



Sazgar Engineering Works Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 29th Annual General Meeting of **Sazgar Engineering Works Limited** will be held at All Seasons Wedding & Banquet Hall, Lala Zar Commercial Market, Thokar Niaz Baig, Opp Yasir Broast, 0.5 KM-Raiwind Road, Lahore on Tuesday, October 27, 2020 at 12:30 P.M. to transact the following businesses:

ORDINARY BUSINESSES:

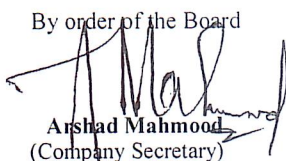
1. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended 30th June, 2020 together with the Directors' Report, Auditors' Report and Chairperson's Review Report.
2. To appoint Auditors and to fix their remuneration for the year ending June 30, 2021. The present auditors M/s H.Y.K & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee and the Board of Directors have recommended their re-appointment.

SPECIAL BUSINESSES:

3. To approve the issuance of bonus shares @ 30% i.e. 30 ordinary shares for every 100 ordinary shares held as recommended by the Board of Directors by capitalizing Free Reserves of Rs. 107,300,530/-.
4. To approve the increase in Authorized Share Capital of the Company and to amend the respective clauses of Memorandum and Articles of Association of the Company accordingly.

(STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 SETTING OUT THE MATERIAL FACTS PERTAINING TO THE SPECIAL BUSINESSES WITH DRAFT RESOLUTIONS AND FORM OF PROXY IS BEING SENT TO THE SHAREHOLDERS ALONG WITH NOTICE OF THE MEETING).

Lahore
October 05, 2020

By order of the Board

Arshad Mahmood
(Company Secretary)

Notes:

- a. The share transfer books of the company will remain closed from October 20, 2020 to October 27, 2020 (both days inclusive). Transfers received in order at the share registrar office M/s Corp Tec Associates (Pvt.) Ltd., 503-E, Johar Town, Lahore at the close of business on 19th October, 2020 will be treated in time for the entitlement of bonus shares and for attending the Annual General Meeting.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. Proxies in order to be effective must be received at the Share Registrar Office duly stamped and signed not less than 48 hours (working days only) before the time of holding of the meeting.

CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by

Securities and Exchange Commission of Pakistan for attending the meeting and appointment of proxies.

- c. Members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.
- d. In accordance with the provision of section 223 (7) of the Companies Act 2017, the financial statements and reports of the Company for the year ended June 30, 2020 have been placed on the Company's web site www.sazgarautos.com for the information of shareholders.

e. Consent for Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, members can avail video conference facility to participate in this Annual General Meeting provided that the Company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7) days prior to the date of meeting. Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.

- f. Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the Company in EOGM of the Company held on 18th March 2017 had accorded their consent for transmission of annual reports including audited annual financial statements, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. Accordingly, the Company has sent its Annual Report 2020 in the form of CD. The shareholders who wish to receive hard copy of the Annual Report 2020 may send their requests to the Company Secretary / Share Registrar as per the Standard Request Form which is available on the website of the Company. The Company will supply hard copies of the aforesaid document to the shareholders free of cost, within one week of such request. The shareholders who intend 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 available on the Company's website.
- g. The members may attend the AGM online through ZOOM, by following the below guidelines:
 - (i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID company.secretary@sazgarautos.com as per Standard Request Form available on the Company's website (www.sazgarautos.com) or can send his/her request to the Company Secretary at 88-Ali Town, Thokar Niaz, Baig, Raiwind Road, Lahore, along with a legible copy of CNIC not later than October 19, 2020.
 - (ii) Zoom Link shall be sent by the Company only on email ID or Mobile/Whatsapp Number mentioned in Standard Request Form.
 - (iii) Members may send their comments / suggestions on any of the agenda item to Company Secretary on email ID: company.secretary@sazgarautos.com or whatsapp no. 0321 8469016 not later than October 19, 2020.

Registered Office: 88-Ali Town, Thokar Niaz Baig, Raiwind Road, Lahore. Pakistan

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Factory: 18 Km, Raiwind Road, Lahore. Pakistan

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h. Deposit of Physical Shares in CDC Account

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017.

The Physical Shareholders having physical shareholding are encouraged to open CDC Investor Account with CDC or CDC Sub- Account with any of the brokers to place their physical shares into Script less form.

