

**KOHINOOR TEXTILE MILLS LIMITED**

Registered Office: 42-Lawrence Road, Lahore.

Tel. 042-36302261-62, Fax # 042-36368721



Kohinoor Maple Leaf Group

Notice of Annual General Meeting

Notice is hereby given that the 53rd Annual General Meeting of the members of **Kohinoor Textile Mills Limited** (the "Company") will be held on **Tuesday, September 28, 2021 at 12:00 Noon** at its Registered Office, 42-Lawrence Road, Lahore, to transact the following business: -

Ordinary Business:

- 1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2021 together with the Chairman's Review, Directors' and Auditors' Reports thereon.
- 2) To approve final cash dividend for the year ended June 30, 2021 at Re. 1/- per share i.e. 10%, as recommended by the Board of Directors. This is in addition to the interim cash dividend already paid to the shareholders at Re. 1/- per share i.e. 10%, thus making a total cash dividend at Rs. 2/- per share i.e. 20% for the year.
- 3) To appoint Auditors for the year ending on June 30, 2022 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, the retiring auditors who being eligible have offered themselves for re-appointment.

Special Business:

- 4) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors: -

"Resolved by way of special resolution that consent and approval of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to **Maple Leaf Cement Factory Limited**, a subsidiary of the Company, upto an aggregate sum of **Rs. 1,000 million** (Rupees one thousand million only) for a period of one year commencing November 01, 2021 to October 31, 2022 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 27, 2020 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 1,500 million which is valid till October 31, 2021.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized **singly** to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."



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- 5) To consider and, if deemed fit, pass the following resolution as a special resolution under Section 199 of the Companies Act, 2017, with or without modification, as recommended by the Directors: -

“Resolved by way of special resolution that consent and approval of Kohinoor Textile Mills Limited (the “Company”) be and is hereby accorded under Section 199 of the Companies Act, 2017 (the “Act”) for investment in the form of loans / advances from time to time to **Maple Leaf Capital Limited**, a subsidiary of the Company, upto an aggregate sum of **Rs. 1,000 million** (Rupees one thousand million only) for a period of one year commencing November 01, 2021 to October 31, 2022 (both days inclusive) at the mark-up rate of one percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher. Vide special resolution passed in general meeting held on October 27, 2020 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs. 500 million which is valid till October 31, 2021.

Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized **singly** to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution.”

- 6) To ratify and approve transactions conducted with the Related Parties for the year ended June 30, 2021 by passing the following special resolution with or without modification: -

“Resolved that the transactions conducted with the Related Parties as disclosed in the note 38 of the unconsolidated financial statements for the year ended June 30, 2021 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 the related parties for the financial year ending on June 30, 2022 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 the Related Parties on case to case basis for the financial year ending on June 30, 2022.

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.”

Lahore:
September 07, 2021

**BY ORDER OF THE BOARD**

(Signature)
(Muhammad Ashraf)
Company Secretary

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**NOTES:**

1. The Share Transfer Books of the Company will remain closed from September 22, 2021 to September 28, 2021 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, First Floor, Lawrence Road, Lahore, at the close of business on September 21, 2021 will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.
2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her. CDC beneficial owners and Proxy Holders must bring with them their Computerized National Identity Cards (CNIC)/Passports in original to prove his/her identity. In case of Proxy, CDC beneficial owners and Proxy Holders must enclose an attested copy of their CNIC/Passport with Proxy Form. Proxies in order to be effective must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. A member shall not be entitled to appoint more than one proxy.
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee (unless it has been provided earlier) should be attached with the proxy form or may be provided at the time of meeting.
4. In light of the threat by the evolving coronavirus (COVID-19) situation, the Securities and Exchange Commission of Pakistan vide Circular No. 5 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well-being of the shareholders.

The shareholders who are interested to attend the AGM through Video Conferencing, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 72 hours before the time of AGM (i.e. before 12:00 Noon on September 25, 2021) through following means:

- a) Mobile/WhatsApp: 0321-7775170
- b) E-mail: muhammad.ashraf@kmlg.com

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and e-mail ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/ computer devices.

In view of the above, the shareholders can also provide their comments/suggestion for the proposed agenda items of the AGM by using the aforesaid means.

5. The Members, who desire for receiving the annual audited financial statements and AGM Notice through e-mail, are requested to send their written consent on a Standard Request Form available on website www.kmlg.com in order to avail this facility. The audited



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financial statements for the year ended June 30, 2021 are available on website of the Company. Further, the Company has sent its Annual Report 2021 through CD/DVD/USB to the shareholders at their available Registered Addresses instead of hard copy. However, hard copy of Annual Report will be provided free of cost on written request of the shareholder.

