

BHANERO TEXTILE MILLS LIMITED

DECLARATION OF INTERIM DIVIDEND AND NOTICE OF BOOK CLOSURE

The board of directors in the meeting held on February 26, 2020 have declared an interim cash dividend @ PKR 50.00 per share (500.00%) out of the profits of the company for the half year ended December 31, 2019. This interim dividend shall be paid to those shareholders whose names would appear on the register of members of the company at the close of business on March 17, 2020.

To determine entitlement of this interim cash dividend, the share transfer books of the company shall remain closed from March 18, 2020 to March 25, 2020 (both days inclusive).

1. Section 242 of Companies Act 2017 which states that, ***“Any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders”***. In this regard we request all registered shareholders to provide the bank details in order to credit their cash dividends directly to their bank accounts. Also provide us verification of bank detail with your concern bank and submit to in case of book-entry securities in CDC and CDC participants. In case of physical securities to the Company’s Share Registrar M/s Hameed Majeed and Associates (Pvt) Limited situated at 4th Floor, Karachi Chamber, Hasrat Mohani Road Karachi, Phone - 021-32424826.
2. Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payments under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:
 - a. For filer of income tax return 15%
 - b. For non-filers of income tax return 30%

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 make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to Hameed Majeed Associates (Private) Limited, by the first day of Book Closure.

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.

(By the order of the Board)

Mohammad Ahmed

Company Secretary

Karachi: February 27, 2020