

NISSAN



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GHANDHARA NISSAN LIMITED

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May 4, 2016

The Secretary

Pakistan Stock Exchange Ltd.
Stock Exchange Building
Off. I.I. Chundrigar Road
Karachi

Dear Sir,

We are enclosing for your prior information, draft Notice of Extraordinary General Meeting of the company to be held on Wednesday, 8th June, 2016 at 10:00 A.M at Ghandhara House, 109/2, Clifton, Karachi.

The Notice will be published in the press / dispatched to the shareholders at their registered address on 16th May, 2016.

Yours faithfully,
for Ghandhara Nissan Limited

Aqiel Amjad Ghani
Company Secretary

GHANDHARA NISSAN LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held on Wednesday, 8th June, 2016, at Ghandhara House, 109/2, Clifton, Karachi, at 10-00 A.M to transact the following business:-

Ordinary Business:

To confirm the minutes of the 33rd Annual General Meeting held on Thursday the 22nd October, 2015.

Special Business:

1. **INVESTMENT BY GNL IN GENERAL TYRE AND RUBBER COMPANY OF PAKISTAN LIMITED (GTR) UPTO RS 500 MILLION**

The Board of Directors in their meeting held on 22nd April, 2016 have given their consent to seek approval of the shareholders U/S 208 of the Companies Ordinance, 1984 for this purpose and to pass the following special resolution:-

" Resolved that the Company makes the investment of upto Rs.500.00 Million for acquiring the shares of General Tyre & Rubber Company of Pakistan Limited.

Further resolved that the Chief Executive be and is hereby authorized to negotiate the purchase price of the share with the seller."

A statement U/S 160 (1) (b) of the Companies Ordinance, 1984 pertaining to the Special Business is annexed with this notice.

2. **ASSISTANCE BY GNL TO GHANDHARA DF (PVT) LIMITED (GDFPL) IN THE FORM OF ADVANCES UPTO RS 500 MILLION**

The Board of Directors in their meeting held on 22nd April, 2016 have decided to enhance the Advance of Rs. 300.00 Million to Ghandhara DF (Pvt) Limited to Rs. 500.00 on the same terms and conditions as approved by the shareholders on 22nd October, 2015 and decided to take the approval of the shareholders and pass the following Special Resolution in the Extraordinary General Meeting:-

Resolved that the amount of Advance of Rs. 300.00 Million to GDFPL, approved by the shareholders on 22nd October, 2015, be enhanced to Rs. 500.00 Million to enable GDFPL to meet its Working Capital requirements.

Further resolved that all other terms applicable to the advance of Rs. 300.00 Million shall remain the same.

Further resolved that the Chief Executive Officer and or the Company Secretary be and are hereby authorized to take necessary approval."

Statement U/S 160(1)(b) of the Companies Ordinance, 1984 pertaining to assistance by GNL to Ghandhara DF (Pvt) Limited in the form of advance upto Rs. 500.00 Million is annexed with this notice.

3. **TO INCREASE THE AMOUNT OF CORPORATE GUARANTEE FOR BANKING LINES OF GDFPL**

The Board of Directors in their meeting held on 22nd April, 2016 have decided to enhance the limit of Corporate Guarantee to its wholly owned subsidiary M/s. Ghandhara DF (Pvt) Limited to Rs. 1500.00 Million with the approval of the shareholders under a special resolution as follows:-

" Resolved that limit of Corporate Guarantee to Ghandhara DF (Pvt) Limited be enhanced from Rs. 1,000.00 Million to Rs. 1,500.00 Million."

Statement U/S 160 (1)(b) of the Companies Ordinance, 1984 is annexed to this notice.

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

By Order of the Board

Karachi: 16th May 2016.

AQIEL AMJAD GHANI
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 2nd June, 2016 to 8th June, 2016 (both days inclusive).
2. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to cast his/her vote by proxy. Proxies must be deposited at the Company's Registered Office at Ghandhara House, 109/2, Clifton, Karachi not later than 48 hours before the time for holding the meeting.
3. Individual beneficial owners of CDC entitled to attend and vote at this meeting must bring their participant ID and account/sub-account numbers along with original CNIC or passport to verify his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signature of the nominees shall be produced (unless submitted earlier) at the time of meeting.
4. For appointing proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement alongwith participant ID and account / sub-account number together with attested copy of their CNIC or passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signature of the proxy shall be produced at the time of meeting (unless submitted earlier) alongwith the proxy form.
5. Members should quote their Folio Number in all correspondence and at the time of attending the Meeting.

6. Securities and Exchange Commission of Pakistan (SECP) vide notifications dated August 18, 2011 and July 05, 2012 made it mandatory that dividend warrants should bear CNIC number of the registered members, therefore, members who have not yet submitted photocopy of their valid Computerized National Identity Cards to the Company are requested to send the same at the earliest to enable the Company to comply with relevant laws. Failure to provide the same would constrain the Company to withhold dispatch of dividend warrants.
7. As directed by SECP vide Circular No. 18 of 2012 dated August 18, 2012, we have already given opportunity to shareholders to authorize the Company to directly credit in his/their bank account with cash dividend, if any, declared by the Company in future. If you still wish that the cash dividend, if declared by the Company be directly credited into your bank account, instead of issuing a dividend warrant, please provide the relevant details.
8. Members are requested to notify any change in their address, immediately to our Share Registrar's Office – M/s. THK Associates (Pvt.) Ltd., Second Floor, State Life Bldg. No. 3, Dr. Ziauddin Ahmed Road, Karachi.

