

# KOHAT CEMENT COMPANY LIMITED

Ref. No. KCCL/TCL/19/13

October 04, 2019

**The General Manager**  
Pakistan Stock Exchange Limited,  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

**Subject: Notice of Annual General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of the 40<sup>th</sup> Annual General Meeting to be held on Monday, October 28, 2019 at 10:00 AM at the registered office of the Company situated at Rawalpindi Road, Kohat, for circulation amongst the TRE Certificate Holders of the Exchange.

Yours Sincerely,

  
**Muhammad Asadullah Khan**  
Company Secretary

Encl: As above.




**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
UAN: +92-42-11-111-KCCL, (5225) Fax: +92-42-3575-4084, 3587-4990  
Web: [www.kohatcement.com](http://www.kohatcement.com)



# KOHAT CEMENT COMPANY LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that 40<sup>th</sup> Annual General Meeting (AGM) of the shareholders of **Kohat Cement Company Limited** (the "Company") will be held on Monday, **October 28, 2019** at 10:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business: ✓

### Ordinary Business ✓

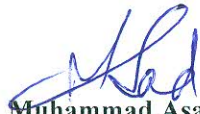
1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2019 together with Auditors' and Directors' Reports and Chairman's Review. ✓
2. To consider and approve, as recommended by the Board of Directors, payment of final cash dividend @ 25% i.e. Rs. 2.50/- per ordinary share for the year ended June 30, 2019. ✓
3. To appoint Auditors and to fix their remuneration. ✓

The members are hereby notified that the Audit Committee and the Board of Directors have recommended the reappointment of retiring auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants as auditors of the Company. ✓

### Special Business ✓

4. To ratify and approve transactions carried out with Related Parties in the ordinary course of business during the financial year ended June 30, 2019, under the authority of the members as given in the last annual general meeting held on October 25, 2018. ✓
5. To authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2020 and till the date of next Annual General Meeting, and to further authorize him to take any and all necessary steps and to sign/execute any and all such documents/annexures on behalf of the Company as may be required. ✓

By order of the Board: ✓



**Muhammad Asadullah Khan**  
Company Secretary ✓

Lahore: October 7, 2019 ✓



**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
**UAN:** +92-42-11-111-KCCL, (5225) **Fax:** +92-42-3575-4084, 3587-4990  
**Web:** www.kohatcement.com



# KOHAT CEMENT COMPANY LIMITED

## Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2019.

### Item No. 4: Ratification / approval of Related Party Transactions

The Company carried out following transactions with its related parties in the ordinary course of business at arms' length basis under the authority of the special resolution of the members as approved by them in the last annual general meeting held on October 25, 2018. All these transactions were presented before the Board of Directors for their review and consideration as recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017.

Name of Related Party	Interested Directors	Nature of relationship	Description of transaction	Pricing Policy	Amount (Rs.)
Palace Enterprises (Private) Limited (PEL)	Mr. Aizaz Mansoor Sheikh	Shareholder and Director of PEL	Accommodation Services received from PEL in ordinary course of business on Arm's length basis.	Open market price	291,252
	Mr. Nadeem Atta Sheikh				
	Mrs. Hafsa Nadeem	Shareholder of PEL and spouse of Mr. Nadeem Atta Sheikh			
	Mrs. Shahnaz Aizaz	Shareholder of PEL and spouse of Mr. Aizaz Mansoor Sheikh			
	Mrs. Hijab Tariq	Spouse of deceased Mr. Tariq Atta who is shareholder of PEL			
Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustees of KCET	Contribution made to KCET (which runs school within the vicinity of KCCL factory)	n/a	4,363,164
	Mr. Nadeem Atta Sheikh				
	Mrs. Shahnaz Aizaz	Spouse of Mr. Aizaz Mansoor Sheikh			
	Mrs. Hafsa Nadeem	Spouse of Mr. Nadeem Atta Sheikh			
	Mr. Muhammad Atta Tanseer Sheikh	Brother of one of the Trustees of KCET			
Ultra Pack (Pvt.) Ltd.	Mr. Aizaz Mansoor Sheikh	Substantial shareholder and director of ANS Capital which is holding Company of KCCL and UPPL	Purchase of poly propylene bags for packing of cement	Open Market Price	800,611,529
	Mr. Nadeem Atta Sheikh				
	Mrs. Hafsa Nadeem	Shareholder of ANS Capital which is holding Company of KCCL and UPPL			
	Mr. M. Atta Tanseer Sheikh				
	Mrs. Shahnaz Aizaz				



Head Office: 37-P, Gulberg II, Lahore - Pakistan.  
UAN: +92-42-11-111-KCCL, (5225) Fax: +92-42-3575-4084, 3587-4990  
Web: www.kohatcement.com





# KOHAT CEMENT COMPANY LIMITED

The following resolution is proposed to be passed as Special Resolution with or without any modification:

**“Resolved** that following transactions carried out in the ordinary course of business at arm’s length basis with the Related Parties during the financial year ended June 30, 2019 be and are hereby ratified, approved and confirmed.

