



NISHAT CHUNIAN L T D

NCL/KSE-LSE/2014-

December 05, 2014

The General Manager,
Karachi Stock Exchange (G) Ltd.
Stock Exchange Building,
Stock Exchange Road,
KARACHI
Fax# 021-111-573-329

The General Manager,
Lahore Stock Exchange (G) Ltd.,
Stock Exchange Building,
Shahrah-e-Aiwann-e-Iqbal,
LAHORE
Fax#042-36368485

The Secretary
Islamabad Stock Exchange Ltd.
55-B, ISE Towers,
Jinnah Avenue
ISLAMABAD
Fax#051-111 473 329

SUB: Board Meeting dated December 05, 2014

Dear Sir,

It is to inform you that the Board of Directors of **Nishat (Chunian) Limited** in their meeting held today at 03.00 P.M at Head Office, 31-Q, Gulberg II, Lahore, have approved the following Resolutions to be passed as Special Resolutions under section 208 of the Companies Ordinance 1984 for necessary approval from the members of the company, with or without modification in the forthcoming Extra Ordinary General Meeting:

Special Business:

- (A) **"RESOLVED** that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Nishat Chunian Limited (the "Company") be and is hereby authorized to make investment of up to PKR 3.0 Billion (Rupees Three Billion Only) from time to time in Nishat Chunian Power Limited ("NCPL"), a subsidiary of the Company, by way of advances and / loans, as and when required by NCPL provided that the return on such loans and / or advances shall be at the rate of 3 months KIBOR + 200 bps or weighted average borrowing cost of the Company whichever is higher and that such loans and / or advances shall be repayable within one year from the date of disbursement.

FURTHER RESOLVED that the above said resolution shall be valid for 5 years and Chief Executive and Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time".

- (B) **RESOLVED** that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Nishat Chunian Limited (the "Company") be and is hereby authorized to issue corporate guarantee(s) of up to a sum of PKR 1 Billion (Rupees one billion Only) from time to time to the lenders and suppliers of Nishat Chunian Power Limited, a subsidiary of the Company, to facilitate the subsidiary to obtain credit facilities from its financial institution(s) and / or its suppliers. The Company shall charge commission to Nishat Chunian Power Limited in case of bank guarantee, as per terms with bank/Financial Institution on the outstanding guarantees.

FURTHER RESOLVED that the Company be and is hereby authorized to obtain corporate guarantees to be issued to Nishat Chunian Power Limited from its financial institutions against such securities as may be deemed appropriate by the Chief Executive and Company Secretary of the Company.

FURTHER RESOLVED that the above said resolution shall be valid for 5 years and Chief Executive and Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said issuance of bank guarantees as and when required by Nishat Chunian Power Limited and to execute any and all documents and agreements as required in this respect.

An Extra Ordinary General Meeting of the Company will be held at December 26, 2014 (Friday) 09.00 A.M. at Registered Office of the Company, 31-Q, Gulberg II, Lahore.

The Share Transfer Books of the Company will remain closed from 20-12-2014 to 26-12-2014 (both days inclusive). Transfers received at the share registrar of the Company M/s Hameed Majeed Associates (Pvt) Ltd., H.M. House, 7-Bank Square, Lahore upto close of office timings on December 19, 2014 will be treated in time for the purpose of attending the EOGM.



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A copy of the Notice of Extra Ordinary General Meeting to be held on December 26, 2014 alongwith a statement u/s 160(1)(b) of the Companies Ordinance 1984 is enclosing herewith for circulation amongst your members.

Thanking you,

Yours truly,

For Nishat (Chunian) Limited

Saqib Riaz
Company Secretary

Enclosed: Notice of EOGM

C.C. to: **The Executive Director**
Monitoring & enforcement Division
Securities & Exchange Commission of Pakistan,
N.I.C Building, Jinnah Avenue, **ISLAMABAD**
Fax # (051) 9218592/9204915



NISHAT CHUNIAN LTD

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of Nishat Chunian Limited (the "Company") will be held on Friday, 26 December 2014 at 9:00 A.M. at Registered Office, 31-Q, Gulberg – II, Lahore to transact the following special business:

Special Business:

To consider and if deemed fit, to pass the following resolutions as special resolutions under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), as recommended by the directors:

- (A) **"RESOLVED** that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Nishat Chunian Limited (the "Company") be and is hereby authorized to make investment of up to PKR 3.0 Billion (Rupees Three Billion Only) from time to time in Nishat Chunian Power Limited ("NCPL"), a subsidiary of the Company, by way of advances and / loans, as and when required by NCPL provided that the return on such loans and / or advances shall be at the rate of 3 months KIBOR + 200 bps or weighted average borrowing cost of the Company whichever is higher and that such loans and / or advances shall be repayable within one year from the date of disbursement.