6. Shareholders may contact at the Registered Office of the Company to collect / enquire about their unclaimed physical dividends / physical shares, if any;
7. As per Section 72 of the Companies Act, 2017, every existing listed company shall be 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 commencement of this Act, i.e. May 30, 2017.

The shareholders having physical shareholding 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, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Ltd.

8. Shareholders are requested to notify / update the following information & documents with their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier notified / updated: -
 - a. Change in their addresses;
 - b. Pursuant to requirement of Section 242 of the Companies Act, 2017, any dividend payable in cash declared by a listed company shall **only** be paid through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, shareholders who have not yet provided / updated their International Bank Account Number (IBAN) details, are requested to furnish the information as provided on website of the Company on priority basis. In case of non-submission of IBAN of 24 digits, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017;
 - c. Individual Members who have not yet submitted a copy of their valid Computerized Identity Card (CNIC) to the Company are once again requested to send a copy of their valid CNIC at the earliest directly to the office of Share Registrar of the Company, Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore. Corporate Members are requested to provide their National Tax Number (NTN) and folio number thereon while sending the copies to the Share Registrar of the Company. In case of non-receipt of the copy of a valid CNIC or NTN (as the case may be), the Company would be unable to comply with the requirements of the Companies Act, 2017 and SROs issued thereunder;
 - d. Filer & Non-Filer shareholders will pay tax on dividend income @15% and 30% respectively. Therefore, please ensure that their name(s) have been entered into Active Taxpayers List (ATL) provided on website www.fbr.gov.pk of the Federal Board of Revenue (FBR), despite the fact that the shareholder is a filer, before entitlement date



i.e. September 21, 2021, otherwise tax on their cash dividend will be deducted @30% instead of 15%;

- e. As per clarification of FBR, each joint holder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding notified by each joint holder. Accordingly, such shareholder(s) may notify in writing within 07 days from entitlement date i.e. September 21, 2021 as per following format to our Share Registrar. If no notification is received to our Share Registrar, then it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s): -

Folio/CDC A/c. No.	Total Shares	Principal Shareholder		Joint Shareholder(s)		Signature(s)
		Name & CNIC #	Shareholding Proportion (No. of Shares)	Name & CNIC #	Shareholding Proportion (No. of Shares)	

- f. Withholding tax exemption from dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar, Vision Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore;
- g. Members are requested to submit their Notarized Declarations (CZ-50) as per Zakat & Ushr Ordinance, 1980 if they want to claim exemption towards non-deduction of zakat on cash dividend;
- h. For any query / information, the shareholders may contact with the Company Secretary at the above Registered Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

Statement Under Section 134(3) of the Companies Act, 2017:

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on September 28, 2021.

Agenda Item Number 4 of the Notice –Investment in Maple Leaf Cement Factory Limited in the form of loans/advances:

Maple Leaf Cement Factory Limited, having its Registered Office at 42-Lawrence Road, Lahore (the "MLCFL"), is a subsidiary of the Company and the Company being a holding company, holds 606,497,944 ordinary shares constituting 55.22% of the aggregate paid-up capital in MLCFL, a public listed company engaged in the business of manufacturing and sale of cement and the factory is located at Iskanderabad, District Mianwali.

The Board of Directors of the Company in their meeting held on August 13, 2021 has approved Rs. 1,000 million as loans / advances, being a reciprocal facility, to MLCFL on the basis of profit/financial statements of MLCFL subject to approval of the members. The Company shall



extend the facility of loans / advances from time to time for working capital requirements to MLCFL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in MLCFL and it has been kept at the Registered Office of the Company for inspection of the members along with audited financial statements of MLCFL as required under the Regulations.

Information under Regulation 3(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations").

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	Requirement	Information
(i)	Name of associated company or associated undertaking;	Maple Leaf Cement Factory Limited (the "MLCFL")
(ii)	Basis of relationship;	MLCFL is a subsidiary of Kohinoor Textile Mills Limited (the "KTML") and the KTML holds 55.22% of the aggregate paid-up capital in MLCFL.
(iii)	Earnings per share for the last three years;	(Rupees)
		Year Basic Diluted
		30.06.2019 2.13 2.13
		Restated Restated
		30.06.2020 (5.30) (5.30)
		30.06.2021 5.69 5.69
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2021 With revaluation surplus Rs. 34.18 Without revaluation surplus Rs. 31.37



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(v)

Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;

Particulars

Amount

Rs. (000)

Paid up capital

10,983,462

Capital reserves

6,588,813

Accumulated profits

16,880,291

Surplus on revaluation of fixed assets–net of tax

3,089,975

Current liabilities

11,449,448

Current assets

16,923,416

Sales - Net

35,640,181

Gross profit

7,504,762

Operating profit

8,783,531

Net profit

6,254,109

Earnings per share (Rs.)

