

FINANCE DIVISION
Plot No. H/7, Landhi,
Karachi-75120
Pakistan

Telephones : (9221) 111-485-485
Fax No. : (9221) 3501 8836 & 38
Email : finance@gulahmed.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 66th Annual General Meeting of Gul Ahmed Textile Mills Limited will be held at Moosa D. Dessai ICAP Auditorium, Institute of Chartered Accountants of Pakistan, G-31/8, Chartered Accountants Avenue, Clifton, Karachi, on Saturday, October 27, 2018 at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the year ended June 30, 2018 together with the Directors' and Auditors' Reports thereon.
2. To consider and approve, as recommended by the Board of Directors, payment of Final Cash Dividend @ 25% i.e., Rs.2.50 per share.
3. To appoint Auditors for the financial year ending June 30, 2019 and fix their remuneration.
4. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

SPECIAL BUSINESS:

5. To consider to pass the following resolutions as Special Resolution:
 - a) "RESOLVED that the transactions carried out in normal course of business and on arm length basis with related parties as disclosed in Note No.37 during the year ended June 30, 2018 be and are hereby ratified and approved."
 - b) "FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorized to approve all the transactions carried out and to be carried out in normal course of business and on arm length basis with related parties during the ensuing year ending June 30, 2019."
 - c) "FURTHER RESOLVED that these transactions by the Board of Directors of the Company shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification / approval."

The statement under Section 134(3) of the Companies Act, 2017 pertaining to the Special Resolutions is being sent alongwith the notice to the Members.

By Order of the Board



SALIM GHAFFAR
Company Secretary

Karachi
September 18, 2018



NOTES:

1. The Share Transfer Books of the Company will remain closed from October 20, 2018 to October 27, 2018 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers received in order at the office of our Share Registrar M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahr-e-Faisal, Karachi by the close of the business on October 19, 2018 will be in time for the purpose of payment of final cash dividend to the transferees.
2. A member entitled to attend and vote at the meeting may appoint another member as proxy to attend, speak and vote instead of him/her. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting. A proxy must be a member of the Company.
3. The CDC Account holders/sub-account holders are requested to bring with them their original CNICs or Passports alongwith Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced at the time of meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.
4. CNIC number of the shareholders is mandatorily required for dividend distribution and in the absence of such information, payment of dividend shall be withheld in term of SECP's order dated June 3, 2016. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar. The shareholders while sending CNIC must quote their respective folio number and name of the Company.
5. Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

In the absence of a member's valid IBAN updated before October 20, 2018, the Company will be constrained to withhold payment of dividend to such member.

6. Securities and Exchange Commission of Pakistan vide its S.R.O.787(I)/2014 has facilitated the Companies to circulate Audited Financial Statements through email after obtaining prior written consent of its members. The members who intend to receive the Financial Statements through email are therefore, requested to kindly send their written consent alongwith email address to the Share Registrar of the Company. CDC shareholders are requested to submit their email address and consent directly to their broker (participant)/CDC Investor account services.
7. In compliance with SECP notification No.634 (1)/2014 dated July 10, 2014, the audited financial statements and reports of the Company for the year ended June 30, 2018 are being placed on the Company's website: www.gulahmed.com for the information and review of shareholders.
8. The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment are as follows:

- | | |
|--|--------|
| a) For Filers of Income Tax return | 15.00% |
| b) For Non-Filers of Income Tax return | 20.00% |



Shareholders who are filers, are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 20.00% instead of 15.00%.

9. The FBR has clarified that where the shares are held in joint accounts/names, each account/ joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders, who are having joint shareholding status, are requested to kindly intimate their joint shareholding proportions to the Share Registrar of the Company latest by October 19, 2017, (if not already provided) in the following format:

Folio / CDC A/c No.	Name of Shareholders (principle / joint holders)	No. of Shares or Percentage(Proportion)	CNIC No.	Signature

If the shareholding proportion is not advised or determined, each joint shareholder will be assumed to hold equal proportion of shares and deduction of withholding tax will be made accordingly.

10. Withholding tax exemption from dividend income shall only be allowed if copy of valid tax exemption certificate is made available to the Share Registrar of the Company before the first day of Book Closure otherwise tax will be deducted on dividend as per applicable rates.
11. Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective CDC participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or FAMCO Associates (Private) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.
12. Shareholders holding shares in physical form, are requested to notify any change in their addresses immediately to the Share Registrar of the Company. Shareholders having shares in their CDC accounts are required to have their addresses updated with their respective participants.
13. As per the provisions of Section 244 of the Companies Act, 2017, 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 Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years are available on the Company's website www.gulahmed.com Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017.
14. Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Annual General Meeting.

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 Members regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Gul Ahmed Textile Mills Limited, holder of _____ ordinary share (s) as per Register Folio/CDC AccountNo. _____ hereby opt for video conference facility at _____

Signature of Member(s)

**Statement Under Section 134(3) of the Companies Act, 2017
Pertaining to Special Business**

This Statement sets out the material facts pertaining to the Special Resolution described in the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 66th AGM of Gul Ahmed Textile Mills Limited ("the "Company") that is scheduled to be held on October 27, 2018.

The Company carries out transactions with related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require Shareholders approval, though the transactions were executed under ordinary course of business and on arm length, basis under Code of Corporate Governance, 2017 as a majority of directors on the Gul Ahmed Textile Mills Limited Board are interested in these transactions (by virtue of being shareholders or directors in related entities).

The details of such transactions are as under:

S/No.	Company Name	Basis of Relationship	Transaction Nature
1.	Gul Ahmed Holdings (Private) Limited	Holding Company	Dividend
2.	Gul Ahmed International Limited (FZC) – UAE	Wholly owned subsidiary	Sale of goods
3.	GTM Europe Limited – UK	Wholly owned ultimate subsidiary	Sale of goods & Commission Payment
4.	GTM USA – Corp. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Payment
5.	Sky Home Corp. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Payment
6.	Swisstex Chemicals (Private) Limited	Common directorship & shareholding	Sale & Purchase of goods
7.	Arwen Tech (Private) Limited	Common directorship & shareholding	Purchase of goods & rendering of Services
8.	Ghafooria Industries (Private) Limited	Common directorship & shareholding	Rent Payment
9.	Grand Industries (Private) Limited	Major shareholding	Rent Payment
10.	Habib Metropolitan Bank Limited	Common directorship & shareholding	Banking Transactions

Under the Company's Policy for Related Party Transactions and under the Code of Corporate Governance, all related party transactions are reviewed periodically by the Board Audit Committee which is chaired by an Independent Director. Following review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

The Shareholders are requested to ratify the transactions with related parties in which the majority of the Directors are interested as disclosed in the Financial Statements for the year ended June 30, 2018 and further to authorize the Company to conduct certain related party transactions in which the majority of Directors are interested in the ensuing Financial Year ending June 30, 2019. Shareholders' approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendations of the Board Audit Committee.

Based on the aforesaid the Shareholders are requested to pass the Special Resolution as stated in the Notice.

The Directors who are interested in this subject matter are as follows:

- Mr. Mohomed Bashir
- Mr. Zain Bashir
- Mr. Mohammed Zaki Bashir
- Mr. Ziad Bashir

The Directors are interested in the resolution only to the extent of their common directorships & shareholding in such related parties.