FURTHER RESOLVED that the above said resolution shall be valid for 5 years and Chief Executive and Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time".

- (B) **RESOLVED** that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Nishat Chunian Limited (the "Company") be and is hereby authorized to issue corporate guarantee(s) of up to a sum of PKR 1 Billion (Rupees one billion Only) from time to time to the lenders and suppliers of Nishat Chunian Power Limited, a subsidiary of the Company, to facilitate the subsidiary to obtain credit facilities from its financial institution(s) and / or its suppliers. The Company shall charge commission to Nishat Chunian Power Limited in case of bank guarantee, as per terms with bank/Financial Institution on the outstanding guarantees.

FURTHER RESOLVED that the Company be and is hereby authorized to obtain corporate guarantees to be issued to Nishat Chunian Power Limited from its financial institutions against such securities as may be deemed appropriate by the Chief Executive and Company Secretary of the Company.

FURTHER RESOLVED that the above said resolution shall be valid for 5 years and Chief Executive and Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said issuance of bank guarantees as and when required by Nishat Chunian Power Limited and to execute any and all documents and agreements as required in this respect.

By order of the Board

Saqib Riaz
Company Secretary

Lahore

Dated: December 05, 2014

NOTES:

1. The Members' Register will remain closed from 20-12-2014 to 26-12-2014 (both days inclusive). Transfers received at Hameed Majeed Associate (Pvt) Limited, H.M. House, 7-Bank Square, Lahore, the Registrar and share transfer office of the Company on close of business on 19-12-2014 will be entertained for the purpose of attending the EOGM.
2. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
3. Shareholders are requested to immediately notify the change in address, if any.
4. CDC account holders will further have to follow the guidelines as laid down in circular No.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 group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures 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 individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv). The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

A statement u/s 160(1)(b) of the Companies Ordinance 1984 has been sent to the Shareholders with this notice.

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STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 26 December 2014.

PROVISION OF ADVANCES AND / OR LOANS TO NISHAT CHUNIAN POWER LIMITED

Nishat Chunian Power Limited (NCPL) is a public limited company incorporated in the year 2007, formed under the Power Policy 2002 as an Independent Power Producer (IPP). It is a subsidiary of Nishat Chunian Limited (the "Company"). It is currently listed on the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited and Islamabad Stock Exchange Limited.

The principal activity of the company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW.

NCPL has a chronic problem with its trade debt balances which fluctuate routinely due to delay in payments from the NTDC. This creates liquidity problems for NCPL due to which it needs funds to meet its working capital requirements.

The company will lend the sum from its reserves and general borrowing. The average borrowing rate of the Company was 11.54% for the last quarter ended 30 September, 2014.

In the year 2010, the Company provided similar working capital loan of Rs. 2 billion to NCPL at the rate of KIBOR + 200 bps for 5 years. NCPL has made all payments of interest and principal against this loan in a timely manner.

In view of the above, the management of the Company is proposing to invest its funds by extending a working capital loan of PKR 3 Billion to NCPL at the interest rate of 3 month KIBOR plus 200 bps or weighted average borrowing cost of the Company whichever is higher for a period of one year from the date of disbursement. Payment of interest shall be on quarterly basis. The purpose of the investment is to support the operations of subsidiary which provides stable stream of income for the Company

The directors have carried out their due diligence for the proposed investment and due diligence report shall be available for inspection of members in the general meeting along with latest audited accounts of NCPL.

Information under Clause (b) of sub-regulation (1) of regulation 3 of (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2012.

