

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 37th ANNUAL GENERAL MEETING OF THE MEMBERS OF J.K. SPINNING MILLS LIMITED WILL BE HELD ON FRIDAY, 27 OCTOBER, 2023 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 36th Annual General Meeting held on October 25, 2022.
- 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 June 30, 2023.
- 3) To appoint Auditors for the year 2023-2024 and fix their remuneration. The present Auditors M/s Riaz Ahmad and Company, Chartered Accountants, being eligible, has offered themselves for reappointment.

SPECIAL BUSINESS:

- 4) To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 by passing the special resolution with or without modification.
- 5) 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 and Fine Fabrics (Pvt.) Limited, up to Rs. 350 million - Associated Companies for the year ending June 30, 2024 by passing the Special resolution with or without modification.
- 6) To consider dissemination of Annual Audited Financial Statements through QR enabled code and weblink instead of transmitting the same in the form of CD/DVD/USB.
- 7) To consider and pass, with and without modifications, Special Resolution pertaining to capitalization of reserves and related alterations, substitutions, additions or deletions, wherever necessary, in the existing Articles of Association of the Company in order to bring it in alliance with the provisions of the Companies Act, 2017.

(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).

ANY OTHER BUSINESS

- 8) Any business with permission of Chair.

By Order of the Board



Syed Hussain Shahid Mansoor Naqvi
Company Secretary

Faisalabad: September 25, 2023



Associated Companies:
J. K. Power Ltd.
J. K. Agriculture Farms (Pvt) Ltd.
J. K. Tech (Pvt.) Ltd.
Fine Fabrics (Pvt) Ltd.

NOTES

1. The Share Transfer Books of the Company will remain closed from October 20, 2023 to October 27, 2023 (both days included). transfers received at the Company's Share Registrar, M/s CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore, at the close of business on 19 October, 2023 will be treated in time for the purpose of above entitlement to the transferees.
2. The members / proxies who wish to attend the Annual General Meeting, via Video Link, are requested to get themselves registered by sending their particulars at the designated email address mansoornaqvi@jkgroup.net as per below table by the close of business hours (5:00 p.m.) on October 20, 2023:

Name of Member	CNIC No. / NTC No,	CDC Participant ID/Folio No.	Cell Number	Email Address

The Video link will be emailed to the registered members / proxies who have provided all the requested information.

3. The CDC account holders / sub-account holders are requested to bring with them their original CNICs or Passports along with Participant(s) ID Number and CDC Account Numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such Shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced at the time of meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.

The members are also required to attach the copy of their CNIC and where applicable, copy of CNIC of member(s) of whom he / she / they hold proxy(ies) while sending the information with reference to Note 2 hereof. Without the copy of the CNIC, such member(s) shall not be registered for the Video link facility.

A member entitled to attend and vote at the meeting may appoint another member as proxy to attend, speak and vote instead of him / her. Proxies in order to be effective must be received at the Head Office of the Company duly stamped and signed not later than 48 hours before the meeting. A proxy must be a member of the Company.

4. As per Section 72 of the Companies Act, 2017, all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017. The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form, to convert their shares into book entry form. We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest.



Associated Companies:

J. K. Power Ltd.

J. K. Agriculture Farms (Pvt) Ltd.

J. K. Tech (Pvt.) Ltd.

Fine Fabrics (Pvt) Ltd.

5. Shareholders holding shares in physical form, are requested to notify any change in their addresses immediately to the Share Registrar of the Company. Shareholders having shares in their CDC accounts are required to have their addresses updated with their respective participants.
6. The shareholders will be allowed to exercise their right to vote through e-voting and postal ballot subject to the requirements of Sections 143 and 144 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.
7. The notice of Annual General Meeting has also been posted on the Company's website.
8. The Proxy Form is attached.

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

The statement sets out the material facts pertaining to the special business to be transacted at the forthcoming Annual General Meeting of the Company to be held on October 27, 2023. The Directors in their meeting held on September 25, 2023 have recommended to the Shareholders to pass the following special resolutions.

1. Item Number 4 of the Notice - Ratification and approval of the related party transactions carried out during the year ended June 30, 2023.

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, 2019.

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 36th 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, 2023 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 40 to the financial statement for the year ended June 30, 2023. Party-wise details of such related party transactions are given below:



Associated Companies:

J. K. Power Ltd.

J. K. Agriculture Farms (Pvt) Ltd.

J. K. Tech (Pvt.) Ltd.

Fine Fabrics (Pvt) Ltd.

Name of Related Party	Basis of Relationship	Nature of transactions	PKR in '000'
Associate:			
J.K. Tech (Private) Limited (JKTPL)	30% Shareholding in JKTPL	Service charges	2,520
		Rental income	2,280
		Expenses paid on behalf of JKTPL	262
Other related parties:			
J.K. Spinning Mills Limited: Employees' Provident Fund Trust	Post-employment benefit plan	Contribution made	52,166
C.E.O/Directors and their Spouses	Members of Board of Directors and their relatives	Dividend paid	201,607
Executives	Key Management Personnel	Dividend paid	17
		Vehicles Sold	25,434

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.

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 40 to the financial statement for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the Note 40 of the financial statements for the year ended June 30, 2023 as specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."



Associated Companies:

J. K. Power Ltd.

J. K. Agriculture Farms (Pvt) Ltd.

J. K. Tech (Pvt.) Ltd.

Fine Fabrics (Pvt) Ltd.

2. Item Number 5 of the Notice - Authorization for the Board of Directors to Approve the Related Party Transactions during the year ending June 30, 2024.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024 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 are 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, 2024, 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.

To ratify and approve transactions to be conducted with Related Parties for the year ended June 30, 2024 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 Related Parties on case-to-case basis for the financial year ending June 30, 2024."

"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."

3. Item Number 6 of the Notice - Circulation of Annual Audited Accounts through QR enabled Code and Weblink

The Securities and Exchange Commission of Pakistan has allowed listed companies, through its SRO No. 389(I)2023 dated March 21, 2023 to circulate the Annual Audited Financial Statements to their members through QR enabled code and weblink instead of transmitting the Annual Audited Financial Statements through CD/DVD/USB. The Company shall circulate Annual Audited Financial Statements through email address in case it has been provided by the members to the Company, and upon demand, supply hard copies of the Annual Audited Financial to the members free of cost.



Associated Companies:

J. K. Power Ltd.

J. K. Agriculture Farms (Pvt) Ltd.

J. K. Tech (Pvt.) Ltd.

Fine Fabrics (Pvt) Ltd.

“RESOLVED THAT the dissemination of information regarding annual audited financial statements to the shareholders through QR enabled code and weblink as notified by the Securities and Exchange Commission of Pakistan vide its SRO 389 (I)/2023 dated 21 March, 2023, be and is hereby approved while considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB be discontinued.”

4. Item Number 7 of the Notice – Amendment in Articles of Association Pertaining to Capitalization of Reserves

In order to allow the Board of Directors of the Company to approve the capitalization any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, the Board of Directors of the Company in their meeting held on September 25 ,2023 has recommended to substitute the Article 100 of the Articles of Association of the Company Accordingly.

“RESOLVED THAT clause 100 of the Articles of Association of the Company be and is hereby amended to read as follows:”

CLAUSE - 100 OF ARTICLES OF ASSOCIATION:

The directors of the Company may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying-up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed as fully paid-up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution. Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto.

“RESOLVED FURTHER THAT Syed Hussain Shahid Mansoor Naqvi, Company Secretary of the Company be and is hereby authorized to complete all legal and corporate formalities and do all such acts, deeds and things as may be deemed necessary to expedite get effect to this resolution.”