LUCKY CEMENT

LUCKY CEMENT LIMITED
NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting of **LUCKY CEMENT LIMITED** will be held on Saturday, December 27, 2014, at 10:00 a.m., at the registered office of the Company, situated at factory premises Pezu, District Lakki Marwat, Khyber Pukhtunkhwa to transact the following business:

1. To confirm the minutes of 21st Annual General Meeting held on October 17th, 2014.

SPECIAL BUSINESS:

2. To consider and approve further enhancement in investment from approximately Rs. 835 Million (including cost overrun of Rs. 85 Million) to Rs. 960 Million (including cost overrun of Rs. 210 Million) in M/s. Yunus Energy Limited an Associate Company for Wind Power Project of 50 MW and to pass the following special resolutions with or without modification, pursuant to Section 208 of the Companies Ordinance, 1984 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012 subject to the approval of shareholders.

"**RESOLVED THAT** the Company be and is hereby authorized to increase the amount of investment to be made in an Associate Company M/s. Yunus Energy Limited for setting up a Wind Power Project of 50 MW, from Rs. 835 million (including cost overrun of Rs. 85 million) to Rs. 960 million (including cost overrun of Rs. 210 million) to cover the fluctuation in exchange rate parity and other variables."

"**FURTHER RESOLVED** that the Chief Executive and / or Director(s) of the Company be and are hereby authorized to take any and all actions as may be required from time to time in this regards."

3. To consider and approve various financing agreements and to pass the following special resolutions with or without modification, pursuant to Section 208 of the Companies Ordinance, 1984 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012 including but not limited to the following subject to the approval of shareholders:

   - Sponsor support agreement covering equity value committed by the Company, including project cost overruns, to the tune of PKR 960Mn.
   - Share pledge agreement in favour of Security Trustee (United Bank Limited) to the extent of 51% of its shareholding in Yunus Energy Limited.

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- Contractual commitment to subscribe Debt Servicing of the two loan installment amounts up to the cap of PKR 338Mn, to be effective one month prior to the date of commercial operations (around 14 months from the date of the financial close) or termination of availability period (24 months from the financial close), whichever is later. The said commitment shall remain effective for the entire tenor of loan i.e. 10 years post COD or DSRA Required Balance Amount has been funded by the project company. The amount of commitment shall be reduced to the extent funded by the Company and shall be topped up again on re-imbursement of funded amount by the project company from its cash flows.

"**RESOLVED THAT** the Company be and is hereby authorized to enter into the following agreements with respect to investment as sponsors in M/s Yunus Energy Limited:

- Sponsor support agreement covering equity value committed by the Company, including
  project cost overruns, to the tune of PKR 960Mn.
- Share pledge agreement in favour of Security Trustee (United Bank Limited) to the extent of 51% of its shareholding in Yunus Energy Limited.
- Contractual commitment to subscribe Debt Servicing of the two loan installment amounts up to the cap of PKR 338Mn, to be effective one month prior to the date of commercial operations (around 14 months from the date of the financial close) or termination of availability period (24 months from the financial close), whichever is later. The said commitment shall remain effective for the entire tenor of loan i.e. 10 years post COD or DSRA Required Balance amount has been funded by the project company.

"FURTHER RESOLVED that the Chief Executive and / or Director(s) of the Company be and are hereby authorized to sign, jointly/ singly all necessary documents in connection with the investment in Yunus Energy Limited including those relating to achieving the financial close to be made in the best interest of the Company."

ANY OTHER BUSINESS:

4. To transact any other business with the permission of the Chair.

By Order of the Board

Karachi: December 05, 2014

Fayyaz Abdul Ghaffar
Company Secretary

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Notes:

1. The Share Transfer Books of the company shall remain closed from Friday, December 19, 2014 to Saturday, December 27, 2014 (both days inclusive).

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.

3. The members are requested to notify changes in their addresses, if any, to our Share Registrar/Transfer Agent M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.

4. CDC account holders are advised to follow the following guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

A. For attending the meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in a group account and their registration details are uploaded as per the Regulations, shall authorize his/her identity by showing original Computerize National Identity Card (CNIC) at the time of attending the meeting.

