



**SHAHZAD TEXTILE MILLS LIMITED**  
**MANUFACTURERS AND EXPORTERS OF YARN**



**FORM-4**

Date: - 28-09-2018


**THE GENERAL MANAGER**  
Pakistan Stock Exchange Limited,  
Stock Exchange Building  
Stock Exchange Road,  
Karachi.

**Subject: Notice of Annual General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on Saturday, October, 27, 2018 at 12:30 p.m. for circulation amongst the TRE Certificate Holders of the Exchange.

Yours Sincerely,  
for **SHAHZAD TEXTILE MILLS LIMITED**

  
**COMPANY SECRETARY**

Encl: as above



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**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Fortieth (40<sup>th</sup>) 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 Saturday, October 27, 2018 at 12:30 p.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Chairman's Review Report, the Reports of Directors and Auditors together with Audited Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018.
2. To approve, as recommended by the Board of Directors, the payment of final cash dividend of Re. 1.00 per share (i.e., @10.0%) for the year ended 30 June 2018.
3. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s Horwath Hussain Chaudhury & Co. Chartered Accountants for appointment as auditors of the Company.

**SPECIAL BUSINESS**

1. To consider and, if deemed fit, to pass the following resolution as Special Resolution with or without modification for ratification of Transactions with Related Parties as per Note No. 37 of Audited Accounts 2018.

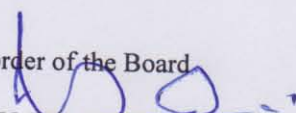
RESOLVED that the related party transactions carried out by the Company with related parties during the year ended June 30, 2018 be and hereby approved.

RESOLVED FURTHER that Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2019 and till the date of next annual general meeting.

2. To consider and if deemed fit to pass the following resolution as Special Resolution with or without modification for the transmission of the annual audited accounts, notices of general meetings and other information contained therein of the Company either through CD/DVD/USB in terms of S.R.O 470(1) 2016 dated May 31, 2016.

RESOLVED that consent and approval of the members of Shahzad Textile Mills Limited, (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ended June 30, 2019 through CD or DVD or USB instead of transmitting the same in hard copies"

By order of the Board

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

Place: Lahore  
Dated: September 26, 2018



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**NOTES:**

1. The Share Transfer Books of the Company will remain closed from October 18, 2018 to October 27, 2018 (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 17, 2018, will be treated in time for the entitlement of dividend to the transferees and to attend the annual general meeting.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. A Proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial 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. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down 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 numbers 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.



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**5. CNIC/IBAN for E-Dividend Payment**

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

**6. Zakat Declarations:**

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

**7. Circulations of Annual Reports through Email**

The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: [www.shahzadtext.com](http://www.shahzadtext.com).

**8. Tax Deductions from Filers and Non-Filers**

The 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	15.0%
2	Non- Filers	20.0%

Tax deduction will be made on the basis of Active Tax Payers List provided on the website of Federal Board of Revenue.

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

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No.	Name of shareholder	CNIC	Shareholding	Total shares	Principal/joint shareholder
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**9. Unclaimed Dividend and Bonus Shares**

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s Hameed Majeed Associates (Private) Limited, 7-Bank Square, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any.



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**10. Video Conference Facility**

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (7) days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website: [www.shahzadtext.com](http://www.shahzadtext.com).

**11. Placement of Financial Statements**

The Company has placed a copy of the Notice of AGM, Annual Separate and Consolidated Financial Statements for the year ended 30 June 2018 along with the Reports of Auditors and Directors [www.shahzadtext.com](http://www.shahzadtext.com).

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2018.

**Ratification / approval of Related Party Transactions**

The Company carried out transactions as detailed in the below draft resolution with its related parties in the ordinary course of business under the authority of the special resolution of the members as approved by them during the last annual general meeting held on October 28, 2017. All these transactions were presented before the Board of Directors for their review and consideration as recommended by the Audit Committee on quarterly basis.

Since, the majority of the Company Directors were interested in the related party transactions carried out during the financial year ended June 30, 2018 with the related parties as mentioned in the below draft resolution, due to their common directorship and shareholding in these associated undertakings, therefore, these transactions have been placed before the members of the Company for their approval in the General Meeting. The transactions with all related parties are entered on arms' length basis.

The Directors are interested in this business to the extent of their respective directorships and /or shareholdings.

**Circulation of Annual Report through CD/DVD/USB**

The Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 470(1) 2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Audited Accounts (i.e. the annual balance sheet and profit and loss account, auditor's report and director's report) to its members through CD/DVD/USB at their registered addresses instead of sending them in hard copies, subject to approval obtained from shareholders in General Meeting. Accordingly, approval is hereby sought from members of the Company to comply with the requirements of said SRO vide an ordinary resolution.

Subject to the approval of resolution in the AGM, the company will circulate its annual accounts in future through CD/DVD/USB. However, members will have the right to request hard copies free of cost at their registered addresses after submitting the Standard Request Form which shall be made available on Company website. While members who wish to receive hard copies for all future annual audited accounts shall also require to give their preference in writing.

The directors of the Company have no direct or indirect interest in this agenda except to the extent of their respective directorships and /or shareholdings.