



Faisal Spinning Mills Limited

Notice of Extra Ordinary General Meeting

Notice is hereby given that the Extra Ordinary General Meeting (“EOGM”) of the Faisal Spinning Mills Limited “Company” will be held on Saturday, 30th January, 2021 at 10:30 am.

Due to severity of the prevailing pandemic situation in the country and in pursuant to circular 5 and 33 issued by the Securities and Exchange Commission of Pakistan the meeting will be held virtually through video link facility, “Zoom” which is available on Google Play and Apple App Store.

Ordinary Business:

To confirm the minutes of 36th annual general meeting of the company held on October 27, 2020.

Special Business:

The Special Resolution as set out in this notice, is proposed for consideration by the members of Faisal Spinning Mills Limited (“Company”) to transact the following special business:

The provisions of section 183 empowered board of directors to execute the aforementioned transaction for sale of land measuring 266.25 acres by means of a resolution passed in their meeting held on December 30, 2020. However, the board of directors have decided to seek the approval of members also by holding an Extra Ordinary General Meeting (EOGM) and approving the following special resolution(s):

To consider and approve the sale of freehold land of the company by passing the following resolution(s) as special resolution(s) with or without modification in terms of section 183(3)(a) of the Companies Act, 2017 (“Act”).

“Resolved That approval of the members of Faisal Spinning Mills Limited (“Company”) be are hereby accorded under the provision of section 183(3)(a) of Companies Act, 2017 for sale of freehold land measuring 266.25 acres located in Sindh.

Further Resolved That approval be and is hereby accorded for utilization of the proceeds from the sale of land for running and managing the working capital requirement for the newly established finishing unit located in Sheikhpura Punjab as approved and recommended by the board of directors of the company.

Further Resolved That Mr. Mohammad Salim and Mr. Muhammad Sharif be are hereby singly authorized and empowered to do all acts, deeds and things, sign, submit and deliver the required documents to fulfil the legal formalities with sub-registrar, banks, financial institutions and with the concerned authorities necessary to execute the transaction smoothly which shall include but not limited to conducting negotiations with the interested parties in the most beneficial interests of shareholders and the company which secure the best available market price for the land.

Further Resolved That any other person(s), officers(s) or employee(s) as authorized by the board of directors of the company is/are hereby empowered to take all actions incidental or ancillary thereto with regard to sale of land.

The statement of material facts in relation to aforesaid special business as required under section 134(3) of the Act and SRO 423 (I)/2018 is enclosed.

Moreover, the notice along with statement of material fact have been dispatched to the shareholders by post and also been placed on company website at: "www.umergroup.com".

The copy of minutes of the 36th annual general meeting of the company held on October 27, 2020 has also been enclosed with aforesaid notice of EOGM.

Karachi

December 30, 2020

(By the order of the Board)

**Adeel-ur-Rehman Ansari
Company Secretary**

Notes:

1. For attending meeting electronically due to COVID 19 Pandemic

In pursuance of circular 5 & 33 of 2020 issued by SECP the shareholders are requested to attend the EOGM of the company virtually through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) are requested to get themselves registered at least 2 working days before holding of the time of EOGM at fsm.corporate@umergroup.com by providing the details on the following format:

Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email Address

- The company will send login details to the members email address for participation in EOGM proceedings either through their smart phones or computer devices.
 - The login facility will be opened (10) ten minutes prior to the schedule of meeting for verification process.
 - While accessing the application "Zoom" members are requested to enter full name and folio number on the following format "Full Name - Folio Number" to mark proper attendance.
 - Members are requested to stay on 'Mute' and 'off Camera' unless moderator request for the members consent/comments/questions to approve the resolutions for ordinary and special business.
2. The Shares Transfer Books of the Company will remain closed from 23rd January 2021 to 30th January, 2021 (both days inclusive). Transfers received in order at the registered office of the company i.e. Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi at CoB on by 29th January 2021 will be treated in time for the purpose of entitlement to attend the Extra Ordinary General Meeting of the company.
3. Members are requested to immediately inform of any change in their addresses and bank details to our share Registrar, Hameed Majeed Associates (Private) Limited.
4. Due to severity of prevailing pandemic situation no physical presence is allowed to the members on the day of the EOGM at the registered office of the company.

Statement of Material Facts Under Section 134(3) of the Companies Act, 2017

This statement set the material facts pertaining to the special business to be transacted at the Extra Ordinary General Meeting of the company to be held on Saturday January 30, 2021@ 10:30 am.

