

SHAHZAD TEXTILE MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Shareholders of **SHAHZAD TEXTILE MILLS LIMITED** will be held at Company's Registered Office, 19-A, Off. Zafar Ali Road, Gulberg-V, Lahore on Friday, October 30, 2015 at 11:00 a.m. 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, 2015 together with the Directors' and Auditors' Report thereon.
2. To approve and declare the payment of Final Cash Dividend @ 10.00% i.e. Rs.1.00 per share as recommended by the Board of Directors.
3. To appoint auditors of the Company for the year ending June 30, 2016 and fix their remuneration.
4. To transact any other ordinary business with the permission of the Chair.

By order of the Board

Place: Lahore

(**HASSAN-UD-DIN ANSARI**)

Dated: October 05, 2015

Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 21, 2015 to October 30, 2015 (both days inclusive). Transfers received in order at Company's Independent Share Registrar's Office, Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7- Bank Square, Lahore by the close of business on October 20, 2015, will be treated in time for the entitlement of dividend to the transferees and to attend the meeting.
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
4. Members are requested to submit declaration for zakat on the required format and to advise change in address, if any.
5. Members are requested to send copies of their Computerized National Identity Cards (CNICs) to the Company's Independent Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7- Bank Square, Lahore to enable the Company to comply with the direction of the Securities and Exchange Commission of Pakistan contained in SRO-831(1)/2012, Dated 05 July, 2012 for mentioning of CNIC Number of the Shareholders on the Dividend Warrants to be issued for Final Cash Dividend @ 10.00% announced by the Company.
6. In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged when shareholders can get amount of the dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No.8(4)SM/CDC 2008, Dated April 05, 2013 has advised all listed companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed which can be downloaded from company's website: www.shahzadtext.com
7. Pursuant to the provisions of Finance Act, 2015, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S. No	Nature of Shareholders	Rate of Deduction:
1	Filers of Income Tax Return	12.5%
2	Non-Filers of Income Tax Return	17.5%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate and necessary documentary evidence, as the case may be.

Withholding tax on dividend in case of Joint Account Holders:

In order to enable the Company to follow the directives of the regulators to determine shareholding in case of Joint account, all shareholders who hold shares with joint shareholders, 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. Shareholders who are filers are advised to make sure that their names (and/or the name of their joint holders) are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of AGM on 30th October 2015, otherwise they (and/or joint holders) shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 17.5% instead of 12.5%. In the event of non-receipt of the information by 30-10-2015, each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

8. The Company has placed the Audited Financial Statements for the year ended 30th June, 2015 along with Auditors' and Directors' Reports thereon on its website: www.shahzadtext.com
9. CDC Account Holder will further have to follow the under mentioned guidelines as laid down in Circular No.1 of 2000, Dated 26th January, 2000 issued by The Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's 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:

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC number shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

Other information to be disclosed to the members under Regulation #4 (2) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

In the Annual General Meeting held on October 30, 2014, the shareholders approved loans and advances to the extent of Rs.100.000 million (Rupees one hundred million only) to Sargodha Jute Mills Limited, an associated company. However, during the year no investments were made as the funds were not required by Sargodha Jute Mills Limited at any time during the year 2014-2015. The facility was provided for a period of one year and, therefore, the resolution stands expired.