



# Gatron (Industries) Limited

**Registered Office:** Room No. 32, 1st Floor, Ahmed Complex, Jinnah Road, Quetta, Balochistan, Pakistan. Telephone: (92-81) 2849396, Fax: 081-2825304  
**Liaison Office :** 11th Floor, G&T Tower, # 18 Beaumont Road, Civil Lines-10, Karachi-75530, Pakistan.  
Tel: 35659500-6, Fax: 021-35659516, E-mail: headoffice@gatron.com

By Hand / PUCARS

Ref: HK/FR/01/245/01/2020

January 21, 2020

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

Dear Sir,

**Subject: Notice of Extraordinary General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of Extraordinary General Meeting to be held on February 12, 2020 for circulation amongst the TRE Certificate Holders of the Exchange.

Thanking you,

Yours faithfully,  
**For Gatron (Industries) Limited**

**Company Secretary**

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# **GATRON (INDUSTRIES) LIMITED**

## **Notice of Extra Ordinary General Meeting**

**to be held on  
Wednesday, February 12, 2020, at 11:30 a.m.,  
at Quetta Serena Hotel, Quetta**

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Tel: 35659500-6, Fax: 021-35659516, Email: [headoffice@gatron.com](mailto:headoffice@gatron.com)



# GATRON (INDUSTRIES) LIMITED

## Notice of Extra Ordinary General Meeting

Notice is hereby given that an Extra Ordinary General Meeting of Gatron (Industries) Limited ("Company") will be held on Wednesday, February 12, 2020 at 11:30 a.m., at Quetta Serena Hotel, Quetta to transact the following business:

### **Special Business**

Pursuant to the Order of the Honourable High Court of Balochistan at Quetta (the "Court") dated December 06, 2019, passed in Civil Miscellaneous Application No. 1516 of 2019, in Petition bearing Company Original Petition No. 5 of 2019, to consider and if thought fit, to pass, with or without modification, the following resolution for, inter alia, the Scheme of Arrangement under Section 279 of the Companies Act, 2017 (the "Scheme"), amongst Gatron (Industries) Limited and its members AND Novatex Limited and its members along with all ancillary matters thereto, in accordance with the Scheme of Arrangement dated September 30, 2019 as approved by the Board of Directors on September 30, 2019.

The resolution to be passed by the requisite majority under Section 279 and 282 of the Companies Act, 2017 is as under:

*"RESOLVED THAT the Scheme of Arrangement dated September 30, 2019 between Gatron (Industries) Limited and its members AND Novatex Limited and its members, considered by this meeting and initialed by the Chairman of this meeting for the purposes of identification, be and is hereby approved, adopted and agreed."*

The Honourable Court has directed the Chief Executive of the Company to Chair the meeting of the members.

The Scheme of Arrangement will be subject to the subsequent sanction of the Honourable Court.

A Statement under Section 281 and 134(3)(b) of the Companies Act, 2017, explaining its effect is being provided with the notice of the meeting sent to the members and other persons entitled to receive notice of the meeting. Further copies of the Scheme of Arrangement and of the Statement may be obtained from the registered office of the Company during normal office hours on application prior to the meeting date by members and other persons entitled to attend the meeting.

By Order of the Board

**Muhammad Yasin Bilwani**  
Company Secretary

January 21, 2020

### **Notes:**

1. The Share Transfer Books of the Company will remain closed from February 04, 2020 to February 12, 2020 (both days inclusive). Transfers received in order at the office of the Shares Registrar at Room No 404, 4th Floor, Trade Tower, near Metropole Hotel, Abdullah Haroon Road, Karachi before the close of business on February 03, 2020 will be treated in time for the purpose of entitlement in the Scheme of Arrangement and for attending and voting at the meeting.
2. All members are entitled to attend and vote at the meeting.



