

## SURAJ COTTON MILLS LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the shareholders of **Suraj Cotton Mills Limited** will be held on **Wednesday, October 27, 2021 at 10:00 A.M.** Due to prevailing conditions owing to COVID – 19 Pandemic, the meeting will be held through Video Conference facility to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts together with the Directors' and Auditor's reports thereon for the year ended June 30, 2021.
2. To approve as recommended by Directors, the payment of **Final Cash Dividend @ 100 % i.e. Rs. 10 /-** per share for the year ended June 30, 2021.
3. To appoint auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass with or without modification(s), the resolutions appearing below as ordinary resolutions for the capitalization of free reserves to issue bonus shares as recommended by the Directors.**

**"RESOLVED THAT** a sum of Rs. 40,338,443/- be capitalized out of the free reserves of the Company and applied towards issue of 4,033,844 ordinary shares of Rs. 10 each, **as 10 % fully paid bonus shares** i.e. in the proportion of one (01) ordinary share for every ten (10) ordinary shares held by the members of the Company whose names appear in the Members' Register as at the close of the business on October 20, 2021".

**"FURTHER RESOLVED THAT** the bonus shares shall rank pari passu in all respects with the existing shares of the Company as regards the future entitlements, however, these shares shall not be eligible for final dividend declared by the Company for the year ended June 30, 2021".

**"FURTHER RESOLVED THAT** member's fractional entitlement, as a result of their entitlement to a fraction of a bonus share due to their respective shareholdings shall be deposited into a charity account to be proposed and approved by the Shareholders in the Annual General Meeting on October 27, 2021".

**"FURTHER RESOLVED THAT** the Chief Executive and Company Secretary be and are hereby jointly and/or severally authorized to give effect to these resolutions and to do and cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of the said bonus shares and the deposit of sale proceeds of the fractions into aforementioned account".

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

Statement U/s 134(3) of the Companies Act, 2017 pertaining to the Special Business mentioned in Agenda Item No. 4 is being sent to the shareholders along with this notice.

**By Order of the Board**



**Company Secretary**

Lahore: October 05, 2021

**BOOK CLOSURE:**

The Members' Register will remain closed from **October 21, 2021 to October 27, 2021 (both days inclusive)**

**NOTES:**

1. Transfers received in order at the company's Share Registrar Office, M/s Corptec Associates Private Limited, 503-E, Johar Town, Lahore by the close of business hours on or before **October 20, 2021** will be considered in time.
2. Due to COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, Securities and Exchange Commission of Pakistan(SECP)in terms of its Circular No.5 issued on March 17,2020 had advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at AGM through proxies.

Shareholders interested to participate in the AGM are requested to share below information at [info@corptec.com.pk](mailto:info@corptec.com.pk) for their appointment and proxy's verification by or before Wednesday, October 20, 2021 by 3:00 P.M.

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	Cell No.	E-mail Address

Shareholders who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will be available at the start of AGM till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of AGM at aforementioned e-mail on or before Monday, October 18, 2021 by 05:00 p.m.

3. 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. Proxies in order to be effective must be received by the Company at the Registered Office not later than 48 hours before the time of holding the meeting. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form. A proxy must be a member of the Company. The proxy form is annexed to the notice sent to the members. In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature of the nominee shall be submitted along with copy of CNIC of the representative.

### **Replacement of Physical Shares with Book-entry Form**

As per Section 72 of The Companies Act, 2017 every existing company shall replace its physical shares with book-entry form in a manner as may be specified and from the date notified by The SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholders holding shares in physical form are requested to please convert their shares in the book entry form. For this purpose, the shareholders may open CDC Sub-account with any of the brokers or investor 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 at any time they want as the trading of physical shares is not permitted as per existing Regulations of the Pakistan Stock Exchange Limited.

### **CNIC/IBAN for E-Dividend Payment**

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

### **Zakat Declarations:**

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980

**Deduction of Tax on Dividend Income – Finance Act, 2021**

It is hereby informed that pursuant to the Finance Act, 2021, the rate of withholding tax under Section 150 of the Income Tax Ordinance, 2001 on dividend income has been segregated as follows:

Rate of tax deduction on dividend income for filer of income tax return 15%

Rate of tax deduction of dividend income for non filer of income tax return 30%

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

**Video Conference Facility**

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (7) days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website.

**Placement of Financial Statements on Company's Website**

The Company has placed a copy of the Notice of AGM, Annual Financial Statements for the year ended 30 June 2021 along with Auditors and Directors Reports thereon and Chairman's Review on the website of the Company: [www.suraj.com](http://www.suraj.com)

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

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

This statement sets out all the material facts concerning Special Business under Agenda Item No.4 be transacted at the 37<sup>th</sup> Annual General Meeting.

**AGENDA ITEM NO.4  
ISSUE OF BONUS SHARES BY CAPITALIZATION OF FREE RESERVES**

The Board of Directors in their meeting held on September 20, 2021, have recommended capitalization of a sum of Rs. 40,338,443/- out of free reserves of the Company for issue of 4,033,844 ordinary shares of Rs. 10 each, as 10 % fully paid bonus shares. The directors are of the view that the Company's financial position and its reserves justify the capitalization of free reserves.

The Directors of the Company have not, direct or indirect interest in this special business, except to the extent of their entitlements of bonus shares and their relatives who are also shareholders of the Company.