THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-7825 **N O T I C E** **December 02, 2008**

HIRA TEXTILE MILLS LIMITED

Source: "BUSINESS RECORDER"
Dated: December 02, 2008

HIRA TEXTILE MILLS LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the members of Hira Textile Mills Limited will be held on Wednesday, December 24, 2008 at 9.30 AM at the Registered Office of the Company situated at 44 E/1, Gulberg III, Lahore, to transact the following:

1. To confirm the minutes of the last General Meeting.
2. **SPECIAL BUSINESS:**

To pass the following Resolution as Special Resolution:

RESOLVED THAT:

a) "Shareholders unanimously repose their full confidence in the policies and strategies of the Management of the Company, by acknowledging the fact that the amount raised through IPO has been fully utilized for the installation of additional spindles and also for the purposes for which it was raised.
b) The shareholders unanimously endorse the policies of the Management in taking suitable steps for BMR of the project of the Company as it would lead to increase in production as well as quality of the products of the Company.
c) The Management need to approach the Securities and Exchange Commission of Pakistan with the request to withdraw their direction for installation of additional spindles. bar on raising the further capital and for permission to issue right shares.

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

The statement under section 160(1) (b) of the Companies Ordinance, 1984 pertaining to the Special Business is annexed with this notice to the members.

By order of the Board

Lahore: November 29, 2008

Saeed Ahmad Khan
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from December 18, 2008 to December 24, 2008 (both days inclusive).
2. A member entitled to attend and vote at the General Meeting may appoint any person as proxy to attend and vote instead of him/her. No person other than a member shall act as proxy.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notorially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, singed and witnessed.
4. The account holders of CDC are requested to bring their original NIC/ Passport for the purpose of identification at the meeting.
5. Members are requested to immediately inform of any change in their address.

STATEMENT OF MATERIAL FACTS UNDER SECTION 160 (1) (B) OF THE COMPANIES ORDINANCE, 1984

Special Resolution

1. Securities and Exchange Commission of Pakistan, vide their order dated 12 September 2007, issued directions for installation of 1,200 new spindles to increase the production capacity of the project of the company. As against an amount of Rs. 312,500,000/- raised through IPO, the Management has already spent Rs. Rs. 359,095,456/- for the import and installation of 6,000 spindles and construction of building. On account of increase in the price of spindles and devaluation of Pakistan currency, the amount raised through IPO was utilized fully for the purpose for which it was raised. On account of global financial crises and unsettled economic and financial conditions of the Country at present, there is need to strengthen the present production capacity by taking suitable measures, instead of installation of new spindles. The technical requirement at present is to strengthen the Back Process.
2. SECP has also, vide the aforesaid order, directed the management not to raise further capital till the installation of additional 1,200/- spindles. In the current economic scenario inappropriate expansion in the project would be damaging for the Company as the current need is to carry out balancing measures, to strengthen and optimize the Back Process for increasing the output as well as quality of the product of the Company.
3. Therefore the current economic scenario, the prevailing market conditions and the need of the Project of the Company warrant that SECP be requested to withdraw their direction for installation of new spindles and bar on raising the further capital for the Company.