Ref. No.	Requirement	Information																																				
I	Name of associated company	Nishat Chunian Power Limited																																				
	Criteria of associated relationship	Holding and subsidiary company																																				
ii	Amount of loans and advances	Up to PKR3.0 billion																																				
ii	Purpose	To support the operations of subsidiary which provides stable stream of income for the Company.																																				
	Benefits	To support the operation of subsidiary as well as stable return from subsidiary in the form of dividends.																																				
iv	Details of existing loans	None																																				
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	Audited Financial Statements for the year ended June 30, 2014 showed: <table><tr><td>Balance Sheet:</td><td>Rs. in Billions</td></tr><tr><td>Asset</td><td></td></tr><tr><td>Fixed Assets</td><td>14.12</td></tr><tr><td>Current Assets</td><td>13.28</td></tr><tr><td>Total</td><td>27.4</td></tr><tr><td>Liabilities</td><td></td></tr><tr><td>Long term</td><td>10.6</td></tr><tr><td>Short Term</td><td>9.75</td></tr><tr><td>Total</td><td>20.35</td></tr><tr><td>Capital & Reserves</td><td>7.05</td></tr><tr><td>Current Ratio</td><td>1.36</td></tr><tr><td>Profit & loss:</td><td></td></tr><tr><td>Sales</td><td>27.63</td></tr><tr><td>Gross Profit</td><td>4.94</td></tr><tr><td>Gross Profit Ratio</td><td>17.88%</td></tr><tr><td>Net Profit after tax</td><td>2.9</td></tr><tr><td>Net Profit after tax Ratio</td><td>10.50%</td></tr><tr><td>EPS</td><td>7.9</td></tr></table>	Balance Sheet:	Rs. in Billions	Asset		Fixed Assets	14.12	Current Assets	13.28	Total	27.4	Liabilities		Long term	10.6	Short Term	9.75	Total	20.35	Capital & Reserves	7.05	Current Ratio	1.36	Profit & loss:		Sales	27.63	Gross Profit	4.94	Gross Profit Ratio	17.88%	Net Profit after tax	2.9	Net Profit after tax Ratio	10.50%	EPS	7.9
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vi	Average borrowing cost of the investing company	11.54% for the last quarter ended 30 September 2014
vii	Rate of interest, mark up, profit, fees or commission etc. to be charged	3 Month KIBOR + 200 bps As at 28th November 2014, 3 month KIBOR is 9.64 %
viii	Sources of funds from where loans or advances will be given	Reserves and general borrowings
ix	Where loans or advances are being granted using borrowed funds; justification for granting loan or advance out of borrowed funds; detail of guarantees/assets pledged for obtaining such funds, if any; and repayment schedules of borrowing of the investing company.	Funds will be disbursed from the security provided through joint parri passo /hypothecation charge on current assets of the company with 25% margin. As funds are borrowed through the running finance/Bank over draft and hence will be repaid on demand by the bank/financial institutions
X	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any.	No security to be obtained. NCPL is a subsidiary company.
xi	If the loans or advances carry conversion feature:	Not applicable
xii	Repayment schedule and terms of loans or advances to be given to the investee company.	Repayment of loan will be made in one year from the date of disbursement or such shorter period as may be mutually decided.
xiii	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Agreement will be executed before extending the loan on the basis of the terms and conditions as approved by the shareholders.
xiv	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration:	No direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the subsidiary or the transaction under consideration. NCPL is not a member of NCL. Its directors are nominees of NCL.
xv	Any other important details necessary for the members to understand the transaction:	None
xvi	In case of investment in a project of an associated company or associated undertaking that has not commenced operations:	Not Applicable
	Starting date of work	Not Applicable
	Completion of work	Not Applicable
	Commercial operations date	Not Applicable
	Expected time by which the project shall start paying return on investment	Not Applicable

ISSUANCE OF GUARANTEES UP TO PKR 1.0 BILLION FROM BANKS AND FINANCIAL INSTITUTIONS OF THE COMPANY TO THE LENDERS /CREDITORS OF NISHAT CHUNIAN POWER LIMITED

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The principal activity of the company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW.

NCPL has a chronic problem with its trade debt balances which fluctuate routinely due to delay in payments from the NTDC. This creates liquidity problems for NCPL due to which it needs funds to meet its working capital requirements.

In order to meet its obligation, NCPL borrows from Banks and Financial institutions. Considering guaranteed profitability of the subsidiary, it is in the interest of the Company to ensure that the project remains financially sound Hence; it is in the financial interests of the Company to ensure smooth availability of credit facilities for NCPL from Banks / financial institutions. Some of the Banks / Financial institutions of NCPL require guarantees from the Banks and Financial Institutions of the Company to extend credit lines to the project. Hence, the management of the Company is proposing to extend bank/corporate guarantees amounting up to PKR 1 Billion to the lenders and suppliers of NCPL as and when needed.



