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AGP-Sec./ 172

March 12, 2021

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building,  
Stock Exchange Road,  
Karachi.

Subject: **NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING**

Dear Sir,

Enclosed please find a copy of the Notice of Extraordinary General Meeting to be held on April 2, 2021 for circulation amongst the TRE Certificate Holders of the Exchange

Yours Sincerely

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Umair Mukhtar  
Company Secretary

**AGP LIMITED**  
**NOTICE OF 2<sup>ND</sup> EXTRAORDINARY GENERAL MEETING**

**NOTICE** is hereby given that the 2<sup>nd</sup> Extraordinary General Meeting (Meeting) of the Shareholders of AGP Limited (the **Company**) will be held on Friday, April 2, 2021, at 11:00 a.m., at Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi, to transact the following business:

**ORDINARY BUSINESS**

- 1) To confirm the minutes of the 6<sup>th</sup> Annual General Meeting held on May 05, 2020.

**SPECIAL BUSINESS**

- 2) To consider and, if deemed appropriate, pass with or without modification, the following resolutions as special resolutions as required under Section 199 of the Companies Act, 2017 read together with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

***"RESOLVED THAT** the Company be and is hereby authorized to participate with its parent company Aitkenstuart Pakistan (Private) Limited ("**Aitken**") through a Special Purpose Vehicle – OBS AGP (Private) Limited set up by Aitken for the purpose of acquisition of a selected portfolio of products which are commercialized in Pakistan under the Sandoz brand, owned by Sandoz AG, and for such purpose, invest in its associated company, OBS AGP (Private) Limited an aggregate amount of PKR 715 Million, subject to adjustments at the date of closing of the transaction, through equity investment of sixty-five percent (65%) of the issued and paid up share capital of OBS AGP (Private) Limited for an indefinite period."*

***"FURTHER RESOLVED THAT** to secure financing from lenders for OBS AGP (Private) Limited, the Company, be and is hereby authorized to provide in proportion to its shareholding ratio in OBS AGP (Private) Limited, and, in each case, for the period required under the relevant financing documents, collateral to, or for the benefit of, OBS AGP (Private) Limited lenders, comprising various forms of security to the lenders, with or without margin as may be required, including corporate guarantees, and hypothecation or mortgage charge on all present and future fixed assets upto the amount of PKR 2,600 Million each."*

***"FURTHER RESOLVED THAT** the Company be and is hereby authorized to lend or provide or extend short term funded and / or unfunded financing facilities and / or security to OBS AGP (Private) Limited, upto the amount of PKR 500 Million each to meet excess debt and funding shortfalls or to otherwise assist OBS AGP (Private) Limited in meeting its obligations under the financing documents."*

***"FURTHER RESOLVED THAT** the facility will initially be for a period of one (1) year and renewable annually for each successive year, unless not renewed, be and is also hereby approved."*



***"FURTHER RESOLVED THAT*** the Chief Executive / Non-Executive Director along with Chief Financial Officer / Company Secretary of the Company or such other person(s) as may be authorized by them (the '**Authorized Persons**'), be and are hereby, jointly or severally authorized and empowered to take all necessary steps, make the requisite investments from time to time, to do all such acts, deeds and things, and to execute and deliver all such deeds, agreements, declarations, undertakings and guarantees, including any ancillary document thereto or provide any such documentation for and on behalf and in the name of the Company as may be necessary or required or as they or any of them think appropriate for or in connection with or incidental for the purposes of carrying out the proposed resolutions including for the purposes of raising debts by OBS AGP (Private) Limited."

***"FURTHER RESOLVED THAT*** all actions heretofore taken by the Authorized Persons on behalf of the Company in respect of the above matters are hereby confirmed, ratified and adopted by the Company in full."

- 3) To consider and, if deemed appropriate, pass with or without modification, the following special resolution to insert the new clauses in the Articles of Association of the Company.

