



CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No, 1529, Islamabad.

Notice of Extra Ordinary General Meeting

Notice is hereby given that Extra Ordinary General Meeting (EOGM) of the shareholders of Chashma Sugar Mills Limited will be held on October 07, 2022 at 11:00 AM at the Registered Office of the Company at Nowshera Road, Mardan, for transacting the following business: -

ORDINARY BUSINESS

- To confirm the minutes of the Extra Ordinary General Meeting held on **March 31, 2022**.

SPECIAL BUSINESS

1. To consider and if thought fit to pass the following resolutions, with or without amendment(s) as a Special Resolution.:

“RESOLVED THAT the Company be and is hereby authorized to invest for an indefinite period in Ultimate Whole Foods (Pvt.) Limited (UWFPL) by subscribing to 15,300,000 Ordinary Shares at a par value of Rs. 10 each, offered as right shares to the Company by UWFPL as part of the rights issue announced on September 15, 2022 and, in addition, to such further Right/Ordinary Shares as may be renounced by the other shareholders of UWFPL, at par value, provided that the aggregate amount to be invested in the shares of UWFPL by the Company under the authority of this Resolution shall not exceed the sum of Rs. 300,000,000/- (Rupees Three Hundred Million only)”.

2. To authorize the Company to grant a short-term advance facility of Rs. 500,000,000/- (Rupees Five Hundred Million Only) to UWFPL, to be disbursed in one or more tranches, for a period of five (5) years, with the option to repay all or part of such tranche at any time in a year; by passing the following special resolution with or without modification:

“RESOLVED THAT the Company be and is hereby authorized to grant a short-term advance facility of Rs. 500,000,000/- (Rupees Five Hundred Million Only) to UWFPL, to be disbursed in one or more tranches, for a period of five (5) years subject to terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017.”

3. To consider and if thought fit to pass the following resolutions, with or without amendment(s), as a Special Resolutions in terms of Section 199 of the Companies Act 2017, to accord approval to increase the limit of the cross Corporate Guarantees from existing PKR 825.00 million to PKR 2,000.00 million to be issued to various Banks, as security against financing facilities obtained or to be obtained as and when required by UWFPL:



CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No, 1529, Islamabad.

"RESOLVED THAT the shareholders approve and authorize the Company to increase the amount of cross Corporate Guarantees upto PKR 2,000.00 million for a period of maximum seven years to various Banks, as security against Loans obtained or to be obtained by UWFPL, subject to terms and conditions mentioned in the statement under Section 134(3) of the Companies Act, 2017."

4. To approve to increase the remuneration of the Chief Executive Officer (CEO) of the Company to Rs. 2.2 million and pass the following resolution as Special Resolution;

"RESOLVED THAT the remuneration of the CEO amounting to Rs. 2.2 million with effect from April 01, 2022 be and is hereby approved".

FURTHER RESOLVED THAT Mr. Iskander M. Khan, Director of the Company and Mr. Mujahid Bashir, Company Secretary, any one of them, be and is hereby authorized to undertake the decision of said business as and when required and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements, corporate and legal formalities, as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of implementing the aforesaid resolutions.

5. To transact any other business of the Company as may be permitted by the Chair.

The Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the aforesaid Special Business to be transacted at the said Extraordinary General Meeting is attached to this Notice.

The share transfer books of the Company will remain closed from September 28, 2022 to October 07, 2022 (both days inclusive).

By Order of the Board

(MUJAHID BASHIR)

Company Secretary

Mardan:

Date: September 15, 2022

N.B:

- Members, unable to attend in person may kindly send proxy form attached with the Balance Sheet signed and witnessed to the Company at least 48 hours before the time of the meeting. No person shall act, as proxy unless he is entitled to be present and vote in his own right.
- Members are requested to notify the Shares Registrar of the Company of any change in their addresses immediately.



CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No, 1529, Islamabad.

3. C.D.C shareholders desiring to attend the meeting are requested to bring their original Computerized National Identity Cards, Account and participants I.D. numbers, for identification purpose, and in case of proxy, to enclose an attested copy of his / her Computerized National Identity Card.
4. In case of proxy for an individual beneficial owner of CDC, attested copies of beneficial owner's CNIC or passport, account and participants' ID numbers must be deposited along with the form of Proxy. Representative of corporate members should bring the usual documents required for such purpose.
5. In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Extraordinary General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary of the Company on given address:

"The Company Secretary, Chashma Sugar Mills Limited,
Kings Arcade 20-A, Markaz F-7, Islamabad."
6. The Securities and Exchange Commission of Pakistan (SECP) through its Circular No. 4 of 2021 dated February 15, 2021 and Circular No. 6 of 2021 dated March 03, 2021 has advised companies to arrange participation of shareholders in general meetings through video link in addition to allowing physical attendance. Accordingly, the Company will be providing the facility to all shareholders to participate in the EOGM through video link while ensuring compliance with the quorum requirements. The shareholders intending to participate in the EOGM via video link are hereby requested to share the following information with the office of the Company Secretary (mujahid@premiergrouppk.com) at the earliest but not later than 48 hours before the time of the EOGM i.e. before 11:00 a.m. on October 05, 2022:

Name of Shareholder	CNIC No.	Folio No./ CDC Account No.	Email Address	Mobile No.

