

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 71st 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 and also through video-link facility on Friday, October 27, 2023 at 11:30 a.m. to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider and approve the Audited Financial Statements for the year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon.

In accordance with Section 223(7) of the Companies Act 2017 and SRO No. 389(I)/2023 dated March 21, 2023 the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code:



[https://gulahmed.com/wp/wp-content/uploads/2023/10/Annual\\_Report\\_2023.pdf](https://gulahmed.com/wp/wp-content/uploads/2023/10/Annual_Report_2023.pdf)

2. To appoint Auditors for the financial year ending June 30, 2024 and to fix their remuneration.
3. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

### **SPECIAL BUSINESS:**

4. To obtain shareholders' approval to reclassify a sum of Rs. 23 billion from the revenue reserves to separate capital reserves (un-distributable by way of dividend) to more accurately reflect the nature of these reserves and to pass the following resolution as an Ordinary Resolution, with or without modification:

**Resolved that** reclassification of a sum of Rs. 23 billion from the revenue reserves to a separate capital reserve (un-distributable by way of dividend) be and is hereby approved.

5. To consider to pass the following resolutions as Special Resolution:

#### **“RESOLVED that**

- a. the transactions carried out in normal course of business with related parties as disclosed in Note No.40 during the year ended June 30, 2023 be and are hereby ratified and approved,
- b. 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 with related parties during the ensuing year ending June 30, 2024, and
- c. 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 along with the notice to the Members.

By Order of the Board



1. The Share Transfer Books of the Company will remain closed from October 20, 2023 to October 27, 2023 (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., Shakra-e-Faisal, Karachi by the close of the business on October 19, 2023 will be in time for the purpose of attending Annual General Meeting.

The Company has made arrangements to ensure maximum participation of shareholders in the AGM proceedings via video-link. Shareholders interested in attending the AGM through video-link are hereby requested to get themselves registered as provided in Note No.2 hereof.

## 2. Participation in the AGM in-person or through video conferencing

- i. 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.
- ii. The members / proxies who wish to attend the Annual General Meeting, via Video Link, are requested to get themselves registered by sending their particulars at the designated email address [salim.ghaffar@gulahmed.com](mailto:salim.ghaffar@gulahmed.com) giving particulars as per below table by the close of business hours (5:00 p.m.) on October 24, 2023:

Name of Member	CNIC No. / NTC No.	CDC Participant ID / Folio No.	Cell Number	Email Address

- iii. The Video link will be emailed to the registered members / proxies who have provided all the requested information.
- iv. The members are also required to attach the copy of their CNIC and where applicable, copy of CNIC of member(s) of whom he / she / they hold proxy(ies) while sending the information with reference to Note ii hereof. Without the copy of the CNIC, such member(s) shall not be registered for the Video link facility.

## 3. Requirements for appointing Proxies

- a. 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, excluding holidays. A proxy must be a member of the Company.
- b. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- d. The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.
- e. In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier).

## 4. Updation of shareholder addresses / other particulars

Members holding shares in physical form are requested to promptly notify Shares Registrar (i.e. M/s FAMCO Associates (Pvt) Limited) of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Services.



Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all CDC and physical shareholders are requested to have their email address and cell phone numbers incorporated / updated in their physical folio or CDC account.

#### 5. Electronic dividend mandate

- A. 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.
- B. 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 and CNIC updated, the Company will be constrained to withhold payment of dividend to such member.

#### 6. Income tax on dividend payments

- i. The rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 shall be as follows:

1. Shareholders appearing in Active Taxpayers List (ATL) 15%
2. Shareholders not appearing in Active Taxpayers List (ATL) 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

- ii. Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to FAMCO Associates (Private) Limited, before the first day of Book Closure.

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 person appearing on ATL or person not appearing on ATL 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, 2023, (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.

The required information must reach our Shares Registrar within 10 days of this notice; otherwise, it will be assumed that the shares are equally held by Principal shareholder and Joint-holder(s).

- iv. 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.



For any query/problem/information, the investors may contact the Company Secretary at phone: (021) 111-485-485 and email address [salim.ghaffar@gulahmed.com](mailto:salim.ghaffar@gulahmed.com) and/or FAMCO Associates (Private) Limited at phone: (021) 3438 0101-5 and email address: [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk)

## **7. Electronic Transmission Of Annual Reports and Notices**

In compliance with section 223(6) of the Companies Act, 2017, and pursuant to the S.R.O. 389(I)/2023 dated March 21, 2023 the Company has electronically transmitted the Annual Report 2023 through weblink, QR enabled code and through email to Members whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2023 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2023, to any Member on their request, at their registered address.

