

HI-TECH LUBRICANTS LIMITED

Notice Of Annual General Meeting

To Be Held On October 24, 2016

Improving **ENDURENCE**



Hi-Tech Lubricants Ltd.



NOTICE OF 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of the shareholders of Hi-Tech Lubricants Limited will be held on October 24, 2016 at 12:30 p.m. at Crystal Hall, Falettis Hotel, 24-Egerton Road, Lahore. Pakistan, to transact the following business:

ORDINARY BUSINESS

1. To confirm minutes of 5th Extraordinary General Meeting held on June 16, 2016.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2016 together with the Board of Directors' and Auditor's reports thereon.
3. To approve and declare final cash dividend of Rs. 1.35 per share i.e. @ 13.5% as recommended by the Board of Directors and also the interim cash dividend of Rs. 1.30 per share i.e. @ 13% (already paid), making a total of Rs. 2.65 per share i.e. @ 26.5% for the year ended June 30, 2016.
4. To appoint Auditors of the Company for the next financial year 2016-17 and to fix their remuneration. The present auditors M/s Riaz Ahmad & Co. Chartered Accountants, retired and being eligible, offer themselves for reappointment as Auditors of the Company.

SPECIAL BUSINESS

1. To ratify and approve Related Party Transactions with wholly owned subsidiary company for the year ended June 30, 2016.

“Resolved that the following Related Party Transactions with wholly owned subsidiary company for the year ended June 30, 2016 be and are hereby ratified, approved and confirmed.”

Name(s)	Nature	Amount
Subsidiary Company		
Hi-Tech Blending (Private) Limited	Share deposit Money	326,350,000
Hi-Tech Blending (Private) Limited	Sale of lubricants	638,000

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

BY ORDER OF THE BOARD



(MUHAMMAD IMRAN)
Company Secretary

Lahore,
October 03, 2016

Notes:

1. The share transfer books of the company will remain closed from 18-10-2016 to 24-10-2016 (both days inclusive). Transfers received in order at the office of the company's Independent Share Registrar, M/s Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S. Main Shahra-e- Faisal, Karachi-74400 by the close of business (5:00 PM) on 17-10-2016 will be considered in time to be eligible for the purpose of attending and voting at the Annual General Meeting.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend and vote instead of him/her. The instrument appointing a proxy must be received at the Registered Office of the company not less than 48 hours before the time appointed for the Meeting.
3. Members who have deposited their shares in the Central Depository System of the Central Depository Company of Pakistan Limited will have to follow the under mentioned guidelines as laid down by Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the Account number at the time of attending the Meeting.
- b. In case of corporate entity, the Board's 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

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

4. Notice to Shareholders who have not provided CNIC:

CNIC number of the shareholders is, mandatory for the issuance of dividend warrants in terms of S.R.O. 831(I)/ 2012 dated 05 July 2012 read with SRO NO. 19 (I)/2014 dated 10 January 2014 and in the absence of this information, payment of dividend shall be withheld. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar without any further delay.

5. Mandate for E-Dividends for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged by SECP. The shareholders are encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed. The Company shall adopt the procedure of e-dividend in phases. The dividend mandate form is available on Company's website and can be emailed. The members who have opted for mandate are requested to check the particulars of bank account which must be in sixteen (16) digits and immediately notify change if any to Independent Share Registrar in case of physical shares and to brokers/CDC in case of CDC account holder.

6. Securities and Exchange Commission of Pakistan (SECP) through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the company through e-mail. Therefore, all members of the company who want to receive soft copy of Annual Report are requested to send their e-mail addresses on complete consent form to company's Share Registrar. The company shall, however, provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request. The standard consent form for electronic transmission is available at the company's website. i.e. <http://hitechlubricants.com/>

Deduction of Withholding Tax on the amount of Dividend:

Pursuant to Circular No. 19/2014 dated October 24, 2014, SECP has directed all companies to inform shareholders about changes made in the Section 150 of the Income Tax Ordinance, 2001. The company, hereby advise to its shareholders, the important amendments, as under:

The Government of Pakistan through Finance Act, 2016 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

- a.** For filers of income tax returns 12.5%
- b.** For non-filers of income tax returns 20%

To enable the company to make tax deduction on the amount of cash dividend whenever declared @ 12.5% instead of 20% or such rates as applicable, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 20% instead @ 12.5%.

In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax will be deducted by the company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint holder shall be presumed to have an equal number of shares.

The corporate shareholders having CDC accounts 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 certificate to the company or its Independent Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

Statement under Section 160 (1) (b) of the Companies Ordinance, 1984

1. Related Party Transactions(RPTs)

The transactions with associated Companies for the sale and purchase of goods and share deposit money were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause (x) of the Code of Corporate Governance, 2012.

The following resolution was passed in the AGM held on October 31, 2015:

To authorize Chief Executive of the Company to approve Related Party Transactions for the year ended June 30, 2016 by passing the following resolution with or without modification.

“Resolved that the Chief Executive of the Company be and is hereby authorized to approve the Related Party Transactions with wholly owned subsidiary company on case to case basis during the year ending June 30, 2016.

Resolved further that these transactions shall be placed before the shareholders in the next AGM for their ratification/approval.”

Pursuant to above, these transactions have to be approved by the shareholders in the General Meeting.

The commercial reasons for entering into RPTs are the following:

- a. SK Lubricants have tremendous support by way of extensive planning and business intelligence assistance and is a world's best lubricant brand
- b. To tap domestic market through localization and to obtain benefits of the market as it has grown appreciably in latest years and major brand has a vast gap to tap retail segments of the country along with high end industrial and corporate sectors with major volumes
- c. State of the art and elaborated testing facilities at subsidiary company
- d. To ensure smooth supply chain and to avoid shortages

The transactions with related parties are entered into on arm's length basis as per policy approved by the Board.

The Company has 100% holding in wholly owned subsidiary company.

2. Authorization to CEO for Related Party Transactions (RPTs)

The Company shall be conducting transactions of sale and purchase of goods with associated companies during the year ending June 30, 2017 in the normal course of business. The majority of Directors are not interested in these transactions any more, and therefore, all the future transactions shall be approved by the Board of Directors on quarterly basis.