

**NOTICE OF 29<sup>th</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 29<sup>th</sup> Annual General Meeting ("AGM") of Interloop Limited (the "Company") will be held on Friday, October 15, 2021 at 11:30 a.m. at the Interloop Executive Club, Interloop Industrial Park located at 7-KM Khurrianwala- Jaranwala Road, Khurrianwala, Faisalabad, to transact the following businesses:

**ORDINARY BUSINESS:**

1. To confirm the minutes of the last Extra Ordinary General Meeting (EGM) of the Company held on December 10, 2020.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2021, together with the Auditors' and Directors' Reports thereon and Chairman's Review Report.
3. To approve Final Cash Dividend @ 10 % [i.e. Rs. 1 /Share], for the year ended June 30, 2021 as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the financial year 2021-22. The members are hereby given notice that Audit Committee and the Board of Directors have recommended the name of retiring auditors, M/s Kreston Hyder Bhimji & Company, Chartered Accountants for re-appointment as Auditors of the Company.

**SPECIAL BUSINESS:**

5. To consider and approve as recommended by the Board of Directors of the Company, the issue of bonus shares in the proportion of 3 % i.e., 3 bonus shares for every 100 shares held, for the year ended June 30, 2021 and in order to give effect to the aforesaid, if thought fit, pass with or without modification the following resolutions as Special Resolution:

**RESOLVED THAT** a sum of Rs. 261,659,240 be utilized out of the share premium account of the Company and applied towards issue of 26,165,924 ordinary shares of Rs. 10 each to be allotted as fully paid bonus shares in the proportion of three (3) ordinary shares for every hundred (100) shares, i.e. 3%, held by a shareholder of the Company.

**FURTHER RESOLVED THAT** the above bonus shares shall rank pari passu in all respects with the existing ordinary shares of the Company, as regards future dividend and in all other respects.

**FURTHER RESOLVED THAT** fractional entitlements of the members shall be consolidated into whole shares and sold in the stock market and the sale proceeds shall be donated to a charitable institution as permissible under the law.

**FURTHER RESOLVED THAT** the Chief Executive Officer and Secretary of the Company, be and are hereby jointly and / or severally authorized to give effect to above resolutions and to do and cause to be done all

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acts, deeds and things that may be necessary, incidental or required for issue, allotment and distribution of the said bonus shares and payment of sale proceeds of the fractional shares.

6. To consider and if thought fit to approve an increase in the Authorized Share Capital of the Company and for this purpose pass the following special resolution, with or without any amendments and to approve the consequent amendments in the Memorandum of Association of the Company, subject to the requisite approvals, if any:

**RESOLVED THAT** the Authorized Share Capital of the Company be and is hereby increased from Rs. 10,000,000,000 (Rupees Ten Billion only) divided into 1,000,000,000 (One Billion) ordinary shares of Rs. 10 (Rupees Ten) each to Rs. 15,000,000,000 (Rupees Fifteen Billion only) divided into 1,500,000,000 (One Billion Five Hundred Million) ordinary shares of Rs. 10 (Rupees Ten) 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 (MOA) of the Company, be and is hereby replaced accordingly, to read as follows;

**Clause V of the Memorandum of Association:**

"The Authorized Capital of the Company is Rs. 15,000,000,000/- (Rupees Fifteen Billion only) divided into 1,500,000,000 (One Billion Five Hundred Million) Ordinary Shares of Rs.10/- (Rupees Ten) each, with attached thereto respectively such preferential, deferred, qualified or special rights, privileges and conditions as provided in the Articles of Association of the Company, or in accordance with the Companies Act, 2017, and to vary, modify or abrogate such rights, privileges and conditions, in such manner as may be permitted by the Companies Act, 2017 and to increase and/or reduce the capital and to divide shares in the capital into several kinds and classes and to consolidate or subdivide the shares and to issue shares for higher or lower denominations."

7. To ratify and approve transactions conducted with the Related Parties for the years ended June 30, 2019 to 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 43/47 of the Annual Audited Financial Statements for the years ended June 30, 2019 to June 30, 2021 respectively, be and are hereby ratified, approved and confirmed.

8. To approve potential transactions with Related Parties intended to be carried out in the financial year ending on June 30, 2022 and to authorize the Board of Directors of the Company, to carry out such Related Party transactions at its discretion from time to time, irrespective of the composition of the Board of Directors.

The resolutions to be passed as special resolutions are as under:

**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.



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**FURTHER RESOLVED THAT** the Board of Directors of the Company may, at its discretion, approve specific related party transactions from time to time, irrespective of the composition of the Board, and in compliance with the Company's policy pertaining to Related Party transactions and notwithstanding any interest of the Directors of the Company in any Related Party transaction which has been noted by the shareholders.