Particulars of the Asset

Description of Asset	Date of Acquisition *	Cost	**Approximate Fair Value / Current Market Value
Freehold agriculture land measuring 265 Acres and 25 Ghuntas located at Deh Kalo Khokar, Taluka Thano Bula Khan, District Jamshooro, Sindh and Leasehold industrial land measuring 1 Acre situated at Plot No. D/45, SITE, Nooriabad, Sindh.	2005	10,276,104	PKR 489,000,000.00

* The exact date of acquisition of the land as per fixed assets register has been kept at the registered office of the company which can be inspected by the shareholders from 9:00 am to 5:30 pm on any working day, upto the last working day before the EOGM.

** The independent valuation of the asset has been conducted by the surveyors & valuers M/s Joseph Lobo (Pvt) Ltd on January 1, 2021.

The land was acquired way back in the year 2005 and it is highly probable that the sale price will be much higher than the cost of asset.

Proposed manner of sale

The land will be disposed through negotiations with the buyers through persons authorized by the board of directors in a way that is most beneficial for the shareholders and the company.

Purpose of the sale

As in near future there has been no consideration for expansion plan in the province of Sindh, the board of directors have decided to sell the land.

Utilization of proceeds

The proceeds will be utilized for running and managing the working capital requirements of newly established finishing unit in Sheikhpura Punjab.

Impact of sale on the operations of the company

There will be no impact on business as no economic activity has not been carried out on this land.

Quantitative and qualitative benefits expected to accrue to the members

The utilization of the proceeds from sale of land for the newly established finishing will result in lesser borrowing by the banks. This will eventually led to better financial performance by the company and enhancing the shareholders' value.

Expected time of completion of the transaction

It is expected that transaction will be completed by March 2021.

Undertaking by the directors

The board of directors have carried out necessary due diligence for the proposed transaction.

Venue	Date	Time
Registered Office	October 27, 2020	11:30 AM

Minutes of the 36th Annual General Meeting of the Company

Attendance:

The board of directors representing 2,016,504 shares have attended the annual general meeting (AGM) of the company in person and virtually through video-link facility

The proxies holding 6,378,198 shareholders were present through Mr. Mohamad Salim.

The 53 shareholders representing 552,841 shares were present personally and virtually through video link facility to attend the AGM of the company.

Consequently, of the total 10,000,000 shareholders, members representing 8,947,543 shares (89.48%) were present through proxy, virtually and personally.

The 36th AGM of the company was held at 11:30 a.m on October 27 , 2020 at the registered office of the company situated at Umer House, 23/1 Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi.

Mr. Mohammad Salim, the director of the company chaired meeting and it was commenced with the recitation of verses from Holy Quran by Mr. Hafiz Khurshid.

1.	NOTICE OF THE MEETING:	Mr. Mohammad Salim, Chairman of the meeting welcomes the members in the 36 th annual general meeting of the company. After ascertaining from the company secretary that meeting is in quorum, the chairman requested to commence the proceeding of the meeting with reading out the notice of the meeting, which was taken as read.
2.	CONFIRMATION OF MINUTES OF THE LAST ANNUAL GENERAL MEETING:	The minutes of the last annual general meeting held on October 26, 2019 as circulated among the shareholders were taken as read. There was no observation regarding minutes of the meeting. To finalize the matter, the motion proposed by Mr. Muhammad Hanif CDC folio 4952-10621 and seconded by Mr. Muhammad Ali CDC folio 4366-1788 was unanimously approved to adopt the minutes of last AGM. The following resolution was passed in the meeting. <i>“Resolved That the minutes of the annual general meeting held on October 26, 2019 be and are hereby approved, adopted and signed by the chairman as correct record.”</i>
3.	CONSIDERATION AND ADOPTION OF ANNUAL AUDITED FINANCIAL STATEMENTS ALONGWITH	The audited financial statements for the year ended June 30, 2020 together with the Chairman’s Review, Directors’ and Auditors’ Report, as circulated among the members were placed before the members.

