



Shadab Textile Mills Limited

Manufacturer, Importer & Exporter

Registered Office: A-601/A, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore.
Ph: (042) 35788714-16 Fax: (042) 35788718 E-mail: shadstm@brain.net.pk N.T.N.: 0657824-1

STM/PSX/18

October 05, 2018

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

Subject: **NOTICE OF ANNUAL GENERAL MEETING**

Dear Sir,

Please find enclosed a copy of the Notice of the Annual General Meeting to be held on October 27, 2018 for circulation amongst the TRE Certificate Holders of the Exchange.

Yours Sincerely,
for SHADAB TEXTILE MILLS LIMITED

Company Secretary

Encl: a/a.



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of the Shareholders of **SHADAB TEXTILE MILLS LIMITED** will be held on Saturday, October 27, 2018 at 10:30 a.m. at the Registered Office of the Company at A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2018 together with Directors' and Auditors' Reports thereon.
2. To declare and approve the Final Cash Dividend at Rs. 1.65 per share i.e. 16.50 % for the year ended June 30, 2018 as recommended by the Board of Directors.
3. To appoint auditors for the year 2018-2019 and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if deemed appropriate, pass with or without modification, the following resolutions as Special Resolution for amending the Memorandum and Articles of Association to increase the Authorized Share Capital of the Company.

"RESOLVED THAT THE Authorized Capital of the company be and is hereby increased from Rs. 60,000,000 (Rupees Sixty Million) divided into 6,000,000 Ordinary Shares of Rs. 10/- each to Rs. 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 Ordinary Shares of Rs. 10/- each."

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association and Article 5 of the Articles of Association of the Company be and are hereby amended accordingly to read as follows:

Clause V of the Memorandum of Association

The Authorized Capital of the Company is Rs. 200,000,000 divided into 20,000,000 Ordinary Shares of Rs. 10/- each with power to increase or reduce, the capital and to divide the shares into the capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

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Article 5 of the Articles of Association

The Share Capital of the Company is Rs. 200,000,000 divided into 20,000,000 Ordinary Shares of Rs. 10/- each.

"RESOLVED FURHTER THAT the Chief Executive and the Company Secretary of the Company be and is hereby authorized singly to take necessary steps and execute documents as may be expedient for the purpose of giving effect to the spirit and intent of the above resolutions."

5. To approve transmission of annual audited financial statements, auditors' report and directors' report etc. (to the Company's members through CD/DVD/USB at their registered address as allowed by the Securities and Exchange Commission of Pakistan vide S.R.O. No. 470(1)/2016 dated May 31, 2016;

"RESOLVED THAT, as notified by the Securities and Exchange Commission of Pakistan vide S.R.O. No. 470(I)/2016 dated: May 31, 2016, transmission of annual audited financial statements, auditors' report and directors' report etc. to the Company's members at their registered addresses in soft copies in the form of CD/DVD/USB, be and is hereby approved."

ANY OTHER BUSINESS

6. To transact any other business with the permission of chair.

By order of the Board


(Mazhar Hussain).

Company Secretary

LAHORE: October 01, 2018

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 21, 2018 to October 27, 2018 (both days inclusive). Transfers received at Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company by the close of business on October 20, 2018 will be treated in time for the purpose of above entitlement to the transferees.
2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the time of holding the meeting. A proxy must be a member.

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3. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

a. **For attending the meeting**

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (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 signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

b. **For Appointing Proxies**

- i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- v. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

4. **Dividend Mandate (Mandatory):** In accordance with the provisions of section 242 of the Companies Act and Companies (Distribution of Dividends), Regulations 2017, a listed company is required to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

All shareholders who have still not provided their IBAN are once again requested to provide the details of their bank mandate specifying (a) Title of Account (b) Account Number (c) IBAN Number (d) Name of Bank (e) Branch Name, code and address to the Company's Share Registrar. Those shareholders who hold shares with Participants/Central Depository Company of Pakistan (CDC) are advised to provide bank mandate detail as mentioned above, to the concerned Participants/CDC. The Dividend Mandate Form is placed on Company's website www.shadabtextile.com.

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5. **Deduction of Income Tax under section 150 of the Income Tax Ordinance, 2001:** As per Finance Act 2017, following rates are prescribed for deduction of withholding tax on payment of cash dividend by the companies:

- Filers of Income Tax return 15%
- Non-Filers of Income Tax Return 20%.

At the time of dividend distribution, the Company, being a withholding agent, would check each shareholder status on the ATL and if the shareholder's name does not appear on the ATL, rate of withholding tax at 20% would be applied. In the instance of a 'filer' withholding tax rate of 15% will be applicable.

The FBR has clarified that withholding tax will be determined separately on 'Filer/Non Filer' status of Principal shareholder as well as joint-holders(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders, who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar, in the following format:

Folio No./CDS Account No.	Name of Principal Shareholder/Joint Holders	Shareholding Proportions	CNIC/Passport No. (Copy attached)	Signature

The required information must reach our Share Registrar by the close of business on October 20, 2018 otherwise it will be assumed that the shares are equally held by Principal Shareholder and joint holders.

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, M/s. Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, upto October 20, 2018.

6. **Transmission of Annual Financial Statements through Email:** SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email, those shareholders who are interested in receiving the annual reports electronically in future are required to submit their e-mail address at Registered Office of the Company on a standard request form which is available on Company's website: www.shadabtextile.com.
7. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements of the Company for the year ended June 30, 2018 are being placed on the Company's website: www.shadabtextile.com.

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8. **Unclaimed Dividend/Shares:** Shareholders who could not collect their dividend/physical shares are advised to contact at registered office of the company to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017 after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.
9. **Submission of Copies of Valid CNICs:** Shareholders are requested to submit copy of their valid CNIC mentioning company name & Folio Number at our Share Registrar's address for compliance of SECP SRO No. 831(1)/2012. In case of non-receipt of copy of valid CNIC, the company may be constrained to withhold dispatch of dividend warrants.
10. **Request of Video Conference Facility:** Members can also avail Video Conference facility in (name of cities where facility can be provided keeping in view geographical dispersal of members). In this regard please fill the following and submit to the registered address of the company within ten (10) days before holding of general meeting.

I/We. _____ of _____ being a member of SHADAB TEXTILE MILLS LIMITED, holder of _____ Ordinary Shares as per Registered Folio No./CDC A/C No. _____ hereby opt for Video conference Facility at _____.

Signature of members

11. **Change of Address:** Shareholders are requested to immediately notify the change of address, if any to Share Registrar of the Company.

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

This statement sets out the material facts concerning the Special Business to be transacted at the AGM of the Company to be held on October 27, 2018.

1. Item No. 4 of the notice – Increase in Authorized Capital

The amendments in the Memorandum and Articles of Association of the Company to increase the Authorized share capital are being carried out to cater for the future increase in the paid-up capital of the Company. Accordingly the Board of Directors of the Company had recommended to increase the Authorized share capital from Rs. 60,000,000 (Rupees sixty million) divided into 6,000,000 ordinary shares of Rs. 10/- each to Rs. 200,000,000 (Rupees two hundred million) divided into 20,000,000 ordinary shares of Rs. 10/- each. The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respect.

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The directors of the Company are not interested directly or indirectly in the above Special Business except to the extent of their shareholdings.

2. Item No. 5 of the notice – Circulations of Annual Reports Through CD/DVD/USB

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated 31 May 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The directors are not interested, directly or indirectly, in the above business except to the extent of their shareholding.