## **8. Conversion of Physical Shares into CDC Account**

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their members who still hold shares in physical form, to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member/stock broker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, No risk of loss, damage or theft, no stamp duty on transfer of shares in book entry form and hassle-free credit of bonus or right shares.

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book entry form at the earliest.

## **9. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017**

The Company has recently sent notices to shareholders under Section 244 of the Companies Act, 2017 whereby the Company approached the shareholders to claim their unclaimed dividends and undelivered share certificates in accordance with the law.

An updated list for unclaimed dividend/shares of the Company, which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable, is available on the Company's website: <https://gulahmed.com/list-of-unclaimed-shares-and-unpaid-cash-dividend/>

Claims can be lodged by shareholders on Claim Form as is available on the Company's website. Claim Forms must be submitted to the Company's Share Registrar for receipt of dividend/ shares.

## **10. Postal Ballot**

Shareholders will be allowed to exercise their right to a poll in accordance with the requirements of Sections 143 to 145 of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.

## **11. Non-Resident Shareholders**

Non-resident individual shareholders shall submit declaration or undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Shares Register M/s. FAMCO Associates (Private) Limited at 8-F, near Hotel Faran, Nursery Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi or email at [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk) at the latest by October 19, 2023. The copy of declaration form can be downloaded from Shares Registrar website: <https://famco.com.pk/share-registration-services/>.



## 12. Zakat Exemption

To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs. 50.00 to the Shares Register, before the first day of book closure and in case if the shares are held in electronic form then arrange to submit the Form CZ-50 with the concerned participant through whom you are maintaining your account

### 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 Business Resolution described in the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 71st AGM of Gul Ahmed Textile Mills Limited ("the Company") that is scheduled to be held on October 27, 2023.

1. The Board of Directors of Gul Ahmed Textile Mills Limited ("the Company") in their meeting discussed that, over the years the Company has continued with its expansion and diversification strategy and has made significant investments which have enhanced enterprise value for the shareholders. The Board noted that because of these reasons, the unappropriated profits of the Company have been utilized and are not entirely available for distribution as dividend.

The Board, therefore, decided to reclassify a sum of Rs. 23 billion from the revenue reserves to separate capital reserves (un-distributable by way of dividend) to more accurately reflect the nature of these reserves.

2. The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require Shareholder approval under Section 207 of the Companies Act, 2017 as a majority of directors on the Gul Ahmed Textile Mills Limited Board are interested in the transaction (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.	Ideas (Private) Limited	Wholly owned subsidiary	Sale of goods
3.	Gul Ahmed International Limited (FZC) – UAE	Wholly owned subsidiary	Sale of goods
4.	GTM Europe Limited – UK	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
5.	GTM USA – Crop. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
6.	Sky Home Crop. – USA	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
7.	Vantona Home Limited	Wholly owned ultimate subsidiary	Sale of goods & Commission Paid
8.	Swisstex Chemicals (Private) Limited	Common directorship & shareholding	Sale of goods & Purchase of Goods
9.	Arwen Tech (Private) Limited	Common directorship & shareholding	Purchase of goods & Services
10.	Habib Metropolitan Bank Limited	Common directorship & shareholding	Banking Transactions
11.	Pakistan Textile Council	Common Directorship	Membership fees
12.	Haji Ali Mohammed Foundation.	Common Directorship	Rent Paid
13.	Landhi Association of Trade & Industry	Common Directorship	Donations Paid Fees Paid
14.	Pakistan Business Council	Common Directorship	Fees Paid
15.	Gul Ahmed Textile Mills Limited Employees Provident Fund Trust	Common Directorship	Company's contributions to Provident Fund and Bonus Shares Issued.
16.	Grand Industries (Private) Limited	Common shareholding	Rent Expenses and Bonus Shares Issued
17.	Ghafooria Industries (Private) Limited	Common directorship & shareholding	Bonus Shares Issued
18.	Win Star (Private) Limited.	Common directorship & shareholding	Purchased of goods



All related party transactions are in accordance with Company's policies and comply with all legal requirements. These are primarily transactions conducted in the ordinary course of business. Under the Company's Policy for Related Party Transactions 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, 2023 and further to authorize the Company to conduct certain related party transactions in which the majority of Directors are interested for the Financial Year ending June 30, 2024. Shareholders' approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee.

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

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

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