

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 43rd Annual General Meeting of Cherat Cement Company Limited will be held on Wednesday, October 16, 2024 at 12:30 p.m. at the Registered Office of the Company at Factory premises, Village Lakrai, Nowshera, Khyber Pakhtunkhwa, as well as through video link conferencing facility to transact the following businesses:

## ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on October 25, 2023.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2024 with the Directors' and the Auditors' Reports thereon.
3. To consider and approve the payment of final cash dividend @ 40% (Rs. 4.00/- per share). This is in addition to an interim cash dividend @15% (Rs.1.50 per share) already paid to the shareholders for the financial year ended June 30, 2024 as recommended by the Board of Directors.
4. To appoint Auditors M/s. Grant Thornton Anjum Rahman - Chartered Accountants for the year ended June 30, 2025 and to fix their remuneration.
5. To elect eight (8) Directors of the Company as fixed by the Board of Directors u/s 159(1) of the Companies Act, 2017. The names of retiring Directors are (1) Mr. Omar Faruque (2) Mr. Azam Faruque (3) Mr. Akbarali Pesnani (4) Mr. Arif Faruque (5) Mr. Asif Qadir (6) Mr. Abrar Hasan (7) Mrs. Zeeba Ansar and (8) Mr. Yasir Masood.
6. To transact any other business with the permission of the chairman.

## SPECIAL BUSINESS

7. To consider and approve the following resolution as Special Resolution:
  - a) "RESOLVED that the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note 43 of the Financial Statements during the year ended June 30, 2024, be and are hereby ratified and approved."
  - b) "FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorized to enter and approve all transactions to be carried out in the normal course of business with related parties and associated companies during the ensuing year ending June 30, 2025."

The statement under section 134 of the Companies Act, 2017, pertaining to the above-mentioned Special Business, is attached with the notice.


By Order of the Board of Directors



**Asim H. Akhund**  
Company Secretary

Karachi: August 22, 2024

The Annual Audited Financial Statements of the Company together with the report and documents required under Companies Act, 2017 have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

Weblink	QR Code
<a href="https://gfg.com.pk/cccl/financial-information/">https://gfg.com.pk/cccl/financial-information/</a>	

**NOTES:**

1. The register of members of the Company will be closed from Wednesday, October 9, 2024 to Wednesday, October 16, 2024 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the Office of the Share Registrar of the Company, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 at the close of business on Tuesday, October 8, 2024 will be treated in time for the above entitlement.
2. A member of the Company eligible to attend, speak and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote in his/her stead. Proxies to be effective must be in writing and must be received by at the Company's Head Office 48 hours before the meeting.
3. The AGM proceedings will also be held via video through ZOOM application (a video link conferencing facility). Shareholders interested to participate in the meeting are requested to email required information with subject "Registration for Cherat Cement Company Limited AGM" along with a valid copy of both sides of Computerized National Identity Card (CNIC) at [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com). Shareholders are advised to mention their full details in the following manner:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	Email Address	Mobile Phone No.
	Cherat Cement Co. Ltd.				

4. Video link details and login credentials will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.
5. Members will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.
6. Members of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original Computerized National Identity Card along with their account number in CDS and participant's ID number for verification.
7. Members of physical shares are requested to notify any change in their addresses to the Company's Share Registrar. Whereas, shareholders of CDC Accounts are requested to immediately notify any change in their addresses to their respective CDC Participant / Broker / CDC Investor Account Services.
8. According to Section 119 of the Companies Act, 2017, and Regulation 47 of the Companies (General Provisions and Forms) Regulations, 2024, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile / telephone numbers, occupation, etc. to CDC Share Registrar Services Limited immediately to avoid any non-compliance of law or any inconvenience in future.
9. Members of physical shares who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to the Share Registrar of the Company.
10. As per Section 72 of the Companies Act, 2017 every 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 SECP. Shareholders having physical shareholding are accordingly required to open their account with investors account services of CDC or sub account with any of the brokers and convert their physical shares in book entry form. This will facilitate the shareholder in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.
11. Shareholders are hereby reminded that Section 242 of the Companies Act, 2017 provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into

the bank accounts of the shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. [www.gfg.com.pk](http://www.gfg.com.pk) and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. CDC Share Registrar Services Limited in case of physical shares. In case shares are held in CDC, then E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal at <https://eservices.cdcaccess.com.pk>.

12. In compliance of Section 244 of the Companies Act 2017, once the Company has completed stipulated formalities, any unclaimed dividend and /or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect their remaining unclaimed dividend/shares are advised to contact the Share Registrar of the Company to collect/inquire about their unclaimed dividend or shares, if any.
13. Shareholders have option to receive Annual Audited Financial Statements and Notice of General Meeting through email. Shareholders of the Company are requested to give their consent to our Share Registrar to update the record if they wish to receive Annual Audited Financial Statements and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Audited Financial Statements, the same shall be provided free of cost within seven (7) days of receipt of such written request.
14. All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR website and, if required, take necessary actions for inclusion of their name in the ATL. In case a person's name does not appear in the ATL the applicable tax rate will be increased by the hundred percent.
15. In case of joint account, please intimate proportion of shareholding of each account holder along with their individual status on the ATL.
16. Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participant, whereas corporate physical shareholders should send a copy of their NTN certificate to CDC Share Registrar Services Limited. The Shareholders while sending NTN or NTN Certificate, as the case may be, must quote the Company name and their respective folio number.
17. Withholding tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to CDC Share Registrar Services Limited by the first day of Book Closure.
18. To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit Zakat Declaration (Form CZ-50) or its attested photocopy to CDC Share Registrar Services Limited, in order to avoid deduction of Zakat on all future dividends, at the earliest.

