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/PUCARS

Ref: HK/FR/01/94/10/2018 October 04, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: NOTICE OF ANNUAL GENERAL MEETING AND BOOK CLOSURE FOR ADDITIONAL CASH DIVIDEND

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on Thursday, October 25, 2018 along with Notice of Book Closure for declaration of additional cash dividend for circulation amongst the TRE Certificate Holders of the Exchange.

Thanking you

Yours faithfully,
for Gatron (Industries) Limited

Company Secretary / CFO

Encl: as above

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Notice of Annual General Meeting

Notice is hereby given that the Thirty-eighth Annual General Meeting of Gatron (Industries) Limited will be held on Thursday, October 25, 2018 at 11:00 a.m., at factory premises at Plot No.441/49-M2, Sector "M", H.I.T.E., Main R.C.D. Highway, Hub, Distt Lasbela, Balochistan to transact the following business:

Ordinary Business

1. To confirm the minutes of the Thirty-seventh Annual General Meeting and Extraordinary General Meeting of the company held on October 23, 2017 and December 21, 2017 respectively.

2. To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2018 together with the Auditors' Report thereon and Directors' Report for the year then ended.

3. To approve payment of final cash dividend at Rs.7.50 per share (75%) as recommended by the Board of Directors for the year ended June 30, 2018. This is in addition to interim cash dividend at Rs.2.00 per share (20%), already paid.

4. To appoint company's auditors for the year ending June 30, 2019 and fix their remuneration.

Special Business

5. To consider and if thought fit, to approve increase in the authorized share capital of the Company and for this purpose to pass the following special resolutions, with or without modifications:

   "Resolved that the authorized share capital of the Company be and is hereby increased from Rs.440,000,000 (Rupees Four Hundred Forty Million) divided into 44,000,000 ordinary shares of Rs.10 each to Rs.950,000,000 (Rupees Nine Hundred Fifty Million) divided into 95,000,000 ordinary shares of Rs.10 each."

   "Further Resolved that existing Clause V of the Memorandum of Association and Clause 6 of the Articles of Association of the Company be and are hereby amended as under:

   Memorandum of Association:

   Clause V. The Capital of the Company is Rs.950,000,000 (Rupees Nine Hundred Fifty Million) divided into Ninety Five Million Ordinary Shares of Rs.10/- each with 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.

   Article of Association:

   Clause 6. The Capital of the Company is Rs.950,000,000 (Rupees Nine Hundred Fifty Million) divided into 95,000,000 (Ninety Five Million) shares of Rs.10/- (Rupees Ten) each. The minimum subscription shall be Rs.1,75,000/- (Rupees One hundred & Seventy Five Thousand only) which has already been reached."

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"Further Resolved that the Directors and Company Secretary/CFO of the Company be and are hereby authorized singly to take all necessary steps and to execute legal documents that may be required under applicable laws to give effect to the spirit and intent of the above resolutions."

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

By Order of the Board

Mohammad Yasin Bilwani
Company Secretary & CFO

August 29, 2018

Notes:

1. The Share Transfer Books of the company will remain closed from October 18, 2018 to October 25, 2018 (both days inclusive). Transfers received in order at the office of the Shares Registrar before the close of business on October 17, 2018 will be considered in time for the purpose of entitlement of dividend and attendance in the Annual General Meeting.

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

4. 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 CNIC or NICOP or Passport at the time of attending the meeting.

5. The members are advised to notify to the company's Shares Registrar of any change in their addresses.

6. The audited financial statements of the company for the year ended June 30, 2018 have been made available on the company's website in addition to annual, bi-annual and quarterly financial statements of the prior years.

7. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate to such Shareholders information regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting to enable them to access to such facility.

8. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

... Main R.C.D. Highway, Hub Chowki, Distt. Lasbela, Balochistan, Pakistan.
Tel: 0853-364324-25, Fax: 0853-363241, E-mail: gatfac@gatron.com, Website: www.gatronova.com

Gatron
(Industries)
Limited

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on October 25, 2018.

Increase in Authorized Share Capital of the Company and Consequent Amendments in the Memorandum and Articles of Association:

The Company, in order to meet its growth objectives and strengthen its financial position, may be required to generate long term resources by issuing securities. It is therefore, deemed appropriate to increase the Authorized Share Capital of the Company from Rs.440,000,000 divided into 44,000,000 ordinary shares of Rs.10 each to Rs.950,000,000 divided into 95,000,000 ordinary shares of Rs.10 each by creation of additional 51,000,000 ordinary shares of Rs.10 each.

The proposed increase in the Authorized Share Capital of the Company will also necessitate amendments in Clause V of the Memorandum of Association and Clause 6 of the Articles of Association of the Company. The Board has also recommended alteration in the Memorandum and Articles of Association of the Company to reflect increase in Authorized Share Capital of the Company.

A copy of Memorandum and Articles of Association has been kept at the registered office of the Company and may be inspected on any working day between 10:30 a.m. to 12:30 p.m from the date of publication of this notice till the conclusion of the Annual General Meeting.

The Directors are not interested, directly or indirectly, in the above special business except to the extent of their shareholdings.

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To: All the Members of the Company September 18, 2018

NOTICE OF BOOK CLOSURE
DECLARATION OF ADDITIONAL CASH DIVIDEND

This is to inform you that Board of Directors in its meeting held on September 18, 2018 has recommended payment of additional cash dividend of Rs.0.75 per share (7.50%) for the year ended June 30, 2018.

The payment of above dividend will be subject to members approval in the forthcoming Annual General Meeting of the Company, scheduled on October 25, 2018 at 11:00 a.m., at factory premises at Plot No. 441/49-M2, Sector "M", H.I.T.E., Main RCD Highway, Hub, Distt. Lasbella, Balochistan, notice of which has already been sent to all the members along with annual report on CD for the year ended June 30, 2018.

As per Section 5A of the Income Tax Ordinance, 2001, every public listed company is required to distribute atleast 20% of its profit after tax as dividend or to pay 5% additional tax on its profit before tax. This amendment in Income Tax Ordinance, 2001 was made through the Finance Act, 2018. Prior to this amendment, such companies were required to distribute atleast 40% of its profit after tax as dividend or to pay 7.5% additional tax on its profit before tax.

There is difference of opinion between tax experts about the applicability of rate of 20% or 40% for the year ended June 30, 2018. However, as an abundant precaution and to avoid unnecessary disputes with revenue authorities, additional dividend of 7.50% is being recommended, which along with dividends already paid / recommended (i.e., 20% interim already paid and 75% recently recommended) by the Board, would be in excess of the 40% of the company's profit after tax.

The Share Transfer Books of the Company for entitlement of additional (7.50%) dividend will remain same as notified for entitlement of 75% dividend i.e., from October 18, 2018 to October 25, 2018 (both days inclusive). This dividend will be paid to the shareholders whose names appear in the Register of members at the close of business on October 17, 2018.

Payment of Cash Dividend Electronically (E-dividend)

Pursuant to 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 their bank account designated by the entitled shareholders instead of issuing physical dividend warrant.

For the convenience of shareholders E-Dividend Mandate Form is available on company's website http://www.gatron.com.

Shareholders are requested to provide relevant information/documents to respective Central Depository System (CDS) Participants and in case of physical securities to the Company/Shares Registrar, M/s. C&K Management Associates (Pvt) Limited, Room No.404, 4th floor, Trade Tower, Near Metropole Hotel, Abdullah Haroon Road, Karachi.

By Order of the Board

Mohammad Yasin Bilwani
Company Secretary/CFO