Name of Related Party	Description of transaction	Amount (Rs.)
Palace Enterprises (Pvt.) Ltd.	Accommodation Services received	291,252
Kohat Cement Educational Trust (KCET)	Contribution made to KCET (which runs a school within the vicinity of KCCL factory)	4,363,164
Ultra Pack (Pvt.) Limited	Purchase of poly propylene bags for packing of cement	800,611,529

## Item No. 5: Authorization to the Company to transact with certain related parties

The Company shall continue to carry out transactions with its Related Parties (detailed as under) in its ordinary course of business at arm’s length basis during the financial year ending June 30, 2020 and till the date of next annual general meeting. The majority of directors are interested in these transactions due to the reasons mentioned below, therefore, these related party transactions have to be approved by the members of the Company in terms of Sections 207 and 208 of the Companies Act, 2017.

Name of Related Party	Interested Directors	Nature of relationship	Description of transaction	Pricing Policy
Ultra Pack (Private) Limited (UPPL)	Mr. Aizaz Mansoor Sheikh	Substantial shareholder and director of ANS Capital which is holding Company of KCCL and UPPL	Purchase of poly propylene bags for packing of cement	Open market price
	Mr. Nadeem Atta Sheikh			
	Mrs. Hafsa Nadeem	Shareholder of ANS Capital which is holding Company of KCCL and UPPL		
	Mr. M. Atta Tanseer Sheikh			
	Mrs. Shahnaz Aizaz			
Palace Enterprises (Private) Limited (PEL)	Mr. Aizaz Mansoor Sheikh	Shareholder and Director of PEL	Availing Hotel/accommodation Services	Open market price
	Mr. Nadeem Atta Sheikh			
	Mrs. Hafsa Nadeem	Shareholder of PEL and spouse of Mr. Nadeem Atta Sheikh		
	Mrs. Shahnaz Aizaz	Shareholder of PEL and spouse of Mr. Aizaz Mansoor Sheikh		
	Mrs. Hijab Tariq	Spouse of deceased Mr. Tariq Atta who is shareholder of PEL		



**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
**UAN:** +92-42-11-111-KCCL, (5225) **Fax:** +92-42-3575-4084, 3587-4990  
**Web:** www.kohatcement.com



# KOHAT CEMENT COMPANY LIMITED

Kohat Cement Educational Trust (KCET)	Mr. Aizaz Mansoor Sheikh	Trustee of KCET	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET	n/a
	Mr. Nadeem Atta Sheikh			
	Mrs. Shahnaz Aizaz	Spouse of Mr. Aizaz Mansoor Sheikh		
	Mrs. Hafsa Nadeem	Spouse of Mr. Nadeem Atta Sheikh		
	Mr. Muhammad Atta Tanseer Sheikh	Brother of one of the trustee of KCET		

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

**“Resolved** that the Company be and is hereby authorized to carry out the transactions with its Related Parties (detailed as under) as and when required in the ordinary course of business at arm’s length basis during the year ending June 30, 2020 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Name of Related Party	Description of transaction
Palace Enterprises (Pvt.) Ltd.	Availing Hotel / accommodation Services
Kohat Cement Educational Trust (KCET)	Contribution towards operational costs of a school within the vicinity of Kohat Cement Factory being run by KCET
Ultra Pack (Pvt.) Limited	Purchase of poly propylene bags for packing of cement

**Further Resolved** that Chief Executive of the Company be and is hereby authorized to take all necessary steps and to sign/execute any purchase order/document on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s).”

## Notes:

### 1. Closure of Share Transfer Books

The register of members and the share transfer books of the Company will be closed from Monday, **October 21, 2019** to Monday, **October 28, 2019** (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company’s Independent Share Registrar Office, **M/s Hameed Majeed Associates (Pvt.) Limited, HM House, 7-Bank Square, Lahore**, up to the close of business on Friday, **October 18, 2019** will be treated in time for the purpose of entitlement of dividend and to attend the meeting.

### 2. Right to appoint Proxy

A member is entitled to appoint proxy in his/her place to attend and vote instead of him/her. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (excluding non-working days) before the time of the meeting. A proxy must be a member of the Company. Form of proxy is enclosed herewith.



**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
**UAN:** +92-42-11-111-KCCL, (5225) **Fax:** +92-42-3575-4084, 3587-4990  
**Web:** www.kohatcement.com





# KOHAT CEMENT COMPANY LIMITED

## 3. Attendance through Video-Conference

Pursuant to the provisions of the Companies Act, 2017, the shareholder(s) residing in a city holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the annual general meeting. The demand for video-link facility shall be received by the Company Secretary at the head office of the Company, 37-P, Gulberg II, Lahore, at least seven (7) days prior to the date of the meeting on the Standard Form which can be downloaded from the Company's website: [www.kohatcement.com](http://www.kohatcement.com).