## GATRON (INDUSTRIES) LIMITED

3. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. In case of a proxy appointed by a body corporate or corporation, the Board of Directors' resolution/power of attorney of the person authorized to sign the proxy shall be submitted along with proxy to the Company. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting. Proxy form is annexed.
4. Copies of the CNIC or the passport of the member and the proxy shall be furnished with the proxy. The proxy shall produce his/her original CNIC or original passport at the time of meeting.
5. A body corporate or corporation which is a member of Company may, by resolution of its board or other governing body, authorise and appoint an individual to act as its representative to attend and vote at the meeting. Provided that no body corporate or corporation shall vote by proxy as long as a resolution of its directors or governing body authorizing the person to attend and vote at the meeting is in force.
6. A member, who has deposited his/her shares in Central Depository Company of Pakistan Limited, must bring his/her Participant ID number and account/sub account number along with original CNIC or NICOP or Passport at the time of attending the meeting.
7. Members are requested to notify immediately changes, if any, in their registered address.
8. The decision of the members shall be by way of poll. Voting ballot paper will be issued to the members and other persons entitled to attend the meeting at the venue of the meeting.
9. Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.
10. The Supplemental Audited Financial Accounts for the period ended December 31, 2019 is available on CD and is attached with this notice.

### **Statement to the Members of the Company under Sections 281 and 134(3)(b) of the Companies Act, 2017**

In Company Original Petition No. 5 of 2019 the High Court of Balochistan at Quetta has been petitioned under Sections 279 and 282 of the Companies Act, 2017 for sanction of and other Orders facilitating implementation of the Scheme of Arrangement (the "Scheme") between Gatron (Industries) Limited (hereinafter referred to as "Gatron") and its members and Novatex Limited (hereinafter referred to as "Novatex") and its members. In that proceeding the Court has directed the convening of separate meetings of the members of each Company for seeking their agreement to the Scheme.

A copy of the Scheme of Arrangement is attached to this document.

All terms defined in the Scheme have the same meaning mentioned in this document, unless the context otherwise requires.

The resolutions proposed for the consideration of the separate meeting of the members of Gatron and Novatex as set forth in the accompanying notice convening the meetings are as follows:

#### **(a) in the case of Gatron:**

"RESOLVED THAT the Scheme of Arrangement dated September 30, 2019 between Gatron (Industries) Limited and its members and Novatex Limited and its members, considered by this meeting and initialed by the Chairman of this meeting for purposes of identification, be and is hereby approved, adopted and agreed."



# GATRON (INDUSTRIES) LIMITED

## **(b) In the case of Novatex:**

"RESOLVED THAT the Scheme of Arrangement dated September 30, 2019 between Gatron (Industries) Limited and its members and Novatex Limited and its members, considered by this meeting and initialed by the Chairman of this meeting for purposes of identification, be and is hereby approved, adopted and agreed."

As required by Section 279(2) of the Companies Act, 2017 the above resolutions to approve the Scheme have to be passed at the respective meetings of the members of Gatron and Novatex to be convened under the order of the Court by a majority members representing three-fourths, in value of the issued shares held by the members of Gatron and Novatex respectively present in person or by proxy and voting at the meeting of each Company. The sanctioning of the Scheme and the making of other appropriate orders, if any in connection therewith will be considered by the Court after the Scheme is approved by the requisite majority at the meetings being convened for this purpose.

Necessary information will be communicated to the Pakistan Stock Exchange Limited in respect of Scheme of Arrangement.

## **SYNOPSIS OF SCHEME OF ARRANGEMENT**

### **Gatron (Industries) Limited**

The primary business of Gatron is to Manufacturing of Polyester Filament Yarn through its self-produced Polyester Polymer/Chips and also produces PET Preforms. Gatron is public company listed on Pakistan Stock Exchange Limited.

### **Novatex Limited**

The primary business of Novatex is to Manufacturing and sell PET Resin and other types of Resin, PET Preforms and BOPET Film. Novatex is a public unlisted Company.

The restructuring of the paid up capital of Novatex is required for the purpose of cancellation of the Arrangement Shares without reduction of capital and issuance of New Shares of Novatex to the Gatron Shareholders in lieu of cancellation of Arrangement Shares. Respective paid up capital will remain same.

## **RATIONALE FOR ARRANGEMENT**

- 1 Gatron subscribed 15,000,000 ordinary shares of Novatex on various dates at the cost of Rs.150,000,000 and thereafter 12,000,000 bonus shares were issued by Novatex and 29,700,000 right shares were subscribed, that making total shareholding of 56,700,000 shares in Novatex..
- 2 Gatron Shareholders to whom New Shares are to be issued shall be able to directly exercise their rights as shareholders of Novatex in respect of decision making in Novatex.
- 3 After this Arrangement becomes effective, Gatron will be able to improve its focus on its core manufacturing business, which will be an added benefit to the shareholders of Gatron.
- 4 This Arrangement will enable the Gatron shareholders to receive the dividends from Novatex directly which will improve their return on investment by eliminating certain costs that are incurred on account of indirect flow of dividends.
- 5 Additionally, this is also envisaged to reduce the cost of Gatron in respect of management of the investment and related expenses.



