



Sazgar Engineering Works Limited

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

Ref: Sgl /20-02/ 3449
Dated: 21-02-2020

SUBJECT: SUBSCRIPTION OF RIGHT SHARES BY DIRECTORS / SPONSORS

Dear Sir,

In compliance with your letter No. PSX/C-1033-490 dated February 10, 2020 we are pleased to inform you that the Directors /Sponsors of the Company have fully subscribed their portion of Right Shares. Auditors' certificate is attached.

A copy of the Notice "**subscription of Right Shares by the Directors / Sponsors**" of the Company is attached herewith prior to its publication in the Newspapers.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking you.

Yours truly,
For Sazgar Engineering Works Limited

ARSHAD MAHMOOD
(Company Secretary)

Encl: As above

CC: **The Commissioner (Securities Market Division)**
Securities & Exchange Commission of Pakistan,
Islamabad.

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

Ph: +92-42-35291573-74, 35297861-62 Fax: +92-42-35297863, E-mail: sazgar@brain.net.pk, info@sazgarautos.com, URL: www.sazgarautos.com

Factory: 18 Km, Raiwind Road, Lahore. Pakistan

Ph: +92-42-35330300-2, Fax: +92-42-35330329

Ref. HYK/AA/125
18 February 2020

The Board of Directors
Sazgar Engineering Works Limited
88 Ali Town, Thokar Niaz Baig
Lahore

PRACTICING MEMBERS' CERTIFICATE ON RECEIPT OF AMOUNT OF SUBSCRIPTION MONEY AGAINST ISSUE OF RIGHT SHARES FROM DIRECTORS AND SPONSORS OF THE COMPANY UNDER APPLICABLE RULES/REGULATIONS

Dear Sir

We have been requested to provide you with a certificate on receipt of subscription money against issue of right shares from sponsors / directors of the Company as required by Pakistan Stock Exchange (PSX) vide its letter no. PSX/C-1033-490 clause 7(iii) of Annexure 1 dated February 10, 2020.

Scope of Certificate

We understand that this certificate is issued in the capacity of statutory auditor of the Company and on the specific request of the management of the Company for onward submission to the PSX as required vide its letter no. PSX/C-1033-490 clause 7(iii) of Annexure 1 dated February 10, 2020 which is reproduced as below,

“Directors and sponsors of the company shall deposit the amount of their subscription before the book closure date and submit Auditors' Certificate before 5 days of commencement of book closure date”.

Management Responsibility

It is management's responsibility to fulfill the requirements of Companies (issue of further shares) Regulations, 2018 and ensure compliance with the requirement of PSX as required under the letter.

Auditor's Responsibility

Our responsibility is to certify that the full amount of subscription money against right issue from directors and sponsors of the company has received and issue certificate in accordance with the 'Guidelines for issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

Obtained and checked certified true copy of the resolution of Board of Directors of the Company approving 65.8418140217% right issue for every 100 ordinary shares held by the existing shareholders of the Company of PKR 50/- each to be offered to the shareholders of the Company.

Checked existing shareholding 14,301,497 ordinary shares held by the directors and sponsors of the company from share register. Obtained the bank statement of the designated bank account of the

Company maintained with Meezan Bank Limited and checked that aggregate subscription of PKR 470,817,900/- has been received into the designated Bank Account within prescribed time period.

Certificate:

Based on the procedures mentioned above, we certify that company has received subscription money of PKR 470,817,900/- from its directors and sponsors against subscription of 9,416,358 ordinary shares at exercise price of Rs. 50/- per share (inclusive of premium of Rs. 40/- per share) having face value of Rs. 10/- each in the bank statement of Meezan Bank Limited with title "Sazgar Engineering Works Limited (SEWL)- Right Share Account No. 0206-0104297890 as per mentioned in the statement of account of the company within prescribed time period.

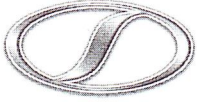
Restriction on use and distribution

This certificate is being issued in capacity of statutory auditor of the Company on specific request of the management for onward submission with the PSX as required under clause 7 (iii) of Annexure-I of the letter and is not to be used or distributed for any other purposes. This certificate is restricted to the fact stated herein.

Yours faithfully

hyk & Co.

H.Y.K and Co.
Chartered Accountants
Lahore



Sazgar Engineering Works Limited

**DRAFT COPY OF “NOTICE TO SHAREHOLDERS”, PRIOR TO BE PUBLISHED
IN NEWSPAPERS;**

SUBSCRIPTION OF RIGHT SHARES BY THE DIRECTOR / SPONSORS

The shareholder are hereby notified that the Directors / Sponsors of **Sazgar Engineering Works Limited** have fully subscribed their portion of right shares within the stipulated time. The above subscription has been duly certified by the Auditors of the Company.

Lahore.
February 22, 2020

Arshad Mahmood
Company Secretary

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

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