5.69

(B)

General Disclosures:-

Ref. No.

Requirement

Information

(i)

Maximum amount of investment to be made;

Rs. 1,000 million (Rupees one thousand million only).

(ii)

Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;

Purpose: To earn income on the loans and/or advances to be provided to MLCFL from time to time for working capital requirements of MLCFL.

Benefits: The KTM will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit KTM's cash flow by earning profit on idle funds.

Period: For a period of one year from November 01, 2021 to October 31, 2022.

(iii)

Source of funds to be utilized for investment and

Loan and/or advance will be given out of own funds of KTM.



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	where the investment is intended to be made using borrowed funds, - (I) Justification for investment through borrowings; (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	N/A												
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	<table><tr><td>Nature</td><td>Loan / advance</td></tr><tr><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to MLCFL which will augment KTM's cash flow.</td></tr><tr><td>Period</td><td>One Year</td></tr><tr><td>Rate of Mark-up</td><td>One percent above three months KIBOR or one percent above the average borrowing cost of KTM, whichever is higher.</td></tr><tr><td>Repayment</td><td>Principal plus mark-up/ profit upto October 31, 2022</td></tr><tr><td>Penalty charges</td><td>@3-months KIBOR plus one percent in addition to the outstanding amount(s).</td></tr></table>	Nature	Loan / advance	Purpose	To earn mark-up / profit on loan / advance being provided to MLCFL which will augment KTM's cash flow.	Period	One Year	Rate of Mark-up	One percent above three months KIBOR or one percent above the average borrowing cost of KTM, whichever is higher.	Repayment	Principal plus mark-up/ profit upto October 31, 2022	Penalty charges	@3-months KIBOR plus one percent in addition to the outstanding amount(s).
Nature	Loan / advance													
Purpose	To earn mark-up / profit on loan / advance being provided to MLCFL which will augment KTM's cash flow.													
Period	One Year													
Rate of Mark-up	One percent above three months KIBOR or one percent above the average borrowing cost of KTM, whichever is higher.													
Repayment	Principal plus mark-up/ profit upto October 31, 2022													
Penalty charges	@3-months KIBOR plus one percent in addition to the outstanding amount(s).													
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	<p>Investing Company i.e. KTM is a holding company of MLCFL and Nine Directors are common in both the companies may be deemed to be interested to the extent of their shareholding.</p> <p>None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of KTM.</p>												
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any	A similar nature of loan/advance facility of Rs.1,500 million from time to time for working capital requirements has been granted by the valued shareholders of KTM vide special resolution passed in the Annual General Meeting held on October 27, 2020 which is												



	impairment or write offs; and	valid till October 31, 2021. There is no impairment and/or write off against the above facility.
(vii)	Any other important details necessary for the members to understand the transaction;	N/A
3(1)(c) Investments in the form of loans, advances:		
Ref. No.	Requirement	Information
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of KTML is 3.17% for the year ended June 30, 2021.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCFL at one percent above three months KIBOR or one percent above the average borrowing cost of KTML, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCFL is a subsidiary company of KTML.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2021 to October 31, 2022 (both days inclusive). MLCFL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2022.

Eight Directors and Sponsors of associated company i.e. MLCFL are also the members of KTML and are interested to the extent of their shareholding as under: -



Name	%age of shareholding in MLCFL	%age of shareholding in the KTML
Mr. Tariq Sayeed Saigol	0.0030	4.2260
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	0.0164	10.1495
Mr. Taufique Sayeed Saigol	0.0015	14.5090
Mr. Sayeed Tariq Saigol	0.0010	0.1286
Mr. Waleed Tariq Saigol	0.0010	0.0112
Mr. Danial Taufique Saigol	0.0005	0.0010
Ms. Jahanara Saigol	0.0002	0.0008
Mr. Shafiq Ahmed Khan	0.0014	0.0010
Mr. Zulfikar Monnoo	0.0003	0.0010

Agenda Item Number 5 of the Notice – Investment in Maple Leaf Capital Limited in the form of loans/advances:

Maple Leaf Capital Limited (MLCL) was incorporated on 25 April 2014 as a public limited company. The authorized share capital of MLCL is Rs. 5,000,000,000 and issued, subscribed and paid-up share capital of MLCL is Rs. 3,015,000,000. Kohinoor Textile Mills Limited is the holding company of MLCL and owns 250,000,000 shares (82.919%) of MLCL.

