

SHAKARGANJ LIMITED

NOTICE OF 49th ANNUAL GENERAL MEETING

Notice is hereby given that the 49th Annual General Meeting of shareholders of Shakarganj Limited (the "Company") will be held on Tuesday, 31 January 2017 at 11:00 am at Qasr-e-Noor, 9 E-2 Main Boulevard, Gulberg-III, Lahore to transact the following Business:

Ordinary Business

1. To receive, consider and adopt the Reports of Directors and Auditors together with Audited Annual Financial Statements for the year ended 30 September 2016.
2. To appoint Company's auditors and to fix their remuneration.

Special Business

3. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated 31 May 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution as an Ordinary Resolution, with or without modification:

"Resolved that consent & approval of the members of Shakarganj Limited (the "Company") be and is hereby accorded for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on 30 September 2017 through CD or DVD or USB instead of transmitting the same in hard copies.

Resolved Further that Chief Executive Officer or Company Secretary of the Company be and is hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution"

4. To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification for alterations in the Articles of Association of the Company:

"RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), Articles of Association of the Company be and are hereby amended by inserting a new Article 47A immediately after the existing Article 47 to read as under;

47A. ELECTRONIC VOTING: The Company shall comply with the mandatory e-voting requirements as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time and members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article."

RESOLVED FURTHER that the Chief Executive Officer or Company Secretary be and is hereby singly authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering 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 Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."

5. To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification to increase in authorized capital of the Company and to make consequent amendments in the Memorandum and Articles of Association subject to requisite approvals, if any.

“RESOLVED that:

- a) the Authorized Share Capital of the Company be and is hereby increased from Rs. 2,000,000,000/- divided into 150,000,000 ordinary shares of Rs 10 each and 50,000,000 preference shares of Rs. 10 each to Rs. 2,500,000,000/- divided into 200,000,000 ordinary shares of Rs. 10 each and 50,000,000 preference shares of Rs. 10 each by creation of additional 50,000,000 Ordinary Shares of Rs. 10 each.
- b) in consequent of the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company and Article 5 (2) of the Articles of Association of the Company be and are hereby amended accordingly, to read as follows:

Clause V of the Memorandum of Association:

- “V. The authorized share capital of the Company is Rs.2,500,000,000 (Rupees two billion five hundred million only) divided into 200,000,000 (two hundred million) ordinary shares of Rs.10 (Rupees ten) each, and 50,000,000 (fifty million) preference shares of Rs.10 (Rupees ten) each, with the power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984 and any rules made thereunder, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association or the Policies of the Company for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association or Policies of the Company.”

Article 5 (2) of the Articles of Association:

“(2) The authorized share capital of the Company is Rs.2,500,000,000 (Rupees two billion five hundred million only) divided into 200,000,000 (two hundred million) ordinary shares of Rs.10 (Rupees ten) each, and 50,000,000 (fifty million) preference shares of Rs.10 (Rupees ten) each, with such preferential, qualified or special rights, privileges, conditions or restrictions or postponement of rights as the Company may from time to time determine by Special Resolution, with the power insofar as is permitted by law, to redeem any of its shares, to increase or reduce the share capital for the time being and to divide the share capital into several classes, and to attach thereto, respectively, such preferential, qualified or special rights, privileges, conditions or restrictions or postponement of rights and to vary, modify or abrogate such rights, as may be determined by or in accordance with the Ordinance and the Policies of the Company for the time being.”

- c) the ordinary shares when issued shall carry equal voting rights and rank *pari passu* with the existing ordinary shares of the company in all respects/matters in conformity with the provisions of Section 92 of the Companies ordinance, 1984.
- d) The Chief Executive Officer or Company Secretary be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate

formalities and file all requisite documents with the Registrar to effectuate and implement this resolution.”

BY ORDER OF THE BOARD

Asif Ali

Company Secretary

Lahore: 06 January 2017

Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 24 January 2017 to 31 January 2017 (both days inclusive). Transfers received in order at Share Registrar's Office, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 23 January 2017, will be treated in time for the purpose of attending and voting at the meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited (“CDC”) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport 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 and their 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.

5. Notice to Shareholders who have not provided CNIC:

In terms of the directive of the Securities and Exchange Commission of Pakistan (“SECP”) the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person except in the case of minor(s) and corporate shareholders are required to be mentioned in the annual return filed by the Company with the SECP. Therefore, the shareholders who have not yet provided copies of their CNICs are advised to provide at earliest the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given herein above.

6. Mandate for E-DIVIDENDS for shareholders

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated 5 April 2013 has advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.,

SECP through its Notification No. SRO. 787(1)/2014, dated September 08, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company’s website: www.shakarganj.com.pk

8. Deduction of Income Tax from Dividend at Revised Rates

Pursuant to the provisions of Finance Act, 2016 effective 1 July 2016, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No	Nature of Shareholders	Rate of deduction
1	Filers of Income Tax Return	12.5%
2	Non- Filers of Income Tax Return	20.0%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings 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 shareholding. If the share is not ascertainable 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 latest by the AGM date.

Folio/CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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9. Placement of Financial Statements

The Company has placed the Audited Annual Financial Statements for the year ended 30 September 2016 along with Auditors and Directors Reports thereon on its website: www.shakarganj.com.pk

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

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 31 January 2017.

Circulation of Annual Reports through CD/DVD/USB

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated 31 May 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.

Alteration in the Articles of Association

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 47A therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. Accordingly, it has been proposed to pass the resolution as a Special Resolution for alteration in the Articles of Association of the Company, as specified in the notice of meeting.

Increase in Authorized Shares Capital of the Company and Consequent Amendments in the Memorandum and Articles of Association:

In order to cater for the future increase in paid up share capital, the Authorized Share Capital of the Company needs to be enhanced. Accordingly, the Board of Directors has recommended to increase the Authorized Share Capital of the Company from Rs. 2,000,000,000/- divided into 150,000,000 ordinary shares of Rs 10 each and 50,000,000 preference shares of Rs. 10 each to Rs. 2,500,000,000/- divided into 200,000,000 ordinary shares of Rs. 10 each and 50,000,000 preference shares of Rs. 10 each by creation of additional 50,000,000 ordinary shares of Rs. 10 each.

The proposed increase in the Authorized Share Capital of the Company will also necessitate amendments in clause V of the Memorandum of Association and clause 5(2) of the Articles of Association of the Company. The Board of Directors have also recommended alteration in the Memorandum and Articles of Association of the Company to reflect increase in Authorized Share Capital of the company.

The new ordinary shares when issued shall rank *pari passu* with the existing ordinary shares in all respects.

A copy of the Memorandum and Articles of Association has been kept at the registered Office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the general meeting.

The directors are not interested, directly or indirectly, in the above special businesses except to the extent of their shareholdings as has been detailed in the pattern of shareholding annexed to the Directors Report.