

# NOTICE OF ANNUAL GENERAL MEETING



**NOTICE IS HEREBY GIVEN, that Annual General Meeting of the shareholders of Treet Corporation Limited (the "Company") will be held on Tuesday, November 23, 2021 at 11:00 A.M. at Ali Auditorium, Ferozepur Road Shahrah-e-Roomi, Lahore to transact the following business: -**

## **ORDINARY BUSINESS:**

1. To confirm the Minutes of the Extraordinary General Meeting held on December 02, 2020.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2021, together with the Directors' and Auditors' Reports thereon.
3. To declare and approve a final cash dividend at 10% i.e., PKR 1.0 /- per ordinary share of par value PKR 10/- each for year ended June 30, 2021, as recommended by the Directors, payable to the shareholders whose names appear in the Register of Members as on November 15, 2021.
4. To appoint External Auditors of the Company for the year ending June 30, 2022 and to fix their remuneration. M/S Yousaf Adil & Co, Chartered Accountant have offered themselves for appointment.

## **SPECIAL BUSINESS:**

5. To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 (the "Act") and Regulation 5(5) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (the "Regulations") and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 3,000,000,000/- (Rupees Three Billion Only) to First Treet Manufacturing Modaraba ("FTMM"), being an associated undertaking, in the form of a working capital loan, for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and, Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR

100,000,000/- (Rupees One Hundred Million Only) to Renacon Pharma Limited ("RPL"), being an associated undertaking, in the form of a working capital loan, for a period of one year starting from the date of approval by shareholders.

- FURTHER RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 3,000,000,000/- (Rupees Three Billion Only) to Treet Battery Limited ("TBL"), being an associated undertaking, in the form of a working capital loan, for a period of one year starting from the date of approval by Shareholders.
  - FURTHER RESOLVED THAT, the approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a loan of up to PKR 100,000,000/- (Rupees One Hundred Million Only) to Treet Holdings Limited ("THL"), being an associated undertaking, in the form of working capital loan, for a period of one year starting from the date of approval by Shareholders.
  - FURTHER RESOLVED THAT, the said resolutions shall be valid for one year starting from the date of approval by the shareholders and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly and/or severally empowered and authorized to undertake the decision of said investment(s) as and when required and to take all steps and actions necessary, incidental and ancillary to, including execution of any and all documents and agreements 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 resolution.
6. To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) and/or deletion(s):

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RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 (the "Act") and Regulation 5(5) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations") and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee and/or to ear mark un-funded financial facilities for opening letters of credit and/or guarantees of up to PKR 2,760,000,000/- (Rupees Two Billion Seven Hundred and Sixty Million Only) to First Treet Manufacturing Modaraba ("FTMM"), being an associated undertaking, for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation the Regulations and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee and/or to ear mark un-funded financial facilities for opening letters of credit and/or guarantees of up to PKR 1,005,000,000/- (Rupees One Billion Five Million Only) to Renacon Pharma Limited ("RPL"), being an associated undertaking, for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act, and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee and/or to ear mark un-funded financial facilities for opening letters of credit and/or guarantees of up to PKR 4,357,500,000/- (Rupees Four Billion Three Hundred and Fifty Seven Million Five Hundred Thousand Only) to Treet Battery Limited ("TBL"), being an associated undertaking for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, that approval of the shareholders of the Company be and is hereby accorded in terms of Section 199 of the Act and Regulation 5(5) of the Regulations and subject to the compliance with all statutory and legal requirements, to give a cross corporate guarantee and/or to ear mark un-funded financial facilities for opening letters of credit

and/or guarantees of up to PKR 15,000,000/- (Rupees Fifteen Million Only) in Treet Holdings Limited ("THL"), being an associated undertaking for a period of one year starting from the date of approval by shareholders.

FURTHER RESOLVED THAT, the rate of return for the cross corporate guarantees and/or ear marked un-funded facilities to be provided pursuant to the previous four resolutions to, (i) FTMM; (ii) RPL; THL; and TBL shall be Rs. 0.20% per annum;

FURTHER RESOLVED THAT, the said resolutions shall be valid for one year starting from the date of approval by shareholders and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby jointly and/or severally empowered and authorized to undertake the decision of said investment(s) as and when required and to take all steps and actions necessary, incidental and ancillary to, including execution of any and all documents and agreements 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 resolution.

