

Notice of 36th Annual General Meeting

Notice is hereby given that the 36th Annual General Meeting (the "AGM") of Gadoon Textile Mills Limited (the "Company") will be held on Tuesday, September 26, 2023 at 3:00 p.m., at the registered office of the Company at 200-201, Gadoon Amazai Industrial Area, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa and through video link to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2023, together with the Chairman's Review, Directors' and Auditor's report thereon.
2. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2024. The present Auditors, M/s. Yousuf Adil, Chartered Accountants, retire and being eligible, have offered themselves and consented for re-appointment, and the Board of Directors has recommended their appointment.

Special Business

3. To consider and, if deemed fit, pass the following resolutions, as special resolutions, to ratify and approve (as the case may be) related party transactions / arrangements conducted / to be potentially conducted by the Company, in terms of Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

"RESOLVED THAT the transactions carried out by the Company with different related parties during the year ended June 30, 2023, as disclosed in note 37 of the financial statements of the Company for the said period, be and are hereby ratified and confirmed.

FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into arrangements and / or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, or availing or rendering of services, with different related parties from time to time to the extent of Rs. 20 billion to be undertaken from time to time during the financial year ending June 30, 2024. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board of Directors of the Company (irrespective of the composition of the Board), including under Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions.

FURTHER RESOLVED THAT the related party transactions, for the period ending June 30, 2024, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation."

4. To consider, and if thought fit, alter the Articles of Association of the Company in accordance with Section 38 and other applicable provisions of the Companies Act, 2017 (the "Act"), and in that connection to pass the following resolutions as special resolutions, with or without modification:

"RESOLVED THAT Articles 118 and 119 of the existing Articles of Association of the Company be substituted to read as follows:

118. The Board of Directors shall be empowered and may resolve that any part of the amounts for the time being standing to the credit of any reserves, or other special accounts, or the profit and loss account, or representing premiums received on the issue of shares and standing to the credit of the share premium account, or capital reserves, including arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition / sale of interest in other undertakings, or amounts otherwise available for distribution, be capitalized and distributed amongst the Members as would be entitled thereto if the same were if distributed by way of dividend and in the same proportions on the condition that the same be not paid in cash (subject to Article 119) but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other.

119. Whenever such a resolution as aforesaid has been passed by the Board of Directors, the Directors shall make all appropriations and applications of the undistributed profits, reserves etc. (as the case may be) resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board of Directors to make such provisions (including by payment in cash) as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person(s) to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

FURTHER RESOLVED THAT the Chief Executive and / or the Company Secretary be and are hereby severally authorized to prepare, finalize, execute and file all necessary documents, and take all necessary steps, fulfil necessary formalities and legal procedures, and to do all such acts, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as they may think fit for, or in connection with, or incidental for, the purposes of the abovementioned resolution, as well as carry out any other act or step which may be ancillary and / or incidental to, and necessary to fully achieve the objects of the aforesaid resolution, including without limitation, filing of requisite documents with the Securities and Exchange Commission of Pakistan.”

5. To consider and, if thought fit, pass, with or without modification(s), the following resolution to enable and authorize the Company to circulate the Annual Report (including the audited financial statements, Auditors’ report, Directors’ report, Chairman’s review report) to the members of the Company through QR enabled code and weblink, in accordance with Section 223(6) of the Act read with S.R.O. 389(I)/2023 dated March 21, 2023, instead of old technology which has become obsolete for transmission through CD/DVD/USB.

“RESOLVED THAT the Company be and is hereby authorized to circulate its annual report, including annual audited financial statements, Auditors’ report, Directors’ report, Chairman’s review report and other reports contained therein, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 issued by the Securities and Exchange Commission of Pakistan, and that the practice of circulation of the annual report through CD / USB be discontinued.”

OTHER BUSINESS:

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

(Attached to this Notice is the Statement of Material Facts covering the above-mentioned Special Businesses, as required under Section 134(3) of the Companies Act, 2017.)

By order of the Board



MUHAMMAD UMAIR
Company Secretary

Karachi: September 05, 2023

Notes

1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from Tuesday, September 19, 2023 to Tuesday, September 26, 2023 (both days inclusive). Transfer request received in order at our Share Registrar/Transfer agent, CDC Share Registrar Services Limited (the "CDCSRSL"), CDC House, 99-B, S.M.C.H. Society, Main Shahrāh-e-Faisal, Karachi 74400, at the close of business on Monday, September 18, 2023 will be treated in time for the purpose of attending and voting at AGM.

