



Notice of Annual General Meeting

Notice is hereby given that the 58th Annual General Meeting of Habib Sugar Mills Limited will be held on Monday, January 27, 2020 at 11:00 a.m. at Jinnah Auditorium, The Institute of Bankers Pakistan (IBP), M.T. Khan Road, Karachi to transact the following businesses:

Ordinary Business

1. To receive and consider the audited financial statements, the Directors' report and the Auditors' report for the year ended September 30, 2019.
2. To approve payment of cash dividend @ 55% i.e. Rs. 2.75 per share of Rs. 5 each for the year ended September 30, 2019 as recommended by the Board of Directors.
3. To appoint auditors of the company for the year ending September 30, 2020 and fix their remuneration.
4. To elect Directors of the Company in accordance with the provisions of Section 159 of the Companies Act 2017. The number of elected Directors of the company fixed by the Board of Directors in their meeting held on December 18, 2019 is seven (7). The retiring Directors are Messrs. Asghar D. Habib, Ali Raza D. Habib, Mushtaq Ahmed Mahar, Farouq Habib Rahimtoola, Murtaza H. Habib, Amin Ali Abdul Hamid and Shams Muhammad Haji.

Special Business

5. To approve the remuneration of working Director of the Company.

A statement under Section 134(3) of the Companies Act 2017 in respect of the special business of the Agenda at Item No. 5 to be considered at the meeting is being sent to the members along with a copy of this notice.

By order of the Board

Khursheed Anwer Jamal
Company Secretary

Karachi: December 18, 2019

Notes:

1. The Share Transfer Books of the Company will remain closed from Tuesday, January 14, 2020 to Monday, January 27, 2020 both days inclusive.
2. A member entitled to attend and vote at this meeting is entitled to appoint another member of the Company as a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed at least 48 hours before the time of meeting.
3. For identification, Owners of the physical shares and CDC account holder should present Computerized National Identity Card (CNIC) along with participants ID number and CDC account Number. In case of appointment of proxy by such account holder(s), the guidelines as contained in the SECP's circular of 26th January 2000 are to be followed.
4. Members are requested to notify any change in their addresses and their contact numbers immediately to our Share Registrar, THK Associates (Pvt.) Limited, Karachi.
5. Pursuant to the directives of the Securities and Exchange Commission of Pakistan, CNIC number is mandatorily required for payment of dividend. Shareholders holding physical share certificate are therefore requested to submit a copy of their valid CNIC, if not already provided to THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 (the Share Registrar). In case of non-receipt of the copy of valid CNIC, Habib Sugar Mills Limited would be unable to comply with SRO 831(1)/2012 dated July 5, 2012 of SECP and therefore will be constrained under Regulation No. 6 of the companies (Distribution of dividend) regulations, 2017 and section 243(2) of the Companies Act 2017 to pay dividend to such shareholder.



6. Pursuant to the provisions of the Finance Act 2019 effective from July 01, 2019 the rate of the tax deduction on dividend payments under Section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

- (i) For filers of income tax returns 15 %
- (ii) For non-filers of income tax returns 30 %

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30 %, all the 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 make sure that their names are entered into ATL before the book closure of the Company, otherwise tax on their cash dividend will be deducted @ 30% instead of 15 %.

For shareholders holding their shares jointly, as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on 'Filer/Non-Filer' status of Principle shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principle shareholder and Joint-holder(s) in respect of shares held by them to our share registrar, in writing as follows:

Company Name	Folio/CDC Account No.	Total shares	Principle Shareholder		Joint Shareholder	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The Corporate shareholders having CDC account are required to have their National Tax number (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN certificate to the company or Company's Share Registrar M/s THK Associates (Pvt.) Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective Folio numbers.

7. Mandatory requirement of Bank details for payment of dividend

Section 242 of the Companies Act, 2017 provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of the shareholders. In order to received dividends directly into their bank account, shareholders are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. www.habibsugar.com and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. THK Associates (Pvt.) Limited in case of physical shares. In case shares are held in CDC, then E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In-case of non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal at <https://eservices.cdcaccess.com.pk>.

8. Unclaimed/Unpaid Dividend and Share Certificates:

Shareholders who could not collect their dividend /physical shares are advised to contact Share Registrar or our Registered Office to enquire and collect their unclaimed dividend/shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such unclaimed dividend and shares for a period of 3 years or more from the date it is due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to Securities and Exchange Commission of Pakistan (SECP).

9. Withholding Tax exemption from the dividend income shall only be allowed if copy of valid tax exemption certificate is made available to Share Registrar by first day of Book Closure.



10. Members may exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.
11. Members can also avail video conference facility, in this regard, please fill the following and submit to Head Office of the Company seven (7) days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least seven (7) days prior to date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

"I/We _____ of _____, being a member of Habib Sugar Mills Limited, holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____".

12. Transmission of Financial Statements & Notices through email

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated September 8, 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 requested to send their consent and e-mail addresses for receiving Audited Financial Statements and Notices through e-mail. In order to avail this facility, a standard request form is available at the Company's website.

Company Address:

Habib Sugar Mills Limited
3rd Floor, Imperial Court
Dr. Ziauddin Ahmed Road, Karachi-75530
Phones : (+92-21) 35680036 – 5 Lines
Fax : (+92-21) 35684086
e-mail : companysecretary@habibsugar.com

Share Registrar Address:

THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400
UAN : (021)111-000-322,
Fax : (021)34168271
e.mail: secretariat@thk.com.pk

Statement under section 166(3) of the Companies Act, 2017

Persons eligible under Section 153, meet the criteria under section 166 of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Directors) Regulation, 2018, may submit their nominations to be elected as independent directors, However, it is noteworthy to mention that independent directors shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017.

Statement under Section 134(3) of the Companies Act, 2017

This Statement sets out the material facts concerning the Special Business to be transacted at the 58th Annual General Meeting of the Company to be held on January 27, 2020:

Item 5 of the Agenda - Approval of remuneration of Director:
(Disclosure under Section 213)

The Board of Directors in their Meeting held on December 18, 2019 have recommended payment of the following remuneration to the working Director of the Company, for a period of three years commencing from January 27, 2020, subject to an increment not exceeding 20% per annum.

Remuneration per month

Mr. Murtaza H. Habib

Rs. 750,000

In addition, he will be provided with two company maintained cars, reimbursement of utilities, entertainment at actuals and other benefits as per policy of the Company, which in aggregate is estimated to be approximately 40% of his remuneration as stated above.

The above Director has interest in the aforesaid business to the extent of his remuneration and perquisites as mentioned above.