

# Notice of Annual General Meeting



Notice is hereby given that the Thirty Ninth Annual General Meeting of the shareholders of Synthetic Products Enterprises Limited (the "Company") will be held on Wednesday 27 October 2021 at 11:00 AM at Jinnah Auditorium of Lahore Chamber of Commerce & Industries, Shahrah Aiwane-Tijarat, Lahore to transact the following business:

## Ordinary Business:

1. To confirm the minutes of the Last Annual General Meeting held on 27 October 2020.
2. To receive, consider and adopt the audited financial statements for the year ended 30 June 2021 together with Directors' and Auditors' Report thereon.
3. To approve final cash dividend @ 5% as recommended by the Board of Directors.
4. To appoint auditors for the financial year ending 2021-22 and fix their remuneration. The Board has recommended, as suggested by the board audit committee, the appointment of M/s KPMG Taseer Hadi and Co., Chartered Accountants, the retiring auditors and being eligible, offer themselves for re-appointment.
5. To elect Nine (9) Directors of the Company as fixed by the Board of Directors, in accordance with the provisions of section 159 of the Companies Act, 2017 for a term of three (3) years. Following are the retiring Directors:

Mr. Almas Hyder

Mr. Zia Hyder Naqi

Mr. Khawar Anwar Khawaja

Mr. Raza Haider Naqi

Mr. Sheikh Naseer Hyder

Dr. S. M. Naqi

Mr. Haroon Sharif

Mr. Muhammad Tabassum Munir

Dr. Nighat Arshad

Mr. Abid Saleem Khan

## Special Business:

6. To approve final bonus dividend @ 8% as recommended by the Board of Directors and pass the following resolutions with or without modification(s) as ordinary resolutions.
  - "Resolved that a final bonus dividend @ 8 % i.e. 8 shares each for every 100 shares held by issuance of 7,397,630.00 ordinary shares of Rs 10 each as fully paid bonus shares by capitalizing a sum of Rs. 73,976,300.00 out of the share premium account of the Company be and is hereby approved."
  - "Further Resolved that the bonus shares so allotted shall not be entitled to final cash dividend for the year ended 30 June 2021."
  - "Further Resolved that the bonus shares so allotted shall rank pari passu in every respect with the existing shares."
  - "Further Resolved that in case of members' entitlement to a fraction of a share, the Chief Executive Officer be and is hereby authorised to consolidate the fractions into whole shares and sell all the same on the Pakistan Stock Exchange and the proceeds so realized shall be paid to any charitable institution, as may be decided by the Chief Executive Officer of the Company."
  - "Further Resolved that the Company Secretary be and is hereby authorised and empowered to give effect to these resolutions and to do or cause to do all acts, deeds and things that may be necessary or required for issue, allotment and distribution of bonus shares or payment of the sale proceed of the fractional shares."
7. To consider and, if thought fit, to approve the sub-division of face value of the shares of the Company and to pass, with or without modifications, the following resolution as a special resolution as recommended by the Board of Directors.

"Resolved that the face value of shares of the Company be and is hereby reduced from Rupees Ten (Rs. 10/-) each to Rupees Five (Rs. 5/-) each, by way of increasing the number of shares to double, under the provisions of Section 85 of the Companies Act, 2017 and to amend the clause VI of Memorandum of Association and Article 3A of Articles of Association of the Company and ancillary matters."

8. To consider and, if thought fit, approve the increase in the Authorised Share Capital of the Company and to pass, with or without modifications, the following resolution as a special resolution as recommended by the Board of Directors.

"Resolved that the Authorized Capital of the Company be increased from Rs. 1,000,000,000/- (Rupees One Billion Only) to Rs. 1,500,000,000/- (One Billion & Five Hundred Million Only) and to amend clause VI of Memorandum of Association and Article 3A of Articles of Association of the Company."

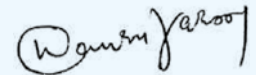
9. To ratify and approve the increase in remuneration of Dr. S. M. Naqi, Advisor of the Company and to pass the following resolutions, with or without modification(s), as a special resolutions.

"Resolved that the remuneration of Dr. S. M. Naqi, Advisor of the Company be increased from Rs. 500,000 per month to Rs. 600,000 per month w.e.f. 1 July 2021 be and is hereby ratified and approved."

"Further Resolved that in addition, he will be entitled to the perks (telecommunication facilities, actual medical expenses for self and family, two company maintained cars with drivers, two international roundtrips for self and spouse p.a., three clubs' membership and Secretariat support staff i.e. one Office Manager & one Security Guard), and other benefits as per company's policies."

