

Zahur Cotton Mills Ltd

Reg: Off: 94-Km Multan Road, Pul Jaurian
Akhtarabad, Distt: Okara, Pakistan.

Correspondance Address:-

55 C/1, Gulberg-III, Lahore. Pakistan
"Without Prejudice"

February 10, 2022

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

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Dear Sir,

Please find enclosed copy of Notice of Extra Ordinary General Meeting's notice of Zahur Cotton Mills Limited to be held on Thursday, March 03, 2022 at 11:00 a.m. at 94-Km Multan Road, Pul Jaurian, Akhtarabad, Distt. Okara.

Thanking you.

Yours faithfully,

For and on behalf of:
Zahur Cotton Mills Limited



Javed Zahur
Chief Executive Officer
ZHCM

Enclosed: a.a.

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Zahur Cotton Mills Limited ("ZHCM" or "the Company") Notice of the Extraordinary General Meeting

Notice is hereby given that the Extra Ordinary General Meeting ("EOGM") of ZHCM will be held on Thursday, March 03 2022, at 11:00 am at the registered address of the Company, 94-KM Multan Road, Pul Jaurian, Akhtarabad, Okara, to transact the following business:

A. Ordinary Business

To confirm the minutes of the previous annual general meeting of the Company held on October 28, 2021

B. Special Business

(i) To consider and approve the disposal of Company's assets comprising of freehold land, building on freehold land and Plant & Machinery ("Company's assets") located at 94-KM Multan Road, Pul Jaurian, Akhtarabad, District Okara; by passing the following resolution(s) as special resolution(s) with or without any modification under section 183(3)(a) of the Companies Act, 2017: The Board of Directors of the Company have already approved the disposal of the Company's assets, utilization of disposal proceeds, change in principal line of business and likewise change in memorandum of association of the company in their meeting held on February 07, 2022 subject to the all necessary legal and corporate formalities.

"Resolved that approval of the members of Zahur Cotton Mills Limited be and is hereby given under section 183(3)(a) of the Companies Act, 2017, for disposal of the Company's assets located at 94-KM Multan Road, Pul Jaurian, Akhtarabad, District Okara."

"Resolved that approval is hereby given for the utilization of consideration of disposal of Company's assets, which will be used to redeem / settle / payoff / adjust the Company's long-term outstanding liabilities, including the sponsor loan. Resultantly, it will clean up un-used / unnecessary / long outstanding dues and make the Company's financials more promising and lucrative for any potential investor (s)."

"Resolved further that the alternate business plan approved and recommended by the Board of Directors ("the Board") of the Company, in their last Meeting held on February 07 2022, placed before the members of the Company for their approval in EOGM, be and is hereby approved and adopted."

Resolved further that as part and parcel of the foregoing consent, the Board be and is authorized and empowered to dispose the Company's assets and delegate any or all of its powers in this regard to the Chief Executive Officer or any other person on such terms and conditions as deem fit, to act on behalf of the Company in carrying out and performing all acts, matters things, and deeds to implement and /or give effect to the Company's assets disposal and utilization of consideration thereof, which shall include, not limited to:

- o To conduct / ascertain the fair value of Company's assets by the independent expert, on such terms and conditions as are in the best interest of the Company and its members.*
- o To utilize the consideration in settlement / paying off / adjustment of the Company's long-term outstanding liabilities, including the sponsor loan.*
- o Generally performing and executing in respect of the asset in lawful deeds, agreements, acts and things as they may think fit and proper to implement and complete the disposal of the Company's assets*
- o Further resolved that the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to the disposal of Company's assets.*

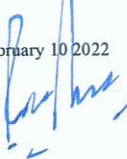
(ii) To consider and if, thought fit, to pass with or without modifications, a special resolution to amend the Memorandum of Association of the Company to include business of warehousing, logistic and supply chain management.

Resolved further that, Chief Executive Officer and / or Company Secretary of the Company can singly, execute any document(s) and take all the necessary actions with effect to the proposed resolution.

The statement of material facts under Section 134(3) concerning the special business, are being circulated to the shareholders along with this notice of the Extraordinary General Meeting.

