



Sunrays Textile Mills Ltd.

October 07, 2019

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of Sunrays Textile Mills Limited will be held at Indus Dyeing & Manufacturing Company Limited. Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi on Monday, October 28, 2019 at 03:45 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the Annual General Meeting held on October 27, 2018.
2. To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended June 30, 2019, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report;
3. To appoint the Statutory Auditors for the year ending June 30, 2020 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Deloitte Yousuf Adil, Chartered Accountants who being eligible have offered themselves for re-appointment;
4. To approve the interim cash dividend already paid @250% as final cash dividend for the year ended June 30, 2019.

SPECIAL BUSINESS:

5. To ratify the transactions carried out by the Company with related parties disclosed in the Financial Statements for the year ended June 30, 2019 by passing the following resolution with or without modification:
"RESOLVED THAT all related parties transactions carried out by the Company as disclosed in Note No 35 of the Financial Statements of the Company for the year ended June 30, 2019 be and are hereby noted, ratified and approved."
6. To approve potential transactions with related parties intended to be carried out in the financial year 2019-2020 and to authorize the Board of directors of the Company to carry out such related-party transactions at its discretion from time to time, irrespective of the composition of the Board of Directors.

The resolutions to be passed in this respect (with or without modification) as special resolutions are as under:

"RESOLVED THAT in accordance with the policy approved by the Board and subject to such conditions as may be specified from time to time, the Company be and is hereby authorized to carry out transactions with the related parties for the fiscal year 2019-20.

"RESOLVED FURTHER THAT the Board of directors of the Company may, at its discretion, approves specific related party/parties transaction(s) from time to time, irrespective of the composition of the Board, and in accordance with the provisions of related laws/regulations and Company's policy pertaining to related parties transactions till the next Annual General Meeting.

RESOLVED FURTHER THAT all such transactions, as approved by the Board of Directors, shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their noting/ratification/approval."

7. To transact any other business with the permission of the chair.

By Order of the Board

Ahmed Faheem Niazi

Company Secretary

Karachi

Date; October 07, 2019

5th Floor, Office No.508 Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi, Pakistan

Tel # (92-21) 111-404-404 & 5693641 to 5693660(20 Lines). Fax # (92-21) 5693593 & 5693594
E-mail: info@indus-group.com & indus@fascom.com



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NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2019 to October 28, 2019 (both days inclusive) and the Final Cash Dividend will be paid to the Members whose name appear in the Register of Members. Transfers received in order at the Office of Company's Share Registrar M/s Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shakra-e-Iraq, Saddar Karachi. ('Registrar') at the close of business on October 19, 2019 will be considered in time to attend and vote at the Meeting.
 2. Financial Statements for the year ended June 30, 2019 will be available at the website of the Company www.indus-group.com twenty one days before the date of meeting.
Further, as per approval obtained from members in Annual General Meeting of the Company held on October 31, 2016 to circulate Annual Audited Accounts through CD/DVD/USB in accordance with SRO 470(I)/2016 dated May 31, 2016 of Securities and Exchange Commission of Pakistan (SECP); Annual Audited Accounts of the Company for the year ended June 30, 2018 are being dispatched to the Members through CD/DVD. The Members may request a hard copy of Annual Audited Accounts free of cost. Standard request form is available at the website of the Company www.indus-group.com
 3. Pursuant to Section 223 of the Companies Act, 2017, the Company is allowed to send audited financial statements and reports to its members electronically. Members are therefore requested to provide their valid email IDs. For convenience, a Standard Request Form has also been made available on the Company's website www.indus-group.com
 4. Members (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s Jwaffs Registrar Services (Pvt) Ltd, 407-408 Al-Ameera Center, Shakra-e-Iraq, Saddar Karachi.
 6. A member of the Company entitled 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 at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
 7. CDC Account Holders 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:**
- i. In case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport at the time of attending the Meeting.
 - ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
- B. FOR APPOINTING PROXIES:**
- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii. Attested copies of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
 - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
8. Members are requested to notify Change in their addresses, if any; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted.
 9. **Deduction of Income Tax from Dividend under Section 150 of the Income Tax Ordinance, 2001**
Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, have been revised as follows:

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(a)	Rate of tax deduction for filer of income tax returns	15%
(b)	Rate of deduction for non-filer of income tax returns	30%

The income tax is deducted from the payment of dividend according to Active Tax-Payers List (ATL) provided on the website of FBR. All those shareholders who are filers of income tax returns are therefore advised to ensure that their names are entered into ATL to enable the Company to withhold income tax from payment of cash dividend @ 15% instead of 30%.