Video link details and login credentials (ZOOM Application) will be shared only with those shareholders who have shown their intent to attend the meeting containing all the particulars as mentioned above on or before October 05, 2022 by 11:00 a.m.



CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No, 1529, Islamabad.

Statement under Section 134(3) of the Companies Act, 2017 Pertaining to Special Business

This statement sets out the material facts pertaining to the special business, being items on the notice, intended to be transacted at the Extra Ordinary General Meeting of the Company to be held on October 07, 2022. The purpose of this statement is to set forth the material facts concerning such special business.

ITEM NO. 1 OF AGENDA

Ultimate Whole Foods (Private) Limited (the Company) is a Private Limited Company incorporated under the Companies Act, 2017. The principal activity of the Company is to setup mills for milling wheat, gram, other grains and cereals, dal, besan, maida, atta, sooji, bran and other allied products. Chashma Sugar Mills Limited ("the Company") directly owns fifty-one (51) percent paid-up capital of the Company, whereas remaining 49% is held by the directors of the UWFPL.

The Company intends to subscribing to 15,300,000 Ordinary Shares at a par value of Rs. 10 each for an indefinite period, offered as right shares to the Company by UWFPL as part of the rights issue announced on September 15, 2022 and, in addition, to such further right/Ordinary Shares as may be renounced by the other shareholders of UWFPL, at par value, provided that the aggregate amount to be invested in the shares of UWFPL by the Company under the authority of this Resolution shall not exceed the sum of Rs. 300,000,000/- (Rupees Three Hundred Million only). The Board of Directors of the Company in a resolution passed on September 15, 2022 authorized to subscribe for an indefinite period in UWFPL by subscribing to all the right shares offered to the Company by UWFPL as part of the rights issue announced on September 15, 2022. The share subscription price will be utilized by UWFPL to pay for additional project cost being borne after unprecedented inflation, devaluation of Pak Rupee and increase in KIBOR rates.

ITEM NO. 2 OF AGENDA

The Company further intends to grant a short-term advance facility of Rs. 500,000,000/- (Rupees Five Hundred Million Only) to UWFPL to meet operational and cash flow requirements. The loan may be disbursed in single or multiple tranches with the option to prepay all or part of such tranche at any time. This facility is extended for a period of five (5) years renewable upon such terms as may be agreed between the Companies. The Company will charge interest on the respective tranche of the loan at a rate which shall not be less than the borrowing cost of the Company. Details of others terms are given in attached statement.

ITEM NO. 3 OF AGENDA

The Company is seeking approval of its Members by passing special resolutions proposed herein to authorize to increase limit of cross Corporate Guarantees by Rs. 1,175.00 million from



CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No, 1529, Islamabad.

existing facility of PKR 825.00 million issued to MCB Bank Limited and The Bank of Khyber Limited to PKR 2,000.00 million which may be issued to various Banks as per needs of UWFPL.

DISCLOSURES (AGENDA 1, 2 and 3)

Sr. #	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS) REGULATIONS, 2017	RELEVANT INFORMATION
-------	--	----------------------

A Disclosure for all types of investments (Regulation 3(a))

(A) Regarding associated company or associated undertaking: -

i	Name of Investee Company	Ultimate Whole Foods (Pvt.) Limited (UWFPL)
ii	Relationship with associated company	Subsidiary Company of Chashma Sugar Mills Limited with 51% shareholding and Common Directorship.
iii	Earnings per share for the last three years	N/A as newly incorporated company.
iv	Breakup Value per Share	Rs. 10
v	Financial Position	N/A as newly incorporated company.
vi	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:	
	a) Description of the project and its history	The project is for setting up Flour Mills having crushing capacity of 285 Tons Per Day (TPD) at Ramak, Dera Ismail Khan city. The unit will use State of the Art modern Hi-Tech automated machinery for all the processes, ensuring quality check throughout the production process. After processing, the flour will be packed in different packaging sizes depending upon needs of the Customers. The unit will produce premium quality Maida & both normal and whole wheat Flours to be sold in the local market, competing with existing players.
	b) Starting date of Work	15-Jul-21
	c) Expected date of completion of work	31-Mar-23
	d) Time by which such project shall become commercially operational.	01-Apr-23
	e) Expected time by which the project shall start paying return on investment	Within one year of Commercial Operations
	f) Funds invested by the Sponsors	Rs. 400.00 million has been invested by Sponsors.