MLCL is set up with the principal object of buying, selling, holding or otherwise acquiring or investing its capital in any sort of financial instruments including but not limited to secure debt instruments and in shares of leading listed and unlisted companies but not to act as an investment / brokerage company.

The Board of Directors of the Company in their meeting held on August 13, 2021 has approved Rs. 1,000 million as loans / advances to MLCL on the basis of financial results of MLCL subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCL in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out their due diligence relating to the proposed investment and duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting along with the latest audited accounts of the subsidiary company.

3(1)(a) Disclosure for all types of investments

(A) Regarding associated company or associated undertaking: -

Ref. No.	Requirement	Information
(i)	Name of associated company or associated undertaking;	Maple Leaf Capital Limited (the "MLCL")
(ii)	Basis of relationship;	MLCL is a subsidiary of Kohinoor Textile Mills Limited (the "KTML") and the KTML holds 82.92% of the aggregate paid-up capital in MLCL.



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(iii)	Earnings per share for the last three years;	(Rupees)																						
		Year	Basic	Diluted																				
		30.06.2019	0.88 Restated	0.88 Restated																				
		30.06.2020	(2.04)	(2.04)																				
		30.06.2021	13.66	13.66																				
(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2021 is Rs. 28.36																						
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2021, the financial position of MLCL is as under: - <table><tr><th>Particulars</th><th>Amount Rs.(000)</th></tr><tr><td>Paid up capital</td><td>3,015,000</td></tr><tr><td>Unappropriated profit</td><td>5,534,932</td></tr><tr><td>Total equity</td><td>8,549,932</td></tr><tr><td>Current liabilities</td><td>1,863,499</td></tr><tr><td>Current assets</td><td>10,681,436</td></tr><tr><td>Revenue</td><td>5,013,141</td></tr><tr><td>Profit from operations</td><td>4,845,867</td></tr><tr><td>Profit after taxation</td><td>4,119,033</td></tr><tr><td>Earnings Per Share Rs.</td><td>13.66</td></tr></table>			Particulars	Amount Rs.(000)	Paid up capital	3,015,000	Unappropriated profit	5,534,932	Total equity	8,549,932	Current liabilities	1,863,499	Current assets	10,681,436	Revenue	5,013,141	Profit from operations	4,845,867	Profit after taxation	4,119,033	Earnings Per Share Rs.	13.66
Particulars	Amount Rs.(000)																							
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Profit from operations	4,845,867																							
Profit after taxation	4,119,033																							
Earnings Per Share Rs.	13.66																							
(B) General Disclosures:-																								
Ref. No.	Requirement	Information																						
(i)	Maximum amount of investment to be made;	Rs. 1,000 million (Rupees one thousand million only).																						
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>Purpose: To earn income on the loans and/or advances to be provided to MLCL from time to time for working capital requirements of MLCL.</p> <p>Benefits: The KTML will receive mark up at the rate of one percent above three months KIBOR or one percent above its average borrowing, whichever is higher. This shall benefit the KTML's cash flow by earning profit on idle funds.</p> <p>Period: For a period of one year from November 01, 2021 to October 31, 2022.</p>																						
(iii)	Source of funds to be utilized for investment and	Loan and/or advance will be given out of own funds of KTML.																						



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	where the investment is intended to be made using borrowed funds, - (I) Justification for investment through borrowings; (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis;	N/A													
(iv)	Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	<table><tr><td>Nature</td><td>Loan / advance</td></tr><tr><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to MLCL which will augment KTML's cash flow.</td></tr><tr><td>Period</td><td>One Year</td></tr><tr><td>Rate of Mark-up</td><td>One percent above three months KIBOR or one percent above the average borrowing cost of KTML, whichever is higher.</td></tr><tr><td>Repayment</td><td>Principal plus mark-up/ profit upto October 31, 2022</td></tr><tr><td>Penalty charges</td><td>@3-months KIBOR plus one percent in addition to the outstanding amount(s).</td></tr></table>	Nature	Loan / advance	Purpose	To earn mark-up / profit on loan / advance being provided to MLCL which will augment KTML's cash flow.	Period	One Year	Rate of Mark-up	One percent above three months KIBOR or one percent above the average borrowing cost of KTML, whichever is higher.	Repayment	Principal plus mark-up/ profit upto October 31, 2022	Penalty charges	@3-months KIBOR plus one percent in addition to the outstanding amount(s).	
Nature	Loan / advance														
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Repayment	Principal plus mark-up/ profit upto October 31, 2022														
Penalty charges	@3-months KIBOR plus one percent in addition to the outstanding amount(s).														
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Investing Company i.e. the KTML is a holding company of MLCL and Six Directors are common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of KTML.													
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	A similar nature of loan/advance facility of Rs.500 million from time to time for working capital requirements has been granted by the valued shareholders of KTML vide special resolution passed in the Annual General Meeting held on October 27, 2020 which is valid till October 31, 2021. There is no impairment and/or write off against the above facility.													