Further, according to clarification received from FBR, withholding tax will be determined separately on 'Filer/Non Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions in case of joint accounts held by the shareholders.

In this regard, all shareholders who hold shares jointly are requested to provide the shareholding proportions of Principal Shareholder and Joint-holders in respect of shares held by them to our Shares Registrar, in writing. The joint accounts information must reach to our Shares Registrar within 10 days of this notice. In case of non-receipt of the information, it will be assumed that the shares are equally held by Principal Shareholder and the Joint-holder(s).

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

10 Dividend Mandate and Payment of Cash Dividend through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require that the dividend payable in cash shall only be paid through electronic mode directly into the bank accounts designated by the entitled shareholders. Therefore, for making compliance to the provisions of the law, all those physical shareholders who have not yet submitted their IBAN bank account details to the Company are requested to provide the same on the Dividend Mandate Form available on Company website at www.indus-group.com.

Non CDC shareholders are requested to send valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity) to the Registrar of the Company. Please note that CNIC number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.

CDC shareholders who have also not provided their IBAN bank account details are also requested to provide the same to their Participants in CDC and ensure that their IBAN bank account details are updated. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

11. Video Conference Facility

Members may avail video conference facility for this Annual General Meeting other than Karachi, provided the Company receives consent (standard format is given below) atleast 07 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at respective city.

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

"I/we _____ of _____ being member(s) of Sunrays Textile Mills Limited, holder of _____ Ordinary Share(s) as per Registered Folio No./CDC Account No. _____ hereby opt for video conference facility at _____ in respect of 61st Annual General Meeting of the Company.

Signature of Member"

12 For any query/problem/information, Members may contact the Company at email I _____ and/or the Share Registrar of the Company at above mentioned address and at (+92 21) _____, email _____.

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Statement 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 28th Annual General Meeting of the Company to be held at **Indus Dyeing & Manufacturing Company Limited**, Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi

Explanation on Agenda Item No. 5 & 6

The related parties transactions carried out in normal course of business with associated companies and related parties were being approved by the Board of Directors as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act, 2017 and Rule 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the group companies, the quorum of directors could not be formed for approval of these transactions pursuant to Section 207 of the Companies Act, 2017 and therefore, these transactions have to be approved by the shareholders in General Meeting as a special resolution in terms of section 208 of the said Act.

The transactions with related parties carried out during the fiscal year 2018-2019 to be ratified as disclosed in Note No 35 of the Financial Statements of the Company for the year ended June 30, 2019

Since related party transactions are an ongoing process and a restriction to carry out business with related parties merely due to absence of valid quorum would adversely affect the business of the Company. Therefore shareholders are being approached to grant the broad approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board (and irrespective of its composition). The Company shall comply with its policy pertaining to transactions with related parties as stated above to ensure that the same continue to be carried out in a fair and transparent manner and on an arm's length basis. This would also ensure compliance with the Section 208(1) of the Companies Act, 2017 of which requires that shareholders' approval shall be required where the majority directors are interested in any related party transactions and regulation 4 of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 which sets out the conditions for transactions with related parties to be characterized as "arm's length transactions" and states that the parties to the transaction must be unrelated in any way.

Further; it is not possible for the Company or the directors to accurately predict the nature of the related party transaction(s) or the specific related party(ies) with which the transaction(s) shall be carried out. In view of the same and in order to ensure smooth supply during the year, the Company seeks the broad approval of the shareholders that the Board may cause the Company to enter into transactions with related party / parties from time to time in its wisdom and in accordance with the policy of the Company for the fiscal year 2019-20.

All such transactions will be clearly stipulated at the end of the next financial year in the company's Annual Report. In addition to this all such transactions shall also be placed before the shareholders in the next General Meeting for their approval/ ratification.

The Directors are interested in these resolutions to the extent of their common directorship and shareholding in the associated companies.

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