

IMPERIAL SUGAR LIMITED
NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 11th Annual General Meeting of the shareholders of Imperial Sugar Limited will be held on Saturday the January 27, 2018, at 10:00 a.m. at the Registered Office at Ismail Aiwan-e-Science Building, 205 Ferozepur Road, Lahore to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended September 30, 2017 together with the Directors' and Auditors' Reports thereon.
2. To appoint Auditors for the year 2017-18 and to fix their remuneration.

SPECIAL BUSINESS

3. To consider and approve the sale of freehold land, buildings on freehold land, plant and machinery and other assets of the Company located at Karmanwala, Tehsil Phalia, District Mandi Bahauddin by passing following resolution(s) as ordinary resolution(s) with or without any modification, addition or deletion in terms of Section 183(3)(a) of the Companies Act, 2017:

RESOLVED THAT the consent of shareholders be and is hereby accorded to the disposal and sale of Company's assets located at Karmanwala, Tehsil Phalia, District Mandi Bahauddin comprised of freehold land, buildings on freehold land, plant and machinery, furniture, fixture and equipment and other assets.

RESOLVED FURTHER that, as part and parcel of the foregoing consent, Board of Directors be and are hereby authorized and empowered for asset sale. The Board may delegate its powers to Chief Executive Officer (CEO) or any other person on such term and conditions they deem fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement and / or give effect to the asset sale and the transaction contemplated by it, which shall include, but not be limited to:-

- a) conducting negotiations, obtaining quotations etc, with interested parties in such manner and on such terms and conditions as are in the best interests of the Company and its shareholders and which secure the best available market price for the assets;
- b) selling the assets to any individual, firm / partnership, bank or private / public limited company or organization or to any other person and, for that purpose, negotiating with financial institution for vacating lien/charges against assets if any, entering into an agreement to sell, sale deed or any other agreement with the buyer(s) or any other person, receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and / or transfer documents in favor of the buyer(s) or another person to effect the asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;
- c) representing before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting consideration amount in respect of the assets sale, and
- d) generally performing and executing in respect of the assets all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the assets Sale.

FURTHER RESOLVED that the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to asset sale.

FURTHER RESOLVED that the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed / required by the SECP without the need for any other further approval of the shareholders.

FURTHER RESOLVED that certified copies of this resolution as present form or modified by CEO/Company Secretary be communicated to the concerned authorities and shall remain in force until notice in writing to the contrary be given.

4. To approve the shifting of registered office of the Company from Province of Punjab to Islamabad Capital Territory and amendment in Clause II of Memorandum of Association of the Company and, if approved, to pass, inter alia, the following special resolutions:

RESOLVED THAT:

- a) The registered office of the Company be and is hereby shifted from Province of Punjab to Islamabad Capital Territory, subject to regulatory approvals and compliance.
- b) The existing Clause II of the Memorandum of Association of the Company be and is hereby substituted by the following new Clause II:

“The registered office of the Company shall be situated in Islamabad Capital Territory.”

RESOLVED FURTHER that Chief Executive of the Company, (the Authorized Person), be and is hereby, authorized, singly, to take such other steps and execute such other documents, deeds, statutory forms, affidavits and authority letter (including but not limited to petitions, applications, documents and statutory forms to the Securities and Exchange Commission of Pakistan and any other regulatory body) as may be necessary or expedient for the purpose of shifting the registered office of the Company from Province of Punjab to Islamabad Capital Territory and giving effect to the spirit and intent of the above special resolution passed by the shareholders of the Company in this Annual General Meeting.

RESOLVED FURTHER that all actions hereto taken by the Authorized Person on behalf of the Company in respect of the above matters are hereby confirmed, ratified and adopted by the Company in full.

5. Any other business with permission of the Chair.

By Order of the Board

Company Secretary

Lahore
January 05, 2018

NOTES:

1. The Share Transfer Books of the Company will remain closed from January 19, 2018 to January 27, 2018(both days inclusive). Physical transfers / CDS Transaction IDs received at the Company’s Share Registrar, M/s. Hameed Majeed Associates (Private) Limited, H.M. House, 7-Bank Square, Lahore, at the close of business on January 18, 2018 will be considered in time to determine voting rights of the shareholders for attending the meeting.
2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, properly filled in must be received at the Company’s Registered Office not later than 48 hours before the time for holding the meeting.