The statement as required under section 134(3) of the Companies Act, 2017 is attached with this notice.

By Order of the Board



**Muhammad Kamran Farooq**  
Company Secretary

Lahore  
5 October 2021

#### Notes:

1. The share transfer books of the Company will remain closed from 21 October 2021 to 27 October 2021 (both days inclusive). Transfers received in order at the Shares Department of M/s THK Associates (Pvt.) Limited, Plot no. 32-C Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Pakistan at the close of business on 20 October 2021 will be treated in time for the purpose of payment of final dividend if approved by the shareholders. Only those persons whose names appear in the Register of Members of the Company as on 20 October 2021 are entitled to attend, participate in and vote at the Annual General Meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint any other person as his/her proxy to attend and vote. A member shall not be entitled to appoint more than one proxy to attend this meeting. Proxies, in order to be effective, must be received at the Registered Office of the Company, 127-S Quaid-e-Azam Industrial Estate Township Kot Lakhpat, Lahore duly stamped and signed not less than 48 hours before the time of the meeting. A proxy need not be a member of the Company. The proxy shall produce his/her original CNIC or passport at the time of the meeting.
3. CDC account holders will have to follow the guidelines as laid down in Circular 1 dated 26 January 2000 for attending meetings and appointing proxies. The individual members entitled to attend this meeting must bring his/her original

CNIC or passport to prove his/her identity and in case of proxy must enclose an attested copy of his/her CNIC/passport. Representatives of corporate members should bring the Board Resolution / Power of Attorney.

- Pursuant to SECP's Circular No 10 dated 21 May 2014 read with section 132(2) & 134(1)(b) of the Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard please fill the following and submit it to the registered address of the Company at least 10 days before the date of AGM.

I/We \_\_\_\_\_ of \_\_\_\_\_, being member(s) of Synthetic Products Enterprises Limited holder \_\_\_\_\_ Ordinary share(s) as per Register Folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

- Pursuant to SECP's Circular No 5 and 25 of 2020 shareholders can attend the meeting through video link facility.

The shareholders who wish to attend the Annual General Meeting through video link are requested to get themselves registered by sending their particulars at the designated email address *corporate@spelgroup.com*, giving particulars as per below table on or before October 24, 2021.

Name of Shareholder	CNIC No./ NTN	CDC Participant ID/ Folio No.	Cell No	Email address	Signature

The weblink would be emailed to the registered shareholders/proxies who have provided all the requested information.

- Pursuant to SECP Companies Postal Ballot Regulations, 2016, Members can exercise their voting right to vote through e-voting or postal ballots by giving their consent in writing at least 10 days before the date of the meeting.
- Members are requested to promptly notify any change of address to the Company's Share Registrar.
- Payment of Cash Dividend Electronically (Mandatory)

As per section 242 of the Companies Act 2017 cash dividend will be paid to the shareholders of listed companies only by way of electronic mode directly into the bank account of the shareholder(s).

The members are advised to provide their dividend mandate with complete bank account details along with International Bank Account Numbers (IBAN's) for payment of cash dividends directly in the bank accounts instead of issuance of physical cash dividend warrants. In this regard, the shareholders may obtain Bank Mandate Form from the Company's website *www.spelgroup.com*. The shareholders are advised to submit the above referred form duly filled to the share Registrar to M/s THK Associates (Pvt.) Limited, Karachi, Pakistan in case of physical holding and in case of CDC account/ sub-account to Investor Account Services or their Brokerage firm as the case may be.

**9. Withholding Tax on Dividend**

As per requirements of Income Tax Ordinance, 2001, Income tax @ 15% will be withheld in case of active taxpayers and @ 30% in case of in-active taxpayers.

All shareholders who hold shares jointly are requested to provide shareholding proportions of principal shareholder and joint shareholder(s) in respect of shares held by them to our shares registrar, before the date of book closure, in writing as follows:

Name of Principal Shareholder/Joint Holders	Shareholding Proportion	CNIC No. (copy attached)	Signature

# Notice of Annual General Meeting

Kindly note that in case of non-receipt of the information then each Account Holder will be assumed to hold equal proportion of shares and the tax deduction will be made and tax will be deposited accordingly.

## 10. Tax Exemption

Shareholders claiming tax exemption under clause 47(B) of Part IV of the Second Schedule of Income Tax Ordinance, 2001 or under any other provision of the law are requested to provide valid exemption certificate or copy of stay order, if any, before the date of book closure, to the Share Registrar of the Company. In case of non-submission of the requisite documents, deduction of tax under relevant sections shall be made as per requirements of law.

