AT 29 K.M, SHEIKHUPURA ROAD, KHURRIANWALA, FAISALABAD, TO TRANSACT THE FOLLOWING BUSINESS:

## ORDINARY BUSINESS:

1. To confirm the minutes of 35th Annual General Meeting held on 28th October, 2021.
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, 2022.
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, 2022 as recommended by the Board of Directors.
4. To appoint Auditors for the year 2022-2023 and fix their remuneration. The present Auditors M/s Riaz Ahmad and Company, Chartered Accountants, being eligible, has offered themselves for reappointment.

## SPECIAL BUSINESS:

5. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2022 by passing the following special resolution with or without modification:

**"RESOLVED THAT** the transactions conducted with Related Parties as disclosed in the Note 40 of the financial statements for the year ended June 30, 2022 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 and 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 and Fine Fabrics (Pvt.) Limited, up to Rs. 350 million - associated companies for the year ending June 30, 2023 by passing the following Special resolution with or without modification:

**"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, 2023."

**"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."

## ANYOTHER BUSINESS:

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

(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

## FAISALABAD:

Dated: Septemeber 16, 2022

SYED HUSSAIN SHAHID MANSOOR NAQVI  
COMPANY SECRETARY

## NOTES:

1. **CLOSURE OF SHARE TRANSFER BOOKS:**  
The Share Transfer Books of the Company will remain closed from 18 October 2022 to 25 October 2022 (both days inclusive). Transfers received at the Company's Share Registrar, M/s CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore, at the close of business on 17 October 2022 will be treated in time for the purpose of above entitlement to the transferees.



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## 2. PARTICIPATION IN THE AGM THROUGH VIDEO LINK FACILITY:

The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 6 dated March 03, 2021 has allowed listed companies to arrange participation of shareholders in Annual General Meeting through Video Link Facility in addition to physical attendance by the members as well.

Shareholders interested to participate in the meeting through video link are requested to email their Name, Folio Number, Cell Number and Number of Shares held in their name with subject "Registration for J. K. Spinning Mills Limited AGM - 2022" along with valid copy of both sides of Computerized National Identify Card (CNIC) at [jkgroup@jkgroup.net](mailto:jkgroup@jkgroup.net). The video link and login credentials will be shared with only those members/designated proxies whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

A member entitled to attend and vote at this meeting is also entitled to appoint another member, as a proxy to attend and vote on his/her behalf. In order the proxy to be valid, the instrument of proxy and the power of attorney or any other authority, under which it is signed, must be shared through e- mail on [jkgroup@jkgroup.net](mailto:jkgroup@jkgroup.net) not less than 48 hours before the time of AGM. The Proxy form is annexed.

All CDC accountholders shall authenticate their identity by showing original CNIC at the time of attending meeting. In the case of a corporate entity, a certified copy of the resolution of Board of Directors / valid Power of Attorney, having the name and specimen signature of the nominee should be produced at the time of meeting.

Only those persons whose names appear in the Register of Members of the Company as at 17 October 2022 are entitled to attend and vote at the Annual General Meeting

## 3. WITHHOLDING TAX ON DIVIDEND:

Under Section 150 of the Income Tax Ordinance, 2001 following rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as under:

- |  |     |
|--|-----|
| a. Persons appearing in the Active Taxpayers' list (ATL)     | 15% |
| b. Persons not appearing in the Active Taxpayers' list (ATL) | 30% |

Members whose names does not appear in the Active Tax Payers List (ATL) provided on the website of FBR (despite the fact that they are filers) are advised to make sure that their names are entered into ATL to avoid higher tax deductions against any future payment of dividend.

In case of joint shareholders, each shareholder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each shareholder or as may be notified by the shareholders in writing to our share registrar. In case no such notification is received, then each shareholder shall be assumed to have an equal number of shares.

## 4. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption / reduced rate certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

## 5. ELECTRONIC DIVIDEND MANDATE:

Under the Section 242 of the Companies Act, 2017, it is mandatory for all listed Companies to pay cash dividend to its shareholders through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive dividend directly into their bank accounts, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar, M/s. CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore in case of physical shares.

In case of shares held in CDC then Electronic Dividend Mandate Form must be directly submitted to shareholder's brokers / participant / CDC account services.

## 6. SUBMISSION OF VALID CNIC:

Pursuant to the SECP directives the dividend of shareholders whose valid CNICs are not available with the

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Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNIC immediately, if already not provided, to the Company's Share Registrar without any further delay.

**7. TRANSFER OF PHYSICAL SHARES TO CDC ACCOUNT:**

Pursuant to the section 72 of the Companies Act, 2017 listed companies are required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the date of promulgation of the Act.

The Shareholders who hold physical shares are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form.

**8. ELECTRONIC VOTING:**

Members can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

**9. CONSENT FOR VIDEO CONFERENCING FACILITY:**

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please submit such request to the Company Secretary at [mansoornaqvi@jkgroup.net](mailto:mansoornaqvi@jkgroup.net).

Folio/CDS ID/ A/C #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding proportion (No. of Shares)

**10. ELECTRONIC TRANSMISSION OF FINANCIAL STATEMENTS AND NOTICES:**

Pursuant to notification vide SRO 787(1)/2014 dated 8 September 2014, the SECP has directed all companies to circulate annual financial statements and notices of annual/extraordinary general meetings through Email/CD/DVD or any other media to their shareholders at their registered addresses. Shareholders, who wish to receive the hardcopy of the annual financial statements, shall email at [jkgroup@jkgroup.net](mailto:jkgroup@jkgroup.net). The same shall be provided to the shareholders free of cost within seven days of receipt of such request. The financial statements of the Company for the year ended 30 June 2022 have been placed on the Company's website: [www.jkgroup.net](http://www.jkgroup.net)

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

**1. Item Number 5 of the Notice - Ratification and approval of the related party transactions carried out during the year ended June 30, 2022.**

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, 2019.

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 35th 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, 2022 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.



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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 40 to the financial statement for the year ended June 30, 2022. 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	Service charges paid	2,280
		Rental income	1,920
		Expenses paid & Reimbursed	276
Employees' Provident Fund Trust	Post-employment benefit plan	Contribution made	39,761
C.E.O/Directors and their Spouses	Members of Board of Directors and their relatives	Dividend paid	145,075
Executives	Key Management Personnel	Dividend paid	13
		Vehicles Sold	4,458

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's Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board's 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 40 to the financial statement for the year ended June 30, 2022. 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, 2023.**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 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 are 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, 2023, 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.