


NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifty-seventh Annual General Meeting of Security Papers Limited, (the “Company”) will be held on Wednesday, October 26, 2022, at 9:00 a.m. at Security Papers Limited, Karachi to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022 together with the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of cash dividend at the rate of Rs 10/- per share i.e., 100% for the year ended June 30, 2022 as recommended by the Board of Directors.
3. To appoint Auditors for the Financial Year 2022-23 and to fix their remuneration.
4. To consider appropriate increase in Directors’ Meeting Fee.

By Order of the Board



(Rizwan Ul Haq Khan)
Company Secretary

Karachi,

September 29, 2022

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from October 17, 2022 to October 26, 2022 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi by the close of business on October 16, 2022 will be considered in time to determine the above-mentioned entitlement and to attend and vote at the Meeting.

2. Participation in the Annual General Meeting and appointing proxies

- (i) Members whose names are appearing in the register of members as of October 16, 2022 are entitled to attend and vote at the meeting.
- (ii) 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/hard 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 at least 48 hours before the time of the Meeting.
- (iii) The proxy form should be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iv) 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.

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- (v) In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature should be submitted along with Proxy Form to the Company.
- (vi) 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, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.
- (vii) 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.

3. CNIC / NTN Number on Dividend Warrant (Mandatory)

- (i) In terms of the Companies (Distribution of Dividends) Regulations, 2017. Regulation 4, Manner of payment of cash dividend, (iv) the Dividend Warrant or cheque should bear identification number.

Explanation _ For the purpose of these regulations identification number includes Computerized National Identity Card Number (CNIC) of the registered shareholder or the authorized person, child registration certificate number or juvenile card number in case of a minor, where applicable and registration number or national tax number of the shareholder being a person other than a natural person.

- (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 a 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 its Share Registrar, M/s. FAMCO Associates (Pvt.) Limited.

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

- (i) The rates of deduction of Withholding Income Tax from dividend payments under the Income Tax Ordinance, 2001 shall be as follows:
 - (ii) Persons appearing in Active Tax Payers List (ATL) ---- 15%.
 - (iii) Persons not appearing in Active Tax Payers (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 Tenth Schedule to the Income Tax Ordinance, 2001).
- (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 (only if not already provided) 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)

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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 the 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 and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: 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.

5. Intimation for Non-Resident Individual Shareholders

Non-Resident individual shareholders shall submit declaration of undertaking with copy of valid passport under definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividend to the Share Registrar (M/s. FAMCO Associates (Pvt.) Limited at 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi or email at info.shares@famco.com.pk at the latest by September 19, 2022. The copy of declaration form can be downloaded at Shares Registrar website: <https://famco.com.pk/share-registration-services/>

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 shareholders 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 the 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. Unclaimed / Unpaid Shares and Dividends

- (i) In accordance with the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it is due and payable, the Company shall give ninety days notices to the shareholders to file claim, if no claim is made before the Company by the shareholders, the Company shall proceed to deposit the unclaimed or unpaid Shares / Dividends with the Federal Government in compliance with the Section 244 of the Companies Act, 2017.
- (ii) In this regard, a Notice dated December 28, 2017 was sent by Registered Post acknowledgement due on the last known addresses of the shareholders to submit their claims within 90 days to the Company. In compliance of Section 244(1)(b) of the Companies Act, 2017 a Final Notice had also been published on March 30, 2018 in two daily newspapers i.e. (i) Business Recorder and (ii) Daily Jang in English and Urdu respectively.

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- (iii) In case no claim is received within the given period from the aforesaid Notice, the Company shall proceed to deposit the unclaimed / unpaid amounts with the Federal Government (as and when the account detail is provided) pursuant to the provisions of sub-section (2) of Section 244 of the Companies Act, 2017.

8. Conversion of Shares from Physical Form to Book-Entry-Form

- (i) The Securities and Exchange Commission of Pakistan (SECP) has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires to all the then existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.
- (ii) In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form.

9. Placement of Financial Accounts on Website

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

10. Consent for Video Link Facility

In accordance with Section 134(1)(b) of the Companies Act, 2017 and the Companies (General Provisions and Forms) Regulations, 2018 Regulation 29 - Video Link facility for meetings, the Company shall provide the facility of video-link to for attending the meeting.

- (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) Such facility shall be provided 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.
- (iv) 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 _____.

11. Change of Address (If any)

- (i) Members are requested to notify any change in their addresses immediately.

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.