

**NOTICE OF  
EXTRA-ORDINARY  
GENERAL MEETING**

**SHAKARGANJ LIMITED**

## EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-Ordinary General Meeting of Shakarganj Limited (the "Company") will be held on Monday, 30 April 2018 at 11.30 a.m. at Qasr-e-Noor, 9-E-2, Main Boulevard, Gulberg-III, Lahore to transact the following **special business**:

"To consider and if thought fit, to pass the following resolutions as special resolutions, with or without modification., addition(s) and deletion(s):

**Resolved that** approval of the members of Shakarganj Limited (the "Company") be and is hereby accorded in terms of Section 199 of the companies Act, 2017 and the Company be and is hereby authorized to make the following further long-term equity investments in Shakarganj Foods Products Limited ("Shakarganj Food"), an associated company, as per terms and conditions disclosed to the members:

- (1) Upto Rs. 196,965,705 (Rupees One hundred ninety-six million nine hundred sixty-five thousand seven hundred five only) by subscribing to the Company's entitlement to 13,131,047 ordinary right shares at a price of Rs. 15 (Rupees fifteen only) including a premium of Rs. 5/- per share as may be offered by Shakarganj Food to the Company;
- (2) In the event that the proposed right issue of Shakarganj Food may result in unsubscribed right shares, and subject to such unsubscribed right shares being offered to the Company by the Board of Directors of Shakarganj Food as provided for under the Companies Act 2017, the Company be and is hereby authorized to make further investment in such additional ordinary right shares, to the extent of up to 10.7 million unsubscribed right shares at a price of Rs 15 per shares upto Rs. 161,000,000/-;
- (3) Upto Rs. 150,000,000/- (Rupees one hundred fifty million only) by subscribing to the Company's entitlement to ordinary right shares of Shakarganj Food as and when announced and as may be offered by Shakarganj Food to the Company in future at a maximum price of upto Rs. 16/- per ordinary right share.

**Resolved Further that** these resolutions shall be valid for a period of five (5) year starting from the date of approval by members and the Chief Executive Officer of the Company be and is hereby empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of documents and to complete all legal formalities /as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions."

Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to the notice of meeting circulated to the members of the Company.

**BY ORDER OF THE BOARD**

**(Asif Ali)**  
Company Secretary

Dated: Lahore, **05 April, 2018**

### Notes:

1. The Members' Register will remain closed from 23 April 2018 to 30 April 2018 (both days inclusive). Transfers received in order at the office of **CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore**, the Independent Share Registrar of the Company by the close of business on 21 April 2018 will be treated in time for the purposes of attending, speaking and voting at the meeting.
2. A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at Registered Office not later than 48 hours before the time for holding the Meeting.

3. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
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 whose 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 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.
5. Members are requested to notify immediately any change in their addresses.
6. Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 10 days prior to the date of the meeting on the Standard Form which can be downloaded from the company's website: [www.shakarganj.com.pk](http://www.shakarganj.com.pk)

## STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special business to be transacted at the Extra-Ordinary General Meeting of the Company, scheduled to be held on 30 April 2018.

1. Shakarganj Food Products Limited ("Shakarganj Food") is an associated company of SML and it has recently announced right shares @17.5896% (i.e.17.5896 right shares for every 100 existing shares) at a price of Rs. 15 per share including premier per share of Rs. 5. The Company is entitled to 13,131,047 right shares amounting to Rs. 196,965,705 (Rupees One hundred ninety-six million nine hundred sixty-five thousand seven hundred five only).
2. The directors have certified that they have carried out necessary due diligence for the proposed investments before making recommendation for approval of the members and duly signed recommendation of the due diligence report shall be made available for inspection of members in the general meeting along with latest annual and interim financial statements of Shakarganj Food.

Shakarganj Food is not a member of the Company. Mr. Anjum Muhammad Saleem who is CEO and Director of Shakarganj Food and CEO of Shakarganj Limited is holding 5,306,818 shares of the Company.

### Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

#### Equity investment in Shakarganj Food Products Limited

Following information is being submitted as required under SECP SRO 1240(I)/2017 dated December 06, 2017:

Disclosure regarding associated company or associated undertaking:-																			
(i) name of associated company or associated undertaking; (ii) basis of relationship; (iii) earnings per share for the last three years;  (iv) break-up value per share, based on latest audited financial statements;  (v) financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;	Shakarganj Food Products Limited  Common directorship. 2015   Rs. 4.23/- 2016   Rs. 3.84/- 2017   Rs. 1.72  Rs. 13.19 as per as at 30 Sep 2017.  based on Audited Financial 30 Sep 2017 <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Description</th> <th style="text-align: right;">Rs. in Thousand</th> </tr> </thead> <tbody> <tr> <td>Total Equity</td> <td style="text-align: right;">1,999,763</td> </tr> <tr> <td>Total Liabilities</td> <td style="text-align: right;">2,854,372</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">2,297,007</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">557,365</td> </tr> <tr> <td>Total Assets</td> <td style="text-align: right;">4,854,135</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">2,208,426</td> </tr> <tr> <td>Profit after taxation</td> <td style="text-align: right;">260,705</td> </tr> <tr> <td>Total Comprehensive Income</td> <td style="text-align: right;">252,481</td> </tr> </tbody> </table>	Description	Rs. in Thousand	Total Equity	1,999,763	Total Liabilities	2,854,372	Current Liabilities	2,297,007	Non-Current Liabilities	557,365	Total Assets	4,854,135	Current Assets	2,208,426	Profit after taxation	260,705	Total Comprehensive Income	252,481
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<p>(vi) in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations:</p> <p>(I) description of the project and its history since conceptualization;  namely (II) starting date and expected date of completion of work;  (III) time by which such project shall become commercially operational;  (IV) expected time by which the project shall start paying return on investment;  and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	Not applicable.										
(B) General disclosures:-											
(i) maximum amount of investment to be made;	<table border="1"> <thead> <tr> <th></th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Right Shares offered Amount</td> <td>196,966,705</td> </tr> <tr> <td>Unsubscribed right shares</td> <td>161,000,000</td> </tr> <tr> <td>Future right shares</td> <td>150,000,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>507,966,705</b></td> </tr> </tbody> </table>		Rs.	Right Shares offered Amount	196,966,705	Unsubscribed right shares	161,000,000	Future right shares	150,000,000	<b>Total</b>	<b>507,966,705</b>
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(ii) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	<p>The investment will result in dividend income and /or future capital gains which will enhance the profitability of the Company and add to the shareholders value of the members of the investing company.</p> <p>The investment in Shakarganj Food will be for long term</p>										
(iii) sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-	The investment will be made from company's own funds.										
(I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; (III) cost benefit analysis;	N/A										
(iv) salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; (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;	<p>The Company will be investing in right shares, therefore, no agreement is required.</p> <p>The directors, sponsors, majority shareholders and their relatives have no direct or indirect in the investee Company except their shareholding.</p>										

<p>(vi) in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;</p> <p>(vii) any other important details necessary for the members to understand the transaction;</p>	<p>The Company already hold 74,654,596 ordinary shares of Shakarganj Food comprising 49.2% of its outstanding paid up share capital. There has been no impairment or write offs in previous period.</p> <p>None.</p>												
<p><b>(b) Additional disclosure regarding Equity Investment</b></p> <p>(b) In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made:</p> <p>(i) maximum price at which securities will be acquired;</p> <p>(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;</p> <p>(iii) maximum number of securities to be acquired;</p> <p>(iv) number of securities and percentage thereof held before and after the proposed investment;</p> <p>(v) current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities;</p> <p>(vi) fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;</p>	<table border="1" data-bbox="833 520 1409 680"> <tr> <td>Right Shares offered</td> <td>Rs. 15/- per Share</td> </tr> <tr> <td>unsubscribed right shares</td> <td>Rs. 15/- per Share</td> </tr> <tr> <td>Future right shares</td> <td>Rs. 16/- per Share</td> </tr> </table> <p>N/A</p> <table border="1" data-bbox="833 926 1409 1142"> <tr> <td>Right Shares offered</td> <td>13,131,047</td> </tr> <tr> <td>unsubscribed right shares.</td> <td>10,733,333</td> </tr> <tr> <td>Future right shares</td> <td>9,375,000</td> </tr> </table> <p>Before investment Shakarganj Ltd. Holds 74,654,596 ordinary shares of Shakarganj Food comprising 49.2% and after investment Shakarganj will hold 107, 893,976 shares</p> <p>N/A</p> <p>Rs. 48.71</p>	Right Shares offered	Rs. 15/- per Share	unsubscribed right shares	Rs. 15/- per Share	Future right shares	Rs. 16/- per Share	Right Shares offered	13,131,047	unsubscribed right shares.	10,733,333	Future right shares	9,375,000
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