The Statement under Section 134(3) of the Companies Act, 2017, pertaining to the special business referred to above is being circulated to the members along with the Notice of the Meeting.

**OTHER BUSINESS:**

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

**Place: Faisalabad**  
**Dated: September 23, 2021**



**By Order of the Board**

  
**(Rana Ali Raza)**  
**Company Secretary**

**Notes:**

**1. Closure of Share Transfer Books:**

The Share Transfer Books of the Company will remain closed from October 08, 2021 to October 15, 2021 (both days inclusive). Transfer requests on prescribed format, received at the office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited, CDC House, 99 -B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 on or before the close of business on October 07, 2021 will be treated 'in time' for the purpose of above entitlement(s) to the transferees and/or to attend the AGM.

**2. Participation in the Annual General Meeting:**

All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e. [www.interloop-pk.com](http://www.interloop-pk.com) (in English and Urdu Language) besides being attached with dispatch of this notice.



**3. Consent for video conference facility:**

Pursuant to Section 132(2) & section 134(b) of the Companies Act, 2017, if Company receives consent form from Shareholders holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video conference at least 7 days prior to the date of 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 provide following information and submit to registered office of the Company:

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Interloop Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio/CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
Signature of Member

**4. Attendance of the Members:****a. For attending the meeting**

(i) In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall authenticate his/her identity by showing his/ her valid original Computerized National Identity Card (CNIC) or original passport at the time of attending the Annual General Meeting.

(ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be produced at the time of the Annual General Meeting, unless it has been provided earlier.

**b. For appointing proxies**

(i) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the mentioned requirements.

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

(iii) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his/her valid original CNIC or original passport at the time of the Annual General Meeting.

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(v) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.

#### 5. Mandatory Submission of CNIC Copies:

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(1)2011 dated August 18, 2011, the Members/ Shareholders who have not yet submitted photo copy of their valid CNIC to the Company are required to send the same at the earliest directly to the Company's Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 -B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400. In case of non-receipt of the copy of valid CNIC and noncompliance of the above mentioned SRO of SECP, the Company may be constrained to withhold transfer of dividend in the future, if any.

#### 6. Dividend Bank Mandate:

Pursuant to Section 242 of the Companies Act, 2017, members are requested to provide their CNIC's and bank account details including name of the bank, address of bank branch and International Bank Account Number (IBAN) to receive their cash dividend directly into their bank account. Therefore, all members who have not yet provided their CNIC and Bank Account details are once again reminded to immediately submit a copy of their CNIC and duly filled 'Dividend Bank Mandate Form' to the Company's Share Registrar or to the Company directly. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the provisions of Act and Regulations made thereunder by the Commission. The 'Dividend Bank Mandate Form' is available at the Company's website i.e. [www.interloop-pk.com](http://www.interloop-pk.com)

Members who hold shares in CDC accounts are required to provide their bank mandates to their respective participants.

#### 7. Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001 ("Income tax Ordinance"):

The rates of deduction of withholding tax for Filers and Non-Filers as prescribed under Section 150 of the Income Tax Ordinance 2001, are as under:

For Filers of income tax returns 15.00%  
For Non-Filers of income tax returns 30.00%



#### Withholding tax on Dividend in case of Joint Account Holders

Members who have joint shareholdings 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-Filers and tax will be deducted according to his/her shareholding.



If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher side, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the Annual General Meeting date.

Folio/CDC A/c No.	Total No of Shares	Name Principal Shareholder and CNIC #	of Share Holding	Name of Joint Shareholders and CNIC #	Share Holding
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## Valid Tax Exemption Certificate for Exemption from Withholding Tax

A valid tax exemption certificate is necessary for exemption from the deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Members who qualify under Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 and wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Shares Registrar prior to the date of commencement of Book closure otherwise tax will be deducted according to the applicable law.

## Unclaimed Dividend

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 –B, Block B, S.M.C.H.S., Main Shahrah-e- Faisal, Karachi-74400 and collect / enquire about their unclaimed dividend, if any.

## 8. Deposit of Physical Shares into CDC Accounts:

Securities and Exchange Commission of Pakistan has issued directions vide letter no. CSD/ED/Misc./2016/639-640 dated March 26, 2021 in the light of Section 72 of the Companies Act, 2017 whereby 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 the Companies Act, 2017 i.e. May 31, 2017. In order to ensure compliance with the aforesaid provision and to be benefited of the holding of shares in Book-Entry Form, all shareholders who still having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody/online trading of shares, easy transfer of ownership, no risk of damage/lost/duplicate shares, instant credit of entitlements (bonus/right issue) as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited.

