



**SHAHZAD  
TEXTILE**

**FORM-4**

Date: - 05-10-2023

**THE GENERAL MANAGER**  
Pakistan Stock Exchange Limited,  
Stock Exchange Building  
Stock Exchange Road,  
Karachi.

**Subject: Notice of Annual General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on Saturday, October 28, 2023 at 11:30 a.m. for circulation amongst the TRE Certificate Holders of the Exchange.

Yours Sincerely,  
for **SHAHZAD TEXTILE MILLS LIMITED**

  
**COMPANY SECRETARY**

Encl: as above

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 45<sup>th</sup> Annual General Meeting (“AGM”) of the Shareholders of **SHAHZAD TEXTILE MILLS LIMITED** (the “Company”) will be held at Company’s Registered Office, 19-A, Off Zafar Ali Road, Gulberg-V, Lahore on Saturday, October 28, 2023 at 11:30 a.m. and via video link to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt Annual Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Chairman’s Review Report, Directors’ and Auditors’ Report thereon.
2. To appoint auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors of the Company have recommended the reappointment of M/s Crowe Hussaain Chaudhry & Co., Chartered Accountants as auditors of the Company.

### SPECIAL BUSINESS

3. To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2023, under the authority of the special resolution passed in the last annual general meeting held on October 26, 2022 and to authorize the Chief Executive of the Company to approve all transactions with Related Parties carried out and to be carried out in the ordinary course of business during the financial year ending June 30, 2024 and till the date of next Annual General Meeting and to pass the resolutions as proposed in the statement of material facts as special resolutions..
4. To consider and, if deemed fit, to pass the following resolution as Special Resolution with or without modification for alterations in the Article of Association of the Company.

“**RESOLVED** that pursuant to Section 38 and all other applicable provisions of the Companies Act, 2017, Article 104 of the existing Article of Association of the Company be and is hereby substituted to read as follows.

**104.**The Board of Directors may capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, and the Directors shall give effect to such resolution.

**FURTHER RESOLVED THAT** the Chief Executive and / or any Director of the Company be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar



of Companies and complying with all other regulatory requirements so as to effectuate the alteration of Articles of Association of the Company and implementing this special resolution.

**FURTHER RESOLVED THAT** the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required by the Registrar, SECP, and such amendment, modification, addition or deletion shall not require fresh approval of members.

5. To approve, as and by way of an Ordinary Resolution, transmission of the annual balance sheet, profit & loss account, auditors report, directors report etc., (the "Audited Annual Financial Statements") to the Company's shareholders through QR enabled code and weblink as allowed by the Securities and Exchange Commission of Pakistan via SRO No. 389(I)/2023 dated March 21, 2023:

**"RESOLVED THAT,** approval of the shareholders of Shahzad Textile Mills Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized to circulate the Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto under the applicable law through QR enabled code and weblink instead of circulation through CD/DVD/USB.

**RESOLVED THAT** the Chief Executive Officer and / or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, deeds and things, take or cause to be taken all necessary action for the proposes of implementing this resolution." "

Attached to this Notice is the Statement of Material Facts covering the above-mentioned Special Businesses, as required under Section 134(3) of the Companies Act, 2017

By order of the Board

  
(**SYED IMRAN HAIDER**)  
Company Secretary

**Place:** Lahore  
**Dated:** October 05, 2023

**NOTES:****1. Closure of Share Transfer Books**

The Share Transfer Books of the Company will remain closed from October 19, 2023 to October 28, 2023 (both days inclusive). Transfers received in order at Company's Independent Share Registrar's Office, Hameed Majeed Associates (Pvt) Limited, H.M. House, 7-Bank Square, Lahore by the close of business on October 17, 2023 will be treated in time for the purpose of attending, speaking and voting at the annual general meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

**A. For attending the Meeting**

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.

**B. For Appointing Proxies**

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above e requirements.
- b. Two persons, whose name, addresses and CNIC numbers shall be mentioned on the form, shall witness the proxy form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. 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.



### Change of Address

The shareholders are requested to promptly notify change in their address, if any to the Company's Share Registrar

### 5. CNIC/IBAN for E-Dividend Payment

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provide to the CDS participants for updating and forwarding to the Company. In case of non-submission, of CNIC / IBAN all future dividend payments may be withheld.