***RESOLVED THAT*** the Company be and is hereby accorded to insert new clauses in Articles of Association of the Company as under;

*Paragraph No. 107A. The Company may provide funding support and collateral to (including, with or without limitation, by way of providing or arranging security, corporate guarantee, comfort letters, bank guarantee, hypothecation or mortgage charge on all present and future fixed assets and pledge over shares held by the Company, standby letter of credit or cash deposit under lien) for a debt financing facility extended or to be extended by financial institutions obtained by any associated company in the Group.*

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*Paragraph No. 107B. The Company may lend / provide, short term funded and / unfunded financing facilities and / security, for their working capital needs as approved by the members of the Company to any associated company in the Group.*

***FURTHER RESOLVED THAT*** the Chief Executive / Non-Executive Director along with Chief Financial Officer / Company Secretary of the Company or such other person(s) as may be authorized by them (the '**Authorized Persons**'), be and are hereby, jointly or severally authorized to do all acts, deeds and things, take all steps and actions necessary, ancillary and incidental for reframing the Articles of Association of the Company including filing of all requisite documents / statutory forms as may be required to be filed with the Registrar of the Companies and complying with all other regulatory requirements so as to effectuate the reframing of the Articles of Association and implementing the aforesaid.

***FURTHER RESOLVED THAT*** the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be

*deemed appropriate by the authorized persons or may be suggested, directed and advised by the Securities & Exchange Commission of Pakistan and / Registrar of the Companies which suggestion, direction and advise shall be deemed to be have been approved as part of the passed Special Resolution without the need of members to pass a fresh special resolution.*

**A Statement under section 134(3) of the Companies Act, 2017 relating to the above-mentioned special businesses mentioned in Agenda no. 2 and 3 are annexed with the notice.**

- 4) To transact any other business with the permission of the Chair.

		By Order of the Board
Karachi,		<b>Umair Mukhtar</b>
Dated: March 11, 2021		Company Secretary



## Notes

### a. Closure of Share Transfer Books

The share transfer books of the Company will remain closed from March 26, 2021 to April 2, 2021 (both days inclusive). Transfers received in order at the office of our Registrar, namely CDC Share Registrar Services Limited situated at CDC House, 99-B, Block B, S.M.C.H.S. main Shahrah-e-Faisal, Karachi - 74400 by the close of business (5:00 p.m.) on March 25, 2021 will be treated as being in time for the purpose to attend and vote at the Meeting.

### b. Appointment of Proxy Holder

A member of the Company entitled to attend and vote at the Meeting may appoint 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 or emailed at [corp.affairs@agp.com.pk](mailto:corp.affairs@agp.com.pk) not later than forty-eight (48) hours before the time of holding the Meeting. In calculating the aforesaid time period, no account shall be taken of any day that is not a working day. A member shall not be entitled to appoint more than one proxy. Proxy form is available at Company's website [www.agp.com.pk](http://www.agp.com.pk).

### c. Guidelines for CDC Account Holders

Any Individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his/her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.

CDC Account Holders will also have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

### d. Participation in the Extraordinary General Meeting

Keeping in view continuing threats of Covid-19 pandemic and to ensure maximization of members' participation, the SECP, through its Circular No. 04 of 2021 dated February 15, 2021, has advised all listed companies to hold general meetings virtually through video link as a regular feature, till further order, in addition to the requirement of holding physical meeting. Accordingly, in the best health interest of our valued shareholders and to ensure maximum participation, the Company is also providing facility to its valued shareholders to attend the EOGM through video link facility.

To attend the EOGM through video link, members are requested to register their following particulars by sending an e-mail at [corp.affairs@agp.com.pk](mailto:corp.affairs@agp.com.pk).

Folio / CDC account no.	No. of shares held	Name	CNIC	Cell No.	Email address

The video link and login credentials will be shared with the shareholders whose e-mails, containing all the requested particulars, are received at the given e-mail address by or before the close of business hours (5:00 p.m.) on March 31, 2021. The shareholders are also encouraged to send their

comments / suggestions, related to the agenda items of the Meeting on the above mentioned e-mail address by the close of business hours (5:00 p.m.) March 31, 2021.