# GATRON (INDUSTRIES) LIMITED

## OBJECT OF THE ARRANGEMENT

The principal object of the Arrangement is that, without any further act or deed and except for the steps expressly provided in the Arrangement:

- (a) the Arrangement Shares are cancelled; and
- (b) New Shares are issued to the Gatron Shareholders in proportion to the shares of Gatron held by them as of the Record Date.

The Directors of Gatron and Novatex are interested in the Scheme of Arrangement only to the extent of their common directorships and respective shareholdings in Gatron and Novatex (to the extent applicable), as well as the companies constituting the shareholders of the Company. The effect of the Scheme of Arrangement on the interest of these directors does not differ from its effect on the like interests of other members, except as stated herein or under the Scheme of Arrangement.

The directors of the Company shall continue as the directors after the Arrangement (unless they cease to be directors in accordance with law prior to the completion of the Scheme).

In view of the above, the Board of Directors of the Company have approved and recommended the Scheme of Arrangement, along with the arrangements stipulated thereunder which have been described above and the scheme has been filed with the registrar.

The Memorandum and Articles of Association of the Company, Statement Under Section 134(3)(b) and 281 of the Companies Act, 2017 in respect of the material facts of the Scheme of Arrangement dated September 30, 2019, interest of Directors and their shareholdings, supplemental audited financial statements of the Company for the period ended December 31, 2019, and any other information relevant to the Scheme as, if any, required by the shareholder shall be available upon request and for inspection by any person entitled to attend the meeting from the registered office of the Company, free of cost during normal office hours. Such information shall also be placed for inspection of members of the Company during the Extraordinary Annual General Meeting.



**SCHEME OF ARRANGEMENT**  
**UNDER SECTION 279 OF THE COMPANIES ACT, 2017**

*In the matter of*

**Gatron (Industries) Limited**

and

**its shareholders**

**AND**

**Novatex Limited**

and

**its shareholders**

## **A. PRELIMINARY**

### **1. DEFINITIONS AND INTERPRETATION**

1.1 In this Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them:

**“Arrangement”** means this Arrangement in its present form or with any modification thereof or addition thereto approved or condition imposed by the Court;

**“Arrangement Shares”** means 56,700,000 ordinary shares of Rs. 10 each of Novatex owned by Gatron and cancelled on the Effective Date;

**“Court”** means the High Court of Balochistan or any other Court for the time being having jurisdiction under Sections 279 to 283 of the Companies Act, 2017 in connection with this Arrangement;

**“Effective Date”** means the day on which the Arrangement is sanctioned by the Order of the Court under Section 282(1) of the Companies Act, 2017 and Order has been filed with the Registrar of Companies Quetta as specified in paragraph 12.4 of the Arrangement;

**“Gatron”** means Gatron (Industries) Limited, a public company limited by shares, incorporated in Pakistan listed on Pakistan Stock Exchange and having its registered office at Room No. 32, 1st Floor, Ahmed Complex, Jinnah Road, Quetta;

**“Gatron Shareholders”** means all registered shareholders of Gatron as at the Record Date;

- “New Shares”** means 56,700,000 ordinary shares of Rs. 10 each of Novatex to be issued to the Gatron Shareholders and shall rank pari passu with the existing ordinary shares of Novatex, in all respects;
- “Novatex”** means Novatex Limited, a public company limited by shares, incorporated in Pakistan having its registered office at Room No. 50, 2<sup>nd</sup> Floor Ahmed Complex, Jinnah Road Quetta - Pakistan;
- “Record Date”** means the book closure date specified by Gatron’s Board after sanction of this Arrangement on which the eligibility of Gatron shareholders to receive New Shares shall be determined;
- “Remaining Undertaking”** means all the estate, assets, rights, title, interests, businesses, undertakings, activities, operations and the divisions of Gatron save and except the Arrangement Shares;

1.2 The headings and marginal notes are inserted for convenience and shall not affect the construction of this Arrangement.