#### **Postal Ballot / E- Voting**

19. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018, the SECP has directed all listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business and in case of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under section 159 of the Companies Act, 2017. Accordingly, members of the Company will be allowed to exercise their right to vote through e-voting facility or voting by post for special business and for election of directors, if required, in the forthcoming Annual General Meeting in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations. The schedule and procedure of postal ballot/electronic voting along with Postal Ballot shall be circulated in due course and also placed on the Company's website i.e. [www.gfg.com.pk](http://www.gfg.com.pk) seven (7) days before the meeting.
20. Any member who intends to contest the election for the office of the Directors or otherwise, shall file with the Company at its Head Office not later than fourteen (14) days before the date of the Annual General Meeting following documents:

- a) Notice of his/her intention to offer himself/herself for election of Director as an Independent Directors, Female Directors and Other Directors in terms of Section 159(3) of the Companies Act, 2017;
  - b) Consent to act as director on signed appendix to Form 9, duly completed and signed by the candidate along with copy of valid CNIC;
  - c) Detailed profile (including other directorship, if any) along with office address for placement on the Company's website seven (7) days prior to the date of the AGM; and
  - d) Declaration / undertaking in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017.
21. For the purpose of election of Directors, voting shall be held in the following three (3) categories:
- i) Female Director
  - ii) Independent Directors
  - iii) Other Directors

If the number of members who offer themselves in each category is not more than the number of Directors to be elected in such category, such members will be elected unopposed without the voting process.

The final list of contesting Directors will be published in newspaper not later than seven (7) days before the date of the AGM, in terms of section 159 (4) of the Companies Act, 2017. Further, the website of the Company will also be updated with the required information.

### **Statement Under Section 166 of the Companies Act, 2017 - Regarding Independent Directors**

Independent Directors shall be selected in accordance with the applicable criteria set out for independence under section 166 of the Companies Act, 2017 and the Companies (Manners and Selection of Independent Directors) Regulations, 2018. Further, the Regulations issued there under and their names should be listed on the databank of independent directors maintained by Pakistan Institute of Corporate Governance. However, the candidate shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017.

### **Status of Investment in the Equity of Mirpurkhas Sugar Mills Limited by way of Subscription of Right Shares.**

The Company in its Extraordinary General Meeting held on March 21, 2024, had obtained the approval of its shareholders for an investment of up to an aggregate amount of Rs. 75 million in Mirpurkhas Sugar Mills Limited by way of subscription of Right Shares. The Company subscribed right shares to the extent of its entitlement worth Rs.10,698,350 and further unsubscribed right shares for Rs. 54,257,875. The Company has subscribed right shares total amounting to Rs. 64,956,225.

### **Statements Under Section 134 of the Companies Act, 2017**

#### **Related Party Transactions**

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on Wednesday, October 16, 2024. The approval of the Members of the Company will be sought for:

During the financial year ended June 30, 2024, the Company carried out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulation. Related party transactions require shareholders' approval under sections 207 and 208 of the Companies Act, 2017. Such transactions are being placed before the shareholders for their approval through special resolution proposed to be passed in the Annual General Meeting.

The shareholders are requested to ratify the transactions which have been disclosed in Note no. 43 of the Financial Statements for the year ended June 30, 2024 and further to authorize the Board of Directors to conduct transactions with related parties or associated companies for the year ending June 30, 2025.

Party wise breakup of transactions as disclosed in Note no. 43 of the Financial Statements for the year ended June 30, 2024 is given below:

<b>Name of Related Party</b>	<b>Nature of Transaction</b>	<b>Amount (Rs. in '000)</b>
Cherat Packaging Limited	Purchase of Packing Material	2,464,884
	Dividend Received	10,820
	Dividend Paid	23,975
	Sale of Goods	56
Mirpurkhas Sugar Mills Limited	Dividend Paid	12,363
Directors, CEO & their spouse	Dividend Paid	32,220
Faruque (Private) Limited	Purchase of Raw Material	279,840
	Payment of Royalty	407,970
	Payment of Excise Duty	9,601
	Dividend Paid	189,434
Greaves Airconditioning (Private) Limited	Purchase of Fixed Assets	19,835
	Services Received	119
	Purchase of Goods	159
Greaves Pakistan (Private) Limited	Purchase of Fixed Assets	844,209
	Services Received	2,671
	Purchase of Goods	1,667
	Dividend Paid	10,886
Zensoft (Private) Limited	Services Received	30,011
	Dividend Paid	111
Pakistan Cables Limited	Purchase of Goods	30,385
Jubilee General Insurance Company Limited	Insurance Premium	97,297
Key Management Personnel	Remuneration	1,185,883
Employees Provident & Gratuity Funds	Contribution to Funds	178,741

The Directors are interested only to the extent of their shareholding and / or common directorship in such related parties. The name of common Directors are mentioned in the aforesaid Note no. 43 of the Financial Statements.