### 6. Zakat Declarations:

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

### 7. Circulations of Annual Reports through E-mail

The shareholders are requested to provide their email addresses for transmission of annual report containing financial statements and other documents.

### 8. Tax Deductions from Filer and Non-Filers

The deduction of income tax from dividend payments shall be made on the basis of filers and non-filers

S.No.	Nature of Shareholders	Rate of deduction
1	Filers	15.0 %
2	Non-Filers	30.0 %

Tax deduction will be made on the basis of Active Tax Payers List provided on the website of Feral Board of Revenue.

Members seeking exemption from deduction of tax on dividend payment or are eligible for deduction at a reduced rate are requested to submit a valid withholding tax exemption certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher

rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio /CDC Account No.	Name of shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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## 9. Placement of Financial Statements

The Company has placed the Notice of AGM and Audited Annual Financial Statements for the year ended June 30, 2023 along with Auditors, Directors and Chairman's Reports thereon on its website: [www.shahzadtex.com](http://www.shahzadtex.com)

## 10. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any are advised to contact our Share Registrar M/s Hameed Majeed Associates (Private) Limited, 7-Bank Square, Lahore, to collect enquire about their unclaimed dividend or pending shares, if any.

## 11. Online Participation in the Annual General Meeting:

As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the AGM. The meeting can be attended using smart phones/tablets/computers. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney in case of corporate shareholders with the subject "Registration for Shahzad Textile Mills Limited AGM" through email [corporate@shaheencotton.com](mailto:corporate@shaheencotton.com) on or before 26<sup>th</sup> October 2023.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

The members who are registered after the necessary verification shall be provided a video link by the Company on the same email address that they email with the Company with. The login facility will remain open from start of the meeting till its proceedings are concluded.

## 12. Deposit of Physical Shares in CDC account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017.



The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

### **13. Voting through Postal Ballot (electronic voting and by ballot paper)**

The members of Company shall be provided right to vote through e-voting and voting by post in respect of all Special Business in the manner and subject to the conditions contained in the Companies (Postal Ballot) Regulations, 2018.

#### ***Procedure for E-Voting***

- i. Details of e-voting facility (including web address, login details and password) will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers and e-mails address available in the register of members of the Company, not later than the close of business on October 19, 2023.
- ii. The security codes will be communicated to members through SMS form the web portal of CorpTech Associates (Pvt) Limited, Limited (being the e-voting service provider).
- iii. Identity of the members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- iv. E-voting lines will start from October 21, 2023, 09:00 a.m. and shall close on October 25, 2023 at 05:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

#### ***Procedure for voting through ballot paper***

- i. The members may alternatively opt for voting through postal ballot. Ballot paper in prescribed form is attached with this Notice and is also available on the Company's website [shahzadtex.com](http://shahzadtex.com) to download.
- ii. The members must ensure that the duly filled and signed ballot paper, along with computerized national identity card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address, 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore, or email at [chairman@shahzad.com](mailto:chairman@shahzad.com) by 5:00 pm, October 27, 2023. Postal ballot received after this time/date shall not be considered for voting. The signature on the ballot paper shall match with signature on the CNIC.

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

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2023.

**Agenda Item No. 3**

**Ratification / approval of Related Party Transactions**

The Company carried out transactions with its Related Parties in the ordinary course of business at arms' length basis in accordance with the Policy of related party transactions approved by the Board of Directors and under the authority special resolution passed by the shareholders in the last Annual General Meeting held on October 28, 2022. All the related party transactions summarized below were presented before the Board of Directors for their review and consideration as recommended by the Board Audit Committee on quarterly basis pursuant to the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Name of Related Party	Name of Interested Directors	Nature of relationship	Description of transaction	Pricing Policy	Amount (Rs.)
Sargodha Jute Mills Ltd	Mr. Imran Aslam	Director	Purchase	Arm's length basis	739,586
	Mr. Irfan Aslam	Chief Executive / Director			
	Mian Parvez Aslam	Director			
	Mr. Danish Aslam Mrs. Nazish Imran	Director Director			
Sargodha Jute Mills Ltd	Mr. Imran Aslam Mr. Irfan Aslam	Director Chief Executive/ Director	Sales	Arm's length basis	829,106
	Mian Parvez Aslam Mr. Danish Imran	Director Director			

The following resolution is proposed to be passed as Special Resolution with or without any modification:

**“Resolved** that following transactions carried out in the ordinary course of business at arm's length basis with the related parties, in accordance with the Policy of related party transactions approved by the Board of Directors of Shahzad Textile Mills Limited, during the financial year ended June 30, 2023 be and are hereby ratified, approved and confirmed.