**e. E- Voting**

Members can exercise their right to poll subject to meeting of requirement of Section 143 to 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

**f. Video Conference Facility**

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate Members regarding venue of video conference facility at least five (5) days before the date of the Meeting along with complete information necessary to enable them to access such facility. In order to avail this facility please provide the following information to our Registrar:

*"I/We, \_\_\_\_\_ of \_\_\_\_\_ being a member of AGP Limited holder of \_\_\_\_\_ Ordinary Share(s) as per Register Folio No./ CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at (Please insert name of the City).*

\_\_\_\_\_  
*Signature of member"*



**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 AND INFORMATION REQUIRED UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017 ARE PROVIDED BELOW (AGENDA ITEM NO. 2):**

This statement sets out below the material facts concerning the Special Business to be transacted at the Meeting of the Company to be held at Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi, on April 2, 2021, at 11:00 a.m.:

SR. NO.	DESCRIPTION	INFORMATION REQUIRED
3 (a)	Disclosures for all types of investments	
(A)	Regarding Associated Company or Associated Undertakings:	
(i)	Name of the associated company or associated undertakings	OBS AGP (Private) Limited
(ii)	Basis of relationship	Associated Company
(iii)	Earnings per share for the last three years	Not Applicable
(iv)	Break-up value per share, based on latest audited financial statements	Not Applicable
(v)	Financial position including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Not Applicable
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely:	
	(I) Description of the project and its history since conceptualization	OBS AGP (Private) Limited will acquire a selected portfolio of products, which are commercialized in Pakistan under the Sandoz brand, owned by Sandoz AG, through an optimal capital structure comprising equity and debt in the ratio of 30:70. AGP Limited will own sixty-five percent (65%) of the equity in OBS AGP (Private) Limited.
	(II) Starting due date and expected date of completion of work	The process to acquire brands is expected to commence from the end of 1st half of 2021. The process of acquisition of brands and obtaining due market authorization / license is expected to be completed by the end of 2022. The associated company, OBS AGP (Private) Limited, is expected to continue on a going concern basis.
	(III) Time by which such project shall become commercially operational	Commercial operations are expected to commence from the end of 1st half of 2021.

	(IV)	Expected time by which the project shall start paying return on investment	From 2 <sup>nd</sup> half of 2021.
	(V)	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	The Company's parent, Aitkenstuart Pakistan (Private) Limited, along with certain employees of OBS group, will cumulatively invest PKR 385 Million, subject to adjustments at the date of closing of the transaction. No non-cash amounts are expected to be invested.
(B)		General Disclosures	
	(i)	Maximum amount of investment to be made	Equity investment of PKR 715 Million, subject to adjustments at the date of closing of the transaction. Short term funded and / or unfunded financing facilities, upto PKR 500 Million each. Corporate guarantee, and other securities upto PKR 2,600 Million.
	(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	Equity investment will increase the market share, asset base, revenue, profitability and yield healthy financial results, which in turn maximize shareholders' value. Provision of short-term finance facilities will meet the operational and cash flow requirements of its associated company. Corporate guarantee will provide surety to the lenders of the associated company. The investment will be made in such a way as to benefit Company's shareholders. The Company intends to maintain its equity investment in OBS AGP (Private) Limited for an indefinite period.
	(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds	The Company will invest out of its existing cash flows for equity investment and provide short-term finance facilities using its own excess lines.
	(I)	Justification for investment through borrowings	The associated company will pay a markup rate equal to or better than the rate payable by the Company.
	(II)	Details of collateral, guarantees provided and assets pledged for obtaining such funds	The Company secures its overdraft lines by providing a joint hypothecation charge on Pari Passu basis over its current assets.
	(III)	Cost benefit analysis	The Company will charge the associated company a rate which will add to its profitability.
	(iv)	Salient features of the agreement(s), if any with associated company or associated undertaking with regards to the proposed investment	A share Subscription Agreement (the "Agreement") is in the process of being finalized between AGP Limited and OBS AGP (Private) Limited. As per the Agreement, OBS AGP (Private) Limited shall issue to AGP Limited new shares free from any and all encumbrances and / or claims or rights of third (3rd) parties of whatsoever nature, together with all rights attaching or accruing to