## 9. Transmission of Audited Financial Statements / Notices Through Email:

Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated September 8, 2014, and under section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.



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In compliance with the above requirements, members who wish to receive the Annual Report 2021 in electronic form may file an application as per the form provided on the Company's website in compliance with the subject SRO. The members who have provided consent to receive Annual Report 2021 can subsequently request any other media including hard copy which shall be provided free of cost within seven days.

**10. Transmission of Annual Financial Statements Through CD/DVD/USB:**

SECP through its SRO 470 (I)/2016 dated May 31, 2016 have allowed companies to circulate their Annual Balance Sheet, Profit and Loss Account, Auditor's Report and Directors' Report to its members through CD/DVD/USB at their registered addresses. In view of the above, the Company has sent its Annual Report to the Shareholders in the form of CD/DVD. Any Member can send request for printed copy of the Annual Report to the Company on standard request form placed under the Investor Information section on its website <https://www.interloop-pk.com>.

**11. Placement of Financial Statements on Website:**

The Financial Statements of the Company for the year ended June 30, 2021 along with reports have been placed on the website of the Company:

<https://www.interloop-pk.com>.

**12. Intimation of Changes of Address and declaration for non-deduction of Zakat:**

Shareholders are requested to promptly notify any changes in their registered addresses and provide their declarations for non-deduction of zakat, if applicable, to the Share Registrar of the Company. Members who hold shares in CDC / participant accounts are required to update their addresses and submit their declarations for non-deduction of zakat, if applicable, to the CDC or their respective participants.

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**STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 (3) OF THE COMPANIES ACT, 2017**

This statement sets out the material facts concerning the Special Business given in agenda items No.5, 6, 7 & 8 of the Notice of AGM, which will be considered to be passed by the members. The purpose of this Statement is to set forth the material facts concerning such Special Business.

**Agenda Item No. 5 of the Notice –****To consider and approve issue of fully paid bonus shares.**

With a view to capitalize the Share Premium balance, the Board of Directors of the Company in its meeting held on September 15, 2021 have proposed to issue bonus shares at the ratio of 3:100; i.e., 3 (Three) fully paid-up ordinary shares for every 100 (one Hundred) ordinary shares held, thereby capitalize a sum of Rs. 261,659,240. These Bonus Shares shall rank pari passu with the existing ordinary shares of the Company, as regards future dividend and in all other respects. However, they will not qualify for the final cash dividend declared for the year ended June 30, 2021.

The Directors are not interested in this business except as shareholders of the Company.

**Agenda Item No. 6 of the Notice –****Increase in Authorized Capital to be passed as a Special Resolution.**

The Board of Directors of the Company in their meeting held on September 15, 2021 approved the increase in the Authorized Share Capital of the Company from Rs. 10,000,000,000 (Rupees Ten Billion only) divided into 1,000,000,000 (One Billion) of the nominal value of Rs.10 (Rupees Ten) each Ordinary Shares to Rs. 15,000,000,000 (Rupees Fifteen Billion only) divided into 1,500,000,000 (One Billion Five Hundred Million) of the nominal value of Rs.10 (Rupees Ten each) Ordinary Shares. This increase in Authorized Capital is indispensable to accommodate the current bonus issue of 3% bonus shares as mentioned in Item No. 5 of the Agenda. Further the current increase in Authorized Capital is proposed to anticipate any increase in issue of shares as the total Authorized Capital of the Company is 87% issued, paid-up and subscribed.

The Directors are not interested in this business except as shareholders of the Company.

**Agenda Item No. 7 of the Notice –****To ratify and approve transactions conducted with the Related Parties for the years ended June 30, 2019 to June 30, 2021.**

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 the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, 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 29<sup>th</sup> Annual General Meeting of the Company.

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All the transactions with the Related Parties to be ratified have been disclosed in the note 43/47 of the Annual Audited Financial Statements for the years ended June 30, 2019 to June 30, 2021 respectively. The Company carries out transactions in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee 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 also been indicated in the referred Financial Statements for the subject fiscal years.

**Agenda Item No. 8 of the Notice –**

**To authorize Board of Directors of the Company to approve potential transactions with the Related Parties intended to be carried out in the financial year ending on June 30, 2022.**

The Company shall be conducting transactions with its Related Parties during the year ending on June 30, 2022 in the normal course of business. The majority of Directors are interested due to their common directorship in the associated undertakings. 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, irrespective of the composition of the Board, and in compliance with the Company's policy pertaining to Related Party transactions and notwithstanding any interest of the Directors of the Company in any Related Party transaction which has been noted by the shareholders.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and the privileges attached thereto only.

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