**Statement U/S 160 (1) (b) of the Companies Ordinance, 1984
pertaining to the requisition of shares of GTR.**

The Company intends to make investment in the shares of GTR to the extent of Rs.500 million out of reserves. Return on investment will increase the profitability of the company keeping in view the present return to shareholders of GTR. The distribution trend of GTR is very encouraging and it is anticipated that in future the return will be even higher. GTR is going to invest PKR 1.2 Billion in financial year 2016 for expansion in tyre production. The plant is presently capable of producing around 3.1 million tyres, of various sorts. With the expansion, the aim is to increase the tyre production up to 25pc. In view of the growth in Automobile Industry, the earning of GTR will be further enhanced, ultimately benefiting the investor.

The information required under S.R.O. 27(1)/2012 is provided below:

S.No.	Description	Information Required
i	Name of associated company or associated undertaking alongwith criteria based on which the associated relationship is established	General Tyre and Rubber Company of Pakistan Limited (GTR), associate of GNL by virtue of common directorship
ii	purpose, benefits and period of investment	The purpose of this investment is to participate in the growing stock market of the country through equity investment. Benefit is to earn return on equity through dividend income and capital appreciation, thus increasing shareholders' value. This will be a long term investment.
iii	maximum amount of investment	Rs 500 Million
iv	maximum price at which securities will be acquired	Negotiated price.

v	maximum number of securities to be acquired	Depends upon the purchase price of the shares
vi	number of securities and percentage thereof held before and after the proposed investment	Currently GNL does not own any shares in GTR. The expected shareholding percentage will be 5%.
vii	in case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Rs 155.9 / 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 39.45
x	earnings per share of the associated company or associated undertaking for the last three years	EPS for year 2013, 2014 and 2015 is Rs 6.61, 8.60, and 12.26 respectively
xi	sources of fund from which securities will be acquired	The amount will be invested in GTR from GNL's reserves.
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 all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	No such agreement exists
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	As proposed GNL, being the shareholder of GTR, will receive dividend. There is no direct interest of the Directors of GNL in GTR, except by virtue of common directorship.
xv	Any other important detail necessary for the members to understand the transaction, and	None
xvi	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the	Not applicable

	<p>information referred to above, the following further information is required, namely:</p> <p>(I) description of the project and its history since conceptualization;</p> <p>(II) starting and expected dated of completion of work;</p> <p>(III) time by which such project shall become commercially operational; and</p> <p>(IV) expected time by which the project shall start paying return on investment</p>	
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Interest of GTR / its sponsors and directors in GNL is as follow:

	Name	Interest in GNL
i	GTR	Associated company by virtue of common directorship.
ii	Lt. Gen. (Retd.) Ali Kuli Khan Khattak (GTR's Director)	-Interest to the extent of directorship -Interest to the extent of 60,070 shares (0.00133 percent) in GNL.
iii	Mr. Raza Kuli Khan Khattak (GTR's Director)	-Interest to the extent of directorship -Interest to the extent of 62,569 shares(0.00139 percent) in GNL.
iv	Mr. Ahmed Kuli Khan Khattak	-Interest to the extent of directorship -Interest to the extent of 69,565 shares(0.00155 percent) in GNL.

Statement U/S 160 (1) (b) of the Companies Ordinance, 1984 pertaining to assistance by GNL to GDFPL in the form of advance upto Rs. 500.00 Million.

Dongfeng trucks have shown a remarkable turnaround with around 400 units on road in a relatively shorter time span speaks volumes for its growth prospects. Considering its potential in general, and keeping in sight the impact of ongoing infrastructure/ transportation requirement with the blessings of CPEC in particular, a considerable growth in its sales is expected.

Since GDFPL is a new entrant, therefore, to have a reasonable market presence and to make the Chinese product competitive, it offers soft payment terms to its major customers. Resultantly, the working capital needs are not being financed wholly through cash profits. Moreover, GDFPL has planned huge imports to cater the market demands. For this purpose, GNL (being the parent company) intends to gear up GDFPL to supplement working capital needs.

As a result, GDFPL will be able to avail the working capital lines at GNL's average borrowing cost that is already at negotiated terms with banks as compared to what GDFPL could have received from banks independently.

In addition, the capital base of GDFPL is not sufficient enough to be offered as collateral to the financial institutions against working capital lines. Whereas GNL does not consider it necessary to have collateral from GDFPL, being its wholly owned subsidiary. In the overall context of the Group, this will be a favorable business proposition for the stakeholders.