7. To ratify and approve arm's length transactions carried out with associated companies/ undertakings in the normal course of business in accordance with Section 208 of the Companies Act 2017:

RESOLVED THAT, the related party transactions carried out in the normal course of business with associated companies/undertakings as disclosed in respective notes to the Audited Financial Statements for the year ended June 30, 2021 be and are hereby ratified, approved and confirmed;

FURTHER RESOLVED THAT, the Chief Executive officer of the Company be and is hereby authorized to approve all related party transactions carried out in the normal course of business with associated companies/ undertakings during the year ended June 30, 2021 and in this regard the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all documents/indentures as may be required on behalf of the Company.

8. To authorize the Board of Directors of the Company to approve transactions with related

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parties for the financial year ending June 30, 2022 by passing the following special resolution with or without modifications:

RESOLVED THAT, the Board of the Company be and is hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2022;

FURTHER RESOLVED THAT, these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/ approval.

9. To consider and approve with or without modification(s), addition(s) or deletion(s), the following resolutions as ordinary resolution for donation:

RESOLVED THAT, a further donation of up to Rs. 41,000,000 (Rupees Forty-one Million Only) to the "Institute for Art and Culture" be and is hereby approved to enable the "Institute for Culture and Art" to meet day to day requirements till the time it is financial stabilized and generates enough revenue to meet its expenses.

FURTHER RESOLVED THAT, the aforementioned donation may be made in one or more instalments.

FURTHER RESOLVED THAT, that the said resolution shall be valid for one year starting from the date of approval by shareholders and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly authorized to complete all the necessary corporate and legal formalities and to do all such acts, deeds and things as may be deemed necessary to give effect to the above mentioned resolution.

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

By Order of the Board



**(Zunaira Dar)**  
Company Secretary

Lahore: **November 02, 2021**

**(Attached to this Notice is a Statement of Material Facts covering the above-mentioned special business as required under Section 134(3) of the Companies Act, 2017)**

## Notes:

### • CLOSURE OF SHARE TRANSFER BOOKS

The share transfer Books of the Company will remain closed from November 16, 2021 to November 23, 2021 (both days inclusive) for the purpose of attending Annual General Meeting. Transfers received in order at the office of our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore at the close of business on November 15, 2021 will be treated in time for payment of the final dividend to the transferees.

### • PARTICIPATION IN THE ANNUAL GENERAL MEETING

All members entitled to attend and vote at this Meeting may appoint another person as his/her proxy to attend and vote for him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e. [www.treetonline.com](http://www.treetonline.com)

#### (i) For Attending the Meeting

- (a) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the Regulations, shall authenticate their identity by showing his/ her original National Identity Card ("CNIC") or original passport at the time of attending the meeting.

- (b) In case of corporate entity, Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless provided earlier) at the time of the meeting.

#### (ii) For Appointing Proxies

- (a) In case of individuals, the account holder or sub-account holder is and/or the person whose securities are in group account and their registration detail is uploaded as per the CDC

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Regulations, shall submit the proxy form as per the above requirement.

- (b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (c) Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (d) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- (e) In case of corporate entities, board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.
- (f) The Form of Proxy is enclosed herewith.
  - Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.
  - Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.
  - In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. No further action is required if IBAN has already been incorporated/updated in the CDC account or physical folio of the shareholder.
  - Pursuant to SRO 787(1)/2014 dated September 08, 2014 and SRO 470(1)/2016 dated 31, 2016, Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate its audited financial statement to its shareholders through Email /CD /DVD /USB or any other electronic media at their registered addresses.
  - Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Withholding of tax

on dividend based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively. 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) and 'Non-Active' means a person whose name does not appear on the Active Taxpayers List.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on Active / Non-Active status of principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint account.

- Members seeking exemption from deduction of income tax or those who are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.
- The Financial Statements of the Company for the year ended June 30, 2021 along with reports have been placed on the website of the Company: <https://www.treetonline.com>.
- As per Section 72(2) of the Companies Act, 2017, every existing 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 SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., May 30, 2017. Those Shareholders having physical shareholding are encouraged to open a CDC Sub - Account with any Broker or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them 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.

## STATEMENTS OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING.

### AGENDA ITEMS 5 & 6

Information to be disclosed pursuant to Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations").

