



**SHAHZAD
TEXTILE**

Date: 28-10-2023

THE GENERAL MANAGER

Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
KARACHI

**Subject: Certified Copy of the Resolutions Passed by the Members at
Annual General Meeting of The Shahzad Textile Mills
Limited, ("Company")**

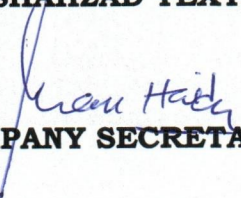
Dear Sir,

This is with reference to regulation No. 5.6.9(b) of the Rule Book of Pakistan Stock Exchange Limited, we are pleased to enclose a certified true copy of Resolution passed by the Shareholders in the Annual General Meeting held on October 28, 2023.

Thanking you.

Yours Sincerely,

For SHAHZAD TEXTILE MILLS LIMITED


COMPANY SECRETARY

Encl: a/a

RESOLUTION PASSED AT ANNUAL GENERAL MEETING OF M/S SHAHZAD TEXTILE MILLS LIMITED, HELD ON SATURDAY 28TH OCTOBER, 2023 AT 11:30 A.M. AT REGISTERED OFFICE OF THE COMPANY 19-A, OFF. ZAFAR ALI ROAD, GULBERG -V, LAHORE.

ORDINARY BUSINESS:

1. Agenda Item No. 1 Ordinary Resolution

‘RESOLVED that the Audited Financial Statements of the Company for the year ended June 30, 2023 along with the Chairman’s Review Report, Directors’ and auditors’ Report as placed before the members be and are hereby adopted and approved.”

2. Agenda Item No. 2 Ordinary resolution

RESOLVED that M/s Crowe Hussain Chaudhury & Co. Chartered Accountants be and are hereby appointed as auditors of the Company to hold office until the next Annual General Meeting”

“FURTHER RESOLVED that the Chief Executive Officer be and is hereby authorized to negotiate and finalize auditor’s remuneration.”

SPECIAL BUSINESS

3. Agenda Item No. 3. -Special Resolutions

“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

“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)'.

4. Agenda Item No. 4 – Special Resolution

“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.

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.

5. Agenda Item No. 5 – Ordinary Resolution

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.

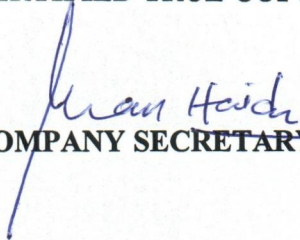
“RESOLVED THAT, approval of the shareholders of Shahzad Textile Mills Limited (the “Company”) be and is hereby accorded and the Company be and is hereby authorized to circulate the Annual Audited Financial Statements of the Company together with the reports and documents required to be annexed thereto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



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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.”.

CERTIFIED TRUE COPY


COMPANY SECRETARY