



Sunrays Textile Mills Ltd.

July 2, 2021

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Sunrays Textile Mill Limited (the Company) will be held at the Plot 3 & 7 Korangi Karachi on Monday, July 26, 2021 at 04:00 pm. to transact the following business: -

Ordinary Business

1. To confirm minutes of the Extra Ordinary General Meeting held on February 24, 2021.

Special Business

2. To consider and approve investment in Embee Industries (Pvt) Limited, an associate undertaking of the company by way of acquisition of shares, and to pass the following resolution, with or without modification u/s companies act 2017.
3. "Resolved that approval of the members of Sunrays Textile Mill Limited (the "Company") be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017 and the Company be and is hereby authorized to invest an aggregate sum of Rs 190,850,000 (Rs. One Hundred Ninety Million Eight Hundred Fifty Thousands Only) approximately in Embee Industries (Pvt) Limited, an associated undertaking of the company by way of 100% acquisition of total 173,500/- Ordinary Shares @ Rs. 1,100 per share. Whereas the breakup value is Rs. 1,143.09 as on March 31, 2021 as per Akram and Company Chartered Accountant.

Resolved Further that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of related documents and to complete all legal formalities including filing of corporate returns with SECP on behalf of the company as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolution."

4. To transact any other ordinary business with the permission of the Chair.

The Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the aforesaid Special Business to be transacted at the Extraordinary General Meeting is attached to this notice.

By Order of the Board


Ahmed Faeem Niaz
Company Secretary

Karachi: July 02, 2021

Notes:

- 1) The share transfer books for ordinary shares of the Company will be closed from July 19, 2021 to July 26, 2021 (both days inclusive). Valid transfer(s) received in order by our Share Registrar, M/s Jwaffs Registrar Services (Pvt) Limited, 407-408 Al-Ameera Centre Shakra-e-Iraq Saddar Karachi by the close of business on July 16, 2021 will be in time for the purpose of attending the Extraordinary General Meeting.
- 2) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint another member as proxy. Proxies, in order to be effective, must be received at the Company's registered office not less than forty-eight (48) hours before the time of meeting. Member through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) with the proxy form.
- 3) The Shareholders through CDC, who wish to attend the Extraordinary General Meeting, are requested to please bring original CNIC with copy thereof duly attested by their bankers, account number and participant I.D number for identification purpose.
- 4) In case of corporate entity, certified copy of the Board of Director's resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

5th Floor, Office No.508 Beaumont Plaza, Beaumont Road, Civil Lines Quarters, Karachi, Pakistan.

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Sunrays Textile Mills Ltd.

- 5) Members who have not submitted copy of valid CNIC are once again advised to submit the same without further delay to ensure compliance with the Securities and Exchange Commission of Pakistan (SECP) Notification S.R.O. 275(i)/2016 dated March 31, 2016 read with Notification S.R.O. 19(i)/2014 dated January 10, 2014 and Notification S.R.O. 831(i)/2012 dated July 5, 2012.
- 6) The Company has placed the Notice of Extra Ordinary General Meeting along with form of proxy on its website: www.indus-group.com.
- 7) Shareholders interested in attending the Extraordinary General Meeting (EOGM) 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 EOGM at gaisarmuzaffar28@gmail.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 03.45 am till the end of the meeting.
- Shareholders will be encouraged to participate in the EOGM to consolidate their attendance and participation through proxies.
- Shareholders will be able to login and participate in EOGM 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.

- 8) Members are requested to promptly notify the Company of any change in their registered address.

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

This statement sets out the material facts concerning the special business to be transacted at the Extraordinary General Meeting of Sunrays Textile Mills Limited to be held on July 26, 2021.

The directors have recommended in their board meeting held on June 28, 2021, the acquisition of 173,500 Ordinary Shares equivalent to 100% shareholding of Embee Industries (Pvt) Limited, an associated undertaking, at a price of Rs 1,100/- per share (par value Rs. 100/- each) The breakup value of shares of Embee Industries (Pvt) Limited as on March 31, 2021 is Rs 1,143.09 per share.

