



# Sapphire Textile Mills Limited

## **SAPPHIRE TEXTILE MILLS LIMITED** **NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that 49<sup>th</sup> Annual General Meeting of Sapphire Textile Mills Limited will be held on Tuesday, October 24, 2017 at the Trading Hall, Cotton Exchange Building, I.I. Chundrigar Road, Karachi at 03:30 p.m. to transact the following business:

### **Ordinary Business:**

1. To confirm the minutes of last General Meeting.
2. To receive, consider and adopt the Audited Accounts together with Directors' and Auditors' Reports for the year ended 30<sup>th</sup> June, 2017.
3. To approve and declare the final dividend.
4. To appoint auditors for the year ending 30<sup>th</sup> June 2018 and fix their remuneration. The present Auditors, M/s Mushtaq & Company, Chartered Accountants retire and being eligible offer themselves for reappointment.
5. To transact any other business with the permission of the Chair.

By Order of the Board

Zeeshan  
Company Secretary

Karachi  
Dated: September 28, 2017

### **NOTE**

#### **1. Closure of share transfer books:**

Share Transfer Books will remain closed and no transfer of shares will be accepted for registration from 18<sup>th</sup> October, 2017 to 24<sup>th</sup> October, 2017 (both days inclusive). Transfers received in order, by the Hameed Majeed Associates (Private) Limited, 4th Floor, Karachi Chambers, Hasnat Mohan Road, Karachi, up to 17<sup>th</sup> October, 2017, will be considered in time for the payment of dividend.

#### **2. Participation in the annual general meeting:**

A member entitled to attend and vote at this meeting is entitled to appoint another member/any other person as his/her proxy to attend and vote.

3. Duly completed instrument of proxy, and the other authority under which it is signed, thereof, must be lodged with the secretary of the company at the company's registered office 212, Cotton Exchange Building, I.I.Chundrigar Road, Karachi at least 48 hours before the time of the meeting.



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4. Any change of address of members should be immediately notified to the company's share registrars, Hameed Majeed Associates (Private) Limited, 4th Floor, Karachi Chambers, has rat Mohini Road, Karachi.
5. The 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 account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original computerized national identity card (CNIC) or original 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 at the time of the meeting.
  - B. **For appointing proxies:**
    - i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
    - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
    - iii) Attested copies of CNIC or the passport.
    - 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 along with proxy form to the company.
6. In accordance with the notification of the Securities and Exchange Commission of Pakistan, SRO 831(1)2012 dated July 05, 2012 dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, members who have not yet submitted copy of their valid CNIC/NTN (in case of corporate entities) are requested to submit the same to the Company, with members' folio number mentioned thereon for updating record.
7. The Companies Act, 2017, which was promulgated on May 30, 2017 through its section 242 requires that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Through this notice all shareholders of the company are requested to update their bank accounts details in the Central Depository System through respective participants. In case of physical shareholder, please provide bank accounts details to our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, 4th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
8. Section 244 of the Companies Act, 2017 requires that any shares that remained unclaimed for a period of three years (or more) as well as any dividend which remained unpaid for period of three years (or more) are to vest with the Federal Government. The law requires the company to deposit any unclaimed or unpaid amount to the credit of the Federal Government, if no claim is made before the company after giving due notices to the shareholders. Through this notice all Shareholders, who by any reason, could not claim their dividend or shares, are advised to contact our Share Registrar M/s. Hameed Majeed Associates (Private) Limited to collect / enquire about their unclaimed divided or pending shares, if any.
9. (i) Pursuant to the provisions of the Finance Act, 2017 effective July 1, 2017 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:
  1. Rate of tax deduction for filer of income tax return 15%
  2. Rate of tax deduction for non-filers of income tax return 20%



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To enable the Company to make tax deduction on the amount of cash dividend @ 15 % instead of 20%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

(ii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding 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. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

| Company Name | Folio / CDS Account # | Total Shares | Principal Share Holder |  | Joint Holder    |  |
|--------------|-----------------------|--------------|------------------------|--|-----------------|--|
|              |                       |              | Name and CNIC #        | Share Holding Proportions (No of Shares) | Name and CNIC # | Share Holding Proportions (No of Shares) |

The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

(iii) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or, Hameed Majeed Associates (Private) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

10. The Company shall provide video conference facility to its members for attending the Annual General Meeting at places other than the town in which general meeting is taking place, provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference atleast 10 days prior to date of the meeting, the Company shall arrange video conference facility in that city subject to availability of such facility in that city.

In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Annual General Meeting:

"I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of Sapphire Textile Mills Ltd, holder of \_\_\_\_\_ Ordinary Shares as per registered folio # \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_."

