

SHADMAN COTTON MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Third Annual General Meeting of the Shareholders of **SHADMAN COTTON MILLS LIMITED** will be held at Mills 3.5 KM Feroze Watoan Warburton Road, Kot Shah Muhammad Near Chandi Kot Tehsil & District Nankana Sahib on Friday, **October 28, 2022 at 10.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Forty Second Annual General Meeting of the members of the Company held on Saturday, November 27, 2021.
2. To receive, consider and approve the Audited Financial Statements of the Company for the year ended June 30, 2022 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending June 30, 2023 and fix their remuneration. The present Auditors M/s Mushtaq & Company, Chartered Accountants, retire and being eligible offered themselves for re-appointment.

ANY OTHER BUSINESS:

4. To shift the Registered Office of the Company at the address given below:

**Shadman Cotton Mills Limited
3.5 K.M. Feroze Watoan Warburton Road,
Kot Shah Muhammad, Near Chandi Kot,
Tehsil & District Nankana Sahib.**

5. To consider and approve the lease or rent out any vacant buildings of the company as disclosed in Investment Property note of the financial statements for increase in funds inflow of the company by passing the following resolutions, with or without any modification, addition or deletion.

“RESOLVED, that approval and consent of the general meeting be and is hereby accorded for the lease or rent out any vacant buildings as disclosed in investment Property note of the financial statements of the company and the Chief Executive Officer of the company be and is hereby authorized to lease or rent out any portion of buildings of the company in such manner, on such basis and on such terms and subject to such conditions as may be deemed in the best interest of the company.”

“FURTHER RESOLVED, that the Chief Executive Officer or his nominee(s)/representative(s) be and is/are hereby authorized and empowered on behalf of the company to do all acts, deeds and things and take all necessary steps including negotiations and signing of the documents, deeds and papers, agreements and all other documents as may be necessary to give effect to implement the resolution as aforesaid and all matters connected, necessary and incidental thereto.”

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

By order of the Board

Place: Lahore
Dated: October 06, 2022

**(MUHAMMAD AKHTAR)
Company Secretary**

NOTES:

1. **Closure of Share Transfer Books:** The Share Transfer Books of the Company will remain closed from October 21, 2022 to October 28, 2022 both days inclusive. Transfers received at Hameed Majeed Associates (Pvt) Ltd H.M House, 7 Bank Square Lahore by the close of business on October 20, 2022 will be treated in time for the purpose of above entitlement to the transferees.

2. **Participation in Annual General Meeting:** An individual beneficial owner of share must bring his/her original CNIC or Passport, Account and Participant's I.D numbers to prove his/her identity. A representative of corporate members, must bring the Board of Directors' Resolution and/ or Power of Attorney and specimen signature of the nominee. 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 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.

Considering the SECP's Circular No. 4 dated February 15, 2021, the company intends to convene the AGM with minimal physical interaction of shareholders while insuring compliance with the quorum requirement. Members interested in attending the AGM through Zoom are requested to get themselves registered by sending an email at least 48 hours prior to the date of meeting at finance@shadman.com.pk by providing the following details:

Name	CNIC No.	Folio/CDC A/C No.	Cell No.	Email Address

The shareholders who are registered after necessary verification shall be provided a video link by the Company on the said email address. The login facility will remain open from start of the meeting till its proceedings are concluded. Members will be able to login and participate in the AGM proceedings through their devices.

3. **Deposit of Physical Shares into CDC Account:** As per Section 72 of the Companies Act, 2017, every existing listed company will be required to replace its physical shares with book entry form. Therefore, the shareholders having physical shares requested to convert the shares into book entry.
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 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.shadman.com.pk.

5. **Deduction of Income Tax under section 150 of the Income Tax Ordinance, 2001:** Pursuant to the Finance Act, 2021 effective July 01, 2021 the rates of deduction of Income Tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 are prescribed as under:

. Persons appearing in Active Tax Payers List, (ATL)	15%
. Persons not appearing in Active Tax Payers 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 factor 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%.

The FBR has clarified that withholding tax will be determined separately on 'Filer/ Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportion, in case of joint accounts. In this regard all shareholders, who hold shares jointly are requested to provide shareholding proportion 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	Share holding Proportion	CNIC/ Passport No. (copy attached)	Signature

The required information must reach our Share Registrar by the close of business on October 20, 2022 otherwise it will be assumed that 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 Hameed Majeed Associates H.M. House, 7 Bank Square Lahore, up to October 20, 2022.

6. **Unclaimed Dividend/Shares:** Shareholders, who by any reason could not claim their dividend/shares, if any, are advised to contact our Share Registrar M/S Hameed Majeed Associates H.M. House, 7 Bank Square Lahore, to inquire about their unclaimed dividend/shares.
7. **Transmission of annual financial statements through email:** Members who are interested in receiving the annual reports and notice of Annual General Meeting electronically, i.e. through email, in future are required to submit their email addresses at Registered Office of the Company on a standard request form which is available on Company's website: www.shadman.com.pk.

The audited financial statements of the company for the year ended June 30, 2022 have been made available on the Company's website www.shadman.com.pk.

8. **Submission of copies of valid CNICs:** Shareholders are requested to submit copy of their valid CNIC mentioning company name and Folio No. 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.
9. **Video Link Facility:** At least seven days prior to the date of meeting, on the demand of members residing in a city who hold at least ten percent of the total paid up capital of the company, the facility of video-link will be provided to such members in that city enabling them to participate in the Annual General Meeting through video-link facility. In this regard please fill the following and submit to the registered address of the company.

I/We _____ of _____ being a member of SHADMAN COTTON MILLS LIMITED, holder of _____ Ordinary Shares as per Registered Folio No. /CDC No. _____ hereby opt for Video Conference Facility at _____ .

Signature of Members

10. **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 28, 2022.

Item No. 5 of the notice- Lease or rent out any vacant building of Investment property of the company

Net Book Value of Investment Property as on June 30, 2022 Rs. 114,220,936

The company has rented out vacant portion of this Investment Property in many parts and on utilization basis. It is impracticable to disclose in the notice of AGM the tenure, rental amount, incremental rate, mode/basis of determination of rentals and other important terms and conditions of the agreements.

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