3. The members are requested to bring their Folio / Account details (participant ID and sub-account) and original CNIC for identification purpose at the time of meeting. In case of corporate entity, the Board of Director's Resolution or power of attorney with specimen signatures of the nominee should be produced.
4. Members can also avail facility of video conference at their hometown. In this case if the Company receives consent from members holding aggregate 10% or more shareholding, residing at a geographical location to participate in the meeting through video conference at least 07 days prior to the date of meeting, the Company will arrange video conference facility. For the purpose, please fill the following and submit at Registered Office of the Company as per time frame given above:
 "I/We, _____ of _____, being a member of Imperial Sugar Limited, holder of _____ Ordinary Share(s) as per Registered Folio / CDC A/c # _____ hereby opt for video conference facility at _____.

 Signature of Member / Attorney"
5. Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 787(I) / 2014 has facilitated the Companies to circulate Audited Financial Statements or Notices etc. through e-mail after obtaining prior written consent of its members. The members who intend to receive the Audited Accounts through email are therefore, requested to kindly send their written consent along with valid e-mail address on a standard request form available at website of the company www.imperialsugars.com.
6. The Annual Financial Statements are being transmitted to shareholders through DVD and also have been placed at website of the Company at www.imperialsugars.com. However, the company shall send printed copy of its Financial Statements to desirous member within a week of such request without any cost.
7. Under provisions of section 242 of the Companies Act 2017, in future any dividend payable in cash shall only be paid through electronic mode directly into the Bank Account designated by the entitled shareholders. The shareholders are therefore, advised to provide their complete bank details and send to the company attached e-Dividend Mandate Form dully filled and signed. The e-Dividend Mandate Form may also be downloaded from the website of Company. Members having shares in Book Form are advised to please update their profile with respective CDC Participants.
8. Members are again advised:
 - a) To provide the copies of their valid CNIC's if not provided earlier to update the members register.
 - b) To notify the change of address immediately, if any.

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

This statement sets out the material facts pertaining to the special businesses to be transacted at the Annual General Meeting of the Company to be held on January 27, 2018.

Item No. 3 of the Agenda, Sale of Assets

Pursuant to Company's shareholders' approval in last Annual General Meeting held on January 31, 2017, assets of Mian Chanu Unit of the Company were disposed of during the year ended 30 September 2017. This asset sale transaction is a landmark in the history of Sugar Sector of Pakistan in terms of the total amount of the transaction. The audited financial statements of the Company for the year ended 30 September 2017 discloses significant details of the transaction under reference.

Now, the management of the Company is actively engaged in search of suitable buyer(s) for assets of Phalia Unit of the Company. Any resolution passed under section 183(3) of the Companies Act, 2017 if not implemented within one year from the date of passing stands lapsed, hence, the Board of Directors has re-approved the disposal of remaining freehold land, buildings on freehold land, plant and machinery, furniture, fixture and equipment and other assets subject to approval of the Company's shareholders in Annual General Meeting. The information required under SRO 1227/2005 dated December 12, 2005 is as follows:

Description of Asset(s)	Cost as at 30-09-2017	Book Value as at 30-09-2017 (without surplus on revaluation)	Revalued Amount / Fair Value / Current Market Value
	Rupees in thousands		
Land 138 Acres 02 Kanals and 16 Marlas Situated at Karmanwala, Tehsil Phalia District Mandi Bahauddin	173,577	173,577	1,292,937
Building	791,400	493,124	2,985,187
Plant & Machinery	2,146,247	1,496,107	5,214,800
Furniture, fixture and equipment	37,947	17,291	-
Vehicles	25,666	6,183	-
Stores, spares & loose tools	262,106	262,106	-

The proposed manner of disposal

The assets will be disposed of through tender in newspaper.

