

# Notice of 37th Annual General Meeting

Notice is hereby given that the 37th Annual General Meeting (the "AGM") of Gadoon Textile Mills Limited (the "Company") will be held on Thursday, September 26, 2024 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, 2024, together with the Chairman's Review, Directors' and Auditors' report thereon.

In accordance with Section 223 of the Companies Act, 2017 (the Act) and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023, issued by the Securities and Exchange Commission of Pakistan (the SECP), the financial statements of the Company can be accessed through the following weblink and QR enabled code:

<https://gadoontextile.com/financial-reports/#annual-reports>



2. To appoint auditors of the Company and fix their remuneration for the year ending June 30, 2025. 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, 2024, as disclosed in note 38 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. 25 billion to be undertaken from time to time during the financial year ending on June 30, 2025. 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 on June 30, 2025, 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.

## Other Business

4. 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 Business, as required under Section 134(3) of the Act.)

By order of the Board

Karachi: September 5, 2024

  
**MUHAMMAD UMAIR**  
Company Secretary

## Notes

### 1. CLOSURE OF SHARE TRANSFER BOOKS

The Share Transfer Books of the Company will remain closed from Thursday, September 19, 2024 to Thursday, September 26, 2024 (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 Wednesday, September 18, 2024 will be treated in time for the purpose of attending and voting at AGM.

### 2. PARTICIPATION IN GENERAL 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 the SECP, shareholders who wish to participate virtually in the AGM are requested to share below information at [agm\\_2024@gadoontextile.com](mailto:agm_2024@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-information/>. The Company has already communicated through its letters addressed to the shareholders individually along-with newspapers publications requesting to provide IBAN.

**7. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE**

The audited financial statements of the Company for the year ended June 30, 2024 have been placed on the website of the Company <http://gadoontextile.com/investor-information/>.

Notwithstanding the above, the Company will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

**8. REQUIREMENT OF COMPANIES (POSTAL BALLOT) REGULATIONS 2018**

Pursuant to the Companies (Postal Ballot) Regulations, 2018 read with Sections 143 and 144 of the Act, 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.

**9. 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 2, 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.

**10. 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.

# STATEMENT OF MATERIAL FACTS 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, 2024.**

## **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 (the Act), 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 36th 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, 2024, and such transactions were deemed to be approved by the members. All the related party transactions have been disclosed in Note 38 to the financial statements for the year ended June 30, 2024. 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 (the BAC), which is chaired by an independent director of the Company. Upon the review and recommendation of the BAC, 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 38 to the financial statements of the Company for the year ended June 30, 2024. 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, 2024.

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 on June 30, 2025. 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 on June 30, 2025 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending on June 30, 2025 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 on June 30, 2025, however, the members are requested to authorize the Board of Directors to carry out the transactions / arrangements to the extent of Rs. 25 billion to be undertaken from time to time for the period ending on June 30, 2025. 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.

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.