The shareholders registered on CDC are also requested to bring their particulars, I.D. numbers and account numbers in CDS.

ii) In case of corporate entity, the Board of Directors' 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:

i) In case of Proxy for an individual beneficial owner of shares from CDC, attested copies of beneficial owner's Computerized National Identity Card or Passport, Account and Participant's I.D. numbers must be deposited alongwith the form of proxy. In case of proxy for representative of corporate members from CDC, Board of Directors' Resolution and Power of Attorney and the specimen signature of the nominee must be deposited alongwith the form of proxy. The proxy shall produce his/her original Computerized National Identity Card or Passport at the time of meeting.

ii) In order to be effective, this form of proxy duly completed, stamped, signed and witnessed along with Power of Attorney, or other instruments (if any), must be deposited at the Registered Office of the Company at factory premises Pezu, District Lakki Marwat, Khyber Pakhtunkhwa at least 48 hours before the time of the meeting.

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iii) If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the Company, all such forms of proxy shall be rendered invalid.

THE STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 PERTAINING TO THE "SPECIAL BUSINESS" AND REGULATION 3 OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2012 IS ANNEXED WITH THE NOTICE BEING SENT TO THE MEMBERS.

The Directors through Resolution dated October 30, 2014 have recommended the following

A. Enhancement in investment in an Associated Company, M/s. Yunus Energy Limited from Rs. 835 million (including cost overrun of Rs. 85 million) to Rs. 960 million (including cost overrun of Rs. 210 million) to cover the fluctuation in exchange rate parity and other variables.

B. To consider and approve various financing agreements including but not limited to the following:

- Sponsor support agreement covering equity value committed by the Company, including project cost overruns, to the tune of PKR 960Mn.
- Share pledge agreement in favour of Security Trustee (United Bank Limited) to the extent of 51% of its shareholding in Yunus Energy Limited.
- Contractual commitment to subscribe Debt Servicing of the two loan installment amounts up to the cap of PKR 338Mn, to be effective one month prior to the date of commercial operations (around 14 months from the date of the financial close) or termination of availability period (24 months from the financial close), whichever is later. The said commitment shall remain effective for the entire tenor of loan i.e. 10 years post COD or DSRA Required Balance Amount has been funded by the project company.

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STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 AND INFORMATION REQUIRED UNDER REGULATION 3 OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2012 ARE PROVIDED BELOW:

(A) Enhancement in Equity Investment

Sr. No.	Description	Information Required
(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established.	Yunus Energy Limited-Common Directorship 1) MR. MUHAMMAD YUNUS TABBA 2) MR. MUHAMMAD ALI TABBA 3) MR. MUHAMMAD SOHAIL TABBA 4) MR. JAWED YUNUS TABBA 5) MRS. RAHILA ALEEM 6) MRS. ZULEKHA TABBA MASKATIYA
(ii)	Purpose, benefits and period of investment.	To enhance equity investment representing cost overrun of Rs. 210 million To enter into financial agreements
(iii)	Maximum amount of investment.	Long term equity investment up-to Rs.960,000,000/-, including cost overrun of Rs. 210,000,000/-, to maintain its shareholding ratio in the project.
(iv)	Maximum price at which securities will be acquired.	At face value i.e. Rs. 10/- per share
(v)	Maximum number of securities to be acquired.	Approximately 96,000,000 ordinary shares.
(vi)	Number of securities and percentage thereof held before and after the proposed investment.	No. of Shares & Shareholding percentage before investment :To date the company has been invested sum of Rs. 131.865 Million (i.e. 13,186,500 shares), out of previously approved equity amounted to Rs. 835 Million, to maintain its equity stake in the project to an extent of 20% of total equity portion. No. of Shares after proposed investment: 96,000,000 approx. Shareholding percentage : Approx. 20% of equity after the proposed investment