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Information required under Clause (b) of sub-regulation (1) of regulation 3 of (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2012

Ref. No.	Requirement	Information																																				
i	<u>Name of associated company</u>	Nishat Chunian Power Limited (NCPL)																																				
	<u>Criteria of associated relationship</u>	Holding and subsidiary company																																				
ii	<u>Amount of loans and advances</u>	Bank guarantees up to PKR 1.0 Billion for credit facilities to be obtained by NCPL																																				
iii	<u>Purpose</u>	To ensure smooth availability of credit facilities for NCPL from Banks / Financial Institutions/suppliers																																				
	<u>Benefits</u>	Smooth operation of NCPL will ensure stable stream of income in the form of dividend income and prospective capital gain.																																				
iv	<u>Details of existing loans</u>	None																																				
v	<u>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</u>	Audited Financial Statements for the year ended June 30, 2014 showed: <table><tr><td>Balance Sheet:</td><td>Rs. in Billions</td></tr><tr><td>Asset</td><td></td></tr><tr><td>Fixed Assets</td><td>14.12</td></tr><tr><td>Current Assets</td><td>13.28</td></tr><tr><td>Total</td><td>27.4</td></tr><tr><td>Liabilities</td><td></td></tr><tr><td>Long term</td><td>10.6</td></tr><tr><td>Short Term</td><td>9.75</td></tr><tr><td>Total</td><td>20.35</td></tr><tr><td>Capital & Reserves</td><td>7.05</td></tr><tr><td>Current Ratio</td><td>1.36</td></tr><tr><td>Profit & loss:</td><td></td></tr><tr><td>Sales</td><td>27.63</td></tr><tr><td>Gross Profit</td><td>4.94</td></tr><tr><td>Gross Profit Ratio</td><td>17.88%</td></tr><tr><td>Net Profit after tax</td><td>2.9</td></tr><tr><td>Net Profit after tax Ratio</td><td>10.50%</td></tr><tr><td>EPS</td><td>7.9</td></tr></table>	Balance Sheet:	Rs. in Billions	Asset		Fixed Assets	14.12	Current Assets	13.28	Total	27.4	Liabilities		Long term	10.6	Short Term	9.75	Total	20.35	Capital & Reserves	7.05	Current Ratio	1.36	Profit & loss:		Sales	27.63	Gross Profit	4.94	Gross Profit Ratio	17.88%	Net Profit after tax	2.9	Net Profit after tax Ratio	10.50%	EPS	7.9
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vi	<u>Average borrowing cost of the investing company</u>	11.54 % for the quarter ended 30 September 2014																																				
vii	<u>Rate of interest, mark up, profit, fees or commission etc. to be charged</u>	The Company shall charge commission to Nishat Chunian Power Limited In case of bank guarantee, as per terms with bank/Financial Institution on the outstanding guarantees.																																				
viii	<u>Sources of funds from where loans or advances will be given</u>	Cumulated Reserved and general borrowings.																																				
ix	<u>Where loans or advances are being granted using borrowed funds; justification for granting loan or advance out of borrowed funds; detail of guarantees/assets pledged for obtaining such funds, if any; and repayment schedules of borrowing of the investing company.</u>	Funds will be disbursed from the security provided through joint parri passo /hypothecation charge on current assets of the company with 25% margin. As funds are borrowed through running finance/over draft limit hence will be repaid on demand by the bank/financial institutions																																				
x	<u>Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any.</u>	No security to be obtained as NCPL is a subsidiary company.																																				
xi	<u>If the loans or advances carry conversion feature:</u>	Not applicable																																				



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xii	<u>Repayment schedule and terms of loans or advances to be given to the investee company.</u>	Bank guarantees shall be settled within one year with payment of commission from NCPL on quarterly basis.
xiii	<u>Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment</u>	Agreement for the arrangement of bank guarantees will be executed before extending the bank guarantees on the basis of the terms and conditions as approved by the shareholders.
xiv	<u>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration:</u>	No direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the subsidiary or the transaction under consideration. NCPL is not a member of NCL. Its directors are nominees of NCL.
xv	<u>Any other important details necessary for the members to understand the transaction:</u>	None
xvi	<u>Description of the project</u>	Not applicable
	<u>Starting date of work</u>	Not applicable
	<u>Completion of work</u>	Not applicable
	<u>Commercial operations date</u>	Not applicable
	<u>Expected time by which the project shall start paying return on investment</u>	Not applicable

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Not Applicable.