CHERAT CEMENT COMPANY LIMITED
MODERN MOTORS HOUSE, BEAUMONT ROAD, KARACHI-75530, PAKISTAN.
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Ghulam Faruque Group

CCCL/AAV/068

February 25, 2016

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The General Manager
Pakistan Stock Exchange Ltd.
Stock Exchange Building
Stock Exchange Road
Off: I. I. Chundrigar Road
Karachi.

Dear Sir,

NOTICE OF EXTRAORDINARY GENERAL MEETING

Please refer to your letter no. KSE/C-534-1341 dated February 17, 2016.

We are enclosing copy of the notice of Extraordinary General Meeting along with statement under section 160 of Companies Ordinance, 1984.

Hope you will find the attached document in order.

Yours sincerely,
For **Cherat Cement Co. Ltd.**

Abid A. Vazir
Executive Director & Company Secretary

Encl: As stated above

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the Company will be held on Monday, March 21, 2016, at 12:30 p.m. at the Registered Office of the Company at Factory premises, Village Lakrai, Nowshera, Khyber Pakhtunkhwa to transact the following business:

Special Business :

1. To consider and approve investment of up to Rs. 100 million in associated company namely Cherat Packaging Limited (CPL) in compliance with the provision of section 208 of the Companies Ordinance, 1984. It is, therefore, proposed that the following resolution be passed as and by way of a Special Resolution with or without modifications:

   "Resolved that pursuant to section 208 of the Companies Ordinance, 1984, the Board of Directors of the Company be and is hereby authorized to make an equity investment of up to Rs. 100 million by acquiring the shares of Cherat Packaging Limited from the stock market; that the Board of Directors of the Company and the Company Secretary be and are hereby authorized to do all acts, deeds and things that may be necessary or required to give effect to this resolution".

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

By Order of the Board of Directors

Sd/-

Abid A. Vazir
Executive Director & Company Secretary

Karachi: February 26, 2016

NOTES:

1. The register of members of the Company will be closed from Tuesday, March 15, 2016, to Monday, March 21, 2016 (both days inclusive) and no transfers will be registered during that time. Shares received in order at the Office of the Registrar of the Company, M/s. Central Depository Company of Pakistan Limited (CDC), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 at the close of business on Monday, March 14, 2016.

2. A member of the Company eligible to attend and vote at the Extraordinary General Meeting may appoint another member as his/her proxy to attend and vote in his/her stead. Proxies to be effective must be in writing and must be received by the Company's Head Office 48 hours before the Meeting.

3. Shareholders of the Company whose shares are registered in their account/sub-account with Central Depository System (CDS) are requested to bring original computerized National Identity Card along with their account number in CDS and participant's ID number for verification. In case of appointment of proxy by such account holders and sub-account holders, the guidelines as contained in the SECP's circular of 26th January 2000 are to be followed.

4. Shareholders of the Company are requested to immediately notify any change in their addresses to the Share Registrar of the Company.

5. Shareholders who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) are requested to send the same to the Share Registrar of the Company.

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STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

The statement sets out material facts concerning "Special Business" to be transacted at the Extraordinary General Meeting of the Company to be held on Monday, March 21, 2016. The approval of the Members of the Company will be sought for:

INFORMATION ABOUT THE INVESTMENT

Cherat Cement Co. Ltd. (CCCL) is a shareholder of Cherat Packaging Ltd. (CPL) and has been receiving regular dividend income on its investment for past many years. CPL is the leading manufacturer and supplier of sack kraft paper and polypropylene (PP) bags. The company started commercial operations in 1991 and is listed on Pakistan Stock Exchange. With its annual production capacity of 265 million paper bags and 145 million PP bags, CPL is the largest producer and supplier of bags to the cement industry in Pakistan. The company is in the process of further enhancing its PP bags production capacity to 245 million bags per annum.

CPL has a history of consistent growth. Its diversification into polypropylene bag manufacturing provided strategic depth to the company as it was able to target export markets and other sectors also. As a result, the company has been able to capture significant market share. It is acknowledged for the quality of its bags and has now become a supplier of choice. To cater to a wider customer base, the company, in addition to cement, has also started producing bags for packing sugar, chemicals and other similar products. Further, it is also exporting its bags abroad.

As required under S.R.O. 27 (I)/2012 dated January 16, 2012, the details of the investment are stated below:

(i)	Name of the Associated Company or Associated Undertaking along with criteria based on which the associated relationship is established;	Cherat Packaging Limited (CPL). Mr. Akbarali Pesnani, Mr. Shehryar Faruque and Mr. Arif Faruque are also the directors of CPL.
(ii)	Purpose, benefits and period of investment;	CCCL intends to make an equity investment of up to Rs. 100 million by acquiring the shares of CPL from the stock market. Dividend from CPL will benefit CCCL as it will enhance its Other Income, which will benefit the shareholders of the Company. Furthermore, addition of a good asset will also strengthen the financial statements of the company. This will be a long term investment by CCCL.
(iii)	Maximum amount of investment;	CCCL intends to make an equity investment of up to Rs. 100 million.
(iv)	Maximum price at which securities will be acquired;	Prevailing market price.
(v)	Maximum number of securities to be acquired;	Subject to prevailing market price but up to a limit of Rs. 100 million.
(vi)	Number of securities and percentage thereof held before and after the proposed investment;	Before : 1,905,308 shares 6.43% After : subject to prevailing market price but up to a limit of Rs. 100 million.
(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired;	Rs. 291 per share
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6 (1)	Not applicable
(ix)	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements;	Rs. 79.85 (as on June 30, 2015)
(x)	Earning per share of the Associated Company or Associated Undertaking for the last three years;	June 2013 : Rs. 5.42 June 2014 : Rs. 9.13 June 2015 : Rs. 23.65
(xi)	Sources of fund from which securities will be acquired;	The investment will be made by CCCL from its own resources.
(xii)	Where the securities are intended to be acquired using borrowed funds; (I) Justification for investment through borrowings; and (II) Detail of guarantees and assets pledged for obtaining such funds	Not applicable
(xiii)	Salient features of the agreement(s), if any, entered into with its Associated Company or Associated Undertaking with regards to the proposed investment;	Not applicable
(xiv)	Direct or indirect interest of directors, sponsor, majority shareholders and their relatives, if any, in the Associated Company or Associated Undertaking or the transaction under consideration;	Mr. Akbarali Pesnani, Mr. Shehryar Faruque, and Mr. Arif Faruque are directors of Cherat Packaging Limited. However, they have no direct or indirect interest except to the extent of shareholding in the investing company.
(xv)	Any other important details necessary for the members to understand the transaction.	Nil

Undertaking pursuant to Regulation 3(3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

The directors submit that they have carried out necessary due diligence for the proposed transaction.