(B) General Disclosure: -

i	Maximum amount of investment to be made	1) Up to Rs. 300.00 million in further issue of capital through Right Issue. 2) Upto Rs. 1,175.00 million in cross corporate guarantee in addition to existing limit of Rs. 825.00 million. 3) Upto Rs. 500.00 million as shortterm advance facility.
ii	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	1) To assist UWFPL to meet additional project costs. 2) To assist UWFPL to obtain a line from a financial institutions for meeting its CAPEX requirements. Since this is a corporate guarantee, there is no cost to the Company, however, the Company will recover all allied charges in connection with the issuance of the Corporate Guarantee from UWFPL. 3) The purpose of the advance is to meet operational and cash flow requirements.



CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No, 1529, Islamabad.

iii Source of Funds	Company's own resources/internal cash generations.
iv Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The Company and UWFPL will enter into a formal agreement, which shall specify the nature, purpose and period of the advance facility to be furnished by the Company; the amount and due dates for repayment of the loan; a commitment and indemnity by UWFPL to the Company to repay the loan on the due dates.
v 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;	None of the directors, sponsors, majority shareholders and their relatives have any interest in the associated company or the proposed arrangement, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration.
vi In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write off; and	The Company holds 51% of shareholding in UWFPL. UWFPL is newly incorporated company and its operations are expected to start in April 2023, therefore, rest of the requirements are not applicable..
B In case of Equity Investment: -	
i Maximum price at which securities will be acquired;	Securities will be subscribed to at par value of Rs. 10 per share.
ii In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Shares are being issued at par.
iii Maximum number of securities to be acquired	Maximum number of securities shall be 30.00 million shares of UWFPL calculated at the rate of Rs. 10 per share.
iv Number of securities and percentage thereof held before and after the proposed investment;	Current shareholding in UWFPL is 20,400,000 Proposed shareholding in UWFPL 15,300,000
v Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A
vi Fair value determined for investments in unlisted securities.	N/A as newly incorporated company.
C In case of Investment in the form of Guarantee: -	
i Category-wise amount of investment;	Maximum Corporate Guarantee of up to PKR 2,000 million to cover financial obligations.
ii Average borrowing cost of the investing company;	N/A
iii Rate of return for unfunded facilities, as the case may be, for the relevant period;	The company will charge a commission of a minimum of 0.125% per annum on the outstanding Guarantee amount.
iv Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	The company will charge a commission of a minimum of 0.125% per annum on the outstanding Guarantee amount.
v Particulars of collateral or security to be obtained in relation to the proposed investment;	The Guarantee is unsecured.
vi If the investment carries conversion feature	N/A
vii Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	- Cross Corporate Guarantee for a maximum period of 07 years. - Any other terms and condition approved by shareholders.



CHASHMA SUGAR MILLS LIMITED

King's Arcade, 20-A, Markaz F-7, Post Box No, 1529, Islamabad.

D In case of Investment in the form of Advance: -

i Category-wise amount of investment;	The Company will provide short term advance facility of Rs. 500.00 million to meet operational and cash flow requirements.
ii Average borrowing cost of the investing company;	3MK + 1.1%
iii Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Interest will be charged on quarterly basis at a rate which shall not be less than the borrowing cost of the Company or KIBOR for the relevant period, whichever is higher.
iv Particulars of collateral or security to be obtained in relation to the proposed investment;	Demand Promissory Note as a Collateral Security had been obtained.
v If the investment carries conversion feature.	N/A
vi Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	This facility is for a period of 5 years and may be disbursed in single or multiple tranches with the option to prepay all or part of such tranche at any time, without incurring any liability or penalty in respect thereof. After completion of 5 years, facility may be renewed on such terms and conditions as may be agreed between the both Companies.
C Except to the extent as mentioned above, the Directors of the Company have no direct or indirect interest in the above said special business except to the extent of their shareholding in the Company.	
D The condensed interim financial information for the period ended June 30, 2022 of Chashma Sugar Mills Limited, can be inspected from 10.00 a.m. to 11.00 a.m. in all working days up-to October 07, 2022 by the shareholders.	

ITEM NO. 4 OF AGENDA

It has been recommended to increase the remuneration of Chief Executive of the Company, considering the experience and knowledge of the working directors and increase in operational volumes of the Company and inflation impact. Therefore, in order to compensate the Chief Executive, equitably in accordance with his efforts, the Board of Directors in their resolution passed on September 15, 2022, recommended the aforementioned increase.

The directors have, no other interest in getting aforesaid resolution mentioned above.