2. PARTICIPATION IN THE MEETING

- i) All shareholders of the Company shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the representative shall be produced at the time of the meeting.

A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote in at the meeting.

For appointing proxies

- i) A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the Company, all such forms of proxy shall be rendered invalid. Proxy must be a member of the Company.
- ii) Instrument appointing a proxy must be received at the Registered Office of the Company duly signed at least 48 hours before the time of the meeting.
- iii) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- iv) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- v) Attested copies for CNIC or the passport of the beneficial owners and of the proxy shall be furnished with the proxy form.

3. Participation in AGM through Video Link

Pursuant to circular 4 of 2021 issued by SECP, Shareholders who wish to participate virtually in the AGM are requested to share below information at agm_2023@gadoontextile.com at least seven days prior to the date of the meeting.

Name of Shareholder	CNIC Number	Folio / CDC Account Number	Registered email Address	Cell Number

Video conference link details and login credentials shall be shared with those shareholders whose information are received through their registered e-mail address within specified time. Furthermore, the said facility shall be login from the registered email address only.

4. NOTIFY THE CHANGES IN ADDRESSES OF SHAREHOLDERS

The shareholders of the Company are requested to promptly notify changes in their mailing addresses (if any), to our share registrar/transfer agent.

5. SUBMISSION OF COPIES OF CNIC (MANDATORY)

Individual shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid CNIC in the records of the Company, the Company shall withhold the dividend unclaimed till date, under the provisions of Section 243 of the Act which will be released by the Share Registrar only upon submission of a valid copy of the CNIC.

6. PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E-DIVIDEND MECHANISM)

In accordance with Section 242 of the Act, cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled shareholder. Shareholders are requested to provide their complete bank details along with 24-digit International Bank Account Number (IBAN) directly to our share registrar (for physical shares) or to their respective participant/broker (for CDS shares) as the case may be for the dividends which are unclaimed till date. Shareholders are advised to ensure that title of bank account must be in the name of the shareholder. The subject Form is available at Company's website i.e. <http://gadoontextile.com/investor-info/>. The Company has already communicated through its letters addressed to the shareholders individually along-with newspapers publications requesting to provide IBAN.

7. TRANSMISSION / DISPATCH OF ANNUAL FINANCIAL STATEMENTS THROUGH CD / DVD / USB

The Company has circulated annual financial statements to its members through CD complying with SRO.470(I)/2016 dated May 31, 2016 at their registered address. Printed copy of above referred statements can be provided to members upon request. Request Form is available on the website of the Company i.e., <http://gadoontextile.com/investor-info/>

8. TRANSMISSION OF AUDITED FINANCIAL STATEMENTS / NOTICES THROUGH EMAIL

Pursuant to the provisions of section 223(6) of the Act, all listed companies are permitted to circulate their annual financial statements, along with Auditor's Report, Directors' Report along with notice of Annual General Meetings ("Annual Report"), to its shareholders through email subject to the written consent of the shareholders.

Shareholders who wish to receive the Company's Annual Report by email are requested to provide the completed Consent Form available on the Company's website <http://gadoontextile.com/investor-info/>, to the Company's Share Registrar.

9. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE

The audited financial statements of the Company for the year ended June 30, 2023 have been placed on the website of the Company <http://gadoontextile.com/financial-reports/>

10. REQUIREMENT OF COMPANIES (POSTAL BALLOT) REGULATIONS 2018

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Companies Act, 2017, Members will be allowed to exercise their right to vote through postal ballot, that is voting by post or electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

11. UNCLAIMED DIVIDENDS AND / OR SHARES

As per the provision of section 244 of the Act, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the SECP for the credit of Federal Government after issuance of notices to the shareholders to file their claim. A notice in this respect was sent to shareholders dated January 31, 2018 and the final notice was published in the newspapers dated May 02, 2018.

Shareholders, whose dividends still remain unclaimed and/or undelivered share certificates are available with the Company, are hereby once again requested to approach the Company on priority to claim their outstanding dividend amounts and/or undelivered share certificates.

12. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS

In accordance with the requirement of section 72 of the Act, 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 the SECP, within a period not exceeding four years from the commencement of this Act.

In this regard, a notice was sent dated June 17, 2021 to the shareholders of the Company holding physical shares wherein detailed guidelines were provided for the shareholder to open the CDC sub-account with any of the broker or investor account

directly with CDC to place their physical shares into scrip-less form. This will facilitate the shareholders to streamline their information in members' register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements.

13. CONSENT FOR VIDEO CONFERENCE FACILITY

Pursuant to Section 134(1)(b) of the Act, if Company receives consent form from shareholders holding aggregate 10% or more shareholding residing at a geographical location to participate in the meeting through video conference at least seven days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please provide the following information and submit to the registered office of the Company:

Consent Form for Video Conference Facility

I / We _____ of _____ being a shareholder of Gadoon
Textile Mills Limited, holder of _____ ordinary share(s) as per Register Folio / CDC Account No. _____
hereby opt for video conference facility at _____.

Signature of Member(s)

According to Section 119 of the Act and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC numbers, address, email address, contact mobile/telephone number, International Bank Account Number ("IBAN"), etc., to our Share Registrar at their below address immediately to avoid any non-compliance of law or any inconvenience in future:

CDC Share Registrar Services Limited, CDC House, 99-B, S.M.C.H. Society, Main Shahr-e-Faisal, Karachi 74400. Tel: Toll Free: 0800-23275, Email: info@cdcsrsl.com, website: www.cdcsrsl.com

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

Pertaining to Agendas of Special Business

This statement sets out the material facts pertaining to the special business items to be transacted at the AGM of the Company to be held on September 26, 2023.

Agenda Item No. 3

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some / majority of the Directors of the Company may be deemed to be interested in certain arrangements / transactions with related parties, including due to their shareholding or common directorships in related entities / parties, and to promote transparency, an approval from the members was sought during the 35th AGM of the Company, where the members authorized the Board of Directors to approve such related party transactions conducted by the Company from time to time (and on a case to case basis) during the financial year ended June 30, 2023, and such transactions were deemed to be approved by the members. All the related party transactions have been disclosed in Note 37 to the financial statements for the year ended June 30, 2023. Such transactions were to be placed before the members in next AGM for their ratification / confirmation. Accordingly, these transactions are being placed before the AGM for ratification / confirmation by the members.

The Company carries out transactions and enters into arrangements with its related parties primarily 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 / arrangements entered into with related parties require the periodic review of the Board Audit Committee, which is chaired by an independent director of the Company. Upon the review and recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

Transactions entered into with the related parties include, but are not limited to, for the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, or availing or rendering of services.

The nature of relationship with these related parties has also been indicated in Note 37 to the financial statements of the Company for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings (to the extent applicable) in such related parties.

Accordingly, the members are requested to ratify and confirm the transactions with related parties as disclosed in the financial statements of the Company for the year ended June 30, 2023.

Furthermore, the Company will be entering into arrangements and conducting transactions with its related parties including, but not limited to, those stipulated in the resolution, during the year ending June 30, 2024. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities, and in order to promote transparent business practices, an approval from the members is being sought to authorize the Company to conduct such related party transactions and enter into arrangements with related parties, and further to authorize and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending June 30, 2024 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending June 30, 2024 shall be deemed to have been approved by the members.

The members should note that it is not possible for the Company or the Directors to accurately predict the nature of related party arrangements / transactions, or the specific related parties with whom the transactions will be carried out. The transactions that may be carried out by the Company include, but are not limited to, the purchase and sale of goods, commodities and materials, including yarn, polyester, cement, cloth, power, electricity, steam, garments, textiles, vehicles, plant & machinery, other ancillary machinery and / or relevant parts, or availing or rendering of services.