The information required under S.R.O. 27(1)/2012 is provided below:

S.No.	Description	Information Required
i	Name of associated company or associated undertaking alongwith criteria based on which the associated relationship is established	Ghandhara DF (Private) Limited, a 100% owned subsidiary of Ghandhara Nissan Limited
ii	Amount of loans or advances	Advance to increase from previously approved Rs 300 Million to Rs 500 Million
iii	Purpose of loans and advances and benefits likely to accrue to the investing company and its members from such loans or advances.	To supplement the working capital requirements. The benefit of this arrangement is to increase revenue and in turn profits and shareholders value accordingly.
iv	In case any loan has already been granted to the associated company or associated undertaking, the complete details thereof	Rs 300 Million. This advance was approved by members through special resolution during last Annual General Meeting held on 22 nd October, 2015. The advance carries markup @ 6 M KIBOR + 3%.
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	Please refer Annexure-1
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	6 M KIBOR + 2.5%
vii	Rate of interest, mark up, profit, fees of commission, etc. to be charged	The advance will carry profit @ 6 M KIBOR + 3%
viii	Source of funds from where loans or advances will be given	Reserves to the extent available. Any requirement in excess will be financed through bank borrowings
ix	Where loans or advances are being granted using borrowed funds: <ul style="list-style-type: none"> a. Justification for granting loan or advance out of borrowed funds b. Detail of guarantees / assets pledged for obtaining such funds, if any c. Repayment schedules of borrowing of the investing company 	<ul style="list-style-type: none"> a. The return on advances to GDFPL will be more than the average borrowing cost of GNL b. Charge on fixed assets/ pledge of investment of GNL c. The repayment terms will be decided when financing terms will be negotiated with the banks

x	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	GDFPL being a wholly owned subsidiary, collateral is not considered necessary
xi	If the loans or advance carry conversion feature, i.e. it is convertible to securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion maybe exercisable	Not applicable
xii	Repayment schedule and terms of loans or advances to be given to the investee company	The shareholders in last AGM have already approved an advance upto Rs 300 Million and further authorized the Board of Directors to annually renew the existing facility subject to maximum three years. Enhancement of above advance to Rs 500 Million will only increase the amount of advance while other terms will remain unchanged. Markup shall be paid by GDFPL to GNL quarterly in arrears.
xiii	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	<p>a. GNL shall advance to GDFPL any amount as requested by GDFPL to meet its working capital requirements and to satisfy both, its obligations and operational expenses; provided that the outstanding amount at any point in time shall not exceed Rs 500 Million.</p> <p>b. GDFPL shall pay the mark-up due to GNL quarterly in arrears.</p>
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	GNL, being the parent company of GDFPL, will receive dividend. There is no direct interest of the Directors of GNL in GDFPL, except that they are nominated by GNL.
xv	Any other important detail necessary for the members to understand the transaction	None

xvi	<p>In case of investment in 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:</p> <ul style="list-style-type: none">a. A description of the project and its history since conceptualizationb. Starting date and expected date of completionc. Time by which such project shall become commercially operationald. Expected return on total capital employed in the projecte. Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts.	Not applicable
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Annexure 1

FINANCIAL POSITION – GDFPL

EXTRACTS FROM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2016

(Rs.in million)

Total Assets	Rs.811.259
Total Liabilities	Rs.622.536
Equity	Rs.188.723
Revenue – Net	Rs.491.495
Gross Profit	Rs.61.944
Operating Profit	Rs.56.640
Net Profit After tax	Rs.29.023

**Statement U/S 160 (1) (b) of the Companies Ordinance, 1984
for increase in Corporate Guarantee.**

The proposed amount of Corporate Guarantee is Rs 1,500 Million including Rs 1,000 Million for which approval was obtained in 31st Annual General Meeting of GNL held on 30th October, 2013.

This Corporate Guarantee will act as an additional comfort to the financial institutions that will enable GDFPL to obtain working capital lines. Profit derived from the operations of GDFPL will accrue to GNL, which may be received in the form of Dividend.

The proposed commission on Corporate Guarantee is 1%.

GHANDHARA NISSAN LIMITED

Form of Proxy

I/We _____
of _____ being
a member(s) of Ghandhara Nissan Ltd. and holder of _____ Ordinary shares as per Registered
Folio No./CDC Participant's ID and Account No. _____ hereby
appoint _____ of
_____ or failing
him/her _____ of
_____ who is also
member of Ghandhara Nissan Ltd. vide Registered Folio No./CDC Participant's ID and Account
No. _____ as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General
Meeting of the Company to be held on Wednesday, the 8th June, 2016 at 10.00 A.M. and any adjournment
thereof.

Signed this ____ day of _____ 2016.



Signature _____

Witness: _____

Witness: _____

Name with
NIC No. _____

Name with
NIC No. _____

Address: _____

Address: _____

IMPORTANT

1. This form of Proxy duly completed must be deposited at the Company's Registered Office Ghandhara House, 109/2, Clifton, Karachi not later than 48 hours before the time of holding the meeting.
2. A proxy should also be a member of the Company.
3. CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or Passport with this Proxy Form.