(vii)	Any other important details necessary for the members to understand the transaction;	N/A
3(1)(c) Investments in the form of loans		
(i)	Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of KTML is 3.17% for the year ended June 30, 2021.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from MLCL at one percent above three months KIBOR or one percent above the average borrowing cost of KTML, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since MLCL is a subsidiary company of KTML.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of one year from November 01, 2021 to October 31, 2022 (both days inclusive). MLCL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2022.

Five Directors and Sponsors of associated company i.e. MLCL are also the members of KTML and are interested to the extent of their shareholding as under: -

Name	%age of shareholding in MLCL	%age of shareholding in KTML
Mr. Taufique Sayeed Saigol	8.3748	14.5090
Mrs. Shehla Tariq Saigol (Spouse of Mr. Tariq Sayeed Saigol)	3.3167	10.1495
Mr. Sayeed Tariq Saigol	-	0.1286
Mr. Waleed Tariq Saigol	0.3648	0.0112
Mr. Danial Taufique Saigol	-	0.0010
Ms. Jahanara Saigol	-	0.0008



Agenda Item Number 6 of the Notice – Ratification and approval of the related party transactions

Transactions conducted with the 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 Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested due to their common directorships and therefore these transactions are being placed for the approval by shareholders in the Annual General Meeting. In last 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, 2021 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in the next annual general meeting for their formal approval/ratification. Accordingly, these transactions are being placed before the shareholders in this meeting for their formal approval/ratification.

All transactions with related parties to be ratified have been disclosed in the **note 38** to the unconsolidated financial statements for the year ended June 30, 2021. Party-wise details of such related party transactions are given below: -

Name of Related Party	Relationship	Description of Transactions	2021	2020
Rupees in thousand				
Maple Leaf Cement Factory Limited	Subsidiary Company	Purchase of goods and services	144,968	114,281
		Investment made	-	3,343,934
		Sale of property, plant and equipment	3,533	-
		Dividend income	-	163,918
		Expenses paid by MLCFL on behalf of the Company	5,265	-
		Common expenses	14,050	22,152
		Loan given	-	870,000
		Receipts against loan	-	870,000
		Mark up charged on loans	-	21,297
Maple Leaf Capital Limited	Subsidiary Company	Loan obtained	-	1,250,000
		Loan repaid	445,216	804,784
		Mark-up on loans	2,004	80,308
		Purchase of property, plant and equipment	3,533	-
		Sale of property, plant and equipment	1,594	-
Provident fund	Post-employment benefit plan	Contribution to provident fund	65,616	57,896

The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [24.52%] (2020: 73,390,896) and 49,639,992 [16.59%] (2020: 49,639,992) ordinary shares respectively of the Company on which dividend amounting to Rupees 146,781,792 (2020: Rupees 128,434,068) and Rupees 99,279,984 (2020: Rupees 86,869,986) respectively was paid during the year.



The Company carries out transactions 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 Audit Committee of the Company, which is chaired by an Independent Director of the Company. Upon the recommendation of the Audit Committee, such transactions were placed before the Board of Directors for approval.

The nature of relationship with these related parties has been indicated above. The Directors are interested in the resolution only to the extent of their shareholding and having their common directorships in such related parties.

Agenda Item Number 7 of the Notice – Authorization for the Board of Directors to approve the related party transactions during the year ending on June 30, 2022.

The Company shall be conducting transactions with its related parties during the year ending on June 30, 2022 as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested due to their common directorships in the subsidiary/associated companies. In order to promote transparent business practices, the shareholders are required to authorize the Board of Directors to approve transactions with the related parties from time-to-time and on case to case basis for the year ending on June 30, 2022, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. 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 shareholding and/or only their common directorships in such related parties.

A handwritten signature in blue ink, appearing to be "S. A.", written over the circular stamp.