SAJJAD TEXTILE MILLS LIMITED

MANUFACTURERS AND EXPORTERS OF YARN

Ref. No. CS/C/1610/04 October 25, 2016

Mr. Rizwan Haroon,
Deputy Director,
Corporate Supervision Department,
Company Law Division
Securities and Exchange Commission of Pakistan
NICL, Building 63 Jinnah Avenue
Islamabad

SUBJECT: <u>NOTICE UNDER SUB-SECTION (1) OF SECTION 472OF THE COMPANIES ORDINANCE, 1984</u>

Dear Sir,

Please refer to your letter no EMD/233/182/2002 dated October 25, 2016 on the subject matter.

In this connection, we would like to submit that in compliance with the directions communicated to us vide letter no. EMD/233/182/2002-394 dated October 17, 2016,our Company intends to seek approval of its members for the disposal of around 45% of the total Plant and Machinery. Accordingly, Item no. 4 of the Agenda and the Statement of Material Facts u/s 160(1)(b) of the Companies Ordinance, 1984 has been revised (copy attached) which shall immediately be circulated among the members of the Company. The requisite detail of 45% of the Plant and Machinery proposed to be disposed off is mentioned below:

<u>DETAILS REQUIRED UNDER SRO 1227/2005</u>

1. (i)

S. #	DESCRIPTION	COST	REVALUED AMOUNT	BOOK VALUE	APPROXIMATE MARKET VALUE (PKR)	
Plant & Machinery		(PKR)	(PKR)	(PKR)	FROM	To
1	Draw Frames DYH –500C	8,349,130	2,925,000	2,925,000	2,800,000	2,950,000
2	Draw Frames DYH –2C	1,110,000	225,000	225,000	215,000	230,000
3	Combing Machines CM-10	17,259,225	750,000	750,000	720,000	760,000
4	Simplex Machines FL-16	15,147,250	7,350,000	7,350,000	7,200,000	7,400,000
5	Simplex Machines FL-100	9,769,693	1,875,000	1,875,000	1,750,000	1,900,000

Head Office: 19-B, Zafar Ali Road, Gulberg V, Lahore. Ph: +92-42-35775501-03 Fax: +92-42-35711526
E-mail: info@sajjadtextile.com Website: www.sajjadtextile.com
Mills: 67 Km, Multan Road, Jumber Kalan, Tehsil Chunian, District Kasur

6	Simplex Machines RME-93	4,922,280	2,100,000	2,100,000	2,000,000	2,120,000
7	Ring Frames RY-5 (960 Spindles 16 Machines)	100,239,400	17,250,000	17,250,000	16,750,000	17,500,000
8	Ring Frames EJM-168 (480 Spindles 4+1 Machines)	26,433,646	3,600,000	3,600,000	3,400,000	3,620,000
9	Auto Cone Murata 7-II	24,466,237	3,000,000	3,000,000	2,800,000	3,200,000
10	Auto Cone 338-RM	28,483,203	7,500,000	7,500,000	7,200,000	7,520,000
	Total	**223,843,119**	**46,575,000**	**46,575,000**	**44,315,000**	**47,200,000**

In view of the above and under the existing circumstances, it is requested that the Company may kindly be allowed to obtain approval of its members for the proposed disposal of part of its Plant and Machinery under Agenda Item No. 4 of the Notice to the Annual General Meeting scheduled to be held on October 31, 2016.

Yours truly,

Chief Executive Officer

SECP

Most Urgent

Through Fax, Courier and e-mail

No: EMD/233/182/2002

October 25, 2016

The Company Secretary
Sajjad Textile Mills Limited
19-B, Off Zafar Ali Road, Gulberg-V
Lahore
Fax No. 042 3571 1526
Email: info@sajjadtextile.com

SUBJECT: NOTICE UNDER SUB-SECTION (1) OF SECTION 472 OF THE COMPANIES ORDINANCE, 1984

Dear Sir,

This is with reference to your letter dated October 22, 2016 in reply to Commission's notice dated October 17, 2016 on the subject matter.

2 In the aforementioned letter, Sajjad Textile Mills Limited (the "Company") is requesting to allow the Company to proceed with the special business relating to disposal of entire plant and machinery based upon its submission.

3. In this connection, your attention is invited towards para 2 of S.R.O. 1227/2005 dated December 12, 2005 (the "SRO") which, in case of sale or disposal of entire undertaking, requires following information to be provided in addition to the information as required in para 1 of the SRO:

(i) Future business plan of the seller company.
(ii) Total cost of the proposed future business plan and means of financing.
(iii) Expected time of completion of the proposed project.

4. The information provided by the Company in its aforementioned letter do not cover all the required information as required by the SRO.

5. In view of the above, I am directed to convey that the Company is advised to comply with our notice under Section 472(1) of the Companies Ordinance, 1984 dated October 17, 2016 by not transacting the special business pertaining to sale of plant and machinery at the Annual General Meeting (AGM) to be held on October 31, 2016 unless the Company make good the default under Section 160(1)(b) of the Ordinance read with the SRO. You are further directed to send the compliance report in this regard to the Commission and to send a certified copy of minutes of the AGM, within 15 days from holding of the meeting.