Name of Related Party	Description of transaction	Amount (Rs.)
Sargodha Jute Mills Ltd	Purchase, Sales	1,568,692

#### **Authorization to the Company to transact with certain related parties**

The Company will continue to carry out transactions with its Related Parties in its ordinary course of business at arms' length basis during the financial year ending June 30, 2024 and till the next annual general meeting. The majority of directors are interested in the above transactions as disclosed above, therefore, such related party transactions need approval of the members under the provisions of the Companies Act, 2017. Accordingly, these transactions shall be placed before the shareholders in the next annual general meeting for their formal approval/ratification.

The following resolutions are proposed to be passed as Special Resolutions with or without modification:

**“Resolved** that the Shahzad Textile Mills Limited, (the **“Company”**) be and is hereby authorized to carry out the transactions with its Related Parties (detailed hereunder) as and when required in the ordinary course of business at arm's length basis during the year ending June 30, 2024 and till the next Annual General Meeting, without any limitation on the amounts of the transactions.

Name of Related Party	Description of transaction
Sargodha Jute Mills Ltd	Purchase : Twine Jute 20/3, Hashian Cloth 49/7
Sargodha Jute Mills Ltd	Sales : Hard Waste PC

**Further Resolved** that Chief Executive/Company Secretary of the Company be and is hereby authorized to undertake the transaction and take all necessary steps and to sign/execute any purchase order/document/agreement on behalf of the Company as may be required and to authorize any other officer of the Company to do so in order to implement the aforesaid Resolution(s)'.

The Directors' interest in this business is disclosed hereinabove.

#### **Agenda Item No. 4**

##### **To amend the clause 104 of the Articles of Association of the Company**

In order to allow the Board of Directors of the Company to approve issuance of bonus shares by way of capitalization any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, the Board of Directors of the Company in their meeting held on October 05, 2023



has recommended to substitute the Clause 104 of the Articles of Association of the Company accordingly.

### **Comparative Analysis**

#### **Existing Clause 104 of the Articles of Association**

104. Any general meeting may, upon recommendation of the Board, resolved that any undistributed profits of the company (including profit carried and standing to the credit of any reserve or reserves or other special accounts or representing premium received on the issue of shares and standing to the credit of the share premium account A/c and capital reserves arising from realized or unrealized appreciation of the assets or goodwill of the company or from any acquisition/sale of interest in other undertakings) not required for paying the dividends of any shares issue with preferential or other special or privileges in regard to dividend, be capitalized such capitalized undistributed profits and reserves shall be distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend, and in the same proportion, on the footing that they become entitled thereto as capital. All or any part of such capitalized funds may be applied on behalf of such shareholders for payment in full or in part either at par or at such premium as the resolution may provide for any unissued shares or debentures of the company which shall be distributed accordingly and such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

#### **Proposed Clause 104 of the Articles of Association**

104. The Board of Directors may capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares as bonus shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid and the Directors shall give effect to such resolution."

#### **Reason for Amendment in Articles of Association:**

The Board is being allowed to capitalize the reserves/unappropriated profits by issuance of bonus shares for which the alteration in article 104 has been recommended for approval of members.

#### **Availability of Relevant Documents and Inspection**

A copy each of the existing and proposed Articles of Association indicating the proposed amendments are available for inspection at the registered office of the Company from 9:00 a.m. to 5:00 p.m. on any working day, up to the last working day before the date of the Annual General Meeting.

#### **Interest of Directors**

The Directors, Chief Executive of the Company have no interest, directly or indirectly, in this Special Business and/or Special Resolution except in their capacities as Directors / Chief Executive Shareholders.



### **Statement of the Board of Directors**

We, the members of the Board of Directors of the Company hereby confirm that the proposed amendment in Articles of Association of the Company is in line with the applicable provisions of the laws and regulatory framework.

