

Dear Shareholder,

Dated: October 03, 2014

Withholding of Income Tax on Payment of Cash Dividend:

Please note that dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Further, pursuant to the provisions of Finance Act 2014, effective from July 1, 2014 a new criteria for withholding of tax on dividend income has been introduced by Federal Board of Revenue (FBR), as per this criteria, 'Filer' and 'Non-Filer' shareholders will pay tax @ 10% and 15% respectively. The 'Filer' shareholders will be determined by matching their CNIC/Passport number available in Active Tax Payers list (ATL) at FBR website (<http://www.fbr.gov.pk/>) from the CNIC/Passport number maintained by their respective Participant/CDC Investor Account Services or by the Company's Share Registrar (in case of physical shareholding). In the same manner, the 'Filer' status of Non-Individual shareholders will be determined by matching their National Tax Numbers (NTN).

Shareholders are therefore advised to ensure that they have provided their CNIC/Passport/NTN to their respective Participant/CDC Investor Account Services/Company's Share Registrar and their names are appearing in ATL available at FBR website (<http://www.fbr.gov.pk/>).

The Non-Individual/Corporate shareholders are further requested to confirm their tax status under section 150 of Income Tax Ordinance 2001. In case of any exemption from compulsory deduction of tax kindly submit valid/certified copies of the following under your covering letter duly signed by the authorized signatories, to avoid deduction of tax at source:

- *Tax Exemption Certificate duly issued by the Income tax authorities or related reference of exemption from withholding tax from law.*
- *Recognition Certificate (in case it is recognized / approved employees fund) issued by tax authorities or related reference from law substantiating non-deduction of income tax*

Submission of Copy of CNIC :

The Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 779(i) 2011 dated August 18, 2011 has directed the company to print your Computerized National Identity Card (CNIC) number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with this regulatory requirement, **physical shareholders** are requested to kindly send photocopy of their CNIC immediately to our Share Registrar. Kindly ignore if you have already provided your CNIC copy to our Share Registrar. Corporate Shareholders are requested to provide their copy of your organization's National Tax Number (NTN) Certificate to your Participant / CDC Investor Account Services (in case your shareholding is in book entry form) or to our Share Registrar (in case of physical shareholding).

Kindly note that the address of our Share Registrar is '**Share Registrar Department, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, Pakistan**'.

Unclaimed Shares / Dividends:

You may also write to us for any outstanding / unclaimed cash dividend or bonus shares issued to you by company in past years.

Company Secretary
Salafi Textile Mills Limited

Note: This is a computer generated letter and does not require signature.