

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 26<sup>th</sup> Annual General Meeting (AGM) of the shareholders of ZAHIDJEE TEXTILE MILLS LIMITED ("the Company") will be held at 11:00 A.M on Saturday, the 31<sup>st</sup> October, 2015 at Mills located 28-KM, Sheikhpura Road, Faisalabad, to transact the following business:

### **ORDINARY BUSINESS:**

1. To confirm the minutes of the last meeting of shareholders.
2. To consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2015 together with the Directors and Auditors reports thereon.
3. To appoint auditors for the year 2015-16 and to fix their remuneration. The retiring auditor M/S Avais Hyder Liaquat Nauman, Chartered Accountants being eligible offer themselves for reappointment.
4. To approve the issue of bonus shares in the proportion of three shares for every ten shares held i.e. 30% for the year ended June 30, 2015 as recommended by the Board of Directors.
5. Any other business with the permission of the chair.

### **SPECIAL BUSINESS:**

6. To consider and approve the fixation / increase in gross remuneration of the whole time working directors including Chief Executive of the Company.
7. To consider and if thought fit pass the following special resolution in respect of increase in authorized capital of the Company.

Resolved that the figures and words "Rs. 1,350,000,000 (Rupees one billion three hundred fifty million) divided into 135 Million ordinary shares of Rs. 10/- each" appearing in clause V of the Memorandum of Association and in Article 5 of the Articles of Association of the Company be and are hereby substituted by the figures and words of "Rs. 2,200,000,000 (Rupees Two billion two hundred thousands) divided into 220 Million ordinary shares of Rs. 10/- each."

8. To pass the following resolution, with or without modification, as Special Resolution under Section 208 of the Companies Ordinance, 1984:-

Resolved that consent and approval of the company be and is hereby accorded under section 208 of the companies ordinance, 1984 to invest in a proposed subsidiary company namely "Zahidjee Towers (Private) Limited".

Further Resolved that consent and approval of the company be and is hereby accorded for making equity investment upto Rs. 360 million (Rupees Three hundred sixty million) in the shares of M/S Zahidjee Towers (Private) Limited (a proposed subsidiary) by subscribing 36 million (Thirty six million) shares of the face value of Rs. 10/- each.

Further Resolved that Mr. Muhammad Zahid, Chief Executive of the company be and is hereby authorized singly to sign, execute all documents pertaining to the investment in M/S Zahidjee Towers (Private) Limited and execute all documents relating to transactions with associated company.

**By order of the Board**

Faisalabad  
Dated: October 9, 2015

SHAHAB UD DIN KHAN  
Company Secretary

## **NOTES:**

- i. The share transfer books of the Company shall remain closed from October 24, 2015 to October 31, 2015 (both days inclusive). Transfers received in order at Company's registrar, M/S Consulting One (Private) Limited, 478-D, Peoples Colony No.1, Faisalabad up to close of business on October 23, 2015 will be considered in time.
- ii. A Member entitled to attend and vote at the General Meeting of members is entitled to appoint a proxy to attend and vote on his / her behalf.
- iii. The instrument appointing proxy and the power of attorney or other authority, under which it is signed or a notarially certified copy of the power of attorney must be deposited at the office of the share registrar of the company not less than 48 hours before the time of meeting.
- iv. The CDC account holder will further have to follow the under mentioned guidelines:

### **A. For attending meetings:**

- i. In case of individuals, the account holders or sub-account holders and / or the persons whose shares are in group accounts and their registration details are uploaded as per CDC regulations shall authenticate their identity by showing their original Computerized National Identity Cards (CNICs) or original passports at the time of attending meeting.
- ii. In case of corporate entities, the Board of Directors resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of meeting.

### **B. For appointing proxies:**

- i. In case of individual, the account holders or sub-account holders and /or the persons whose share in group accounts and their registration detail are uploaded as per CDC regulations shall submit the proxy forms accordingly.
- ii. The proxy shall witness by two persons whose name, addresses and CNIC numbers shall be mentioned on the form.
- iii. The proxy shall produce their original CNIC or original passport at the time of the meeting.
- iv. In case of corporate entities, 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 (unless it has been provided earlier) along with proxy form to the Company.

## STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984

### PERTAINING TO ITEM NO. 6 – APPROVAL OF REMUNERATION OF DIRECTORS

Presently the Chief Executive of the Company is drawing an amount of Rs. 50,000. No other director is being paid any remuneration or meeting fee. The Board of Directors in their Meeting held on June 29, 2015 has recommended payment of the following remuneration to Chief Executive and full time Director of the Company with effect from July 2015 without any change in the other prevailing term and conditions of service.

Approval of shareholders is sought to pass with or without modification the following resolution.

“Resolved that the gross salaries of the whole time working Director and Chief Executive be and hereby revised with effect from July 2015 as follows:

	<b>Designation</b>	<b>Current salary</b>	<b>Revised Salary</b>
Muhammad Zahid	Chief Executive	50,000	100,000
Aleeza Zahid	Directos	Nil	65,000

While other prevailing terms and conditions of service will remain unchanged”.

The above Directors have interest in the aforesaid business to the extent of their remuneration and perquisites as shown above.

### PERTAINING TO ITEM NO. 7 – INCREASE IN AUTHORIZED CAPITAL

With the issuance of 30% Bonus Shares as proposed, the paid up share capital of the Company will increase to 1,657,325,540. Therefore the present Authorised Share Capital of the Company needs to be increased to facilitate the issuance of proposed bonus shares. Accordingly, the Board of Directors, in their meeting held on October 9, 2015 has recommended to increase the Authorized Share Capital from Rs. 1,350,000,000 (Rupees One billion three hundred fifty million) to Rs. 2,200,000,000 (Rupees Two billion two hundred million) divided into 220 million (Two hundred twenty million) ordinary shares of Rs. 10/- each. Increase in Authorised Share Capital will also necessitate amendments in Clause V of the Memorandum of Association and article 5 of the Articles of the Association of the Company.

The Directors are interested in this business to the extent of their shareholding.

### PERTAINING TO ITEM NO. 8 - INVESTMENT IN SECURITIES OF PROPOSED SUBSIDIARY

The Board of Directors considers to make investment in a proposed subsidiary. Details of such investment are given below:

(i)	Name of Associated Company and Criteria based on which the associated relationship is established.	- Zahidjee Towers (Private) Limited - Directors of Zahidjee Textile Mills Limited are also the Directors of Zahidjee Towers (Pvt.) Limited.
(ii)	Purpose, benefits and period of investment.	To earn by profits on investment in hotel business 10 Years
(iii)	Maximum amount of investment.	Rupees 360.00 Million
(iv)	Maximum amount at which securities will be acquired.	At face value of Rs. 10/- each

(v)	Maximum number of securities to be acquired.	36 Million
(vi)	Number of securities and percentage thereof held before and after the proposed investment	Before investment : NIL After investment : 79.61 %
(vii)	Sources of fund from which securities will be acquired.	Company's available in house generation of funds
(viii)	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.	The Directors of Zahidjee Textile Mills Limited have no vested interest in the above said investment except the Directors of Zahidjee Textile Mills Limited are also the Directors of Zahidjee Towers (Pvt.) Limited .

Proposed subsidiary in which the company is going to make investment has not commenced operations. In this regard further information is as under:

(I)	Description of the project and its history since conceptualization.	Company is in textile business having spinning, weaving and export activities, therefore management intends diversification. Due to economic corridor business activities are expected to manifold so hoteling business is expected to flourish. Management decided to establish a four star hotel in some posh area of metropolitan city of Lahore initially starting with 100 rooms. Hoteling business has good future prospects so management decided to enter in this business line.
(II)	Starting and expected date of completion of work.	Starting 2016 Completion 2018
(III)	Time by which such project shall become commercially operational.	2 years
(IV)	Expected time by which the project shall start paying return on investment.	3 years

The Directors of Zahidjee Textile Mills Limited have no vested interest in the above said investment, the Directors of Zahidjee Textile Mills Limited are also the Directors of Zahidjee Towers (Pvt.) Limited .