## **2. AUTHORIZED AND PAID UP SHARE CAPITAL**

2.1 The authorized share capital of Gatron is Rs. 950,000,000 divided into 95,000,000 ordinary shares of Rs. 10/- each, out of which 38,364,480 ordinary shares of Rs. 10 each are issued and remaining 56,635,520 ordinary shares of Rs. 10/- each are un-issued.

2.2 The authorized share capital of Novatex is Rs. 2,900,000,000, divided into 290,000,000 ordinary shares of Rs. 10/- each, out of which 153,948,060 ordinary shares of Rs. 10 each are issued and remaining 136,051,940 ordinary shares of Rs. 10/- each are un-issued.

### **3. RESTRUCTURING OF PAID UP CAPITAL**

- 3.1 The restructuring of the paid up capital of Novatex is required for the purpose of cancellation of the Arrangement Shares without reduction of capital and issuance of New Shares of Novatex to the Gatron Shareholders in lieu of cancellation of Arrangement Shares.
- 3.2 The Arrangement Shares held by Gatron and respective share certificates shall stand cancelled on the date on which a certified copy of the Order of the Court is filed with the Registrar of Companies.
- 3.3 The New Shares shall be issued by Novatex within 30 days of the date on which a certified copy of the Order of the Court is filed with the Registrar of Companies. The New Shares may be issued in physical form or book entry form.
- 3.4 The paid up capital of Novatex after the cancellation of the Arrangement Shares held by Gatron and issuance of New Shares to the Gatron Shareholders shall continue to remain Rs. 1,539,480,600 divided into 153,948,060 ordinary shares of Rs.10/- each.

### **4. BOARD OF DIRECTORS OF GATRON**

- 4.1 The Board of Directors of Gatron is constituted as follows:

1. Haroon Bilwani
2. Pir Muhammad Diwan
3. Abdul Razak Diwan
4. Zakaria Bilwani
5. Usman Habib Bilwani
6. Muhammad Iqbal Bilwani
7. Shabbir Diwan
8. Muhammad Taufiq Bilwani
9. Muhammad Waseem

4.2 The present board of directors of Gatron will continue to serve as Directors of Gatron after this Arrangement.

4.3 The Directors of Gatron have no interest in this Arrangement except to the extent of their shareholding.

## **5. BOARD OF DIRECTORS OF NOVATEX**

5.1 The Board of Directors of Novatex is constituted as follows:

1. Abdul Razak Diwan
2. Muhammad Iqbal Bilwani
3. Shabbir Diwan
4. Rizwan Diwan
5. Muhammad Salim Bilwani
6. Hanif Abdul Shakoor Bilwani
7. Saqib Haroon Bilwani
8. Fahim Zakaria Bilwani

5.2 The present board of directors of Novatex will continue to serve as Directors of Novatex after this Arrangement.

5.3 The Directors of Novatex have no interest in this Arrangement except to the extent of their shareholding.

## **6. RATIONALE FOR ARRANGEMENT**

6.1 Gatron subscribed 15,000,000 ordinary shares of Novatex on various dates at the cost of Rs.150,000,000 and thereafter 12,000,000 bonus shares were issued by Novatex and 29,700,000 right shares were subscribed, that making total shareholding of 56,700,000 shares in Novatex..

- 6.2 Gatron Shareholders to whom New Shares are to be issued shall be able to directly exercise their rights as shareholders of Novatex in respect of decision making in Novatex.
- 6.3 After this Arrangement becomes effective, Gatron will be able to improve its focus on its core manufacturing business, which will be an added benefit to the shareholders of Gatron.
- 6.4 This Arrangement will enable the Gatron shareholders to receive the dividends from Novatex directly which will improve their return on investment by eliminating certain costs that are incurred on account of indirect flow of dividends.
- 6.5 Additionally, this is also envisaged to reduce the cost of Gatron in respect of management of the investment and related expenses.

## **B. THE ARRANGEMENT**

### **7. OBJECT OF THE ARRANGEMENT**

The principal object of the Arrangement is that, without any further act or deed and except for the steps expressly provided in this Arrangement:

- (a) the Arrangement Shares are cancelled;
- (b) New Shares are issued to the Gatron Shareholders in proportion to the shares of Gatron held by them as of the Record Date.

