

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 51st Annual General Meeting of the shareholders of Shams Textile Mills Limited will be held on **Monday October 29, 2018 at 9:00 a.m.** at the Registered Office, 7-B-3, Aziz Avenue, Gulberg 5, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts together with the Directors' and Auditor's reports thereon for the year ended June 30, 2018.
2. To approve as recommended by Directors, the payment of Cash Dividend @ 23.5% i.e. Rs. 2.35/- per share for the year ended June 30, 2018.
3. To appoint auditors of the Company and fix their remuneration. The present auditor M/s Riaz Ahmad and Company Chartered Accountants retires and offers themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass the following resolution as a Special Resolution, as per SRO 470 (I)/2016 issued by the Securities and Exchange Commission of Pakistan, for the transmission of Annual Audited Accounts either through E-mail or CD/DVD/USB:

"RESOLVED that the Company may circulate the annual balance sheet and profit and loss account, auditor's report, directors' report etc. to its members either through E-mail or CD/DVD/USB instead of in hardcopy at their registered addresses".

BOOK CLOSURE:

The Members' Register will remain closed from October 23, 2018 to October 29, 2018 (both day inclusive)

NOTES:

1. Transfer received in order at the Registered Office by the close of business hours on October 23, 2018 will be treated in time.
2. A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be received by the Company at the Registered Office not later than 48 hours before the time for holding the Meeting.
4. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular no. 1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for attending the meeting:

For Attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and whose registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) 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 meeting.

For Appointing Proxies:

- i. In case of individuals, the account holder or sub-account holder and whose registration details are uploaded as per the Regulations, shall submit the proxy form as per above requirement
- ii. Attested copies of valid CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- iii. The proxy shall produce his/her original valid CNIC or original passport at the time of the meeting.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be produced (unless it has been provided earlier) at the time of meeting.

Deduction of Tax on Dividend Income Finance Act, 2017

It is hereby informed that pursuant to the Finance Act, 2017, effective from July 1, 2016, the rate of withholding tax under Section 150 of the Income Tax Ordinance, 2001 on dividend income has been segregated as follows:

- i) Rate of tax deduction on dividend income for filer of income tax return 15%
- ii) Rate of tax deduction of dividend income for non filer of income tax return 20%

Further you are therefore requested to please provide us the following details:

Name	Folio No./ CDC Account No.	National Tax No.	CNIC No. (for individual only) enclose a copy of valid CNIC, if not already provided

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

This statement is annexed to the Notice of the 51st Annual General Meeting of Shams Textile Mills Limited (the Company) to be held on Monday, October 29, 2018, at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such Special Business.

ITEM (5) OF THE AGENDA.

To give effect to the notification S.R.O 470(I)2016 of the Securities and Exchange Commission of Pakistan ("SECP"), shareholder's approval is being sought to allow the Company to circulate its Annual Report either through E-mail or CD/DVD/USB to all members. The Company however shall place on its website, subject to approval of resolution by shareholders; a standard request form to enable those members requiring a hard copy of the Annual Report instead of either through E-mail or CD/DVD/USB, to communicate the Company of their requirement. Specimen of such request is attached herewith this notice.

In this connection after approval of members regarding aforementioned resolution, the Shareholders who wish to receive Annual Reports and Notices through e-mail are requested to provide through a letter duly signed by them as attached with this Notice of AGM, containing their particulars, i.e. Name, Folio / CDC A/c No. E-mail Address, Contact Number, CNIC Number (attach copy). Shareholders are also requested to notify immediately any change in their E-mail address to the Share Registrar of the Company, M/s. Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore. Ph.042-35170335-37.

Lahore
October 09, 2018

By Order of the Board
Company Secretary