

NISSAN



GHANDHARA NISSAN LIMITED

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S.I.T.E., Karachi-75730
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UAN: 111-190-190
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FORM- 4

October 2, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: **Notice of Annual General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on October 23, 2018 for circulation amongst the TRE Certificate Holders of the Exchange.

The aforementioned notice published in the following English and Urdu language newspaper on October 02, 2018.

1. Business Recorder (English)
2. Nawa-i-Waqt (Urdu)

Yours Sincerely

M. Sheharyar Aslam
Company Secretary

Encl: Notice Copy



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the Shareholders of Ghandhara Nissan Limited will be held on Tuesday, 23rd October, 2018 at 09:30 A.M., at F-3, Hub Chauki Road, S.I.T.E., Karachi, to transact the following business:

Ordinary Business

- To confirm the minutes of the Annual General Meeting held on 23rd October, 2017.
- To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June, 2018 together with Directors' and Auditors' Reports thereon.
- To appoint Auditors for the year ending 30th June, 2019 and fix their remuneration. The Board of Directors has recommended reappointment of M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants.

Special Business

- To consider to pass the following ordinary resolutions:
 - "RESOLVED that the transactions carried out in normal course of business with associated companies during the year ended June 30, 2018 (as disclosed in Note-41 of Financial Statements for the year ended June 30, 2018) be and are hereby ratified and approved."
 - "RESOLVED that Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the year ending June 30, 2019 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."
- To consider and approve the renewal of the cash advance facility of PKR 800 million to M/s Ghandhara DF (Pvt.) Limited (GDFPL), a wholly-owned subsidiary company, and to pass the following resolution as Special Resolution, with or without modification, under Section 199 of the Companies Act 2017, as recommended by the Board of Directors of the Company:

"RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act 2017 for cash advance facility PKR 800 Million to M/s Ghandhara DF (Pvt.) Limited (GDFPL), a wholly-owned subsidiary company for further period of three years to support its working capital requirements, at a mark-up of 6 months KIBOR+1.85%.

Further resolved that the Board of Directors be and is hereby authorized to review the said facility every year during the said three years."

- To amend Article 86 of the Articles of Association of the Company to enhance the Directors' Meeting Fee from Rs. 25,000/- to Rs. 50,000/-. For that purpose, following special resolution is proposed:

"RESOLVED that Directors' Meeting Fee be and is hereby enhanced from Rs. 25,000/- to Rs. 50,000/- which will be paid through crossed cheque or pay order.

Further resolved that Article 86 of the Articles of Association of the Company be and is hereby amended to substitute the figure Rs. 25,000/- by the figure Rs. 50,000/-"

A statement of material facts under Section 134 (3) of the Companies Act 2017 pertaining to the Special Business stated above is annexed to this Notice of Meeting.

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

Karachi
2nd October, 2018

By Order of the Board
M. SHEHARYAR ASLAM
(COMPANY SECRETARY)

NOTES:

- The share transfer books of the Company will remain closed from October 17, 2018 to October 23, 2018 (both days inclusive). The request for transfers shall be received at Company's Share Registrar namely M/s. T.H.K Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.CH.S, Karachi, Pakistan by close of business on October 16, 2018.
- A member entitled to attend and vote at this Annual General Meeting shall be entitled to appoint another member, as a proxy to attend and vote on his/her behalf. For proxies in order to be effective, instrument appointing proxy must be received at the Registered Office or Share Registrar of the Company not less than 48 hours before the time of the Meeting. For convenience of members, a Proxy Application Form is attached at the end of the Annual Report 2018.
- Members holding physical shares are requested to notify any change in their addresses immediately to our Share Registrar, M/s. T.H.K Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.CH.S, Karachi, Pakistan.
- Any individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his/her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of the shareholder's attested CNIC must be attached with the Proxy Form. Representatives of corporate members should bring the usual documents required for such purpose.
CDC Account Holders will also have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting

- 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 identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- Members registered on CDC are also requested to bring their particulars, I.D. Numbers and account numbers in CDS.
- 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 Meeting.

B. For Appointing Proxies

- 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.
- The Proxy Form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
- The proxy shall produce his/her original CNIC or original passport at the time of Meeting.
- In case of corporate entity, the Board of Directors' Resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the Proxy Form to the Company.

v. Circulation of Annual Audited Accounts via CD/DVD/USB or Any Other Media

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 10 days prior to the date of Meeting, the Company will arrange Video Conference Facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of Video Conference Facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated September 8, 2014, and under Section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

Members can request a hard copy which shall be provided free of cost within seven days from receipt of requisition.

vi. Video Conference Facility

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 10 days prior to the date of Meeting, the Company will arrange Video Conference Facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of Video Conference Facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

vii. Submission of CNIC/SNIC/NTN

The SRO 831(2)/2012 dated July 5, 2012 read with SRO 19(1)/2014 dated January 10, 2014 issued by SECP, requires printing of CNIC/SNIC or NTN (in case of corporate entities) on the dividend warrant, without which no dividend warrant shall be issued. Therefore, individual members who have not yet submitted photocopy of their valid CNICs/SNICs, are once again reminded to send the same at the earliest directly to the Company's Share Registrar. Corporate entities are requested to provide their NTN. Please give folio number with copy of CNIC/SNIC/NTN details.

