

MAQBOOL TEXTILE MILLS LTD.
NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting ("EOGM") of the shareholders of Maqbool Textile Mills Ltd. (the "Company") will be held on Wednesday, March 03, 2021 at 11:00 a.m. at its Head office, 2-Industrial Estate, Multan, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on October 28, 2020.

SPECIAL BUSINESS:

2. To consider and, if thought fit, to pass with or without modification, alteration or amendment the following resolutions as Special Resolutions under Section 83(1)(b) of the Companies Act, 2017:

"RESOLVED THAT subject to approval of Securities and Exchange Commission of Pakistan ("SECP") under Section 83(1)(b) of Companies Act, 2017 ("the Act"), approval of the shareholders of the Company be and is hereby accorded for issuance of 1,732,000 ordinary shares of the Company by way of other than right at Rs. 50/- per share against the par value of Rs. 10/- each (i.e. at premium of Rs. 40/- each) to the following Directors of the Company against their outstanding loans towards the Company aggregating Rs. 86,600,000/- as detailed bellow:

Name	Number of Shares	Total Rs.
Mian Tanvir Ahmad Sheikh	433,000	21,650,000
Mian Anis Ahmad Sheikh	433,000	21,650,000
Mian Idrees Ahmad Sheikh	433,000	21,650,000
Mian Aziz Ahmad Sheikh	433,000	21,650,000

"FURTHER RESOLVED THAT shares when issued shall from the date of their allotment, rank pari passu in all respect with the existing fully paid ordinary shares of the Company"

"FURTHER RESOLVED THAT the Chief Executive Officer and / or Company Secretary of the Company, be and are hereby authorized and empowered singly and / or jointly to take all steps necessary, ancillary and incidental for the issuance of the shares otherwise than right shares including but not limited to obtaining all requisite regulatory approvals, engaging legal advisor(s) and consultants for the purposes of the above, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the issue of further shares without right shares and all other matters incidental or ancillary thereto".

"FURTHER RESOLVED THAT in case any error, omission or mistake is pointed by the Securities and Exchange Commission of Pakistan ("SECP") and any other Competent Authority in the aforesaid resolution(s), the Chief Executive and /or Company Secretary be and is hereby authorized to make necessary amendment, modification, addition or deletion as may be required."

"FURTHER RESOLVED THAT all acts, deeds and actions taken by the Authorized Persons pursuant to the above resolutions for and on behalf of the Company shall be binding acts, deeds and things done by the Company."

3. To consider and if thought fit, to pass with or without modification, the following Resolutions as Special Resolutions for increase in Authorized Share Capital of the Company from Rs. 200,000,000 to Rs. 500,000,000 and necessary alterations in Memorandum and Articles of Association of the Company:

“RESOLVED THAT the Authorized Share Capital of the company be and is hereby increased from Rs. 200,000,000 divided into 20,000,000 shares Rs.10 each to Rs. 500,000,000 divided into 50,000,000 shares of Rs.10 each ranking pari passu in every respect with the existing ordinary shares of the Company.

“FURTHER RESOLVED THAT, in consequence of 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 6 of the Articles of Association of the Company be and hereby replaced accordingly, to read as follows;

Clause V of the Memorandum of Association

The authorized capital of the Company is Rs. 500,000,000 (Rupees Five Hundred Million Only) divided into 50,000,000 ordinary shares of Rs.10 each. The Company shall have the power to increase or reduce the capital as may be determined by or in accordance with the Regulations of the Company. And to modify, abrogate, or vary all or any of the rights and privileges and conditions in such manners as may for the time being be provided by the Regulations of the company and to consolidate or sub divide the shares.

Article 6 of the Article of Association

The Authorized Capital of the Company is Rs. 500,000,000 (Rupees Five Hundred Million) divided into 50,000,000 shares of Rs.10 each.

“FURTHER RESOLVED THAT the Chief Executive Officer and / or Company Secretary of the Company be and is hereby singly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities & Exchange Commission of Pakistan as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.”

ANY OTHER BUSINESS:

4. To transact any other business with the permission of the Chair

M. Ehsanullah Khan
Company Secretary

February 10, 2021

Notes:

1. The individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company/ Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, M/s HM Associates, 7-Bank Square, Lahore. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC/ NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779(I) dated August 18, 2011, and SRO 831 (I) 2012 dated July 05, 2012, which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.

2. Share Transfer Books will be closed from February 25, 2021 to March 3, 2021 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's Share Registrars, M/s HM Associates, 7-Bank Square, Lahore by the close of the Business on February 24, 2019 will be treated in time to attend and vote at the meeting.

