

Associated Companies:

J. K. Power Ltd.

J. K. Agriculture Farms (Pvt) Ltd.

J. K. Tech (Pvt.) Ltd.

Fine Fabrics (Pvt) Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 34TH ANNUAL GENERAL MEETING OF THE MEMBERS OF J. K. SPINNING MILLS LIMITED WILL BE HELD ON WEDNESDAY 28TH OCTOBER, 2020 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 the Extra Ordinary General Meeting held on 14th September, 2020.
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, 2020.
3. To consider, approve and declare Final Cash Dividend at Rs.1/- per share @ 10 % to Ordinary Share Holders for the year ended 30th June, 2020 as recommended by the Board of Directors.
4. To consider and, if thought fit, to pass with or without modification(s), the resolutions appearing below as ordinary resolutions for the capitalization of free reserves to issue bonus shares as recommended by the Directors.

"RESOLVED THAT a sum of Rs. 292,335,720 be capitalized out of the free reserves of the Company and applied towards issue of 29,233,572 ordinary shares of Rs. 10 each, as 40% fully paid bonus shares i.e. in the proportion of four (4) ordinary shares for every ten (10) ordinary shares held by the members of the Company whose names appear in the Members' Register as at the close of the business on October 21, 2020".

"FURTHER RESOLVED THAT the bonus shares shall rank pari passu in all respects with the existing shares of the Company as regards the future entitlements, however, these shares shall not be eligible for final dividend declared by the Company for the year ended June 30, 2020".

"FURTHER RESOLVED THAT member's fractional entitlement, as a result of their entitlement to a fraction of a bonus share due to their respective shareholdings shall be deposited into a charity account to be proposed and approved by the Shareholders in the Annual General Meeting on October 28, 2020".

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"FURTHER RESOLVED THAT the Chief Executive and Company Secretary be and are hereby jointly and/or severally authorized to give effect to these resolutions and to do and cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares and the deposit of sale proceeds of the fractions into aforementioned account".

5. To appoint Auditors for the year 2020-2021 and fix their remuneration. The present Auditors M/s. Zahid Jamil & Co, Chartered Accountants, being eligible offer themselves for reappointment.

SPECIAL RESOLUTION:

6. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2020 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the Note 42 of the financial statements for the year ended June 30, 2020 and specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

7. 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 - associated companies for the year ending June 30, 2021 by passing the following Special resolution with or without:

"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, 2021."

"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."

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ANY OTHER BUSINESS:

8. 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



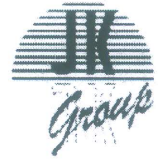
SYED HUSSAIN SHAHID MANSOOR NAQVI
COMPANY SECRETARY

FAISALABAD:

Dated: **29-09-2020**

NOTES:

1. The Register of Members will remain closed from October 22, 2020 to October 28, 2020 (both days inclusive). The Members whose names appear on the Register of Members as on October 21, 2020 shall be entitled to attend and vote at the AGM.
2. A member entitled to attend, speak and vote at the meeting shall also be entitled to appoint another member as his / her proxy to attend, speak and vote instead of him / her and a proxy so appointed shall have such rights with respect to attending, speaking and voting at the meeting as are available to the member appointing him / her as proxy. The Instrument of Proxy and the Power of Attorney or other authority (if any) under which it is signed or a notarized certified copy of that Power of Attorney or authority, in order to be effective must be received by the Company at least 48 hours before the meeting. A proxy need not to be a member of the Company. The Form of Proxy is enclosed with this notice.
3. Any company or other body corporate which is a member of the Company may, by resolution of its Directors, or proxy signed by authorized officers, authorize any of its officials or any other person to act as its representative at the meeting and the person so authorized shall be entitled to exercise the same powers as if he / she were an individual member of the Company.



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4. Since all shares issued to members are in dematerialized format in their respective Central Depository Company of Pakistan Limited (CDC) accounts, the individual members desiring to attend the meeting are requested to bring their original Computerized National Identity Cards (CNICs) along with the Investor Account or Participant ID and House Account / Sub-Account Numbers, for identification purposes, whereas, in case of corporate member, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee may preferably be provided to the Company well in advance or otherwise produced at the time of meeting.
5. Members are requested to notify the change of their registered address, if any, immediately but before the first day of book closure, to their Participant / CDC Investor Account Services which maintains their CDC account.

6. E-Dividend

Pursuant to Section 242 of the Companies Act, 2017 (the Act) read with relevant provisions of the Companies (Distribution of Dividends) Regulations, 2017 (the Regulations), all listed companies have been mandated to pay dividend only by way of electronic mode, directly into the bank accounts of entitled shareholders designated by them. Accordingly, all shareholders of the Company who have not yet provided their bank account details (including IBAN) to their participant / CDC Investor Account Services which maintains their CDC account are requested to provide the same at the earliest, otherwise, the Company would be constrained to withhold their amount of dividend, if any, in accordance with the requirements of the Act and the Regulations.

7. Consent for Video Conference Facility

In terms of SECP's Circular No. 10 of 2014 dated 21 May 2014 read with provisions contained under Section 134(1)(b) of the Act, members of the Company may also attend and participate in the AGM through video conference facility in a city other than Faisalabad, if members residing in the vicinity, collectively holding 10% or more shareholding, demand in writing to participate in the AGM through video conference (as per the format appended below) at least seven (7) days prior to the date of AGM.

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After receiving the consent of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least Five (5) days before the date of the AGM along with complete information necessary to enable them to access such facility.

CONTENT FOR VIDEO CONFERENCE FACILITY

I/We/Messers, _____ of _____ being a member of J.K. Spinning Mills Limited, holder of _____ ordinary share (s) as per CDC participant ID & Sub Account No. _____ hereby opt for video conference facility at _____.

Signature of Member (s)

(Please affix company stamp in case of corporate entity)

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

1. ISSUE OF BONUS SHARES BY CAPITALIZATION OF FREE RESERVES

The Board of Directors in their meeting held on September 29, 2020, have recommended capitalization of a sum of Rs. 292,335,720 out of free reserves of the Company for issue of 29,233,572 ordinary shares of Rs. 10 each, as 40% fully paid bonus shares. The directors are of the view that the Company's financial position and its reserves justify the capitalization of free reserves.

2. The Directors of the Company have not, direct or indirect interest in this special business, except to the extent of their entitlements of bonus shares and their relatives who are also shareholders of the Company.

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3. Item Number 6 of the Notice - Ratification and approval of the related party transactions carried out during the year ended June 30, 2020.

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, 2017.

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 33rd 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, 2020 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.

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 42 to the financial statement for the year ended June 30, 2020. 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 Company	Service charges paid	2,280
		Rental income recovered	1,920
Employees' Provident Fund Trust	Other Related Party	Company's contribution to Employees' Provident Fund Trust	28,900
Directors	Director	Loan repaid to directors - net	35,445
		Dividend paid	141,609

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.

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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 42 to the financial statement for the year ended June 30, 2020. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

4. Item Number 6 of the Notice - Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2021.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 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 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, 2021, 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.