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(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not Applicable as Yunus Energy Limited is a public limited unlisted company.
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1).	Since the company is still in its preliminary stages and has not commenced the electricity generation through wind energy, no revenues have been earned till date. In the absence of actual "business" activities it is abundantly difficult to estimate the value of the shares of the associated company. Hence, in the absence of the said information, the management of the company estimates that the fair value of the shares of the company should be equivalent to its offered value i.e. PKR 10/- per share.
(ix)	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	(Rs. 332.86) per share as at June 30, 2014
(x)	Earnings per share of the associated company or associated undertaking for the last three years.	The project company has not yet commenced commercial operations and the project is under development phase. The expenses, so far incurred, are of preliminary nature and are charged to profit & loss account. Hence, Loss per share for the period ended June 30, 2012 was Rs. 305.21, for the year ended June 30, 2013 was Rs. 492.99 (Restated) and for the year ended June 30, 2014 was Rs. 114.71
(xi)	Sources of fund from which securities will be acquired.	Surplus funds of the company

(xii)	Where the securities are intended to be acquired using borrowed funds,- (I) Justification for investment through borrowing; and (II) Detail of guarantees and assets pledged for obtaining such funds	 Not Applicable 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, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Muhammad Yunus Tabba, Mr. Muhammad Ali Tabba, Mr. Muhammad Sohail Tabba, Mr. Jawed Yunus Tabba, Mrs. Rahila Aleem and Mrs. Zulekha Tabba Maskatiya, Directors of the Company are also Directors of Yunus Energy Limited.
(xv)	Any others important details necessary for the members to understand the transaction.	The Company is intending to invest in an associated company, for the development of a 50 MW Wind Power Project in the context that the country is facing severe shortage of electricity and Government of Pakistan has announced the lucrative incentives for investment in power sector, especially in Renewable Energy Sector, which includes; (i) Tax exemptions for the life of the project. (ii) Guaranteed off-take of power generation (iii) Government of Pakistan Guarantees for payment of power off-take (iv) Levelized tariff, which includes financial costs (Loan & Interest) repayment to lenders. (v) Allocation of sizeable land by the Government of Sindh through Alternative Energy Development Board in wind corridor. (vi) Wind Power project is not exposed to availability & prices of fuel.

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		(vii) Determined upfront tariff is worked to aim 17% return on equity with no floor or cap on return on investment, due to wind speed.
(xvi)	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely:	
	(I) Description of the project and its history since conceptualizations.	(I) As mentioned in (XV).
	(II) Starting and expected dated of completion of work.	(II) Commencement of construction is expected in July 2015 and to be completed within Fifteen (15) months thereof.
	(III) Time by which such project shall become commercially operational; and	(III) Fifteen (15) months after the start of construction.
	(IV) Expected time by which the project shall start paying return on investment.	(IV) One year after Commercial Operation Date.

(B) Loans and Advances

S. No.	Description	Information Required
(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	Yunus Energy Limited-Common Directorship 1) MR. MUHAMMAD YUNUS TABBA 2) MR. MUHAMMAD ALI TABBA 3) MR. MUHAMMAD SOHAIL TABBA 4) MR. JAWED YUNUS TABBA 5) MRS. RAHILA ALEEM 6) MRS. ZULEKHA TABBA MASKATIYA
(ii)	Amount of loans or advances	Following are the financing agreements to be made for associated Company: • Sponsor support agreement covering equity value committed by the Company (including project cost overruns) to the tune of PKR 960Mn. • Share pledge agreement in favour of Security Trustee (United Bank Limited) to the extent of 51% of its shareholding in Yunus Energy Limited. • Contractual commitment to subscribe Debt Servicing of the two loan

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S. No.	Description	Information Required
		installment amounts up to the cap of PKR 338Mn, to be effective one month prior to the date of commercial operations (around 14 months from the date of the financial close) or termination of availability period (24 months from the financial close), whichever is later. The said commitment shall remain effective for the entire tenor of loan i.e. 10 years post COD or DSRA Required Balance Amount has been funded by the project company.
(iii)	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	Being one of the sponsors of the associated company, Lucky Cement Limited may be required to issue corporate guarantee / undertaking/pledge of its shares in favour of the project lenders.
(iv)	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	Not applicable.
(v)	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	As at 30th June 2014 the financial position of the YEL was: Total Assets: Rs. 31.08 Million Total Liabilities: Rs. 190.85 Million Accumulated Loss: Rs.164.57 Million Losses are mainly due to preliminary expenses, incurred for the development of project. As the project has not yet achieved its commercial operations, limited civil work activities have been initiated. Further, full range construction activities will be started after achieving Financial Close which is expected within current calendar year.
(vi)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Not applicable.
(vii)	Rate of profit, mark up, profit, fees or commission etc. to be charged	Not applicable.
(viii)	Sources of funds from where loans or	Not applicable.