Chief Executive Officer
Zahur Cotton Mills Limited

Lahore
Date: February 10 2022



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Notes:

1. The share transfer books of the Company shall remain closed from February 24, 2022 to March 03, 2022 (both days inclusive). Transfers received in order at the Company's registered office by the close of business on February 23, 2022 will be treated in time for the purpose of entitlement of attending the Meeting.
2. All members are entitled to attend (in person or by video link facility) and vote at the Meeting.
3. Any member of the Company entitled to attend and vote at the Meeting may appoint a proxy to attend, speak and vote for him / her. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, must be received at the registered office of the Company, not less than 48 (forty eight) hours before the time of holding the Meeting.
4. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting. If proxies are granted by such corporate shareholders the same must be accompanied with the Board of Directors' resolution / power of attorney with specimen signatures.
5. If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
6. Members are requested to immediately notify any change in their addresses to the Company.
7. Pursuant to the provisions of the Companies Act 2017 the shareholders 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 herein below at least 07 days prior to the date of the Meeting by filling the following specimen. The Company will intimate respective members regarding venue of the video-link facility before five days of the Meeting along with complete information necessary to enable them to access the facility.

I/we _____ of _____ being members of Zahur Cotton Mills Limited holder _____ Ordinary Shares(s) as per Registered Folio No. CDC/Account No. _____ hereby opt for video conference facility at _____ in respect of Extraordinary General Meeting of the Company.
8. In light of threat posed by Covid-19 and under the instructions of Securities and Exchange Commission of Pakistan (SECP) facility of Video Link is available for shareholders to attend/participate in Extraordinary General Meeting to avoid the public gathering to protect the health of valued shareholders' and their well-being. To attend the General Meeting through video link, members and proxies are requested to register their particulars such as Name, CNIC Number, Folio/CDC Account Number, Cell Number and e-mail Address by sending an e-mail zcml2022@gmail.com, but not later than 48 hours before the time of Extraordinary General Meeting.


Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their email address. On the date of the Extraordinary General Meeting, shareholders will be able to login and participate in the Meeting through their smart phones / computer devices. The facility login shall be opened thirty (30) minutes before the meeting time to enable the particulars to join the Meeting after identification process and verification process. In view of the above, the shareholders can also provide their comments/suggestions for the proposed agenda items of the Extraordinary General Meeting by using the aforesaid means.
9. For any query / problem/information Members may contact the Company at email zcml2022@gmail.com and/or the Share Registrar of the Company at Corplink Private Limited, Wings Arcade, 1-K Commercial, Model Town, Lahore.
10. Copies of the Memorandum and Articles of Association, Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special businesses, Statement any other information relevant to the special businesses in respect of the Company shall be available upon request and for inspection by any person entitled to attend the Meeting from the registered office of the Company free of cost during normal office hours. Such information shall also be placed for inspection of members of the Company during the Extraordinary General Meeting.

Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business

Subject to the relevant sub-section of 208 and 183 of Companies Act, 2017, as previously approved by the Board of Directors of the Company on February 07, 2022, a specific undertaking of Zahur Cotton Mills Limited ("ZHCM"), as more particularly described as the Company's assets (factory freehold land, building on free hold land and Plant & Machinery) located at 94-KM Multan Road, Pul Jaurian, Akhtarabad, District Okara; shall be disposed of and the consideration of disposal will be used to settle / redeem / payoff/ adjust long term outstanding liabilities of the Company including sponsor loan.

The fair value of the Company's assets will be ascertain / calculated by M/s Sadruddin Associates Private Limited the Company's assets will be disposed by the person authorized by the Board of Directors of in a way that is most beneficial for the members and the Company. The Consideration of disposal will be used to settle / redeem long term outstanding loans, including the sponsor's loan. It is expected that transaction will be completed by Mar-Apr - 2022. The Board has carried out necessary due diligence for the proposed transaction.

The objects, benefits and terms of the disposal will (i) clean up un-used / unnecessary / long outstanding dues, (ii) improve the leverage value of the Company and (iii) resultantly will make the Company's financials more promising and lucrative for any new potential investor (s).


Javed Zahur
Chief Executive Officer
Zahur Cotton Mills Limited