	<b>Advance/Loans to First Treet Manufacturing Modaraba</b>	<b>Advance/Loan to Renacon Pharma Limited</b>	<b>Advance/Loan to Treet Battery Limited</b>	<b>Advance/Loan to Treet Holdings Limited</b>	<b>Corporate Guarantee/ Earmarking of its Un-Funded Facilities</b>
name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;	First Treet Manufacturing Modaraba (FTMM)  The Company owns 96.38% of certificates of FTMM and holds 100% of the shares of Treet Holdings Limited, being the modaraba company managing FTMM which holds 2.80% in FTMM.	Renacon Pharma Limited (RPL) is setting up hemodialysis concentrates plant in Faisalabad;  RPL is Subsidiary of the company by directly owning 55.86% shares capital.	Treet Battery Limited (TBL) Battery Division of FTMM is being formed as separated company.  TBL is subsidiary of the company by indirectly owning 100.00% share capital through its directly owned subsidiary THL.	Treet Holdings Limited (THL) is management company of FTMM and manufactures motor Bikes.  THL is subsidiary of the company by directly owing 100.00% share capital.	First Treet Manufacturing Modaraba  Renacon Pharma Limited  Treet Battery Limited  Treet Holdings Limited
Earnings per share for the last three years	2018: (1.83) 2019: (12.23) 2020: (15.34)	2018: (0.32) 2019: (0.30) 2020: 0.46	2018: NIL 2019: 0.18 2020: 0.72	2018: (0.69) 2019: (0.06) 2020: (2.26)	Not Applicable
Breakup value per share, based on latest audited financial statements	RS. 7.02 per certificate	RS. 11.88 per share	RS. 10.89 per share	RS. 6.38 per share	Not Applicable
financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements;	FTMM is listed Modaraba. Detailed accounts are available at <a href="https://ftmm.com.pk/investor-information/financial-reports/">https://ftmm.com.pk/investor-information/financial-reports/</a> . However, Profit & Loss Account and Balance Sheet as on June 30, 2021 is attached herewith	Total Assets: 1,313 million Total Liabilities: 522.24 million Revenue: 544.97 million Net Profit: 9.72 million Detailed Profit & Loss Account and Balance Sheet as on June 30, 2021 is attached herewith	Current Assets: 1.16 million Current Liabilities: 0.071 million Other Income: 0.062 million Net profit: 0.014 million Detailed Profit & Loss Account and Balance Sheet as on June 30, 2021 is attached herewith	Total Assets: 504.533 million Total Liabilities: 51.226 million Revenue: 30.198 million Net loss: 31.216 million Detailed Profit & Loss Account and Balance Sheet as on June 30, 2021 is attached herewith	Detailed accounts are available at <a href="http://www.treetonline.com">www.treetonline.com</a> However, Profit & Loss Account and Balance Sheet as on June 30, 2021 is attached herewith



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a description of the project and its history since conceptualization;	<p>First Treet Manufacturing Modaraba ("FTMM" or the "Modaraba") is a multipurpose, perpetual and multidimensional Modaraba and is managed by Treet Holdings Limited and is engaged in the manufacture and sale of corrugated boxes, soaps and batteries.</p> <p>Information memorandum is available at <a href="http://www.ftmm.com.pk">www.ftmm.com.pk</a> and also available in the Financial Statements (for 2020-2021) of the Company</p>	<p>Renacon Pharma Limited ("RPL") is a prominent Hemodialysis Concentrates manufacturer in Pakistan. The Company obtained its manufacturing license in 1998 and subsequently replaced majority market of the old Acetate solution with its newer Bicarbonate Concentrate solution within 5 years of introduction. Information memorandum is available at <a href="http://www.treetonline.com">www.treetonline.com</a> and also available in the Financial Statements (for 2020-2021) of the Company</p>	<p>Treet Battery Limited ("TBL") is company formed through demerger of FTMM batteries operations.</p> <p>Treet Battery Limited is under process to incorporate operations of FTMM battery division through demerger from FTMM and will continue battery manufacturing operation as separate company.</p>	<p>Treet Holdings Limited ("THL") was incorporated as Global Econo Trade Pvt. Limited which initially started as Bike manufacturing concern which was later converted to Public unlisted company with name Treet Holdings Limited with additional role as management company of FTMM.</p>	Not Applicable
starting date and expected date of completion;		By the end of June 30, 2022	Not Applicable	Not Applicable	Not Applicable
time by which such project shall become commercially operational;	Not Applicable	By the end of June 30, 2022	Not Applicable	Not Applicable	Not Applicable
expected return on total capital employed in the project; and	Not Applicable	Information memorandum is available at <a href="http://www.treetonline.com">www.treetonline.com</a> for detail of project and its returns	Not Applicable	Not Applicable	Not Applicable
funds invested of to be invested by the promoters distinguishing between cash and non-cash amounts:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Total amount of loans or advances or guarantee;	Up to an extent of Rs. 3,000 million.	Up to an extent of Rs. 100 million	Up to an extent of Rs. 3,000 million	Up to an extent of Rs. 100 million	FTMM: 2,760 million
purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances;	To meet the working capital requirements of Corrugation, soap and Battery Divisions of the Modaraba.	To meet the Capital Expenditure requirements of RPL  Total project size is Rs. 1,500 million. This is in addition to the existing project in Lahore [which is already in operation	To meet the working capital requirements of Battery Divisions of the company.	To meet the working capital requirements of the company.	To meet the letter of credit/guarantee requirements of above subsidiaries

