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*Security Papers*  
LIMITED

No. SY – 67/024

10 AUG 2020

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

DRAFT NOTICE OF 55<sup>TH</sup> ANNUAL GENERAL MEETING

Dear Sir,

Enclosed please find Draft Notice of 55<sup>th</sup> Annual General Meeting (AGM) of the Company which will be held on Tuesday, September 01, 2020 at 11:00 AM.

The said Notice will be published in the newspapers shortly.

Yours truly,  
for Security Papers Limited

**Rizwan Ul Haq Khan**  
Company Secretary

Encl: As stated above

**Registered Office &  
Shares Department :**  
**Factory :**

Jinnah Avenue, Malir Halt, Karachi-75100.  
Ph.: (92)-021-99248285 Fax No.: (92)-021-99248286 NTN: 0712033-8 STR No.02-04-4816-002-64  
Jinnah Avenue, Malir Halt, Karachi-75100, Ph: 99248536-37 Fax: 99248616,99248538

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifty-fifth Annual General Meeting of Security Papers Limited will be held on Tuesday, September 01, 2020 at 11:00 a.m. electronically through video-link arrangement at its Registered Office, Jinnah Avenue, Malir Halt, Karachi to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2020 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of cash dividend at the rate of Rs 9/- per share i.e. 90% for the year ended June 30, 2020 as recommended by the Board of Directors.
3. To appoint Auditors for the year 2020-21 and to fix their remuneration.
4. To elect four Directors as fixed by the Board pursuant to provision of Section 159(1) of the Companies Act, 2017 for a term of three years in place of the following retiring Directors who are eligible for re-election:
  1. Sheikh Mohammad Aijaz Akhtar
  2. Mr. Jamal Nasim
  3. Mr. Muhammad Ayub
  4. Muhammad Sualeh Ahmad Faruqui

**By Order of the Board**

**(Rizwan Ul Haq Khan)**  
Company Secretary

Karachi,  
July 24, 2020

### NOTES:

#### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from August 21, 2020 to September 01 2020 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. FAMCO Associates (Pvt.) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi by the close of business on August 20, 2020 will be considered in time to determine the above mentioned entitlement and to attend and vote at the Meeting.

#### 2 For Candidates participating in the Election of Directors

Any person who seeks to contest the election of directors shall, whether he/she is a retiring Director or otherwise, file with the Company at its Registered Office not later than fourteen (14) days before the date of the meeting his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Companies Act, 2017, together with:

- (i) Consent to Act as Director on Form-28 (available online on the website of the SECP), as prescribed under the Companies (General Provisions and Forms) Regulations, 2018;
- (ii) A detailed profile along with office address for placement on the Company's website seven (7) days prior to the date of election of directors in term of S.R.O.1196(1)/2019 of 3<sup>rd</sup> October 2019.
- (iii) Declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in Section 153 and 166 of the Companies Act, 2017 to act as director or an independent director of a listed company;
- (iv) Attested (where possible) copy of valid CNIC and NTN; and
- (v) A declaration by Independent Director(s) under Clause 6 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 shall be submitted.

Potential candidates may contact Mr. Rizwan Ul Haq Khan, Company Secretary, at [comsec@security-papers.com](mailto:comsec@security-papers.com) for any queries or assistance on the above.

The final list of contesting directors will be circulated not later than seven days before the date of said meeting, in terms of section 159(4) of the Companies Act 2017. Further, the website of the Company will also be updated with the required information.

For any query/problem/information, the investors may contact the Company Secretary at email address: [comsec@security-papers.com](mailto:comsec@security-papers.com).

### **3. Participation in the Annual General Meeting electronically and appointing proxies**

- (i) Members whose names are appearing in the register of members as of August 20, 2020 are entitled to attend and vote at the meeting.
- (ii) The shareholders who wish to attend the Annual General Meeting are requested to get themselves registered by sending their particulars at the designated email address ([info.shares@famco.com.pk](mailto:info.shares@famco.com.pk) and [comsec@security-papers.com](mailto:comsec@security-papers.com)), giving particulars as per below table by the close of business hours (5:00 PM) on August 20, 2020.

<b>Name of Shareholder</b>	<b>CNIC No./NTN NO.</b>	<b>CDC Participant ID/Folio No.</b>	<b>Cell No.</b>	<b>Email address</b>

- (iii) The webinar link would be provided to the registered shareholders/proxies who have provided all the requested information. The shareholders are also encouraged to send their comments/suggestion related to the agenda items of the AGM on the above-mentioned email address by the close of business hours (5:00 PM) on August 20, 2020.

- (iv) A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on their behalf. No person shall act as a proxy (except for a corporation) unless he is entitled to be present and vote in their own right. For appointing proxies, the scanned copy of the proxy form appearing below duly executed and witnessed, along with the relevant supporting documents and the e-mail address of the proxy must be sent to the Company Secretary at [comsec@security-papers.com](mailto:comsec@security-papers.com) at least 48 hours before the time of the Meeting.
- (v) The proxy form should be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (vi) Where possible, attested copies of the CNIC or the identification pages of the passport of the beneficial owners and the proxy should be enclosed with the e-mailed Proxy Form.
- (vii) In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature should be submitted along with the e-mailed (soft copy) of the Proxy Form to the Company.
- (viii) Shareholders holding shares in physical form are requested to notify the change of their addresses, if any and provide the copy of their CNIC to Share Registrar, M/s. FAMCO Associates (Pvt.) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. Those shareholding are in electronic form with CDC must notify change of address to their participants or CDC Investor Accounts Services with whom account is maintained.

