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Security Papers
LIMITED

02 AUG 2017

No. SY – 67/018

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

NOTICE OF 52ND ANNUAL GENERAL MEETING

Dear Sir,

Enclosed please find Notice of 52nd Annual General Meeting (AGM) of the Company which will be held on Friday, 25 August 2017 at 11:00 AM.

The said Notice will be published in the newspapers shortly.

Yours truly,
for Security Papers Limited

Rizwan Ul Haq Khan
Chief Financial Officer &
Company Secretary

Encl: As stated above

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fifty-second Annual General Meeting of Security Papers Limited will be held on Friday, the 25th August 2017 at 11:00 AM at Hotel Ramada Plaza, Karachi, Star Avenue, Terminal No.1, Jinnah International Airport, 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 30 June 2017 together with the Reports of the Auditors and the Directors.
2. To approve the payment of cash dividend at the rate of Rs 8/- per share i.e. 80% for the year ended 30 June 2017 as recommended by the Board of Directors.
3. To appoint Auditors for the year 2017-18 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. Mr. Naveed Kamran Baloch

B. SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following as an Ordinary Resolution:

“RESOLVED that the Directors’ remuneration for attending meetings of the Board / Committee(s) of the Board be and is hereby increased from Rs 160,000/= to Rs 200,000/=.”

STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984 REGARDING THE SPECIAL BUSINESS:

The existing amount of Directors’ remuneration for attending the meetings of the Board / Committee(s) of the Board was Rs 160,000/= per meeting. The said amount had become inadequate and did not compensate for the increase in responsibilities of the Director. The proposed resolution seeks to revise the existing fee from Rs 160,000/= to Rs 200,000/= per meeting.

The Directors are interested in the Business to the extent of their remuneration.”

6. To consider, and if thought fit, pass the following as an Ordinary Resolution, with or without modification, to obtain consent from the Members for the transmission of Annual Audited Accounts of the Company in electronic form:

“RESOLVED that the consent and approval of the members of the Company be and is hereby accorded for transmission of annual reports including annual audited accounts, auditor’s report and directors’ report, notices of annual general meetings and other information contained therein of the Company to the members for future years through CD/DVD/USB instead of transmitting the same in hard copies.

FURTHER RESOLVED that the Chief Executive Officer or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.”

STATEMENT UNDER SECTION 134 (3) (B) OF THE COMPANIES ACT, 2017 REGARDING THE SPECIAL BUSINESS:

This statement sets out the material facts concerning the special business, given in agenda item No. 5 of the notice, intended to be transacted at the Annual General Meeting of Security Papers Limited to be held on 25 August, 2017.

The directors of the Company have recommended the same which will give the members the option to receive annual balance sheet, profit & loss account, auditor’s report and directors’ report etc.(“annual audited accounts”) through CD/DVD/USB at their registered address and to bring about and implement the Securities and Exchange Commission of Pakistan’s directive communicated through Notification # SRO 470(I)/2016 dated 31st May 2016.

The Directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors’ Report.

By Order of the Board

(Rizwan Ul Haq Khan)
Company Secretary

Karachi,
28 July 2017

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 17 August to 25 August 2017 (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 16, 2017 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 directors in terms of Section 150(3) of the Companies Act, 2017, together with:

- (i) Consent to act as director in Form-28 completed as required under Section 167(1) of the Companies Act, 2017;
- (ii) A declaration on the matters required by the Code of Corporate Governance and the Company (specimen may be obtained from Registered Office); and
- (iii) Detailed profile along with office address for placement on the Company’s website seven (7) days before to the date of election of directors in term of S.R.O.25(1)/2012 of 16th January 2012.

3. Participation in the Annual General Meeting

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.

A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP) vide Notification S.R.O. 275(I)/2016 dated 31st March 2016 read with Notification S.R.O. 19(I)/2014 dated 10th January 2014 and Notification S.R.O. 831(1)/2012 dated July 5, 2012 required 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).

Henceforth, issuance of dividend warrant(s) will be subject to submission of CNIC (individuals) / NTN (corporate entities) by shareholders.

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, 2017 effective July 1, 2016, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

1. Rate of tax deduction for filer of income tax return 15%
2. Rate of tax deduction for non-filers of income tax return 20%

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, shareholders whose names are not entered into the Active Tax-payers 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 @ 20% instead of 15%.

(ii) Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder (s) based on their shareholding proportions, in case of joint accounts.

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).

(iii) 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.

(iv) For any query/problem/information, the investors may contact the Company Secretary at phone: 021-99248285 and email address comsec@security-papres.com and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: info.shares@famco.com.pk

(v) 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. Dividend Mandate (Optional)

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 18 of 2012 dated June 05, 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account under Section 242 of the Companies Act, 2017.

Further, transferee of shares may exercise option for dividend mandate by using the revised "Form of Transfer Deed" available on Company's website. The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particulars of its bank account which he/she/it desires to be used for credit of cash dividend.

If they so desires the shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate Form" available on Company's website <http://www.security-papers.com>.

7. Payment of Cash Dividend Electronically (Optional)

The SECP has initiated e-dividend mechanism through its letter No: 8(4) SM/CDC/2008 dated April 05, 2013. In order to avail benefits of e-dividend (such as instant credit of dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc.) shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address.

8. Consent for Electronic Transmission of Audited Financial Statements & Notices (Optional)

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Company's website <http://www.security-papers.com>.

9. Change of Address

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.