GATRON

Gatron (Industries) Limited

Registered Office: Room No. 32, 1st Floor, Ahmed Complex, Jinnah Road, Quetta, Balochistan, Pakistan. Telephone: (92-81) 2849396, Fax: 081-2825304
Liaison Office : 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi-75530, Pakistan.
Tel: 35659500-6, Fax: 021-35659516, E-mail: headoffice@gatron.com

By Hand /PUCAR

Ref: GIL/SD-140/2014

September 18, 2014

The Managing Director
Karachi Stock Exchange Limited
Karachi Stock Exchange Building
Stock Exchange Road
Karachi.

Sub: **NOTICE OF ANNUAL GENERAL MEETING**

Dear Sir,

Please find enclosed a copy of the notice of 34th Annual General Meeting to be held on Monday, October 20, 2014 for circulation amongst your members.

Thanking you,

Yours faithfully,
For **Gatron (Industries) Limited**

Mohammad Yasin Bilwani
Company Secretary

Encl.: as above

C.C.: Lahore Stock Exchange Limited (Through Courier Service)
Islamabad Stock Exchange Limited (Through Courier Service)

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty fourth Annual General Meeting of Gatron (Industries) Limited will be held on Monday, October 20, 2014 at 12:00 noon at Serena Hotel, Quetta to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting of the Company held on January 11, 2014.

2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2014 together with the Auditors' Report thereon and Directors' Report for the year then ended.

3. To approve payment of final cash dividend at Rs. 3.00 per share (30%) as recommended by the Board of Directors and also interim cash dividend at Rs.2.50 per share (25%) already paid, making a total Rs.5.50 per share (55%) for the year ended June 30, 2014..

4. To appoint company's auditors for the year ending June 30, 2015 and fix their remuneration.

SPECIAL BUSINESS

5. To discuss, consider and pass the following two Ordinary Resolutions, with or without modifications.

Resolution # 1: (Toll Service Agreements)

"Resolved that executed Toll Service Agreements dated July 01, 2005, December 01, 2008 and September 01, 2011 entered into between the Company and M/s. Novatex Limited, an associated company be and are hereby ratified and approved ex-post facto..

"Further Resolved that ex-post facto signing approval is hereby accorded for the above toll service agreements."

"Further Resolved that any of the Directors and/or the Company Secretary of the Company be and are hereby authorized singly to do all acts which are necessary and incidental for any compliance with the matters set out above."

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Factory : Plot No. M-2, Sec. 'M', H.I.T.E., Main R.C.D. Highway, Hub Chowki, Distt. Lasbella, Balochistan, Pakistan.
Tel: 0853-364324-25, Fax: 0853-363241, E-mail: gatfac@gatron.com, Website: www.gatronova.com

Gatron (Industries) Limited

Resolution # 2: (Rent Agreement)

"Resolved that Rent Agreement dated June 01, 2012 with M/s. Novatex Limited, an associated company be and is hereby ratified and approved ex post facto"

"Further Resolved that ex-post facto signing approval is hereby accorded for the above rent agreement."

"Further Resolved that any of the Directors and/or the Company Secretary of the Company be and are hereby authorized singly to do all acts which are necessary and incidental for any compliance with the matters set out above."

OTHER BUSINESS

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

By Order of the Board

Mohammad Yasin Bilwani
Company Secretary

September 13, 2014

Notes:

1. The Share Transfer Books of the Company will remain closed from October 11, 2014 to October 20, 2014 (both days inclusive). Transfers received in order at the office of the Share Registrar before the close of business on October 10, 2014 will be considered in time for the purpose of entitlement of final cash dividend.

2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received at the office of the company not less than 48 hours before the time of holding the meeting. Proxy form is annexed.

3. A member, who has deposited his/her shares in Central Depository Company of Pakistan Limited, must bring his/her Participant ID number and account/sub account number along with original computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

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4. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of attending the meeting.

5. Members who have not submitted copy of valid CNIC and NTN are once again advised to submit the same without further delay to ensure compliance with the Securities & Exchange Commission of Pakistan Notification SRO 19(I)/2014 dated 10th January, 2014 read with Notification SRO 831(I)/2012 dated 5th July, 2012.

6. Pursuant to the provisions of the Finance Act 2014 effective July 1, 2014, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

a) Rate of tax deduction for filers of income tax returns - 10%

b) Rate of tax deduction for non-filers of income tax returns - 15%

All individuals/companies/association of persons who hold shares in physical form and/or in script-less form on Central Depository System of Central Depository Company of Pakistan are requested to send a valid copy of their CNIC and NTN Certificate to the Company's Shares Registrar to allow the company to ascertain the status of the shareholders.

Where the required documents are not submitted, the company will be constrained to treat the non-complying shareholders as a non-filers thereby attracting a higher rate of withholding tax.

7. The shareholders are advised to notify to the company's share registrar of any change in their addresses.

8. Statement under Section 160(1)(b) of the Companies Ordinance, 1984 pertaining to special business is being sent to the Members with this Notice of the Meeting.

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STATEMENT UNDER SECTION 160 (1)(b) OF THE COMPANIES ORDINANCE, 1984.

1) As per Securities and Exchange Commission of Pakistan directive dated March 24, 2014, the following agreements entered into under the authority of the Board of Directors of the Company with M/s. Novatex Limited, an associated Company are placed before the members for their consideration and ex-post facto approval.

Toll Service Agreements

The Board of Directors in its meeting held on 24th August, 2002 resolved to execute tolling arrangements/agreements with M/s. Novatex Limited, an associated company to allow it to produce Yarn grade chips as well as Bottle grade chips at the same time, while before 2002 the company was only producing one of these two chips at the same time. This was already informed to the members in the Directors report to the Shareholders on November 26, 2001 and September 21, 2002. The Board of Directors had also authorized the Company to make any other arrangements/agreements with M/s. Novatex Limited to fully optimize its plant capacity. Accordingly, the company has executed some agreements and is accordingly paying and receiving amounts as "toll services charges" which have been and are being regularly disclosed in the relevant years' annual audited reports.

Rent Agreement

The liaison office of the company was housed, since the year 1986, at 8th Floor of Textile Plaza, M. A. Jinnah/Dunolly Road, Karachi. The company had acquired some other offices in Textile Plaza on rental and/or on ownership basis, due to increase in number of staff.

Apart from security and shortage of space, there had been numerous administrative issues due to scattered offices on various floors as well as lack of various facilities, consequently affecting the work of the employees. A fire had burnt down nearly 50% of the office and the records of the company in mid July, 2006, while minor short circuit incidents continue to occur thereafter. The Board of Directors of the Company approved on February 18, 2012, the acquisition of offices on rental basis in G&T Tower located at Beaumont Road near PIDC, Karachi. Rent agreement in this respect was executed on 1st June, 2012 with M/s. Novatex Limited, an associated company (the owner of the G&T Tower). The disbursement of rentals in this regard have been and is being properly disclosed in the respective annual reports.

2. Certain directors are interested in these agreements to the extent of their common directorship, shareholding and remuneration.

3. All the aforementioned agreements, namely the Tolling Agreements, Rent Agreement will remain open for inspection of the shareholders who may visit the office of the company on working days between 11:00 am to 1:00 pm for review from the date of publication of this notice till the conclusion of the Annual General Meeting. Moreover, these agreements will also be available for inspection of shareholders at the Annual General Meeting.