## 11. Election of Directors

Any person who seeks to contest the election to the office of the director, whether he is a retiring director or otherwise, is required to file with the Company at its registered office, not later than fourteen days before the date of the meeting at which elections are to be held, the following documents:

- i. Notice of his/her intention to offer himself/herself for the election of director in terms of Section 159(3) of the Companies Act, 2017.
- ii. Copy of computerized national identity card.
- iii. Consent to act as director on Form-28 under section 167 of the Companies Act, 2017.
- iv. A detailed profile as required under SECP SRO 634(I)/2014 dated 10 July 2014.
- v. He / She should also confirm that:
  - He / She is not ineligible to become a director of a listed Company under any applicable laws and regulations.
  - He / She is not serving as director in more than seven (7) listed companies simultaneously, including this Company.
  - Neither he/she nor his spouse is engaged in the business of brokerage or is a sponsor, director or officer of a corporate brokerage house.
  - He / She is registered as a taxpayer (except for non-residents) and has not defaulted in payment of any loan to a banking company, Development Finance Institution or a Non-Banking Financial Institution or being a member of stock exchange has not been declared as a defaulter by that stock exchange.

## 12. Deposit of Physical Shares in to Book Entry Form (CDC-Account)

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form.

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

The following Statement sets out all material facts relating to Special Businesses mentioned in the Notice for 39th Annual General Meeting of the members of the Synthetic Products Enterprises Limited (the "Company"):

### Agenda 6

#### Bonus Shares

The Directors are of the view that with the existing profitability, the Company's financial position justifies capitalization of Rs. 73,976,300.00 out of the share premium account of the Company, by issuing fully paid bonus shares in the proportion of eight shares for every one hundred shares held.

No director has any direct or indirect interest in the above-said business except to the extent of their shareholding in the Company.

## **Agenda 7**

### **Sub-Division of Shares**

In order to increase the liquidity in the shares of the Company, the Board of Directors has recommended to reduce the face value of the Company from Rs. 10 (Ten) each to Rs. 5 (Five) each by way of increasing the number of shares as per section 85 of the Companies Act, 2017.

No director has any direct or indirect interest in the above-said business except to the extent of their shareholding in the Company.

## **Agenda 8**

### **Increase in Authorised Capital of the Company**

In order to facilitate the future increase in the paid-up capital of the Company, it has been recommended by the Board of Directors to increase the Authorised Capital of the Company from Rs. 1,000,000,000/- (Rupees One Billion Only) to Rs. 1,500,000,000/- (One Billion Five Hundred Million Only).

No director has any direct or indirect interest in the above-said business except to the extent of their shareholding in the Company.

## **Agenda 9**

### **Remuneration of Related Party**

As per the Articles of Association of the Company, the Board of Directors has to determine the remuneration of Directors. During the meeting, it was pointed out that as the majority of directors were interested in this agenda, therefore the matter was referred to the shareholders for ratification & approval as special resolution as per requirements of the law.

No director has any direct or indirect interest in the above-said business except to the extent of their shareholding or as mentioned above.

The detailed information as per regulation number 5(2) of the (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 is as follows:

(i)	Name of related party	Dr. Sheikh Muhammad Naqi
(ii)	Names of the interested or concerned persons or directors	Mr. Almas Hyder Dr. Sheikh Muhammad Naqi Mr. Zia Hyder Naqi Mr. Raza Haider Naqi Dr. Nighat Arshad Mr. Sheikh Naseer Hyder
(iii)	Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party	Lineal Descendants
(iv)	Amount of Transaction(s)	Rs. 600,000 per month
(v)	Timeframe or duration of the transactions of contracts or arrangements;	01-07-2021 to 30-06-2024
(vi)	Detail, description, terms and conditions	N/A
(vii)	Pricing policy	N/A

## **STATEMENT UNDER SECTION 166 (3) OF THE COMPANIES ACT, 2017**

Any person who is eligible under section 153 and meets the criteria under section 166(2) of the Companies, Act 2017, may submit a nomination to be elected as independent director. However, independent director(s) shall be elected in the same manner as other directors are elected in terms of section 159 of the Companies Act, 2017. The Company shall exercise its due diligence before selecting a person as an independent director and ensure that his/her name is duly included in the databank of independent directors maintained by the Pakistan Institute of Corporate Governance. A final list of contesting candidates will be published in Newspapers not later than seven days before the date of the said meeting in terms of section 159(4). Further, the website of the company will also be updated with the required information for each Director.

No Director has a direct or indirect interest in the above-said business except that they may submit consent for election of directors accordingly.