

JANANA DEMALUCHO TEXTILE MILLS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (EOGM) of Janana De Malucho Textile Mills Ltd. (hereinafter to be referred as the Company) will be held on Friday the 24th December, 2021 at 11:45 A.M. at its registered office, Habibabad, Kohat to transact the following business:-

- A. ORDINARY BUSINESS:**
1. To confirm minutes of the 61st annual general meeting held on October 23, 2021.
- B. SPECIAL BUSINESS:**
1. To ratify and approve the transactions and underlying agreement(s) entered into with the related parties, by passing the following special resolution with or without modification:-
"Resolved that the transactions and underlying agreement(s) entered into with the related parties as disclosed in the notes 6.11, 6.12 and note 42.4 of the annual audited financial statements of the Company for the year ended June 30, 2021, and also specified in the Statement of Material Information under Section 134(3), of the Companies Act, 2017 (the Act), be and are hereby ratified, approved and confirmed in all respects."
The Company Secretary and Chief Executive of the company (the "Authorized Officers"), or such one or more persons as may, from time to time, be specifically designated by the Authorized Officers for the purpose, be and are, as the case may be, hereby authorized to complete all necessary legal and other corporate formalities with regard to this matter on behalf of the company and to do all such acts, deeds, matters and things, as may be deemed necessary and beneficial for the company in this regard.
The Authorized Officers, be and are hereby jointly or severally authorized to take any further modifications/amendments/corrections in these Special Resolutions at a later stage if pointed out by Securities & Exchange Commission of Pakistan (SECP) and to take such other steps, execute such other documents and make necessary corporate and other filings as may be necessary or expedient for the purpose of giving effect to the above Special Resolutions and all other matters incidental or ancillary thereto."
2. To consider any other business with the permission of the Chair.

By the order of the Board
Company Secretary

NOTES:

1. The register of members of the Company will remain closed from 17th December 2021 to 24th December 2021 (both days inclusive). Transfers received in order by the Company's Shares Registrar, M/s. Vision Consulting Limited, 3-C LDA Flats, 1st Floor, Lawrence Road, Lahore by the close of business on 16th December, 2021 will be considered in time for registration in the name of the transferees, and be eligible for the purpose of attending and voting at the EOGM.
2. The register required to be maintained as per section 209 of the Act will be open and accessible for inspection during the continuance of the meeting to any shareholders having the right to attend the meeting.
3. A member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy Form duly completed must be deposited at the registered office of the company at least 48 hours before the time of meeting.
4. CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated 26 January 2000 issued by the SECP.
5. Any individual beneficial owner of CDC entitled to attend and vote at this meeting must bring his/her CNIC or Passport to prove his/her identity, and in case of Proxy must enclose an attested copy of his/her CNIC or Passport. Representative of Corporate entities should also bring Board's resolution/Power of Attorney with specimen signatures required for the purpose.
6. Pursuant to provisions of section 134 of the Act, if the company receives consent from members holding aggregate 10% or more shareholding, residing in geographical location to participate in the meeting through video conference at least Seven (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.
7. Due to current Covid-19 situation, the EOGM proceedings can also be attended via video link facility. Shareholders interested to participate in the EOGM are requested to email their Name, Folio Number, Number of shares held in their name, Cell Number, CNIC Number (along with valid copy of both sides of CNIC) with subject "Registration for Participation in EOGM" at janana_textile@hotmail.com. Video link and login credentials shall be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of EOGM.
8. Members are requested to notify immediately of any change in their addresses.
9. In accordance with the Companies (Postal Ballot) Regulations, 2018, for any agenda item subject to the requirements of Section 143 and 144 of the Act, shareholders will be allowed to exercise their right of vote through postal ballot i.e. by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations.
10. As per Section 72 of the Act, 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 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.
11. The notice of EOGM has been placed at the Company's website.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS
Material facts regarding the ratification and approval of the related party transactions and underlying agreement(s)
The transactions conducted with the related parties have been duly approved by the Board of Directors after recommendation by the Board Audit Committee. During the year ended June 30, 2021 the Company has carried out different transactions with related parties at arm's length. The major and material transactions include providing partial consideration in advance pursuant to agreement(s) with Babri Cotton Mills Ltd. (BCM- an Associated Company) for the purchase of its land and residential buildings. BCM is non-operational since 23rd March, 2020 and has been given on lease to the company with the approval of shareholders. The significant terms and conditions of the agreement(s) have been duly disclosed in the notes 6.11 and 6.12 to the annual audited financial statements for the year ended June 30, 2021, and the respective notes have also been reproduced below:

