



Sunrays Textile Mills Ltd.

SUTM/012/C&SD/2023/(KHI)

October 05, 2023

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

Subject: Notice of Annual General Meeting

Dear Sir,

Please find enclosed copy of the Notice of Annual General Meeting (AGM) to be held on Friday, October 27, 2023 at 04:30 p.m. at Plot No. 3 & 7, Sector No. 25, Korangi Industrial Area, Karachi for circulation amongst the TRE Certificate Holders of the Exchange. The above notice of AGM will be printed on October 06, 2023 in English and Urdu newspapers (Daily Business Recorder & Nawa-i-Waqt) as well.

Thanking You,

Yours truly,

Ahmed Faheem Niazi
Company Secretary

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



Sunrays Textile Mills Ltd.

October 05, 2023

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 32nd 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 Friday, October 27, 2023 at 04:30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To confirm minutes of the Annual General Meeting held on October 27, 2022.
2. To receive, consider, approve and adopt the audited consolidated and un consolidated financial statements of the Company for the financial year ended June 30, 2023, 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, 2023 and to fix their remuneration. The Board of Directors on the recommendation of Audit Committee has recommended the appointment of retiring auditors, Messers Yousuf Adil, Chartered Accountants who being eligible have offered themselves for re-appointment;
4. To approve interim cash dividend of Rs. 2/- per share i.e 20% already paid by the company (declared on June 02, 2023) as a final dividend for the year ended June 30, 2023.

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, 2023 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 38 of the Financial Statements of the Company for the year ended June 30, 2023 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 2023-2024 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 affected due to majority of Board members are interested in any agenda item.

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

Resolved Further 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 2023-24.

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, affected due to majority of Board members are interested in any agenda item till the next Annual General Meeting. However, in order to ensure transparency in these transactions.

All such transactions shall be placed before the shareholders in the next Annual General Meeting for their noting/ratification/approval.

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7. To consider and, if thought fit, approve the circulation of Company's annual audited financial statements through QR enabled code and weblink as part of notice of Annual General Meeting by passing, with or without modifications, additions or deletions, the following resolutions as special resolutions:

Resolved That the consent and approval of the members of Sunrays Textile Mills Limited be and is hereby accorded and the Company be and is hereby authorized to circulate its annual audited financial statements to its members through QR enabled code and weblink as part of the notice of Annual General Meeting.

Further Resolved That the Chief Executive Officer, Chief Financial Officer and Company Secretary, singly or jointly, be and are hereby authorized to do all acts, deeds and things, take or cause to be taken any action as may be necessary, incidental or consequential to give effect to this resolution.

8. To Alter Provisions of Articles of Association Relating to Capitalization of Reserves:

To consider and if deemed fit, to pass the following resolution as a special resolution, to alter the provisions of Articles of Association of the Company relating to the capitalization of reserves, with or without modification(s), addition(s) or deletion(s), as recommended by the Board of Directors, subject to the requisite approvals, if any:

Resolved That approval of members of the Company, be and is hereby accorded that the Board of Directors of the Company may resolve at its discretion to 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 amongst 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 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 whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto.

Further Resolved That in consequence of aforesaid authorizations to the Board of Directors of the Company, the existing Article 100 of the Articles of Association of the Company, be and is hereby substituted as 100, to read as follows:

Article 100 of Articles of Association:

"The Board of Directors of the Company may resolve at its discretion to 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 amongst 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 as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution.

Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto."

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Further Resolved That Mr. Kashif Riaz, Chief Executive Officer and Mr. Ahmed Faheem Niazi, Company Secretary, jointly or severally, (the Authorised officer(s,)) be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities, make amendments, modification addition or deletion and file all requisite documents with the SECP to effectuate and implement 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 deemed appropriate by the authorized person or as may be suggested, directed and advised by the SECP which suggestion, direction and advise shall be deemed to be have been approved as part of the passed Special Resolution without the need of the members to pass a fresh Special Resolution."

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

Karachi

Date: October 4, 2023

By Order of the Board

Ahmed Faheem Niazi
Company Secretary

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NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2023 to October 27, 2023 (both days inclusive). 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 20, 2023 will be considered in time to attend and vote at the Meeting.
2. Financial Statements for the year ended June 30, 2023 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, 2023 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.
5. 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.
6. 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.
7. 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.

8. 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:

(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%.

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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.

9. 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.