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

#### **4. CNIC / NTN Number on Dividend Warrant (Mandatory)**

- (i) As already been notified from time to time, SECP has directed vide its Notification S.R.O. 831(1)/2012 dated July 5, 2012 that the Dividend Warrant(s) should also bear the Computerized National Identity Card (CNIC) Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).
- (ii) In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of non-availability copy of valid CNIC (for individuals) and National Tax Number (for corporate entity).
- (iii) Accordingly, shareholders who have not yet submitted copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or Share Registrar, M/s. FAMCO Associates (Pvt.) Limited.

**5. Deduction of Income Tax from Dividend under Section 150 the Income Tax Ordinance, 2001 (Mandatory)**

- (i) Pursuant to the provisions of the Finance Act, 2019 effective July 1, 2019, the rates of deduction of Withholding Income Tax from dividend payments under the Income Tax Ordinance have been revised as follows:
- (ii) Rate of Withholding Income Tax deduction for the persons whose names are appearing on ATL ---- 15%.
- (iii) Rate of Withholding Income Tax deduction for the persons whose names are not appearing on ATL ---- 30%.
- (iv) 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 Taxpayers' 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%.
- (v) **Persons not appearing in the Active Taxpayers' List:** The rate of tax required to be deducted/collected, as the case may be, is increased by 100% (as specified in the First Schedule to the Income Tax Ordinance, 2001 (updated as per Finance Act, 2019).
- (vi) Withholding Tax will be determined separately on 'persons names appearing on ATL/persons names not appearing on ATL' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts.
- (vii) In this regard, all shareholders who hold 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 follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

- (viii) As per FBR Circulars C. No. 1 (29) WHT/2006 dated 30 June 2010 and C. No. 1 (43) DG (WHT)/2008-Vol. II -66417-R dated 12 May 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 above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

- (ix) For any query/problem/information, the investors may contact the Company Secretary at phone: 021-99248285 and email address [comsec@security-papers.com](mailto:comsec@security-papers.com) and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk)
- (x) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or FAMCO Associates (Pvt.) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

## **6. Payment of Cash Dividend Electronically (Mandatory)**

- (i) In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants.
- (ii) Therefore, shareholders are requested to provide the details of their bank mandate information specifying: (a) title of account (b) account number (c) IBAN number (d) bank name and (e) branch name, code and address to the Company or Share Registrar. Those shareholders who hold shares with participants/Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant/CDC.
- (iii) Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividend, if necessary information is not provided by shareholders.
- (iv) For the convenience of shareholders, e-Dividend Mandate Form is available on the Company's website: <http://www.security-papers.com>.

## **7. Unpaid Dividend Account**

In accordance with the provisions of Section 244 of the Companies Act, 2017,

- (i) where a dividend has been declared by a company but has not been paid or claimed, within a time period specified under section 242, to any shareholder entitled to the payment of the dividend, the company shall, within fifteen days from the date of expiry of the said period, transfer the total amount of dividend which remains unpaid or unclaimed to a separate profit bearing account to be called the unpaid dividend account opened by the company for this purpose in any scheduled bank. The deposits in the unpaid dividend account shall only be used for payment to a claimant as given in sub-section 4.

Explanation - Dividend for the purpose of this section means the dividend payable in cash.

- (ii) The company shall, within a period of ninety days of making any deposit of the amount under sub-section (1) to the unpaid dividend account, prepare a statement containing the names, the last known addresses, number of shares held, the amount of unpaid dividend to be paid to each shareholder and such other particulars as may be specified and place it on the website of the company required under any law, rules, regulations or directions to maintain a website and also on any other website as may be specified.

- (iii) Any change in the information to be maintained on the website under sub-section (2) shall be effected by the company in such manner and within such time as may be specified.
- (iv) Any person claiming to be entitled to any money transferred under sub-section (1) to the unpaid dividend account of the company may apply to the company for payment of the money claimed.
- (v) The company shall make payment to the bonafide claimant within a period of thirty days from the date of submission of claim with the company. No claimant shall be entitled to any amount except his unclaimed dividend amount.
- (vi) The amount of profit generated from the account maintained by the company under this section shall be used by the company for its corporate social responsibility initiatives and specified purposes.

## **8. Placement of Financial Accounts on Website**

- (i) Pursuant to the notification of the SECP S.R.O.1196(1)/2019 of 3<sup>rd</sup> October 2019, the financial statements of the Company have been placed on the Company's website at [www.security-papers.com](http://www.security-papers.com).

## **9. Consent for Video Link Facility**

- (i) Further to SECP S.R.O. No.1027/(I)2014 dated 13th November 2014 clause 1(b) "The Company may provide video link facility to its members for attending the general meeting at places other than the town in which the general meeting is taking place after considering the geographical dispersal of its members:
- (ii) Provided that if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video link at least 10 days prior to the date of meeting, the Company shall arrange video link facility in that city subject to availability of such facility in that city".
- (iii) The Company will intimate members regarding venue of video link facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of the Security Papers Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per Register CDC/Folio No. \_\_\_\_\_ hereby opt for video link facility at \_\_\_\_\_.

## **10. Change of Address (If any)**

- (i) Members are requested to notify any change in their addresses immediately.
- (ii) Shareholders are requested to provide above mentioned information/documents to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Company / Share Registrar.