- 1. Note 6.11**
The Company has entered into an agreement with Babri Cotton Mills Ltd. (BCM- an Associated Company); BCM is an exclusive owner of the area of land measuring 354 marlas and has agreed to sell the said land according to the terms of sale as under:
- a. the price of land is Rs.600,000/- per marla and total consideration is Rs.212.400 million;
 - b. the total amount has been paid in advance by the Company;
 - c. the Company has taken possession of the area of land and the area is secured with barbed wire;
 - d. the Company has purchased this land to construct quarters for its workers;
 - e. transfer of land in name of the Company shall be done after completion of all legal formalities; and
 - f. the total expenses on the execution of agreement, transfer of land, attorney fees, etc. shall be borne by the Company.
- 2. Note 6.12**
The Company, during the year, has entered into agreement with BCM; BCM is an exclusive owner of the area of land measuring 625 marlas and residential buildings on land and has agreed to sell the said land and buildings according to the terms of sale as under:
- a. the price of land is Rs. 600,000/- per marla and total consideration is Rs. 375 million;
 - b. the covered area of the residential buildings is 55,392 square feet and value of residential buildings has been agreed at Rs. 214 per square feet as per survey by an independent party. The value of area of residential buildings on land worked out to Rs.11.854 million;
 - c. the total value of land and residential buildings being sold aggregate Rs.386.854 million. The Company has paid Rs.171.177 million in advance to BCM;
 - d. the Company has taken possession of the area of land and the area is secured with barbed wire;
 - e. the Company can do any alteration on building structures or can construct any new building as it may deem fit;
 - f. transfer of land in the name of the Company shall be done after completion of all legal formalities; and
 - g. the total expenses on the execution of agreement, transfer of land, attorney fees, etc. shall be borne by the Company.

All transactions with the related parties to be ratified have been disclosed in the Note 42.4 to the annual audited financial statements for the year ended June 30, 2021. Party wise details of such related party transactions are given below:

Name	Nature of Relationship	Nature of Transaction	Rupees in Thousand
Babri Cotton Mills Ltd.	Associated Company	Residential rent received	532
		Utilities / expenses	183,308
		-Paid	479
		-Received	
		Salaries & benefits	1,202
		-Paid	8,233
		-Recovered	51,894
		Purchase of cotton	
		Store and spares	10,142
		-Purchased	2,753
		-Sold	
		Advances paid against Purchase of freehold land and workers' residential buildings	383,577
		Lease rentals paid	900
Bannu Woollen Mills Ltd.	-do-	Utilities / expenses received	122
		Salaries & benefits recovered	2,160
		Sale of yarn	7,001
Gammon Pakistan Ltd.	-do-	Rent paid	150
Ghandhara Nissan Ltd.	-do-	Salaries & benefits recovered	2,160
		Expenses recovered	115
Ghandhara Industries Ltd.	-do-	Salaries & benefits recovered	2,160
		Expenses recovered	115
		Purchase of vehicle	6,334
The Universal Insurance Compnay Ltd.	-do-	Salaries & benefits recovered	
		Expenses recovered	2,160
Other related parties		Contribution paid to	115
Staff retirement fund		Employees' provident	21,382

DISCLOSURE OF INTEREST OF DIRECTORS:
The Company has carried out 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 also been disclosed in the relevant notes to the annual audited financial statements for the year ended June 30, 2021.

The material transaction carried out during the year ended June 30, 2021 are pursuant to the agreement(s) with BCM for the purchase of its land and residential buildings. Majority of the directors of the Company are also on the Board of Directors of BCM and these common directors are interested in the resolution only to the extent of their shareholding.

Name of the Related Party	Interested Directors of Janana De Malucho Textile Mills Ltd. (JDML)	Nature of relationship/Percentage Interest/Shareholding in JDML
Babri Cotton Mills Limited	Mr. Raza Kuli Khan Khattak	Shareholder / Director 0.26%
	Lt. Gen Retd. Ali Kuli Khan Khattak	Shareholder / Director 0.27%
	Mr. Ahmad Kuli Khan Khattak	Shareholder / Director 0.26%
	Mr. Gohar Ayub Khan	Shareholder / Director 0.08%
	Mrs. Shahnaz Sajjad Ahmad	Shareholder / Director 0.13%