### **8. CANCELLATION OF ARRANGEMENT SHARES**

With effect from the Effective Date and subject to issuance of New Shares to the Gatron Shareholders, the Arrangement Shares shall stand cancelled without reduction of capital of Novatex and without any further act or deed or

documents being required to be executed, registered or filed in respect of such cancellation.

## **9. ISSUANCE OF NEW SHARES**

9.1 Subject to 9.2 below, Novatex shall issue New Shares to the Gatron Shareholders by issuing 1.47793 ordinary shares of Novatex for each share of Gatron held by the respective Gatron Shareholder on the Record Date. The New Shares shall be issued to the Gatron Shareholders within 30 days of the Effective Date. The New Shares may be issued in physical form or in book entry form.

9.2 In case any Gatron Shareholder becomes entitled to a fraction of a share of Novatex, Novatex shall not issue fractional shares to Gatron Shareholders. Such fractions shall be consolidated and the aggregate of such fractions shall be rounded up to a whole number. Such consolidated shares shall then be issued and allotted directly to the Company Secretary of Gatron to be held in trust by him, who shall subsequently seek offers from the shareholders of Novatex for sale of such shares within a period of 1 (one) month from the Effective Date. In this respect, each of the then shareholder of Novatex shall be eligible to tender bid(s) to purchase the consolidated shares and these shares shall then be transferred to the person(s) with highest bid(s) tendered, as may be determined by the Company Secretary of Gatron, and the net sale proceeds (after deduction of applicable taxes, other expenses incurred, if any) shall be donated to a non-profit organization approved under the Income Tax Ordinance, 2001 and designated by the Board of Gatron.

## **10. CONTINUANCE OF BUSINESS BY GATRON**

The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Gatron in the same manner as the same was being conducted prior to this Arrangement.

## 11. TREATMENT IN ACCOUNTS

The effect of this Arrangement shall be reflected in the books of Gatron as reduction of its reserves.

## 12. MISCELLANEOUS

12.1 This Arrangement is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Arrangement, with such modification or addition if any, is also subject to any conditions which the Court may impose.

12.2 The respective Board of Directors of Gatron and Novatex may consent on behalf of all concerned to any modifications of or additions to this Arrangement or to any conditions which the Court may think fit to impose.

12.3 All costs, charges and expenses in respect of the preparation of this Arrangement and carrying the same into effect shall be borne and paid by Gatron.

12.4 This Arrangement shall become operative as soon as a certified copy of an Order or Orders of the Court under Section 279 of the Companies Act, 2017, sanctioning this Arrangement and making any necessary provisions under Section 282 of the said Act shall have been filed with the Registrar of Companies, Quetta and unless this Arrangement shall have become effective as aforesaid, the same shall not have any effect.

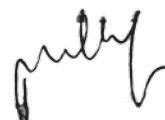
*For and on behalf of*

**Gatron (Industries) Limited**



*For and on behalf of*

**Novatex Limited**



Karachi: Dated: September 30, 2019



# GATRON (INDUSTRIES) LIMITED

## Proxy Form

The Company Secretary  
**Gatron (Industries) Limited**  
11th Floor, G&T Tower  
#18 Beaumont Road,  
Civil Lines-10  
Karachi.

I/We, \_\_\_\_\_ of \_\_\_\_\_ being member of  
Gatron (Industries) Limited and holder of \_\_\_\_\_ ordinary shares as per Share Register Folio  
No. \_\_\_\_\_ and/or CDC Participant ID No. \_\_\_\_\_ and Account/Sub-Account No. \_\_\_\_\_  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend, speak  
and vote for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company to be held  
on Wednesday, February 12, 2020 at 11.30 a.m., at Quetta Serena Hotel, Quetta and at any adjournment  
thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020

### **Witness:**

1. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC No. \_\_\_\_\_
2. Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC No. \_\_\_\_\_

Signature  
on Revenue  
Stamp of Rs.5/-

### **Notes:**

1. The Proxy form in order to be valid must be signed across five rupees revenue stamp and should be deposited with the company not later than 48 hours before the time of holding the meeting.
2. The proxy must be a member of the company.
3. Signature should agree with the specimen signature, registered with the company.
4. CDC shareholders and their proxies must attach either an attested photocopy of their Computerized National Identity Card or Passport with this proxy form.