

SMS / SHRS / 12

January 3, 2024

The General Manager
Pakistan Stock Exchange Ltd.,
Stock Exchange Building
Stock Exchange Road
KARACH I

Subject :- NOTICE OF ANNUAL GENERAL MEETING

Dear Sir,

Enclosed please find copy of the Notice of Annual General Meeting to be held on January 25, 2024 for circulation amongst your members.

Yours faithfully
for **SHAHMURAD SUGAR MILLS LIMITED**



M. YASIN MUGHAL
COMPANY SECRETARY

NOTICE OF MEETING
AKHQ/****



SHAHMURAD SUGAR MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 45th Annual General Meeting of SHAHMURAD SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Thursday, January 25, 2024 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 44th Annual General Meeting held on January 26, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2023 together with the Directors' and Auditors' Reports thereon.
3. To approve payment of Final Cash Dividend @ 200% i.e. Rs.20.00 per ordinary share of Rs.10/= each for the year ended September 30, 2023 as recommended by the Board of Directors. This is in addition to 300% i.e. Rs.30.00 per share interim cash dividend already paid making a total cash dividend of Rs.50.00 per share i.e. 500%.
4. To appoint Auditors and to fix their remuneration for the year 2023-24. The present Auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

SPECIAL BUSINESS

5. To consider and pass the following Special Resolutions in respect of related party transactions as required u/s 208 of Companies Act 2017.
 - a. "RESOLVED that the transactions carried out in normal course of business with related parties as disclosed in Note No. 37 of the audited financial statements for the year ended September 30, 2023 be and are hereby ratified and approved."
 - b. "FURTHER RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in future in normal course of business with related parties during the ensuing years and in this connection the Chief Executive Officer or Director or Company Secretary be and are hereby authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."
6. **To Circulate the Annual Audited Financial Statements / Annual Report to the Members Through QR Enabled Code and Weblink:**

To consider dissemination of annual audited financial statements through QR enabled code and weblink instead of transmitting the same in the form of CD/DVD/USB and approve the following resolution as a Special Resolution with or without modification: -

"Resolved that dissemination of information regarding annual audited financial statements to the shareholders through QR enabled code and weblink as notified by the Securities and Exchange Commission of Pakistan vide its SRO 389 (1)/2023 dated 21st March, 2023, be and is hereby approved while considering technological advancements and old technology becoming obsolete, the circulation of annual financial statements through CD/DVD/USB be discontinued."

"FURTHER RESOLVED that the Managing Director / Chief Executive or any of the Directors or the Company Secretary be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements to effectuate and implement this resolution."

OTHER BUSINESS

7. To transact any other business with 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

By Order of the Board

Karachi
December 26, 2023

M. Yasin Mughal
Company Secretary

NOTES:

- 1. Closure of Share Transfer Books:**

The Register of the Members of the Company will remain closed from January 19, 2024 to January 26, 2024 (Both days inclusive) for the purpose of attending the Annual General Meeting /Transfer of shares / entitlement of cash dividend.

- 2. Participation in Annual General Meeting and appointing proxies:**

A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote on his/her behalf. PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

In pursuance of Circular No.1 of SECP dated January 26, 2000 the CDC Account holders/subaccount holders are requested to bring with them their original CNICs or Passports alongwith Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be submitted along with Proxy form to the Company. The nominee shall produced his original CNIC at the time of attending the meeting for identification.

- 3. Participation in the Annual General Meeting Electronically.**

In Pursuance of Circular No. SMD/SL/2(20)/2021/117 dated 15-02-2021 issued by SECP to ensure the participant Members may attend the Meeting Electronically. To attend the Meeting Electronically a Member is required to send an e-mail to agm.shsml@alnoorgroup.co with e-mail address, name, folio number, CNIC Number, Cell Number and number of shares held in his / her name with subject "Registration for AGM of SHSML". A video link to join the Meeting will be shared with Members whose e-mails, containing all the required particulars, are received not later than 48 (forty-eight) hours before the time of the Meeting.

4. Submission of copies of CNIC

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier, to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall be constrained to withhold the Dividend, under the provisions of Section 243 of the Companies Act 2017.

5. Deduction of Withholding Tax from Dividend U/S 150 of the Income Tax Ordinance, 2001:

- (i) The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 for payment of dividend are as follows:

Rate of tax deduction for the filer(s) of income tax return 15%.

Rate of tax deduction for the non-filer(s) of income tax return 30%.

- (ii) 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 Tax-payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (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.

In this regard, all shareholders who hold such 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 follow:

Company Name	Folio/CDS Account #	Total Shares	Principal shareholder		Joint Shareholders		Signature
			Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)	

6. Requirement of Valid Tax Exemption Certificate for Claiming Exemption from Withholding Tax:

As per FBR Circulars No.1(29) WHT/2006 dated June 30, 2010 and No.1(43) DG (WHT) 2008 - Vol. - II-66417-R dated May 12, 2015 the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in the above clause and want to avail exemption U/S 150 of the Ordinance, must provide Valid Tax Exemption Certificate to our Share Registrar.