3. All Members/ Shareholders are entitled to attend and vote at the meeting. A Member may appoint a proxy who need not be a Member of the Company.

4. Duly completed instrument of proxy, and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office or Company's Share Registrars, M/s HM Associates, 7-Bank Square, Lahore at least 48 hours before the time of the meeting.

5. Any change of address of Members should be immediately notified to the Company's Share Registrars, M/s HM Associates, 7-Bank Square, Lahore. CDC Account Holders 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:

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 shall be produced (unless it has been provided earlier) at the time of the meeting.

B. 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 accordingly.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.

v) In case of corporate entity, the Board of Directors resolution/ power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

C. Video Conference Facility:

i) Pursuant to the provision of the Companies Act, 2017 the shareholder residing in a city and 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 meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form.

I/We, of being a member of M/s Maqbool Textile Mills Ltd., holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____ (Please insert name of the City)

Signature of Member

FORM OF PROXY EXTRAORDINARY GENERAL MEETING

I / We _____ of _____ in the district of _____ being a member of “**MAQBOOL TEXTILE MILLS LIMITED**” and holder of _____ Ordinary Shares as per Registration Folio No./CDC Participant I.D. No./Sub-Account No. _____ CNIC No./Passport No. _____ entitled to vote, hereby appoint Mr./Mrs./Miss _____ of (full address) _____ (being member of the Company) as my/our proxy to attend, act and vote for me/us and on behalf at the Extraordinary General Meeting of the Company to be held on March 03, 2021 and/or at any adjournment thereof.

Signature : _____ Dated : _____

Presence of:

- 1.
- 2.

Important Note

1. This form of proxy, duly completed and signed, must be deposited at the registered office of the Company situated at 2-Industrial Estate, Multan
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument.
3. A member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is a Member.

For CDC Account Holders/Corporate Entities

In addition to the above, following requirements have to be met:

- i. The Proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
- ii. Attested copies of CNIC or Passport of the beneficial owners and 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 shall be submitted along with proxy form.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 PERTAINING TO THE SPECIAL BUSINESS**1) ISSUANCE OF SHARES BY WAY OF OTHER THAN RIGHT SHARES**

The Board of Directors in their meeting held on 10th February, 2021 has decided to raise paid-up capital by issuance of 1,732,000 ordinary shares of Rs. 10/- each at a price of Rs. 50 per share including a premium of Rs.40/- per share to the directors against their outstanding loans towards the Company without right offering subject to approval of shareholders and permission from SECP in terms of Section 83 (1)(b) of the Companies Act, 2017

In this regard the Company provides the following material information as required by Regulation No. 5 of the Companies (Further issuance of Shares) Regulations, 2020:

a) Approval of Shareholders and Commission

The Board decision for issuance of shares other than right is subject to the approval of Shareholders and Commission.

b) Quantum of the Issue

- Number of Shares to be Issued 1,732,000 ordinary shares of Rs.10/- each
- Percentage of the Issue
 - Before Issue 10.309 % of the Paid up Capital
 - After Issue 9.345 % of the Post Issue Paid up Capital

c) Issue Price per Share and its Justification

The shares will be issued at a price of Rs. 50/- per share including Rs.40/- as premium per share. The issue price is above the breakup value of Rs. 45.31 per share (without revaluation reserve) as per annual audited financial statements of the Company for the year ended June 30, 2020 and above the prevailing market price of the share of Rs. 40.90 as of February 9, 2021 as per closing rate at Pakistan Stock Exchange Limited (PSX).

d) Consideration

The shares are being issued for cash. The company has already obtained loan from Directors and utilized as working capital for the Company.

e) Name of the persons to whom the proposed shares will be issued

Name	Designation	Existing Shareholding	% of Paid up Capital
Mian Tanvir Ahmed Sheikh	Chairman	1,465,121 Shares	8.721%
Mian Anis Ahmed Sheikh	Chief Executive Officer	1,497,781 Shares	8.915%
Mian Idrees Ahmed Sheikh	Non-Executive Director	1,476,921 Shares	8.791%
Mian Aziz Ahmed Sheikh	Non-Executive Director	1,497,782 Shares	8.915%

f) Purpose of the Issue

The purpose is to reduce the liabilities and improvement of capital base / reserves and breakup value of the Company which will enable the financial institutions to provide finance to the Company for the expansion & new projects.