Reason for the disposal of assets

There are multiple factors which have led to the decision by the Directors of the Company to dispose of the assets, as aforesaid.

Operational activities of Company remained suspended due to shortage of working capital in the preceding years. Besides the shortage of working capital some other un-avoidable factors compelled management to close its operations. Seeing the saturated capacity of sugar in Pakistan, lower prices of sugar and global decrease in ethanol prices due to depressed oil prices, management has decided to dispose off the assets and undertake the most profitable business segment.

During the year National Bank of Pakistan and The Bank of Punjab have issued NOC's upon settlements and the charges registered in their favor were vacated. At present payables to banks stood at Rupees 755,241,682 as at 30 September 2017 and Sponsors' loans as at 30 September 2017 are of Rupees 566,731,655.

The borrowings from financial institutions / banks are secured against charge over movable and immovable assets of the Company and personal guarantees of directors of the Company. The amount of charge of each bank on movable and immovable assets of the Company is as follows:

Name of Bank	Amount of Charge Rupees
BankIslami Pakistan Limited	271,000,000/-
AlBarka Bank Pakistan Limited	467,000,000/-
TOTAL	738,000,000/-

As of 05 January 2018, settlement with AlBaraka Bank Pakistan Limited is in progress and likely to be done in coming days.

The shareholders are being informed that the assets of the Company under reference can only be disposed of obtaining NOCs from BankIslami Pakistan Limited resultant clearance of borrowings of the Company from Bank.

In the light of above circumstances, the Board of Directors has approved the disposal plan as mentioned above. The disposal of assets under reference is expected before the end of financial year 2017-18.

Benefits expected to accrue to the shareholders

The proceeds received from the disposal of the Mian Channu Unit are being utilized for repayments of borrowings of the Company, Growers and other Creditors. Consequently, the borrowing cost will substantially reduce in the next financial year.

The proceeds from disposal of the assets under reference alongwith remaining proceeds from the disposal of assets of Mian Channu Unit will help the Company in roll out of future business plan and hence will enhance the shareholders' value.

Future Business Plan

We plan to setup an Independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) subject to regulatory approvals. The total cost of this project is estimated at USD 221.263 million, with 70:30 Debt to Equity Ratio. IRR on Equity Investment is projected to be 17% per annum (tax free) in US Dollar terms. Project completion time is estimated to be 2-3 years depending upon the financial close of the project and other regulatory approvals related thereto.

None of the Directors have any direct or indirect interest in the sale/disposal of the said assets except as shareholders of the Company. One director of the Company, Mr. Naveed M. Sheikh and his family members have given interest free sponsors' loan of Rupees 566,731,655/- to the Company.

Availability of Relevant Documents

The documents pertaining to foregoing special business are available for inspection at the registered office of the Company on any working day upto 27 January 2018 during business hours and also at the time of meeting.

Item No. 4 of the Agenda, Shifting of registered office of the Company from Province of Punjab to Islamabad Capital Territory

As explained under the heading "Future Business Plan" above, the future business plan of the Company mandate extensive dealings with Islamabad based regulatory authorities like National Electric Power Regulatory Authority (NEPRA), Central Power Purchasing Agency (Guarantee) Limited, Ministry of Energy, Power Division, Private Power and Infrastructure Board (PPIB) etc.

In light of the above, the Company proposes that, subject to regulatory approvals and compliance, its registered office be shifted from Province of Punjab to Islamabad Capital Territory. This will also require amendment in Clause II of the Memorandum of Association of the Company. For such purpose, shareholders of the Company will be required to pass a special resolution in accordance with applicable law.

Clause II of the Memorandum of Association is required to be amended as follows:

Ref	Present	Proposed
Clause II of Memorandum of Association	The registered office of the company shall be situated in the province of Punjab.	The registered office of the Company shall be situated in Islamabad Capital Territory.

None of the Directors have any direct or indirect interest in the sale/disposal of the said assets except as shareholders of the Company. One director of the Company, Mr. Naveed M. Sheikh and his family members have given interest free sponsors' loan of Rupees 566,731,655/- to the Company.

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