In case of those shareholders who are non-residents are requested to please provide their respective detail including residence status /country of residence with copy of their NICOP to our Share Registrars before book closure. In case of non availability of status in their respective portfolio, the respective tax on dividends would be applicable.

7. Payment of Cash Dividend Electronically:

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash 'shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. A notice of the foregoing seeking information from shareholders for payment of dividend through electronic mode was sent earlier. The shareholders are now once again requested to provide their folio number, name and details of bank account including bank name, branch name, branch code and address, Account number, Title of Account and IBAN/swift code in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same at the earliest possible.

In case shares are held in CDC then the form must be submitted directly to shareholder's broker /participant CDC Investor account services.

8. Unclaimed Dividend / Shares :

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

9. Distribution of annual report through email (optional)

Pursuant to the provision of section 223(6) of the Companies Act 2017, the companies are permitted to circulate their annual financial statements along with auditor's report directors' review report etc. ("Annual Report") and the notice of annual general meeting ("Notice"). to its shareholders by email. Shareholders of the Company who wish to receive the Company's annual report and notice of annual general meeting by email are requested to provide the completed electronic communication consent form (available on the Company's website). to the Company's share registrar.

The audited financial statements of the Company for the year ended September 30, 2023 have been made available on the Company's website (www.shahmuradsugar.co) in addition to annual and quarterly financial statements for the prior years.

10. Video Conference Facility :

As per Companies Act, 2017, if the Company received consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the Annual General Meeting (AGM) through video conference at least seven days prior to the date of AGM, the Company will arrange a video conference facility in that city subject to availability of such facility in that city. The Company will intimate to members regarding the video conference facility venue at least 5 days before the date of the AGM along with the complete information needed to access the facility. If you would like to avail video conferencing facility, as per above, please fill the following and submit to registered office of the Company at least seven days before AGM.

I / We, _____ of being a member of Shahmurad Sugar Mills Limited, holder of Ordinary _____ Share(s) as per Register Folio No / CDC Account No. _____ hereby opt for video conference facility at _____.

MEMBER SIGNATURE

11. Deposit of Physical Shares into CDC Accounts.

As per Section 72 of the Companies Act, 2017 every existing 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 commencement of the Companies Act, 2017.

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of Pakistan Stock Exchange.

12. Financial Statements and relevant reports have been placed on the website of the company which can be seen on www.shahmuradsugar.co

13. E-Voting

Members may exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of section 143 and 144 of the Companies Act, 2017. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purposes of Special Business members will be allowed to exercise their right to vote through postal ballot /electronic mode in accordance with the requirement and procedures contained in the aforesaid Regulations. The schedule and procedure of postal ballot/electronic voting shall be placed on the Company's website i.e. www.shahmuradsugar.co seven (7) days before the meeting.

14. Change of Address and Non-Deduction of Zakat Declaration Form:

Shareholders are requested to inform the Company's Share Registrar, M/s. C & K Management Associates (Pvt.) Limited, 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi of any change in their addresses and provide their non-deduction of zakat declaration Form immediately.

Statement under Section 134(3) of the Companies Act, 2017 Regarding Special Business

This statement sets out the material facts concerning the special resolution contained in the notice pertaining to the Special Business to be transacted at the Annual General Meeting of Shahmurad Sugar Mills Limited to be held on January 25, 2024.

RELATED PARTY TRANSACTIONS.

Agenda Item No. 5(a) of the Notice - Transactions carried out with related parties during the year ended September 30, 2023 to be passed as a Special Resolution.

The transactions carried out in normal course of business with related parties were approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act 2017 and Section 15 of listed Companies Code of Corporate Governance, Regulation 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company's Directors were interested in these transactions due to their common directorship and holding of shares in the related parties, the quorum of directors could not be formed for approval of these transactions specifically, therefore, these transactions have to be approved by the shareholders in the General Meeting. In view of the above, the transactions carried out during the financial year ended September 30, 2023 with related parties shown in note No.37 of the financial statements are being placed before the shareholders for their consideration and approval / ratification.

Agenda Item No. 5(b) of the Notice - Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with related parties during the ensuing years to be passed as a Special Resolution.

The Company is expected to be conducting transactions with related parties in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the related parties. Therefore, 'such transactions with related parties have to be approved by the shareholders.

In order to comply with the provisions of Section 208 of Companies Act 2017 and Section 15 of listed Companies Code of Corporate Governance Regulation 2019, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with related parties during the ensuing years.

The Directors in respect of item # 5 (a) and (b) are interested in the resolutions to the extent of their common directorships and their shareholding.

Agenda Item No. 6 of the Notice – To circulate annual audited financial statements through QR enabled code:

In order to implement SECP notification with respect to transmission / circulation of information such as annual audited financial statements through QR enabled code and weblink instead of CD/DVD/USB, and will also be provided through e-mail if they desire to receive the same at their e-mail addresses. Special resolution is a part of the notice for concurrence of shareholders to adopt the newly introduced mode of transmission. However, for convenience of shareholders Standard Request Form is available on Company's website for those who opt to receive the hard copy of annual audited financial statements with relevant documents at their registered addresses.

The directors of the Company have no vested interest, direct or indirect in the above mentioned Special Business except to the extent of payment of fee to non-executive directors.