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S. No.	Description	Information Required
	advances will be given	
(ix)	Where loans or advances are being granted using borrowed funds:	Not applicable.
I.	Justification for granting loan or advance out of borrowed funds	Not applicable.
II.	Details of guarantees / assets pledged for obtaining such funds, if any	Not applicable.
III.	Repayment schedule of borrowing of the investing company	Not applicable.
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Not applicable.
(xi)	Repayment schedule and terms of loans or advances to be given to the investee company	Not applicable.
(xii)	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Not applicable.
(xiii)	Direct or in direct interest of directors, sponsors, majority shareholders and their relatives, if any in the associated company or associated undertaking or the transaction under consideration	Mr. Muhammad Yunus Tabba, Mr. Muhammad Ali Tabba, Mr. Muhammad Sohail Tabba, Mr. Jawed Yunus Tabba, Mrs. Rahila Aleem and Mrs. Zulekha Tabba Maskatiya, Directors of the Company are also Directors of Yunus Energy Limited.
(xiv)	Any others important details necessary for the members to understand the transaction.	None.
(xv)	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in additions to the information referred to above, the following further information , is required, namely:	Not applicable.
I.	A description of the project and its history since conceptualizations	Not applicable.
II.	Starting and expected dated of completion of work.	Not applicable.
III.	Time by which such project, shall become commercially operational	Not applicable.
IV.	Expected return on total capital employed in the project	Not applicable.
V.	Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not applicable.

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As per the disclosure requirement of Regulation 4(1) of the Companies (Investment in Associated Companies or Associated Undertaking) Regulation 2012, it is informed that the following directors of the company are also the directors in the investee company, however, they have no direct or indirect interest except to the extent of shareholding in the investee company:

1) MR. MUHAMMAD YUNUS TABBA
2) MR. MUHAMMAD SOHAIL TABBA
3) MR. MUHAMMAD ALI TABBA
4) MR. JAWED YUNUS TABBA
5) MRS. RAHILA ALEEM
6) MRS. ZULEKHA TABBA MASKATIYA

STATUS OF INVESTMENT IN ASSOCIATED COMPANIES

Information as required under the Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertaking) Regulation, 2012 the status of the previous investments in associated companies against approvals held by the Company are as under:

1) The company has already obtained an approval for the equity investment upto the extent of Rs. 835,000,000/- divided into 83,500,000 ordinary shares of Rs. 10/- each, including cost overrun of Rs. 85 Million, in M/s. Yunus Energy Limited an associated company. The Company has disbursed an investment of Rs. 131.865 million so far and shares have already been issued to the effect of Rs. 131.865 million i.e. 13, 186,500 shares @ Rs. 10/- each. The Yunus Energy Limited has successfully negotiated concession agreements and Insha-Allah will achieve financial close with in current calendar year.

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FORM OF PROXY

I/We____ of (full address) ____ being member of **Lucky Cement Limited** holding _____________ ordinary shares as per Share Register Folio No.____________ and/or CDC Participant I.D. No.___________ and Sub-Account No.______________ hereby appoint _______________________________________ of (full address)____ or failing him/her ____ of (full address) ____ who is also a member of **Lucky Cement Limited**, as my/our proxy in my/our presence to attend and vote for me/us an on my/our behalf at an Extraordinary General Meeting of the Company to be held on December 27, 2014 an/or any adjournment thereof.

Signature this _________________, ________________ _____, 2014
(day) (month) (date)

Witnesses:

1. Signature:____________________
   Name________________________
   Address______________________
   CNIC No._____________________

2. Signature:____________________
   Name________________________
   Address______________________
   CNIC No._____________________

Signature on Five Rupee Revenue Stamp

Signature of members should match with the specimen signature registered with the Company

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