



AZGARD NINE LIMITED

Registered Office: Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan.

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Email: info@azgard9.com; Website: www.azgard9.com

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Members of AZGARD NINE LIMITED ('the Company') will be held on Tuesday, July 30, 2019 at 10.00 am at the Registered Office of the Company Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan; to transact the following businesses:

Ordinary Business:

1. To confirm the minutes of Twenty Fifth Annual General Meeting of the Company held on October 26, 2018;

Special Business:

2. In pursuance of the Honourable Lahore High Court's order dated July 08, 2019 in the case titled Al Baraka Bank (Pakistan) Ltd etc. Vs. Azgard Nine Limited etc. (CO No. 133794/2018); to consider and approve the sale of two units of the Company as per the Creditors' Scheme of Arrangement for restructuring of the Company's liabilities dated 01.01.2018 that is pending adjudication before the Honourable Lahore High Court.

Other Business:

3. To transact any other business with the permission of the Chair.

By order of the Board

MUHAMMAD AWAIS

Company Secretary

Lahore: July 09, 2019

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from July 24, 2019 to July 30, 2019 (both days inclusive). Transfers received in order at the Office of Company's Share Registrar M/s. Hameed Majeed Associates (Private) Limited, H. M. House, 7-Bank Square, Lahore, Pakistan ('Registrar') at the close of business on July 23, 2019 will be considered in time to attend and vote at the Meeting.
2. The Preference Shareholders are not entitled to attend the meeting.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
4. CDC Account Holders 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:

- i. In case of individuals, the accounts holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or 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 holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
 - 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 the passport of the beneficial owner 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 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.
5. Members may avail video conference facility for this General Meeting at Karachi, provided the Company receives consent (standard format is given below) atleast 10 days prior to the date of the Meeting from members holding in aggregate 10% or more shareholding residing at above location.

The Company will intimate respective members regarding venue of the video-link facility before the date of Meeting along with complete information necessary to enable them to access the facility.

"I/we _____ of _____ being member(s) of Azgard Nine Limited, holder of _____ Ordinary Share(s) as per Registered Folio No./CDC Account No. _____ hereby opt for video conference facility at Karachi in respect of Extraordinary General Meeting of the Company to be held on July 30, 2019.

Signature of Member"

6. Members are requested to notify/submit the following information/documents; in case of book entry securities in CDS to their respective participants/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio numbers and name of the Company at the above mentioned address, if not earlier notified/submitted:
- Change in their addresses, if any.
 - Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity). Please note that CNIC number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.
 - Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN), bank name, branch name, code and address towards direct transfer/credit of cash dividend in your accounts. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017.
7. For any query/problem/information, Members may contact the Company at email companysecretary@azgard9.com and/or the Share Registrar of the Company at above mentioned address and at (+92 42) 37235081-82, email info@hmaconsultants.com. Members may also visit website of the Company www.azgard9.com for notices/information.



"Statement under Section 134(3) of the Companies Act, 2017 is attached alongwith the Notice circulated to the members of the Company, and is deemed an integral part hereof"

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

This statement is annexed as an integral part of the Notice of the Extraordinary General Meeting of the Members of Azgard Nine Limited to be held on Tuesday, July 30, 2019 at 10.00 am at the Registered Office of the Company, Ismail Aiwan-i-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the Meeting.

SPECIAL BUSINESS (AGENDA ITEM NO. 2)

The Creditors of the Company filed a Scheme of Arrangement (the **Scheme**) under Section 279 read with section 280 to 281 of the Companies Act, 2017 in the Honorable Lahore High Court during the month of January, 2018. After filing of the Scheme, "The Lahore High Court" appointed two Independent Chairpersons to conduct the meeting of the Creditors of the Company. They called the meeting of Creditors of the Company on May 14, 2018. In the meeting of the Creditors, the requisite majority of the Creditors approved the "Scheme of Arrangement". The Chairpersons submitted their report in the Lahore High Court. The Creditors' Scheme of Arrangement was verbally approved by Mr. Justice Farrukh Irfan Khan of Lahore High Court on January 31, 2019.