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in case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;	Approval of Rs. 7,650 million was taken from shareholders in annual general meeting held on October 31, 2020. Renewal of unutilized/ remaining amount is being sought from shareholders to reduce the borrowing levels upto Rs. 3,000 million.	Approval of Rs. 500 million is taken from shareholders in annual general meeting held on October 31, 2020. Renewal of approval from shareholders is being sought to reduce this borrowing levels upto Rs. 100 million.	Approval from shareholders is being sought to Avail borrowing levels upto Rs. 3,000 million.	Approval from shareholders is being sought to Avail borrowing levels upto Rs. 100 million.	Not Applicable
average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	Average borrowing cost of the investing company	Average borrowing cost of the investing company	Average borrowing cost of the investing company	Average borrowing cost of the investing company	Not Applicable
rate of interest, mark up, profit, fees or commission etc. to be charged;	Equivalent cost (average rate of investing) to be charged to the borrowing subsidiary	Equivalent cost (average rate) to be charged to the borrowing subsidiary	Equivalent cost (average rate) to be charged to the borrowing subsidiary	Equivalent cost (average rate) to be charged to the borrowing subsidiary	0.20% per Annum
sources of funds from where loans or advances will be given;	Own Source	Own Source	Own Source	Own Source	Not Applicable
where loans or advances are being granted using borrowed funds,	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
justification for granting loan or advance out of borrowed funds;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
detail of guarantees / assets pledged for obtaining such funds, if any; and	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Floating Charge over Current Assets [current and future] of the Company through supplemental charge [letter of hypothecation].
repayment schedules of borrowing of the investing company;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
504.533 million	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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if the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
repayment schedule and terms of loans or advances to be given to the investee company;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
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;	Syed Shahid Ali, Syed Sheharyar Ali and Muhammad Shafique Anjum are directors in the Company and on the Board of Treet Holdings Limited (Modaraba Company).	Syed Shahid Ali, Syed Sheharyar Ali are directors in the Company	Syed Shahid Ali, Syed Sheharyar Ali and Munir Karim Bana are directors in the Company	Syed Shahid Ali, Syed Sheharyar Ali and Muhammad Shafique Anjum are directors in the Company	Common Directorship
any other important details necessary for the members to understand the transaction; and	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
in case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely,	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable



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## **Interest of Investee Company, its Sponsors and Directors in the Company:**

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

## **Audited Financial Statements of Investee Companies:**

As required by Regulation 4(3) of the Regulations, following Financial statements of First Treet Manufacturing Modaraba, Renacon Pharma Limited, Treet Battery Limited and Treet Holdings Limited shall be made available for inspection by the members at the meeting, namely:

Annual Audited Accounts for the year ended June 30, 2021  
Annual Audited Accounts for the year ended June 30, 2020  
Annual Audited Accounts for the year ended June 30, 2019

## **Due Diligence Undertaking of Directors:**

The Directors of the Company hereby certify to the Members that the Directors have, as required by Regulation 3(3) of the Regulations, carried out the requisite due diligence of associated Companies/Subsidiaries for the investment mentioned in table. The recommendations of the said due diligence report are duly signed under the authority of the Directors will be made available for inspection by the members at the meeting; investment in both companies. The recommendations of the said due diligence report are duly signed under the authority of the Directors will be made available for inspection by the members at the meeting;

## **AGENDA ITEM 7 and 8**

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The Company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Audit Committee, such transactions are placed before the board of directors for approval.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021-2022 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2021-2022, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.