### **Inspection**

Copies of the Memorandum of Association and Articles of Association of the Company (existing and with proposed amendments) and other related documents have been placed at the Registered Office of the Company which can be inspected from the date of this notice till last date before the date of the meeting. The same will also be available during the course of the meeting for inspection of members.

### **Agenda Item No. 5**

#### **Resolution for Agenda No. 5 –Circulation of Annual Report through QR enabled code and weblink.**

In view of technological advancements, and taking into account that old technology is becoming obsolete, the Securities and Exchange Commission of Pakistan (“SECP”) has, vide S.R.O.389 (1)2023 dated March 21, 2023, allowed listed companies to circulate the Annual Report (including the audited financial statements, Auditors’ report, Directors’ report, Chairman’s review report) to the members of the Company through QR enabled code and weblink. The SECP has also permitted that the circulation of annual financial statements through CD/DVD/USB may be discontinued.

In accordance with the aforesaid SRO, the same is subject to the approval of the members of the Company.

Considering the optimum use of advancements in technology and in order to fulfil the Company’s corporate social responsibility, to the environment and sustainability, the Company seeks to discontinue the circulation of the Annual Report through CDs in the future. Consequently, the Board of Directors of the Company has recommended that the special resolution, as set out in the notice, be passed by the members for the circulation of the Annual Report (including annual audited financial statements and other reports contained therein) to the members of the Company through QR enabled code and weblink.

This arrangement will help all members wherever they are located to access the financial statements of the Company additionally, it will also reduce unnecessary expenditure for making CDs.

It is pertinent to mention that if any member seeks to obtain a hard copy of the Annual Report, such member(s) will be provided a printed version of the same free of cost in accordance with the aforementioned SRO. No change to that right/privileged is being proposed.

None of the Directors of the Company have any personal interest in the aforesaid special business, except in their capacity as members and Directors of the Company.



## BALLOT PAPER FOR VOTING IN 45<sup>TH</sup> ANNUAL GENERAL MEETING

(Through post for poll to be held on October 28, 2023 at  
**SHAHZAD TEXTILE MILLS LIMITED**  
19-A, Off. Zafar Ali Road, Gulberg-V, Lahore.

Phone No. 042-35754024, 35754027, 35791228 Fax No. 042-35712313

Email: [chairman@shahzad.com](mailto:chairman@shahzad.com).

Website: [www.shahzadtex.com](http://www.shahzadtex.com)

For voting through post for the Special Business agenda item No. 3, 4, and 5 at the Annual General Meeting of Shahzad Textile Mills Limited, to be held on October 28, 2023 at 11:30 a.m. 19-A, Off. Zafar Ali Road, Gulberg V, Lahore.

Name of shareholder/joint shareholders	
Registered Address	
Number of Shares held and Folio number	
CNIC Number (copy to be attached)	
Additional information and enclosures (In case of representative of body corporate, Corporation and Federal Government)	

I/we hereby exercise my/our vote in respect of the following resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolution	No. of Ordinary shares for which votes cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Resolution for Agenda Item No. 3 as proposed in the statement of material fact to be passed as special resolution.			
2	Resolution for Agenda Item No. 4 as proposed in the statement of material fact to be passed as special resolution.			
3	Resolution for Agenda Item No. 5 as proposed in the statement of material fact to be passed as ordinary resolution.			

**Signature of the Shareholder(s)**

**Place:**

**Date:**

Shahzad Textile Mills Ltd.

T: +92 42 35754024, 35754027, 35791228 • F: +92 42 35712313

E: [info@shahzadtex.com](mailto:info@shahzadtex.com) • A: 19-A, Off Zafar Ali Road, Gulberg V, Lahore, Pakistan.

[www.shahzadtex.com](http://www.shahzadtex.com)





**SHAHZAD  
TEXTILE**

**NOTES:**

1. Duly filled postal ballot should be sent at following business address and email ID; Address 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore [chairman@shahzad.com](mailto:chairman@shahzad.com).
2. Copy CNIC should be enclosed with the postal ballot form.
3. Postal Ballot forms should reach chairman of the meeting on or before October 27, 2023 (last date of receiving postal ballot). Any postal ballot received after this date, will not be considered for voting.
4. Signature on Postal Ballot should match the signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot papers will be rejected. Ballot paper has also been placed on the website of the Company [www.shahzadtex.com](http://www.shahzadtex.com) for the download.