However, due to his sudden resignation, the honorable judge could not issue "detailed written order" of the case. The case was therefore fixed for re-hearing before Mr. Justice Shahid Karim. The first date of rehearing was fixed on June 24, 2019. The case was adjourned for next hearing on July 08, 2019. During this hearing, Mr. Justice Shahid Kaleem required the Company to call its Shareholders' meeting and seek the approval of its Shareholders for the sale of its two non-core assets (as per terms of the Creditors filed scheme of arrangement) under section 183(3) of the Companies Act 2017 before the next hearing date fixed for July 31, 2019 (copy of the order of the Honourable High Court is attached).

As directed by Honourable High Court Lahore, the shareholders of the Company are being approached for seeking their approval for the sale of its two non-core assets/units as per terms of the Creditors' Scheme of Arrangement.

Following are the Salient features of the Scheme as proposed by the Company's creditors.

SALIENT FEATURES OF SCHEME

1. The following are the modes through which the Scheme requires the Company to generate funds to pay off/settle some of its liabilities:
 - (i) Sale of two of its non-core assets/units:
 - (a) One stitching unit situated at 20 KM off Ferozepur Road, 6 KM Badian Road on RuhiNala, Der Khurd, Lahore; and
 - (b) One spinning unit situated at Alipur Road, Muzaffargarh
 - (ii) Sale of some Agritech TFCs owned by Azgard
 - (iii) Rights Issue Proceeds
2. Under the Scheme being proposed by the creditors, each creditor of the Company will be entitled to choose one of the following modes/options of settlement of the Company's liabilities:



- **Option A:** 15% Principal Debt to be repaid upfront, 85% write off/haircut; 10% Markup + Zero Coupon PPTFC to be repaid upfront, 90% waived off
 - **Option B:** No write off/ Haircut on Principal; Total principal to be restructured for 10 years. 10% Markup + Zero Coupon PPTFC to be repaid upfront, 90% waived off
 - **Option C:** No write off/Haircut/waiver on Principal/Markup/Zero Coupon PPTFCs. Total principal to be restructured for 10 years. Markup and Zero coupon PPTFCs to be repaid as a bullet payment on 10th anniversary of Restructuring.
3. The proceeds from the sale of the two non-core units, Agritech TFCs and Rights Issue will be used for repayments/settlements of the Company's liabilities in the following priority:
- (i) First of all Option A creditors will be paid off
 - (ii) Markup and zero coupon TFC's of Option B creditors will be paid/settled
 - (iii) Fees/Taxes/markups/reimbursements etc. related to the transaction shall be paid
 - (iv) The balance proceeds shall be distributed among the Option B and Option C Creditors of the Company on pro rata basis for Settlement of their principal debt.
4. Issuance of two new PPTFCs:
- (i) Sub PPTFCs of Rs. 3,250 Million shall be issued in order to settle balance principal of Option B and Option C Creditors on pro rata basis. The TFC carrying markup rate of 5% p.a and its tenure will be 10 years
 - (ii) New Zero Coupon PPTFCs (inlue of outstanding markup + Existing Zero Coupon PPTFCs) to be issued to Option C Creditors of the Company which shall be repaid to them in one bullet payment after 10 years.

In view of above, in deference to the Honourable Lahore High Court's concern regarding non-fulfillment of the provisions of section 183(3) of the Companies Act 2017, for the sale/disposal of its two units as required in the Scheme, the following resolution is proposed to be passed by the members of the Company under section 183(3) of the Companies Act 2017:

"RESOLVED THAT the sale/disposal of the two non-core units:

- (a) a spinning unit situated at Alipur Road, Muzaffargarh; and***
- (b) a stitching unit situated at 20 KM off Ferozepur Road, 6 KM Badian Road on RuhiNala, Der Khurd, Lahore,***

as required by the Creditors' Scheme of Arrangement dated 01.01.2018 pending adjudication in the Hon'able Lahore High Court, Lahore, in the case titled Al Baraka Bank (Pakistan) Ltd etc. Vs. Azgard Nine Limited etc., CO No. 133794/2018, be and is hereby approved/sanctioned under section 183(3) of the Companies Act 2017."

The Scheme may be viewed on any working day during usual business hours at the Registered Office of the Company, Ismail Aiwani-Science, Off: Shahrah-i-Roomi, Lahore, Pakistan and will also be available during the general meeting.

Interest of Directors

The Directors have no direct or indirect interest in the above said Special Business except as shareholder.