



SAZGAR ENGINEERING WORKS LIMITED

NOTICE OF INTERIM DIVIDEND AND BOOK CLOSURE

We are pleased to inform our valued shareholders that the Board of Directors in their meeting held on April 18, 2024 has declared an interim cash dividend @ Rs.8.00 per ordinary share i.e. 80%. This interim dividend will be paid to the shareholders whose names will appear in the register of members at the close of the business on April 30, 2024.

The share transfer books of the Company will remain closed from May 01, 2024 to May 03, 2024 (both days inclusive). Transfers received at the share registrar office M/s Corp Tec Associates (Pvt.) Ltd. 503- Johar Town, Lahore at the close of business on April 30, 2024 will be treated in time for the entitlement of the aforesaid interim cash dividend. Shareholders are requested to notify any change in their addresses immediately.

1. Electronic Payment of Dividend:

The provisions of Section 242 of the Companies Act, 2017 (the Act) read with Companies (Distribution of Dividends) Regulations, 2017 provide that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. In order to receive dividend directly into their bank account, shareholders are requested to communicate, if not already provided, below detailed information by filling in Electronic Credit Mandate Form available on Company's website (www.sazgarautos.com) and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, in case of physical shares. In case shares are held in CDC, then Electronic Credit Mandate Form must be submitted directly to shareholder's broker / participant / CDC account services. In the absence of valid bank account details and CNIC, dividend amount will be withheld in compliance with the aforesaid provisions of the Act and Regulations. Electronic Credit Mandate Form shall authorize the Company to credit their current and future cash dividends directly to their designated bank accounts. The required information are:

- International Bank Account Number (IBAN)
- Name of Bank
- Branch name and address
- Valid copy of CNIC

2. Income Tax Deduction from Dividend Payment:

The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for persons whose names are appearing in the active taxpayers' list (ATL) and 30% for persons whose names are not appearing in the ATL. 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 ATL available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of dividend payment, otherwise they shall not be treated as Active Taxpayers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 30%.

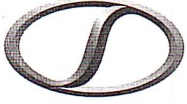
The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Share Registrar of the Company.

The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his/her shareholding. If the share is not ascertainable

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then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company.

Folio / CDC Account No.	Total Holding	Principal Shareholder		Joint Shareholder	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

In case the required information is not provided to the Company's Share Registrar by April 29, 2024, it will be assumed that the shares are held in equal proportion by the principal shareholder and joint holder(s).

3. Exemption from Deduction of Income Tax / Zakat:

Members seeking exemption from deduction of income tax or deduction at reduced rate, are requested to submit a valid exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of Zakat are also required to submit a valid declaration, duly attested by Notary Public on Stamp Paper to Company's Shares Registrar for non-deduction of Zakat.

Moreover, as per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above clause must provide valid Tax Exemption Certificate to the Company's Shares Registrar; otherwise tax will be deducted on dividend amount as per prescribed rates.

By order of the Board

Lahore
April 20, 2024

Arshad Mahmood
(Company Secretary)

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