10. Video-Link Arrangement for online Participation in the 32nd Annual General Meeting of the Company

Shareholders interested in attending the Annual General Meeting (AGM) through video link facility are requested to get themselves registered with the Company Secretary office at least two working days before the holding of the time of AGM at corporate_affairs@indus-group.com by providing the following details: -

Name of Shareholder	CNIC NO	Folio CDC No.	Cell No.	Email address

- The Login facility will remain open from 04:15 P.M. till the end of the meeting.
- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.
- Shareholders will be able to login and participate in AGM proceedings through their smart phone or computer devices from their home after completing all the facilities required for the identification and verification of the Shareholders.

The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measure are in place for the well-being of its members.

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 32nd Annual General Meeting of the Company.

Signature of Member

12. Deposit of Physical Shares into Central Depository

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further SECP vide Letter dated March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book-entry form.

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In light of above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's Register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale / purchase.

13. Unclaimed Dividends and Bonus Shares

Shareholders, who for any reason, could not claim their dividend and/or bonus shares are advised to contact our Shares Registrar M/s. Jwatts Registrar Services (Pvt) Limited to collect/enquire about their unclaimed dividends and/or bonus shares if any.

14. Postal Ballot

Pursuant to companies (Postal Ballot) Regulations, 2018 for the agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through e-voting, in accordance with the requirements and procedure contained in the aforesaid regulations.

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Statement of Material facts concerning special business pursuant to section 134 (3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business given in agenda item(s) No.5 to 8 of this Notice of AGM, which will be considered to be transacted in the AGM of the Company. The purpose of this statement is to set forth the material facts concerning such Special Businesses:

Agenda Item No. 5 & 6 of the Notice –

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 Regulation 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 2022-2023 to be ratified as disclosed in Note No 38 of the Financial Statements of the Company for the year ended June 30, 2023

Likewise, 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 affected due to majority of Board members are interested in any agenda item). 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 2023-24.

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

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

Agenda Item No. 7 of the Notice –

Circulation of Company's annual audited financial statements through QR enabled code and weblink as part of notice of Annual General Meeting

The SECP, vide its SRO. 389 (1)/2023 dated March 21, 2023, has allowed listed companies to circulate the Annual Audited Financial Statements to their members through QR enabled code and web-link (instead of DVDs), subject to approval of the shareholders in the general meeting.

Foregoing in view, the following resolutions will be placed before the Members at the AGM for approval as special resolutions with or without modifications, additions or deletions:

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Sunrays Textile Mills Ltd.

Resolved That, the consent and approval of the Members of Sunrays Textile Mills Limited (the "Company") be and is hereby accorded and the Company be and is hereby authorized to circulate annual audited financial statements to its Members through QR enabled code and weblink as part of the notice of Annual General Meeting.

Further Resolved That the Chief Executive Officer, Chief Financial Officer and Company Secretary, singly or jointly, be and are hereby authorized to do all acts, deeds and things, take or cause to be taken any action as may be necessary, incidental or consequential to give effect to this resolution.

Agenda Item No. 8 of the Notice –

To substitute the Article 100 with Articles 100, of the Article of Association of the Company relating to Capitalization of Reserve:

The current provision of Article 100 stipulates that capitalization of reserves must be approved by members at a general meeting. The Board of Directors of the Company has recommended changing the current Article 100 by replacing it with Articles 100, in order to simplify the legal requirements and for better governance, including cost and time savings.

The comparison of existing Article 100 of Articles of Association of the Company with the proposed Articles 100, is as under:

Existing Article	Proposed Article
Capitalization of Reserves	Capitalization of Reserves
"100. Any General Meeting may resolve that moneys, investments or other assets forming part of the Company standing to the credit of the Reserve Fund or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the shares premium accounts be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised funds be applied on behalf of such shareholder in paying up in full any unissued shares of the Company which shall be distributed accordingly and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum."	"100. The Board of Directors of the Company may resolve at its discretion to 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 amongst 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 as fully paid up to and amongst such members in the proportion aforesaid and the directors shall give effect to such resolution. Whenever such a resolution aforesaid shall have been passed by the Board of Directors of the Company, the Directors are authorized to make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effects thereto."

Statement of the Board of Directors:

We, the members of the Board of Directors hereby confirm that the proposed amendments / alterations in the Memorandum and Articles of Association of the Company are in line with the applicable laws and regulatory framework.

Directors Interest:

The Directors do not have any interest in the Special Business, whether directly or indirectly, except to the extent of their shareholding in the Company.

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