\_\_\_\_\_  
Signature of Member

### Status of Investment under Clause 4(2) of the Companies (Investment in Associated Undertakings) Regulations, 2012

| Company / Date of Resolution   | Amount of Investment approved  | Amount of Investment made to date | Reason   |
|--|--|-----------------------------------|--|
| Sapphire Wind Power Company (SWPCL) Limited 17 <sup>th</sup> February, 2014 & subsequently amended on 26 <sup>th</sup> Oct, 2015 | Collateral/security as may be required by the issuing bank to issue an SBLC up to the PKR equivalent of approximately USD 10 Million in order to secure certain obligations of SWPCL   | SBLC = USD 2.73 million           | This amount was amended in AGM held on 26 <sup>th</sup> Oct, 2015 in order to secure the obligation of SWPCL in relation to the required balance of the Debt Service Reserve |
| Triconboston Consultancy Corporation (Private) Limited (TBCCPL), 27 <sup>th</sup> March 2017                                     | By way of subscription in ordinary shares of PKR 10 (Pakistani Rupees Ten) each of TBCCPL the PKR equivalent of up-to USD 46.5 Million from time to time over a period of two years.   | Investment = USD 45.243 Million   | STML has fully subscribed its share in accordance with the Sponsor Support Agreement signed between the Sponsors.  |
| Triconboston Consultancy Corporation (Private) Limited (TBCCPL), 27 <sup>th</sup> March 2017                                     | Security / collateral as may be required by the issuing banks in order for the same to issue standby letters of credit together with any replacement standby letters of credit in order to secure the equity amount up-to USD 16.3 Million (United States Dollars Sixteen Million Three Hundred Thousand); | Nil                               | STML has fully subscribed its share of equity (57.125%) upfront before Financial Close.  |
| Triconboston Consultancy Corporation (Private) Limited (TBCCPL), 27 <sup>th</sup> March 2017                                     | Security/ collateral as may be required by the issuing banks to issue an standby letter of credit (SBLC) for an amount of USD 5.25 Million in order to secure certain obligations of TBCCPL  | SBLC = USD 5.222 million          | This amount was approved in the EOGM passed on 27 <sup>th</sup> March, 2017 in relation to issuance of Energy Purchase Agreement SBLC in favor of CPPA (G) Ltd.              |
| Triconboston Consultancy Corporation (Private) Limited (TBCCPL), 27 <sup>th</sup> March 2017                                     | Security / collateral as may be required by the issuing banks in order for the same to issue debt service reserve standby letters of credit together with any replacement standby letters of credit in order to secure the amount up-to USD 24 Million (United States Dollars Twenty Four Million);        | Nil                               | This amount was approved in the EOGM Dated 27 <sup>th</sup> March, 2017 and is in the process of implementation as and when required.  |
| Triconboston Consultancy Corporation (Private) Limited (TBCCPL), 27 <sup>th</sup> March 2017                                     | Security / collateral as may be required by the issuing banks in order for the same to issue excess debt standby letters of credit together with any replacement standby letters of credit in order to secure the amount up-to USD 15 Million  | Nil                               | This amount was approved in the EOGM Dated 27 <sup>th</sup> March, 2017 and is in the process of implementation as and when required   |

|  |  |                         |  |
|--|--|-------------------------|--|
|  | (United States Dollars Fifteen Million); and   |                         |  |
| Triconboston Consultancy Corporation (Private) Limited (TBCCPL), 27 <sup>th</sup> March 2017 | To invest by way of loans and advances of up-to the PKR equivalent of USD 11.3 Million (United States Dollars Eleven Million Three Hundred Thousand) for a period of up-to five (5) years from the commercial operations date of the last of the three (approximately) 150MW wind power Project, and to arrange and deliver: (i) standby letters of credit together with any replacement standby letters of credit in order to secure the Available Contingency Commitment Amount, in favour of the agent/security trustee | SBLC = USD 11.3 Million | This amount of loan was approved in the EOGM Dated 27 <sup>th</sup> March, 2017 and is in the process of implementation as and when required |

### Material Changes in Financial Statements of Associated Company

#### **Sapphire Wind Power Company Limited**

The Company is 70% owned by Sapphire Textile Mills Ltd and 30% by Bank Alfalah Limited. The Company has set up wind power station of 52.80 MW at Jhimpir which have started Commercial production and is yielding satisfactory results.

#### **TriconBoston Consulting Corporation (Private) Limited**

The Company has achieved its Financial Close ('FC') as at May 10, 2017 and duly executed all the transaction documents with Supplier, lenders and Govt. Institutions. TBCCPL has executed EPC contracts with Hydrochina Corporation, China and 10 years O&M contracts with GE. The company has signed the transaction documents with its lenders i.e. International Finance Corporation (IFC), Islamic Development Bank (ISDB), Asian Development Bank (ADB) and DEG under which lenders has committed to provide 75% debt for a project. The company has started the Construction activities aggressively in order to complete the project within the timeline. TBCCPL team is actively engaged with all stakeholders and aim to achieve Commercial Operation Date within the stipulated time period.