## 4. Intimation of Change in Address

The members are requested to notify the change of their registered addresses, if any, immediately to Company's Independent Share Registrar.

## 5. Electronic Payment of Dividend

The provisions of Section 242 of the Companies Act, 2017 (the Act) read with Companies (Distribution of Dividends) Regulations, 2017 provide that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. In order to receive dividend directly into their bank account, shareholders are requested to communicate, if not already provided, below detailed information by filling in Electronic Credit Mandate Form available on Company's website ([www.kohatcement.com](http://www.kohatcement.com)) and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, in case of physical shares. In case shares are held in CDC, then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the aforesaid provisions of the Act and Regulations. Electronic Credit Mandate Form shall authorize the Company to credit their current and future cash dividends directly to their designated bank accounts.

- International Bank Account Number (IBAN)
- Name of Bank
- Branch name and address
- Valid copy of CNIC

## 6. Income Tax Deduction from Dividend Payment

The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are **15%** for persons whose names are appearing in the active taxpayers' list (ATL) and **30%** for persons whose names are not appearing in the ATL. To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the ATL available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of dividend payment, otherwise they shall not be treated as Active Taxpayers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 30%.

The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or Company's Independent Share Registrar.

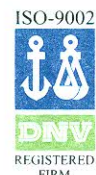
The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion



Head Office: 37-P, Gulberg II, Lahore - Pakistan.

UAN: +92-42-11-111-KCCL, (5225) Fax: +92-42-3575-4084, 3587-4990

Web: [www.kohatcement.com](http://www.kohatcement.com)





# KOHAT CEMENT COMPANY LIMITED

of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio / CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name & CNIC	Shareholding Proportion (No. of shares)	Name & CNIC	Shareholding Proportion (No. of shares)

In case the required information is not provided to our Share Registrar by October 18, 2019, it will be assumed that the shares are held in equal proportion by the principal shareholder and joint holder(s).

## 7. Exemption from Deduction of Income Tax / Zakat

Members seeking exemption from deduction of income tax or deduction at reduced rate, are requested to submit a valid exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of Zakat are also required to submit a valid declaration, duly attested by Oath Commissioner on Stamp Paper to Company's Independent Shares Registrar for non-deduction of Zakat.

Moreover, as per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above clause must provide valid Tax Exemption Certificate to our Company's Independent Shares Registrar; otherwise tax will be deducted on dividend amount as per prescribed rates.

## 8. Placement of Annual Report on Web-site & its Circulation through DVD/CD

The Annual Report of the Company containing financial statements of the Company for the year ended 30 June 2019 along with Auditors and Directors Report thereon, the Chairman's Review and notice of AGM etc. have been circulated through CDs and have also been placed on the company's website: [www.kohatcement.com](http://www.kohatcement.com).

The shareholders who wish to receive hard copy of the Annual Report may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand.

### 8.1 Transmission of Annual Report through email

In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a standard request form available on the Company's website: [www.kohatcement.com](http://www.kohatcement.com) and send the said form duly filled in and signed to the Company's Share Registrar.

## 9. Attendance at AGM

A corporation or company being a member of the Company may appoint any of its officials or any other person through a resolution of its board of directors to attend and vote at the meeting.



**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
**UAN:** +92-42-11-111-KCCL, (5225) **Fax:** +92-42-3575-4084, 3587-4990  
**Web:** [www.kohatcement.com](http://www.kohatcement.com)



# KOHAT CEMENT COMPANY LIMITED

The members should quote their folio number/ CDS IDs in all correspondence with the Company and should bring original document at the time of attending the AGM. ✓

CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26<sup>th</sup> January 2000 issued by the Securities & Exchange Commission of Pakistan. ✓

## *For attending the meeting*

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/ her original computerized national identity card (CNIC) or original passport at the time of attending the meeting. ✓
- ii) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee along with his original CNIC or original passport shall be produced (unless it has been provided earlier) at the time of the meeting. ✓

## *For appointing proxies*

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the requirements stated above. ✓
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form. ✓
- iii) The proxy shall produce his/ her original CNIC or original passport at the time of the meeting. ✓
- iv) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature along with his original CNIC or original passport shall be submitted (unless it has been provided earlier) along with proxy form to the Company. ✓

## 10. **Unclaimed dividend and bonus/right shares**

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or pending shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP. ✓

bp



**Head Office:** 37-P, Gulberg II, Lahore - Pakistan.  
**UAN:** +92-42-11-111-KCCL, (5225) **Fax:** +92-42-3575-4084, 3587-4990  
**Web:** www.kohatcement.com