The related parties include, but are not limited to, the following:

- | | | | |
|----|--------------------------------------|----|---------------------------------------|
| 1 | Lucky Cement Limited | 2 | Lucky Core Industries Limited |
| 3 | Lucky Energy (Private) Limited | 4 | Lucky Entertainment (Private) Limited |
| 5 | Lucky Holdings Limited | 6 | Lucky Knits (Private) Limited |
| 7 | Lucky Motor Corporation Limited | 8 | Lucky Landmark (Private) Limited |
| 9 | Lucky Renewables (Private) Limited | 10 | Lucky Textile Mills Limited |
| 11 | Lucky Wind Power Limited | 12 | Yunus Wind Power Limited |
| 13 | Tricom Solar Power (Private) Limited | 14 | Y. B. Engineering Limited |
| 15 | Y. B. Holdings (Private) Limited | 16 | Y. B. Pakistan Limited |
| 17 | Yunus Energy Limited | 18 | Yunus Textile Mills Limited |

The members should also note that, for the Special Resolutions described in the Notice of AGM, it is not possible for the Company to predict the quantum of related party transactions / arrangements to be undertaken in the period ending June 30, 2024, however, the members are requested to authorize the Board of Directors to carry out the transactions / arrangements to the extent of Rs.20 billion to be undertaken from time to time for the period ending June 30, 2024. The Company will present the actual figures for subsequent ratification and confirmation by the members, at the next AGM. Furthermore, the Company and the Board continuously serve to protect the interests of the shareholders of the Company and the said transactions are entered into in order to benefit the Company and its stakeholders.

Based on the aforesaid the members are requested to pass the Special Resolutions (with or without modification) as stated in the Notice.

Agenda Item No. 4

The Board of Directors of the Company has resolved and recommended to the members to alter (by way of substitution) the existing provisions of Article 118 of the Articles of Association of the Company to enable the Board of Directors to approve the capitalization of reserves, undistributed profits etc. of the Company. This will empower the Board of Directors from time to time to capitalize (fully or in part) such amounts standing to the credit of any of the Company's reserve funds or which may be available with the Company for distribution, including by way of issuance of bonus shares in favor of the members. In light of the same, corresponding amendments are also required to Article 119 of the Articles of Association of the Company.

The existing and proposed Articles 118 and 119 of the Articles of Association of the Company are as follows:

Article 118 of the Articles of Association	
Existing	Proposed
<p>The company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any reserve or the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution, amongst Members who would be entitled thereto if the same were distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid, or partly in one way and partly in the other and the Directors shall give effect to such resolution.</p>	<p>The Board of Directors shall be empowered and may resolve that any part of the amounts for the time being standing to the credit of any reserves, or other special accounts, or the profit and loss account, or representing premiums received on the issue of shares and standing to the credit of the share premium account, or capital reserves, including arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition / sale of interest in other undertakings, or amounts otherwise available for distribution, be capitalized and distributed amongst the Members as would be entitled thereto if the same were if distributed by way of dividend and in the same proportions on the condition that the same be not paid in cash (subject to Article 119) but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other.</p>

Article 119 of the Articles of Association	
Existing	Proposed
<p>Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make provisions by payment in cash or otherwise as they think fit in the case of shares or debentures becoming distributable and also to authorize any persons to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them may be entitled upon such capitalization and any agreement made by such authority shall be effective and binding on all such Members.</p>	<p>Whenever such a resolution as aforesaid has been passed by the Board of Directors, the Directors shall make all appropriations and applications of the undistributed profits, reserves etc. (as the case may be) resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board of Directors to make such provisions (including by payment in cash) as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person(s) to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.</p>

The Board of Directors of the Company has confirmed that the proposed alterations to the Articles of Association of the Company are in line with the applicable provisions of the law and regulatory framework.

None of the Directors of the Company have any interest in the aforesaid special businesses, except in their capacity as Directors and members (where applicable) of the Company.

Agenda Item No. 5

In view of technological advancements, and taking into account that old technology is becoming obsolete, the Securities and Exchange Commission of Pakistan ("SECP") has, vide S.R.O. 389(I)/2023 dated March 21, 2023, allowed listed companies to circulate the Annual Report (including the audited financial statements, Auditors' report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink. The SECP has also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company.

Considering the optimum use of advancements in technology and in order to fulfil the Company's corporate social responsibility to the environment and sustainability, the Company seeks to discontinue the circulation of the Annual Report through CDs in the future. Consequently, the Board of Directors of the Company has recommended that the special resolution, as set out in the notice, be passed by the members for the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

This arrangement will help all members wherever they are located to access the financial statements of the Company. Additionally, it will also reduce unnecessary expenditure for making CDs.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member(s) will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right / privileged is being proposed.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.