g) Justification for Issue of the Shares by way of other than Right

- i. Maqbool Textile Mills Ltd ("Company") has obtained interest free, unsecured loan from directors aggregating to Rs. 86,600,000 Million at the crucial times, the amount received has been utilized to meet the working capital needs of the company and repayment of loans along with markup obtained from financial institutions.
- ii. The amount received was beneficial to the Company allowing to reduce its markup cost and improve the operations of the Company.
- iii. The directors have not charged any interest on the loans and are willing to convert their outstanding loan into equity at substantial premium compared to the par value and market price of shares.
- iv. In the current circumstances due to poor financial performance owing to COVID-19, it is unlikely that the outstanding interest free loans of the directors would be repaid. Therefore it will be in the interest of the Company as well as its shareholders to reduce its liabilities which will enhance the capital base, increase reserves without any negative impact on the cash flows.

- v. The shares of the Company are not frequently traded and share price increased from Rs. 20.42 to Rs. 40.90 from January 01, 2020 to February 09, 2021 with no significant shares trading.
- vi. The proposed issue price of Rs. 50/- per share including premium of Rs. 40/- per share is above the breakup value of Rs. 45.31 per share as on June 30, 2020 and above the last share price quoted on PSX of Rs. 40.90.
- vii. In the present situation it is unlikely that shareholders will subscribe any right offering at a premium above the market price in view of the fact that the Company has not been able to declare any dividends to its shareholders.

h) Benefits of the Issue

This will enhance the leverage and borrowing capacity of the Company thereby improving liquidity position and improvement in the business operations and returns for the Company and value for its shareholders

i) Breakup Value per Share as per the Audited Accounts of the Company for the Year Ended 30.06.2020

Without revaluation reserve	Rs. 45.31 per Share
With revaluation reserve	Rs. 112.79 per Share

j) Consent of the Person to whom the shares is to be issued

The Consent of the person to whom the shares are to be issued has been obtained in writing.

k) Ranking of the Shares

The proposed shares when issued will rank pari passu with the existing ordinary shares of the Company.

l) Average Market Price of the Shares during the last three months

The shares of the Company are not frequently traded in the market. The average market price is Rs. 27.35 during the preceding three months from the date of Board announcement and the latest market price of share is Rs. 40.90 as of February 9, 2021 as per closing rate at Pakistan Stock Exchange Ltd (PSX).

m) Shares Issued for Consideration other than in Cash

Not Applicable

2) INCREASE IN AUTHORIZED CAPITAL OF THE COMPANY AND CONSEQUENT AMENDMENTS IN MEMORANDUM & ARTICLES OF ASSOCIATION OF THE COMPANY:

In order to cater for future increase paid up share capital, the authorized share capital needs to be enhanced. In the light of the same and for future potential issuance of shares, the Company seeks to increase its authorized share capital from Rs. 200,000,000 divided into 20,000,000 shares of Rs.10 each to Rs. 500,000,000 divided into 50,000,000 shares of Rs.10 each and make the necessary amendments to Memorandum and Article of Association of the Company.

Existing Clause V of the Memorandum of Association

The Authorized capital of the Company is Rs. 200,000,000 (Rupees Two Hundred Million Only) divided into 20,000,000 ordinary shares of Rs. 10 each. The Company shall have the power to increase or reduce the capital as may be determined by or in accordance with the Regulations of the Company. And to modify, abrogate, or vary all or any of the rights and privileges and conditions in such manners as may for the time being be provided by the Regulations of the company and to consolidate or sub divide the shares.



Proposed Clause V of the Memorandum of Association

The Authorized capital of the Company is Rs. 500,000,000 (Rupees Five Hundred Million Only) divided into 50,000,000 ordinary shares of Rs. 10 each. The Company shall have the power to increase or reduce the capital as may be determined by or in accordance with the Regulations of the Company. And to modify, abrogate, or vary all or any of the rights and privileges and conditions in such manners as may for the time being be provided by the Regulations of the company and to consolidate or sub divide the shares.

Existing Article 6 of the Article of Association

The Authorized Capital of the Company is Rs. 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 shares of Rs.10 each.

Proposed Article 6 of the Article of Association

The Authorized Capital of the Company is Rs. 500,000,000 (Rupees Five Hundred Million) divided into 50,000,000 shares of Rs.10 each.

The Board of Directors of the Company has recommended that the Special Resolutions as set out in the notice to be passed at the Extraordinary General Meeting

The Directors named above are interested in the proposed issuance of shares otherwise than right offering against their outstanding loans. Other directors have no interest in the issue of shares, whether directly or indirectly.

A copy of 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 meeting.

M. Ehsanullah Khan
Company Secretary

February 10, 2021