			the same for a price equal to PKR 715 Million, subject to adjustments at the date of closing of the transaction.
(v)		Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	Aitkenstuart Pakistan (Private) Limited, sponsor and majority shareholder of the Company, is the current majority shareholder of OBS AGP (Private) Limited. Mr. Tariq Moinuddin Khan, sponsor and Chairman of the Company, is an ultimate beneficial owner of OBS AGP (Private) Limited. Mr. Muhammad Kamran Mirza, Non-Executive Director of the Company, is a Director of OBS AGP (Private) Limited.
(vi)		In case any investment in associated company or undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	Not Applicable
(vii)		Any other important details necessary for the members to understand the transaction	Not Applicable
(b)		In case of equity investment, following disclosures in addition to those provided under clause (a) above	
(i)		Maximum price at which securities will be acquired	Securities will be acquired at a value of PKR 110/- per share, aggregating to PKR 715 Million, subject to adjustments at the date of closing of the transaction, for 65% equity investment.
(ii)		In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	Not Applicable
(iii)		Maximum number of securities to be acquired	6.5 Million number of shares
(iv)		Number of securities and percentage thereof held before and after the proposed investment	No. of securities: Before the proposed investment: Zero percent (0%) After the proposed investment: Sixty-five percent (65%)
(v)		Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	Not Applicable
(vi)		Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	The fair value of a selected portfolio of products, which are commercialized in Pakistan under the Sandoz brand, owned by Sandoz AG, being acquired by OBS AGP (Private) Limited, as determined by an

			independent valuer, Yousuf Adil Chartered Accountants (Independent Correspondent Firm to Deloitte Touche Tohmatsu Limited) is upto PKR 4.02 Billion.
(c)		In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made,-	
(i)		Category-wise amount of investment	Short term funded and / or unfunded financing facilities, upto PKR 500 Million each. Corporate guarantee, and other securities upto PKR 2,600 Million.
(ii)		Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	Average borrowing of the Company is as follows: <ul style="list-style-type: none"> <li>• under conventional arrangements, ranges from 1 month KIBOR + 0.3% to 3 months KIBOR + 1.5% per annum payable quarterly;</li> <li>• under Islamic arrangements, ranges from 1 month KIBOR + 0.7% to 3 months KIBOR + 1% per annum payable quarterly.</li> </ul>
(iii)		Rate of interest, markup, profit, fees, or commission etc. to be charged by investing company	It shall not be less than the borrowing cost of the Company or KIBOR for the relevant period, whichever is higher. The fees or commission to be charged at the rate which shall be greater or equal to what the Company must pay on guarantees.
(iv)		Particulars of collateral or security to be obtained in relation to the proposed investment	No security is required to be obtained. The Company and its associated company are confident that any financing arrangement will be repaid timely.
(v)		If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
(vi)		Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The facilities will initially be for a period of one (1) year and renewable annually for each successive year, unless not renewed. The payment will be made on an annual basis and at a rate which shall not be less than the borrowing cost of the company or KIBOR for the relevant period, whichever is higher.



Except to the extent as mentioned in B(v) above, the Board of Directors of the Company have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholding in the Company.

**Declaration pursuant to section 199(2) of the Companies Act, 2017 and regulations 3(3) and 3(4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017**

The directors of the Company certify to the members that necessary due diligence have been carried out for the proposed investment before recommending it for members' approval.

The duly signed recommendations of the due diligence report shall be made available to the members for inspection.

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 (AGENDA ITEM NO. 3):**

The additions to the Articles of Association of the Company are being proposed in order to include a provision to invest and provide collateral to secure financing / funding, corporate guarantee and excess liquidity / banking lines required by the associated company. This will be done in such a way as to benefit the shareholders of the Company.

The proposed additions in the Articles of Association of the Company are in line with the applicable provisions of the law and regulatory framework.

Other than Mr. Tariq Moinuddin Khan and Mr. Muhammad Kamran Mirza, the Directors of the Company have no interest in the above-mentioned Special business.

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