- i. In case the Poll is demanded by the shareholders under section 143 of the Companies Act, 2017, the Company shall consider Postal Balloting facility for voting, under the Companies (Postal Ballot) Regulations, 2018.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 SETTING OUT THE MATERIAL FACTS PERTAINING TO THE SPECIAL BUSINESSES:

This statement sets out the material facts pertaining to the special businesses to be transacted at the Annual General Meeting of the Company to be held on Tuesday, October 27, 2020.

ITEM NO. 3 OF THE AGENDA

The Board of Directors of the Company has recommended issuance of 30% bonus shares from the Company's Free Reserves by capitalization of a sum of Rs. 107,300,530/- for the issuance of 10,730,053 fully paid bonus shares. For this purpose following resolutions are proposed to be passed as ordinary resolutions with or without any modification, addition or deletion:

- (i) *"Resolved that a sum of Rs. 107,300,530/- out of the Company's Free Reserves be capitalized and applied for the issue of 10,730,053 fully paid ordinary shares of Rs. 10/- each as bonus shares and be allotted to those shareholders whose names appear in the register of members at the close of the business on October 19, 2020 in the proportion of thirty (30) ordinary shares for every hundred (100) ordinary shares held by a member. These bonus shares shall rank pari passu in all respects with the existing shares of the Company."*
- (ii) *"Further resolved that all the fractional Bonus Shares shall be consolidated into whole shares and shall be sold in the Stock Market. The proceeds of sale of consolidated fractional shares when realized shall be paid to a charitable institution approved under the Income Tax Ordinance, 2001."*
- (iii) *"Further resolved that directors and company secretary be and are hereby authorized singly to complete all corporate and legal formalities that may be necessary or required to give effect to these resolutions for the issue, allotment and distribution of bonus shares."*

The Directors of the Company have no interest directly or indirectly in this Special Business except to the extent of their entitlement to bonus shares as shareholders of the Company.

ITEM NO. 4 OF THE AGENDA

The existing authorized capital of the Company is not sufficient for the future increase in paid up share capital, therefore, the Board of Directors has recommended to increase the Authorized Share Capital

of the Company from Rs. 500.00 M to Rs. 1,000.00 M to facilitate the issue of further capital. For this purpose following resolutions are proposed to be passed as special resolutions with or without any modification, addition or deletion:

"Resolved that the Authorized Share Capital of the Company be and is hereby increased from Rs. 500,000,000/- divided into 50,000,000 ordinary shares of Rs. 10/- each to Rs.1,000,000,000/- divided into 100,000,000 ordinary shares of Rs. 10/- each and Clause V of Memorandum of Association and Clause 4 of the Articles of Association of the Company be and are hereby amended accordingly as per following comparative statement:"

COMPARATIVE STATEMENT OF EXISTING AND PROPOSED CLAUSES OF MEMORANDUM AND ARTICLES OF ASSOCIATION

DESCRIPTION	EXISTING CLAUSES	PROPOSED CLAUSES
Clause V of Memorandum of Association	The Share Capital of the Company is Rs. 500,000,000/- (Rupees Five Hundred Million only) divided into 50,000,000 Ordinary shares of Rs. 10/- each with the power to increase or reduce or alter the capital of the Company as permissible under the Companies Ordinance, 1984.	The Share Capital of the Company is Rs. 1,000,000,000/- (Rupees One Billion only) divided into 100,000,000 Ordinary shares of Rs. 10/- each with the power to increase or reduce or alter the capital of the Company as permissible under the Companies Act, 2017.
Clause 4 of Articles of Association	The Authorized Capital of the Company is Rs. 500,000,000/- (Rupees Five Hundred Million only) divided into 50,000,000 ordinary shares of Rs. 10/- each.	The Authorized Capital of the Company is Rs. 1,000,000,000/- (Rupees One Billion only) divided into 100,000,000 ordinary shares of Rs. 10/- each.

"Further resolved that the Chief Executive and Company Secretary of the Company be and are hereby authorized individually to complete all the necessary corporate and legal formalities to give legal effect to the above said changes."

Amended copy of Memorandum and Articles of Association of the Company is available at the Company's registered office for the inspection of members during working hours (10:00-13:00hrs) up to the date of Annual General Meeting.

The directors of the Company have no interest in the Special Businesses and / or in the Special Resolutions except to the extent that they are members of the Company.

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