	<p>DIRECTORS' AND AUDITORS' REPORT:</p>	<p>The chairman requested the chief financial officer to read out the directors' report. The directors' report was taken as read. The report was adopted after being approved unanimously.</p> <p>Chairman asked CFO to brief the member of meeting about the key financial data of financial statements for the year ended June 30, 2020.</p> <p>CFO stated that, the company posted the profit before tax (PBT) and profit after tax (PAT) amounting to PKR 690.375 million and PKR 523.879 million respectively during the current year.</p> <p>There has been a decrease in both PBT and PAT by almost 37 and 43 percent respectively during the corresponding periods under review.</p> <p>During the current year the earnings per share of the company is PKR 52.39 per share (June 2019: PKR 91.85) whereas the breakup value of share is PKR 593.69 per share (June 2019: PKR 528.08 per share).</p> <p>The turnover of the company has been marginally increased by 6.18 percent during the current year ended June 30, 2020.</p> <p>An amount of PKR 663.39 million has been charged to profit and loss account in respect of raw material and finished goods written down to net realizable value.</p> <p>The chairman asked the members for any question regarding financial statements for the year ended June 30, 2020.</p> <p>Mr. Usman Ali CDC folio 03277-84477 inquired the chairman about the increase in CWIP, loan from directors and unclaimed dividends?</p> <p>The chairman replied that the increase in CWIP represents the amount to be capitalized for our new finishing unit in Sheikhpura which is expected to be in commercial production by January 2021.</p> <p>Regarding loan from directors the chairman informed that this is an interest free loan by the directors and relatives which is repayable at the discretion of the company.</p> <p>The chairman further stated that the amount of unclaimed dividends is representing the balance outstanding after settlement of claimants during the period. Further, all the balance of unclaimed dividend has been parked in a separate profit and loss account under the directives issued by the SECP and any accrued profit thereon shall be used by the company for its corporate social responsibility initiatives.</p> <p>After some general discussions, the audited financial statements for the year ended June 30, 2020 were approved unanimously, on the motion of Mr. Aqeel CDC folio 06684-103484 seconded by Mr. Muhammad Farooq CDC folio 3277-38595. To finalize the</p>
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		<p>matter, it was unanimously decided to approve the audited financial statements along with directors' and auditors' report thereon and passed the following resolution.</p> <p><i>“Resolved That, the audited financial statements together with the auditors’ and directors’ report thereon, for the year ended June 30, 2020 as circulated amongst the members and presented before the shareholders in the meeting, be and are hereby approved.”</i></p>
4.	AUDITORS APPOINTMENT AND FIXATION OF REMUNERATION:	<p>The chief financial officer informed the members that retiring auditor M/s Mushtaq and Company, Chartered Accountants, being eligible, and is willing to act as statutory auditors of the company for the year 2020-2021. Moreover, the board of directors have also approved the recommendation of the audit committee for appointment of M/s Mushtaq and Company, Chartered Accountants as auditor of company for next year ended June 30, 2021.</p> <p>The CFO further stated that board has approved the auditor's remuneration at PKR 1,953,000.00 as recommended by the audit committee subject to the approval of the members.</p> <p>The shareholders after some discussions approved the remuneration and appointment of M/s Mushtaq and Company, Chartered Accountants as auditor of the company to hold the office from the conclusion of 36th annual general meeting until the conclusion of 37th annual general meeting.</p> <p>On the motion of Mr. Muhammad Ali CDC folio 4366-1788 it was unanimously decided to pass the following resolution regarding the appointment and remuneration of the statutory auditors.</p> <p><i>“Resolved That, M/s Mushtaq and Company, Chartered Accountants, be and are hereby appointed as statutory auditors of the company for the year ended 2020-2021.</i></p> <p><i>Further Resolved That, the auditor’s remuneration of PKR 1,953,000.00 for the 2020-2021 has been duly approved by the members in the annual general meeting of the company held on October 27, 2020.”</i></p>
5.	OTHER MATTERS:	<p>The secretary asked shareholders to discuss any other matter with the permission of Chairman.</p> <p>Shareholders stated that they do not have any matter to be discussed.</p>
6.	VOTE OF THANKS:	<p>As there being no other business, the meeting was concluded with vote of thanks.</p>

Governing board presence at the meeting personally and virtually

Sr	Folio	Name of Shareholder	Shares	Status
1	1	Muhammad Salim	28,846	Director
2	3	Muhammad Shaheen	32,692	Director
3	17	Khurram Salim	200,380	Director
4	19	Bilal Sharif	363,841	Director
5	22	Muhammad Amin	460,923	Director
6	8070	Mr. Hamza Shakeel	477,322	Director
7	8372	Fatima Amin	451,000	Director
8	3277-85707	Asif Elahi	500	Director
9	3525-101052	Mustafa Tanvir	500	Director
10	3525-84151	Iqbal Mehboob Vohra	500	Director
Total			<u>2,016,504</u>	

