



## Sapphire Fibres Limited

7-A/K, Main Boulevard, Gulberg-II,  
Lahore (Pakistan)

UAN: 92 042 111 000 100 Fax:92 042 35758783, 35713753

### SAPPHIRE FIBRES LIMITED NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 40th Annual General Meeting of SAPPHIRE FIBRES LIMITED will be held at Trading Hall, Cotton Exchange Building, I.I.Chundrigar Road, Karachi on Friday the 25th day of October, 2019 at 04:45 p.m. to transact the following business:

#### ORDINARY BUSINESS:

1. To confirm the minutes of last General Meeting
2. Consideration of the accounts, balance sheets and the reports of the chairman's, directors' and auditors.
3. Declaration of a dividend.
4. Appointment and fixation of remuneration of auditors.

#### SPECIAL BUSINESS

5. To approve by way of special resolution with or without modification the following resolutions in respect of related party transaction in terms of Section 208 of the Companies Act, 2017:

**"RESOLVED THAT** the related Parties transactions conducted during the year in which the majority of Directors are interested as disclosed in the note 39 of the unconsolidated financial statements for the year ended June 30, 2019 and specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2020.

**"FURTHER RESOLVED** that transactions approved by Board 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 formal ratification/approval."

#### ANY OTHER BUSINESS

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

(Attached to this Notice is a Statement of Material Facts covering the above- mentioned Special Business, as required under section 134(3) of the Companies Act, 2017).

Karachi.

Dated : 26th September, 2019

By Order of the Board

  
(SHAUKAT MAHMUD)  
Secretary

#### NOTES

1. Closure of share transfer books:  
Share Transfer Books will remain closed and no transfer of shares will be accepted for registration from 19th October, 2019 to 25th October, 2019 (both days inclusive). Transfers received in order, by THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi up to 18th October, 2018 will be considered in time for the payment of dividend.
2. Participation in the annual general meeting:



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- 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 316, Cotton Exchange Building, I.I.Chundrigar Road, Karachi at least 48 hours before the time of the meeting.
  4. Change in address: Any change of address of members should be immediately notified to the company's share registrars, THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., 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 compliance with regulatory directives issued from time to time, members who have not yet submitted copy of their valid CNIC/NTN are requested to submit the same to the Company, with members' folio number mentioned thereon for updating record.

### 7. Payment of Cash Dividend Electronically (Mandatory Requirement)

In accordance with the provisions of Section 242 of the Companies Act and Companies (Distribution of Dividends) Regulation 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, Sapphire Fibres Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders.

Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi (in case of shareholding in Physical Form).

1.	<b>Shareholders' Detail</b>	
	Name	
	Folio# / CDS Account No.	
	CNIC No. (Copy attached)	
	Mobile/ Landline No.	
2.	<b>Shareholders' Bank Detail</b>	
	Title of Bank Account	
	International Bank Account No. (IBAN)	
	Bank's Name	
	Branch Name and Address	



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In case of non-provision of IBAN, the Company will have to withhold the cash dividend according to SECP directives.

8. (i) 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:

1. Rate of tax deduction for filer of income tax return 15%
2. Rate of tax deduction for non-filers of income tax return 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, 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 @ 30% 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, THK 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.

9. 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 7 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 7 days before holding of the Annual General Meeting:

"I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of Sapphire Fibres 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, 2017

Company / Date of Resolution	Amount of Investment approved	Amount of Investment made to date	Reason
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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 6.0 Million from time to time over a period of two years.	Investment = USD 5.643 Million	SFL 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 2.5 Million (United States Dollars Two Million Five Hundred Thousand);	Nil	SFL has fully subscribed its share of equity (7.125%) upfront before Financial Close.
Triconboston Consultancy Corporation (Private) Limited (TBCCPL), 27 <sup>th</sup> March 2017	Proportionate to its shareholding percentage 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 (United States Dollars Fifteen 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

### Material Changes in Financial Statements of Associated Company

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

TriconBoston Consulting Corporation (Private) Limited is incorporated under the laws of Pakistan and operating 3 projects having capacity of 50 MW each in Jhimpir Sindh. All the three projects have successfully commenced commercial operation in September, 2018.

### **STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017**

#### **1. Item Number 5 of the notice – Ratification and approval of the related party transactions**

The Company carries out transactions with its associates and related parties in accordance with its policies, applicable laws, regulations and with approval of board of directors of the company. However, during the year since majority of the Company's Directors are interested in certain transactions (by virtue of being the shareholder or common directorship), therefore due to absent of requisite quorum for approval in Board of Directors meeting, these transactions are being placed for the approval by shareholders in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in the note 39 to the unconsolidated financial statements for the year ended June 30, 2019.



The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business and periodically reviewed by the Board Audit Committee. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments made (in accordance with the approval of shareholders and board where applicable) and sharing of common expenses.

The nature of relationship with these related parties has also been indicated in the note 39 to the unconsolidated financial statements for the year ended June 30, 2019.

**2. Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2020.**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2020 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the Board of Directors seeks authorization from the shareholders to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2020 and such transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.