viii. Dividend Mandate

Under the provisions of Section 242 of the Companies Act 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Dividend Mandate Form available on Company's website i.e. <http://www.gandharanissan.com.pk> and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. T.H.K Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.CH.S, Karachi, Pakistan in case of physical shares. In case shares are held in CDC then Dividend Mandate Form must be submitted directly to the shareholder's broker/participant/CDC account services.

ix. Unclaimed Dividend

Pursuant to Section 244 of the Companies Act 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it becomes due payable, shall vest with the Federal Government after compliance of procedures prescribed under the Company Act 2017. Section 244(l)(a) of the Act requires the Company to give a 90 days' notice to members to file their claims with the Company. Further SECP vide Direction No. 16 of 2017 issued on July 07, 2017 directed all listed companies to issue such notice to the members and submit statement of unclaimed shares or dividend or any other instruments which remain unclaimed or unpaid for a period of three years from the date it is due and payable as of May 30, 2017.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT 2017

Below statements set out the material facts concerning Special Business, given in agenda of the Notice that will be considered by the members.

- Agenda Item No. 4(a) of the Notice – Transactions carried out with associated companies during the year ended June 30, 2018 to be passed as an Ordinary Resolution.
Transactions carried out in normal course of business with associated companies (related parties) were being approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to Clause-15 of the Listed Companies (Code of Corporate Governance) Regulations 2017.
During the Board Meeting it was pointed out by the Directors that as majority of the Company Directors were interested in this/these transactions(s) due to their common directorship and holding of shares in associated companies, the quorum of Directors could not be formed for approval of this/these transaction(s) which has/have to be approved by the shareholders in the General Meeting.
In view of the above, transactions conducted during the financial year ended June 30, 2018 with associated company as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ratification.
The Directors are interested in the resolution to the extent of their common directorships and their shareholding in associated companies.
- Agenda Item No. 4(b) of the Notice – Authorization of the Chief Executive for the transactions carried out and to be carried out with associated companies during the year ended June 30, 2019 to be passed as an Ordinary Resolution.
The Company would be conducting transactions with associated companies in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.
In order to comply with the provisions of Clause-15 of the Listed Companies (Code of Corporate Governance) Regulations 2017, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2019.
The Directors are interested in the resolution to the extent of their common directorships and their shareholding in associated companies.
- Agenda Item No. 5 of the Notice – to consider and approve the renewal of Cash Advance Facility of PKR 800 Million to M/s Ghandhara DF (Pvt.) Limited (GDFPL), a wholly-owned subsidiary company:

S.No.	DESCRIPTION	INFORMATION REQUIRED
i.	Name of associated company or associated undertaking along with criteria based on which the associated relationship is established.	Ghandhara DF (Pvt.) Limited, a wholly-owned subsidiary of Ghandhara Nissan Limited
ii.	Amount of loans or advances.	Advance up to PKR 800 Million.
iii.	Purpose of loan and advances and benefits likely to accrue to the investing company and its members from such loans or advances.	To supplement the working capital requirement of GDFPL. The investing company being the holding company of GDFPL, will derive benefit in the form of dividend, which will eventually benefit all stakeholders of GNL.
iv.	In case any loan has already been granted to the associated company or associated undertaking, the complete details thereof.	No other advance/loan granted to GDFPL except the advance given under the above mentioned facility.
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 to Annexure 1.
vi.	Rate of interest, mark-up, profits, fees of commission, etc. to be charged to associated company.	The advance will carry mark-up @6 M KIBOR+1.85%
vii.	Source of fund from where loans or advances will be given.	The amount will be advanced to GDFPL from GNL's cash reserves.
viii.	Where loans or advances are being granted using borrowed funds: 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.	Not applicable.
ix.	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any.	Not applicable.
x.	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.
xi.	Repayment schedule and terms of loans or advances to be given to the investee company.	The advance will be for a period of three years. GDFPL can repay/draw the advance or any part thereof as and when required during the period. Mark-up shall be paid by GDFPL to GNL quarterly in arrears.
xii.	Salient feature of all agreement entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	a) GNL shall advance to GDFPL any amount as requested by GDFPL to meet its working capital requirement and to satisfy both its obligation and operational expenses; provided that the outstanding principal amount at any point in time shall not exceed PKR 800 Million. b) GDFPL shall pay the mark-up due to GNL quarterly in arrears.
xiii.	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 sponsor of GDFPL, will receive dividend. There is no direct interest of the Directors of GNL in GDFPL, except that they are nominated by GNL.
xiv.	Any other important detail necessary for the members to understand the transaction	None.
xv.	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: a) A description of the project and its history since conceptualization. b) Starting date and expected date of completion. c) Time by which such project shall become commercially operational. d) Expected return on total capital employed in the project. e) Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts.	Not applicable.

- Agenda Item No. 6 of the Notice – The Board of Directors in their meeting held on 24th February, 2018 proposed to enhance Directors' Meeting Fee from Rs. 25,000/- to Rs. 50,000/-. The meeting fee was last revised in Annual General Meeting dated 28th October, 2014. Revised fee will be effective from 23rd October, 2018.

**Annexure 1
FINANCIAL POSITION – GDFPL
EXTRACTS FROM AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018**

Total Assets	Rs. 2,271.2 Million
Totals Liabilities	Rs. 1,734.2 Million
Equity	Rs. 536.9 Million
Revenue	Rs. 2,837.2 Million
Gross Profit	Rs. 345.6 Million
Operating Profit	Rs. 307.9 Million
Net Profit After Tax	Rs. 176.3 Million