Shareholders presence at the meeting through proxy

Sr	Folio	Name of Shareholder	Shares	Name of Proxy
1	5	Nazli Begum	429,244	Mohammad Salim
2	13	Yasmeen Begum	237,577	Mohammad Salim
3	15	Seema Begum	334,915	Mohammad Salim
4	18	Farrukh Salim	136,919	Mohammad Salim
5	21	Yousuf Salim	312,688	Mohammad Salim
6	23	Saba Yousuf	97,923	Mohammad Salim
7	7531	Saqib Saleem	199,055	Mohammad Salim
8	7577	Faisal Shakeel	477,321	Mohammad Salim
9	7751	Muhammad Qasim	395,216	Mohammad Salim
10	8068	Umer Khurram	97,000	Mohammad Salim
11	8298	Saba Saqib	211,500	Mohammad Salim
12	8373	Samia Bilal	533,960	Mohammad Salim
13	8434	Abdullah Bilal	337,257	Mohammad Salim
14	8439	Amna Khurram	109,500	Mohammad Salim
15	8471	Sumbul Hussain	235,000	Mohammad Salim
16	8506	Ali Bilal	337,361	Mohammad Salim
17	8507	Azaan Bilal	337,362	Mohammad Salim
18	8535	Yahyaa Furrukh	274,000	Mohammad Salim
19	3277-8578	Admiral (Pvt) Ltd	1,282,900	Mohammad Salim
20	3277-33056	Yasmin Begum	1,000	Mohammad Salim
21	3525-101002	Marium Adil	500	Mohammad Salim
Total			<u>6,378,198</u>	

Shareholders presence at the meeting personally and virtually

Sr	Folio	Name of Shareholder	Shares	Status
1	4	Muhammad Shakeel	48,077	Shareholder
2	864	Mohamamd Ahmad	100	Shareholder
3	7480	Saeed Ahmed Baig	100	Shareholder
4	7576	Adil Shakeel	477,321	Shareholder
5	10231-13533	Muhammad Sultan	1	Shareholder

Sr	Folio	Name of Shareholder	Shares	Status
6	10231-13624	Najma	1	Shareholder
7	10231-14523	Muhammad Ilyas	1	Shareholder
8	10231-14911	Nafees Begum	1	Shareholder
9	10231-16783	Ali Akber	1	Shareholder
10	10231-18466	Vikash Gauba	1	Shareholder
11	10231-20090	Samina	1	Shareholder
12	10231-647	Syed Muhammad Azam Qadri	1	Shareholder
13	10231-7675	Mohammad Ali Abubakar	1	Shareholder
14	10231-9606	Poonam A-65	500	Shareholder
15	15198-721	Zubair Ghulam Hussain	25,000	Shareholder
16	1826-77909	Abdur Rahman Tarwala /	1	Shareholder
17	208-10831	Nargis Shahida	1	Shareholder
18	208-20160	Syed Zaffer Alam Rizvi	1	Shareholder
19	208-26134	Muhammad Zeeshan	1	Shareholder
20	208-27553	Hafiza Afsah	1	Shareholder
21	208-28775	Nargis Shahida	1	Shareholder
22	208-543	Muhammad Qasim	1	Shareholder
23	307-117956	Maria	1	Shareholder
24	307-20549	Rahila Khanum	1	Shareholder
25	3277-10902	Irfana Gohar	4	Shareholder
26	3277-12974	Mohammed Zahoor	1,400	Shareholder
27	3277-16786	Muhammad Asif Habib	10	Shareholder
28	3277-30058	Muhammad Amin Adam	10	Shareholder
29	3277-38595	Muhammad Farooq	2	Shareholder
30	3277-68364	Muhammad Ali	1	Shareholder
31	3277-77445	Razia Bano	1	Shareholder
32	3277-80320	Adam A.Habib	80	Shareholder
33	3277-84477	Usman Ali	90	Shareholder
34	4085-8282	Muhammad Salim	1	Shareholder
35	4143-12252	Nazia Hafeez	50	Shareholder
36	4143-1602	Hafeez-Ur-Rehman	50	Shareholder
37	4143-21865	Muhammad Saleem	10	Shareholder
38	4366-1788	Mohammad Ali	1	Shareholder
39	4457-59967	Muhammad Ali	1	Shareholder
40	4457-65253	Erum Bano	1	Shareholder
41	4457-77191	Muhammad Ali	1	Shareholder
42	4952-10621	Muhammed Hanif	1	Shareholder
43	5348-2092	Rizwan Ahmed Khokhar	1	Shareholder
44	5348-23775	Shehnaz Khokhar	1	Shareholder
45	5348-26422	Afshan Naz	1	Shareholder
46	5348-32933	Sajila Sultana	1	Shareholder
47	5348-32941	Abdul Hameed Khokhar	1	Shareholder
48	6122-55863	Waqas Ahmed	1	Shareholder
49	6445-62424	Fatima Shahid	1	Shareholder
50	6684-103484	Aqeel Ahmed	1	Shareholder
51	6684-119688	Muhammad Ali	1	Shareholder

Sr	Folio	Name of Shareholder	Shares	Status
52	6684-144462	Rehan Ahmed	1	Shareholder
53	7450-24588	Nighat Iqbal	1	Shareholder

Total**552,841**

Total Attendance - Physically , Virtually and Proxy - Nos

8,947,543

Total Attendance - Physically , Virtually and Proxy - %

89.48%

Total Outsanding Shares of the Company

10,000,000