

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting (the "EOGM") of Gadoon Textile Mills Limited (the "Company") will be held on Thursday, June 22, 2023 at 11:00 a.m., at the registered office of the Company situated at 200-201, Gadoon Amazai Industrial Estate, Gadoon Amazai, District Swabi, Khyber Pakhtunkhwa and through video link to transact the following agenda:

ORDINARY BUSINESS

1. To confirm the Minutes of 35th Annual General Meeting held on September 27, 2022.

SPECIAL BUSINESS

2. To consider, and if deemed fit, approve by way of special resolution, increase of authorized share capital of the Company in accordance with Section 85(1)(a) of the Companies Act, 2017 (the "Act"), and in that connection to pass the following resolutions (with or without modification):

"RESOLVED THAT the authorized share capital of Gadoon Textile Mills Limited (the "Company") be and is hereby increased from Rs.575,000,000/- (Rupees Five Hundred Seventy-Five Million Only) divided into 57,500,000 ordinary shares of Rs.10/- each to Rs.21,000,000,000/- (Twenty-One Billion Only) divided into 2,100,000,000 ordinary shares of Rs.10/- each by the creation of 2,042,500,000 ordinary shares of Rs. 10/- each.

FURTHER RESOLVED THAT the Memorandum of Association and Articles of Association of the Company be amended, as required, to give effect to the aforementioned resolution and for this purpose to change the authorized share capital of the Company wherever appearing in these documents from Rs.575,000,000/- (Rupees Five Hundred Seventy-Five Million Only) divided into 57,500,000 ordinary shares of Rs.10/- to Rs.21,000,000,000/- (Twenty-One Billion Only) divided into 2,100,000,000 ordinary shares of Rs.10/- each.

FURTHER RESOLVED THAT the new ordinary shares when issued shall carry equal voting rights and rank pari passu with the existing ordinary shares in all respects and matters in compliance with the provisions of the Section 85(2) of the Companies Act, 2017."

3. To consider, and if deemed fit, approve by way of special resolution, alteration in the Articles of Association of the Company in accordance with Section 38 and other applicable provisions of the Act, and in that connection to pass the following resolutions (with or without modification):

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

118. The Board of Directors of the Company may 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.

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119. Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, 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."
4. To approve the circulation of 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:

"RESOLVED THAT Gadoon Textile Mills Limited (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."

"FURTHER RESOLVED THAT the Chief Executive Officer and / or the Company Secretary ("Authorized Officials") be and are hereby jointly and/or severally authorized to do all acts, deeds and things, take any or all necessary actions including appointment of consultant(s) / advisors and to complete all legal formalities and file all necessary documents to all regulatory bodies including the Securities and Exchange Commission of Pakistan, the Pakistan Stock Exchange and the Central Depository Company of Pakistan Limited as may be necessary or incidental for the purpose of implementing the aforesaid resolutions."

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 : June 1, 2023

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Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from Thursday, June 15, 2023 to Thursday, June 22, 2023 (both days inclusive). Transfer received in order at our Share Registrar/Transfer Agent CDC Share Registrar Services Limited (“CDCSRSL”), CDC House, 99-B, Block-B, S.M.C.H. Society, Main Shahrāh-e-Faisal, Karachi-74400, at the close of business on Wednesday, June 14, 2023, will be considered in time for the purpose of for the purposes of attending and voting at the EOGM.

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 EOGM through Video Link

Pursuant to circular 4 of 2021 issued by SECP, Shareholders who wish to participate virtually in the EOGM are requested to share below information at eogm_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 Address of the Shareholders and Contact Details

The shareholders of the company are requested to notify changes in their mailing addresses (if any), and update email address and cell number to our share registrar/transfer agent.

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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.

6. 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.

7. 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.

8. 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.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

Agenda No 2

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of the EOGM of the Company.

Gadoon Textile Mills Limited (the "Company") currently has the authorized share capital of Rs.575,000,000/- (Rupees Five Hundred Seventy-Five Million Only) divided into 57,500,000 ordinary shares of Rs. 10 each. In order to cater for future increase in paid up share capital as and when deemed necessary in the best interest of the Company and its stakeholders, the Board of Directors has resolved and recommended to the Members to increase the authorized share capital of the Company from Rs.575,000,000/- (Rupees Five Hundred Seventy-Five Million Only) divided into 57,500,000 ordinary shares of Rs. 10/- each to Rs.21,000,000,000/- (Rupees Twenty-One Billion Only) divided into

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2,100,000,000 ordinary shares of Rs. 10/- each by creation of 2,042,500,000 ordinary shares of Rs. 10/- each.

Accordingly, the relevant clauses of the Memorandum of Association and Articles of Association of the Company, wherever appearing in these documents, will be amended so as to replace the existing authorized share capital with the enhanced authorized share capital. The existing and proposed clauses of Memorandum of Association are as follows:

Clause V of the Memorandum of Association

Existing	Proposed
The Capital of the Company is Rs.575,000,000/- (Rupees Five Hundred Seventy-Five Million Only) Divided into 57,500,000 Ordinary shares of Rs. 10/- each with the power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes.	The Capital of the Company is Rs. 21,000,000,000/- (Rupees Twenty-One Billion Only) Divided into 2,100,000,000 Ordinary shares of Rs. 10/- each with the power to increase and reduce the Capital of the Company and divided the shares in the Capital for the time being into several classes.

Article 7 of the Articles of Association

Existing	Proposed
The Capital of the Company is Rs. 575,000,000/- (Rupees Five Hundred Seventy-Five Million) divided into 57,500,000/- Ordinary Shares of Rs.10/- each.	The Capital of the Company is Rs. 21,000,000,000/- (Rupees Twenty-One Billion Only) divided into 2,100,000,000 ordinary shares of Rs. 10/- each

It is confirmed that the proposed alterations in Memorandum and Articles of Association (where applicable) are in line with the applicable provisions of the law and regulatory framework.

Agenda No 3

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of the EOGM of the Company.

The Board of Directors of the Company has resolved and recommended to the Members to alter the existing Article 118 and Article 119 of the Articles of Association of the Company, in such a way to authorize the Board of Directors to approve the capitalization of reserve funds. This will empower the Board of Directors to capitalize (fully or in part) any amount of the undivided profits for the time being standing to the credit of any of the Company's reserve funds or in the hands of the Company and available for dividend. The existing and proposed Article 118 and Article 119 of the Articles of Association of the Company is as follows:

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Article 118 of the Articles of Association

Existing	Proposed
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 whereto 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 on way and partly in the other and the Directors shall give effect to such resolution.	The Board of Directors of the Company may 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 whereto 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 on way and partly in the other and the Directors shall give effect to such resolution.

Article 119 of the Articles of Association

Existing	Proposed
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.	Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, 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.

It is confirmed that the proposed alterations in the Articles of Association (where applicable) are in line with the applicable provisions of the law and regulatory framework.

Agenda No 4

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of the EOGM 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, members approval is sought for 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 in accordance with S.R.O. 389(I)/2023 dated March 21, 2023.

The Directors have no interest, directly or indirectly, in the special businesses described in the notice of EOGM, except to the extent of being Director / Chief Executive / Shareholders (where applicable).

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