

SHADMAN COTTON MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty Fourth Annual General Meeting of the Shareholders of **SHADMAN COTTON MILLS LIMITED** will be held at Registered Office 3.5 KM Feroze Watoan Warburton Road, Kot Shah Muhammad Near Chandi Kot Tehsil & District Nankana Sahib on Saturday, **October 28, 2023 at 10.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Extraordinary General Meeting of the members of the Company held on Saturday, March 11, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023 together with the Chairperson's Review, Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year ending June 30, 2024 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 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.”

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

Place: Lahore
Dated: October 05, 2023

By order of the Board


(MUHAMMAD AKHTAR)
Company Secretary



NOTES:

1. **Closure of Share Transfer Books:** The Share Transfer Books of the Company will remain closed from October 21, 2023 to October 28, 2023 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, 2023 will be treated in time for the purpose of above entitlement to the transferees.

2. **Participation in Annual General Meeting (AGM) through electric means:** The shareholders intended to participate in the AGM through electronic means, are hereby requested to get themselves registered with the company Secretary Office by providing the required details by the end of business on Tuesday, October 25, 2023 through following means:

- a) Mobile/WhatsApp No. 0333-4646499
- b) E-mail address: finance@shadman.com.pk

Required information: Name, CNIC Number, Folio/CDC Account Number and E-mail ID for their identification.

Upon receipt of above information from the interested shareholders, the company will provide login credentials to participate in AGM via electronic means.

3. **Participation in Annual General Meeting:** A member entitled to participate and vote at this meeting is entitled to appoint another proxy to participate and vote on his/her behalf. 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 time of the meeting.

For Appointing Proxies:

- a) In case of individuals the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with proxy form.
 - b) In case of corporate entities, the Board of Directors' Resolution/ Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the Corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company.
4. **CNIC/IBAN for E-Dividend Payment:** Pursuant to section 242 of the Companies Act 2017, members are requested to provide their CNIC's and bank details including name of the bank branch and IBAN Number to receive their cash dividend directly into their bank account. Therefore, all the members who have not yet provided their CNIC and bank account details are again reminded to immediately submit a copy of their CNIC and duly filled Dividend Bank Mandate Form to the company's share registrar. In absence of valid bank account and CNIC, dividend amount will be withheld in compliance with the provisions of the Act and Regulations made by the commission. The Dividend Bank Mandate Form is available on the company's website.

Members who hold shares in CDC accounts are requested to provide their bank mandates to their respective participants.

5. **Circulation of Annual Report:** Pursuant to the SECP notification SRO 389(I)/2023 dated March 21, 2023, the shareholders of Shadman Cotton Mills Limited had accorded their consent for circulation of Annual Report and notice of Annual General Meeting electronically, i.e. through email. The members 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, 2023 have been made available on the Company's website www.shadman.com.pk.

The shareholders who wish to receive hard copy of Annual Report may send the standard request to the company secretary/ share registrar on Request Form available on company website. Hard copy of aforesaid documents will be supplied free of cost.

6. **Tax Deduction:** For cash dividend, the rates of deduction of income tax under section 150 of the Income Tax Ordinance, 2001 are as follows:

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| . Persons appearing in Active Tax Payers List, (ATL) | 15% |
| . Persons not appearing in Active Tax Payers List (ATL) | 30% |

In case of joint accounts, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing to the company/share registrar. If no notification is received each joint holder shall be assumed to have equal number of shares.

The CNIC number/NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayer List (ATL) issued by the FBR from time to time.

7. **Exemption from deduction of Income Tax and Zakat:** Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax withholding exemption certificate or necessary documentary evidence for this purpose. Members desiring non-deduction of Zakat are also requested to submit valid declaration for non-deduction of Zakat.

CDC account holders are requested to submit their declaration for non-deduction of Zakat to the relevant members of stock exchange or to CDC if maintaining CDC investor account.

8. **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.

9. **Conversion of Physical Shares into CDC Account:** As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the act, i.e. May 30, 2017. Further, vide its letter dated March 26, 2021 SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry system.

In the light of the aforementioned directives, the shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

10. **Video Conference Facility:** Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in a city and holding at least ten percent of the total paid up capital may demand the company to provide the facility of video-link for participating in the AGM. The demand of video-link facility shall be received by the share registrar at the address given above at least seven(7) days prior to the date of the meeting on the Standard Form available on the Company's website www.shadman.com.pk.

11. **Change of Address:** Members 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, 2023.

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, 2023

Rs.
111,365,413

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.