6. Please acknowledge the receipt of this letter.

Regards,

Rizwan Haroon
Deputy Director
Corporate Supervision Department

SECURITIES AND EXCHANGE
COMMISSION OF PAKISTAN
NIC Building, 63 Jinnah Avenue,

SAJJAD TEXTILE MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of Members of the **SAJJAD TEXTILE MILLS LIMITED** will be held on October 31, 2016 Monday at 11:30 a.m. at registered office of the Company at 19-B, Off. Zafar Ali Road, Gulberg-V, Lahore to transact the following business:

Ordinary Business:

1. To read and confirm minutes of the 27th Annual General Meeting of the Company held on October 31, 2015.
2. To receive, consider and adopt the annual audited Financial Statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2016.
3. To appoint Auditors for the year ending June 30, 2017 and to fix their remuneration. The present auditors M/s Mudassar Ehtisham & Company, chartered accountants being eligible, have offered themselves for re-appointment.

Special Business:

4. To approve the disposal of a sizable part of plant and machinery for the settlement of certain liabilities of the Company.
   "Resolved that sizable part of Plant and Machinery of the Company be disposed off for the settlement of certain liabilities of the Company".
   "Resolved Further, that the consent of the general meeting be and is hereby reckoned to the Board of Directors of the Company in terms of section 196(3) and other applicable provisions if any of the Companies Ordinance, 1984 to dispose of the assets of the Company comprising plant & machinery for such consideration and upon such terms and conditions as may be agreed upon between the Board of Directors of the Company and prospective buyers in the best interest of the company to dispose of the said assets for the repayment certain liabilities of the Company. That the Board of Directors of the Company be and is hereby authorized to complete the sale with any modification as they may consider beneficial for the Company and do all such acts, deeds, matters and things as may be deemed necessary and expedient in the interest of the Company, to execute the documentation on behalf of the Company relating to the disposal, to call bids, and compile competitive analysis for the decision of the Board of Directors."

5. To consider and, if deemed fit, to pass the following resolution as Special Resolution with or without modification for alterations in the Article of Association of t he Company:
   "Resolved Further, that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s),Articles of Association of the Company be and are hereby amended as follows:
   (a) By inserting the following new article and its marginal note immediately after Article 42 as Article 42-A, namely:
   Exercise of Voting Rights through Electronic means
   42-A "Subject to any rules or regulations that may be made from time to time by the Commission in this regard. Members may exercise voting rights at general meeting through electronic means if the Company receives the requisite demand for poll in accordance with the applicable laws. The Company shall facilitate the voting by electronic means in the manner and in accordance with the requirements prescribed by the Commission".
   Proxies where Voting Rights Exercised through Electronic means
   (b) by inserting the following new article and its marginal note immediately after Article 51as Article 51-A, namely:
   51-A. Notwithstanding anything contained in these Articles, in case of voting by electronic means, both members and non-members can be appointed as Special Proxy or General Proxy.
   (c) by inserting the following new article and its marginal note immediately after Article 54 as Article 54-A, namely:
   Form of Proxies where Voting Rights Exercised Through electronic means

STATEMENT OF MATERIAL FACTS U/S 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

The directors of the company are not concerned with or interested in the above said business except to the extent of their shareholding in the Company.

Item (4) of the Agenda:
DETAILS REQUIRED UNDER SRO 1227/2005
1. (i)

S. #	DESCRIPTION	COST	REVALUED AMOUNT	BOOK VALUE	APPROXIMATE MARKET VALUE (PKR)	
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	Total	**223,843,119**	**46,575,000**	**46,575,000**	**44,315,000**	**47,200,000**

1. (ii) The proposed manner of disposal of subject assets shall be:
(a) Inviting bids through tender in the news-paper and/or
(b) Contacting and negotiating with interested parties individually.

1. (iii) The said assets of the Company are proposed to be sold to settle certain liabilities of the Company.

All the plant and machinery's disposal related transactions shall be reported accordingly to SECP on quarterly basis.

Item (5) of the Agenda:
In order to give effect to the Companies (E-voting) Regulation, 2016 vide S.R.O 43(1)2016 issued by the Securities & Exchange Commission of Pakistan, shareholder approval is being sought to amend the Article of Association.

54-A Notwithstanding anything contained in these Articles, for the purposes of voting by electronic means, the instrument appointing the proxy shall be in such form, and provided to the Company, in the manner stipulated under the applicable laws.

"Resolved Further, that the Chief Executive Officer or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/ statutory forms as may be required and complying with all other regulatory requirements so as to effectuate the alteration in the Articles of Association of the Company."

A statement as required under Section 160(1)(b) of the Companies Ordinance 1984 in respect of the special business to be considered at the meeting is annexed to this notice of meeting being sent:

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

By Order of the Board

Lahore
Dated: October 05, 2016

(IRFAN HAMID)
Company Secretary

NOTES:

1. Share transfer books of the Company will remain closed from October 24, 2016 to October 31, 2016 (both days inclusive). Physical Transfers received in order by the Company's shares Registrar M/s, Hameed Majeed Associates (Private) Limited, H.M. House, 7- Bank Square, Lahore by the close of business on October 22, 2016 will be treated in time to determine voting rights of the members attending the meeting.

2. A member entitled to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company. The instrument appointing a Proxy and the power of attorney or other authority under which it is signed or notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company not later than 48 hours before the time of the meeting. Form of Proxy is attached.

3. 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. Representatives of a corporate entity, the Board's resolution/power of attorney with specimen signature should be furnished along with the proxy form to the Company.

4. Members are requested to send copies of their CNICs to the Company's share Registrar to enable the Company to comply with direction of the Securities and Exchange Commission of Pakistan contained in SRO-831(1) 2012. Interested Members are encouraged to send their e-mail addresses with their consent to opt for transmission of annual reports and AGM notice though e-mail, at Company's registered Office.

5. CDC Account Holder will further have to follow the guidelines as laid down in Circular No.1 of 2000, dated: 26th January, 2000 issued by Securities and Exchange Commission of Pakistan.