Embee Industries is an associated company of Sunrays Textile Mills Limited, and the purpose of investment through acquisition of shares equivalent to 100% of the associated Company and to utilize its land and Building as head office building of the Company and its subsequent most beneficial usage thereof.

Information pursuant to Regulation 3(a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017			
A(i)	name of associated company or associated undertaking;	Embee Industries (Pvt) Limited (Embee)	
A(ii)	basis of relationship;	Common Directorship	
A(iii)	earnings per share for the last three years;	Year	E.P.S
		2018	(0.40)
		2019	(0.25)
		2020	(2.41)
A(iv)	break-up value per share, based on latest audited financial statements;	Rs. 1,143.09/-	
A(v)	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Assets as at March 31, 2021 Non-current assets – Rs. 197,772,656 Current assets – Rs. 833,808 Total assets – Rs. 198,606,464 Total current liabilities – Rs. 280,110 Net equity – Rs. 198,326,354 Revenue for the period ended March 31 2021 – Rs. 1,511,587 Expenses – Rs. 899,716 Tax Expenses – Rs. 461,176 Net Profit after tax- Rs. 150,695	

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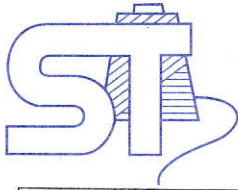
Sunrays Textile Mills Ltd.

A(vi)	<p>in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,</p> <p>i) Description of the project and its history since conceptualization;</p> <p>ii) starting date and expected date of completion of work;</p> <p>iii) time by which such project shall become commercially operational;</p> <p>iv) expected time by which the project shall start paying</p> <p>v) return on investment; and</p> <p>vi) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	N/A
B	GENERAL DISCLOSURE	
i	maximum amount of investment to be made;	Rs. 190,850,000/- (Rs. One Hundred Ninety Million Eight Hundred Fifty Thousands Only)
ii	purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	The fixed assets of the Embee i;e Land and Building is proposed to be used as head office building on long term basis without any interruption and the Company may undertake its future feasible venture(s) under the umbrella of this proposed 100% owned subsidiary company.
iii	<p>sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <p>(i) justification for investment through borrowings;</p> <p>(ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(iii) cost benefit analysis;</p>	<p>The proposed investment will be made from company's own resources/funds.</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
iv	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	N/A
v	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The Directors have no interest in the Investee Company except the common directors, who are interested to the extent of their shareholding in the investee Company.
vi	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;and	N/A
vii	any other important details necessary for the members to understand the transaction;	Nil

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Additional disclosure regarding Equity Investment pursuant to Regulation 3(b) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017		
i	maximum price at which securities will be acquired;	Rs =1,100/- per share based on negotiated price. This price is less than the fair value of share of Embee.
ii	in case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	N/A
iii	maximum number of securities to be acquired;	173,500 ordinary Shares
iv	number of securities and percentage thereof held before and after the proposed investment;	Before Nil After 100%
v	current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	N/A
vi	fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Based on the valuation of fixed assets and due diligence of the Company, fair value of has been determined as Rs. 1,143.09/-per share
Information pursuant to Regulation 3(c) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017		
i	category-wise amount of investment;	N/A
ii	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	N/A
iii	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	N/A
iv	particulars of collateral or security to be obtained in relation to the proposed investment;	N/A
v	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	N/A
vi	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	N/A

Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The following sponsors and directors of the Company are also members of Sunrays Textile Mills Limited:

- Mian Shahzad Ahmed
- Mr. Kashif Riaz
- Mr. Irfan Ahmed
- Mian Imran Ahmed
- Mr. Naveed Ahmed

Declaration pursuant to section 199(2) of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The directors have certified that they have carried out necessary due diligence for the proposed investments before making recommendation for approval of the members and duly signed recommendation of the due diligence report shall be made available for inspection of members in the general meeting along with latest financial statements of Embee.

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