

PAKGEN POWER LIMITED



SECY/Stock Exch/

October 01, 2018

The General Manager
Pakistan Stock Exchange Ltd
Stock Exchange Building
Stock Exchange Road, Karachi.

PUCAR / TCS

SUB: NOTICE OF EXTRA ORDINARY GENERAL MEETING

Dear Sir,

Further to our Letter No. SECY/Stock Exch/ 411 dated September 27, 2018, enclosed please find a copy of the Notice of Extra Ordinary General Meeting of the Members of **Pakgen Power Limited** to be held on October 25, 2018 (Thursday) for circulation amongst the TRE certificate holders.

Thanking you,

Yours sincerely,


KHALID MAHMOOD CHOHAN
Company Secretary

Copy to: -

The Director / HOD,
Surveillance, Supervision and Enforcement Department,
Securities & Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area,
ISLAMABAD.

Fax No. (051) 9100440/TCS

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-95, 35717169-83, FAX: 92-42-35717239, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@jalpr.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42 36367414

POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: 92-99-2300030, FAX: 92-99-2300280, www.pakgenpower.com



NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra General Meeting (EOGM) of the Shareholders of Pakgen Power Limited (the "Company") will be held on October 25, 2018 (Thursday) at 11:00 A.M. at Emporium Mall, The Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore, to transact the following business:

Special Business: -

To consider and if deemed fit, to pass the following resolutions as special resolutions under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s).

RESOLVED that approval of the members of Pakgen Power Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for renewal of up to PKR 1,000,000,000/- (Rupees One Billion Only) in the form of working capital / running finance loan to Nishat Hotels and Properties Limited ("NHPL"), an associated company, for a period of one year starting from the date of approval by the members, at the markup rate of 1 Month KIBOR + 0.50 % (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the company whichever is higher) and as per other terms and conditions of the loan agreement in writing and as disclosed to the members.

FURTHER RESOLVED the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things and take any or all necessary steps and actions to complete all legal formalities including signing of agreement and other documents and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.

By order of the Board

(KHALID MAHMOOD CHOHAN)
COMPANY SECRETARY

Lahore
September 27, 2018

NOTES:

BOOK CLOSURE NOTICE: -

The Share Transfer Books of the Company shall remain closed from 19-10-2018 to 25-10-2018 (both days inclusive) for attending and voting at EOGM. Physical transfers/CDS transactions/IDs, received in order at Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, up to 1:00 p.m. on 18-10-2018 will be considered in time for attending of EOGM.

PROXIES:

Page 1 of 8

PAKGEN POWER LIMITED



N I S H A T

A member eligible to attend and vote at this meeting may appoint another member his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting.

Shareholders are requested to immediately notify the change in address, if any.

Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's 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

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717090-96, 35717189-93, FAX: 92-42-35717228, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@jalpir.com

REGISTERED OFFICE

: NISHAT HOUSE, 83/A, LAWRANCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42 36367414

POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: 92-66-2300030, FAX: 92-66-2300280, www.pakgenpower.com

PAKGEN POWER LIMITED



N I S H A T

ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in CDC-Sub Account or CDC Investor Account) or to our Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi. The Shareholders while sending the Zakat Declarations, as the case may be must quote company name and their respective folio numbers.

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders, the shareholders who have not provided their bank account details so far are advised to provide their below electronic dividend mandate information to our Share Registrar, Central Depository Company of Pakistan, CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahrah-e-Faisal, Karachi and update their CDC accounts/ Sub accounts as the case may be, , enabling the Company to credit your future dividend promptly, if any.

Folio No. / Investor Account Number / CDC Sub Account No.	
Title of Account	
IBAN Number	
Bank Name	
Branch	
Branch Address	
Mobile Number	
Name of Network (if ported)	
Email Address	

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717000-08, 35717150-63, FAX: 92-42-35717239, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@jalpir.com

REGISTERED OFFICE

: NISHAT HOUSE, 63/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42 36367414

POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: 92-66-2300030, FAX: 92-66-2300280, www.pakgenpower.com

PAKGEN POWER LIMITED



N I S H A T

Signature of Shareholder

Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The video-link facility shall be provided by the Company at least seven (07) days prior to the date of the meeting and the request for the same shall be made on the Standard Form available on the Company's website.

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

This statement sets out the material facts pertaining to the special business to be transacted at the Extraordinary General Meeting of the Company to be held on October 25, 2018.

Nishat Hotels and Properties Limited (NHPL) was incorporated on 04 October 2007 as a public company limited by shares. Its authorized share capital is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 (One Billion) ordinary shares of PKR 10 each. Its main object is to carry on hotels and hospitality business in Pakistan. For the intended purpose, NHPL has acquired Hotel site of 119 Kanals, 6 Marlas and 73 SFT of Commercial Land situated at Trade and Finance Block, Johar Town, Lahore, from Lahore Development Authority (LDA) – Urban Development Wing and constructed Emporium Mall which is fully operational from September 2016. Around 94% of the leases have been finalized and the premises had been handed over to the lessees. Hotel has been opened from 20th May 2017 and 198 rooms are fully operational, two floors of hotel are at finishing stage.

Short term running finance is needed by NHPL for its working capital requirements. Considering the average borrowing rate of the Company and the return offered by Banks on term deposits, the Directors of the Company has recommended to invest surplus funds of the Company by extending a working capital loan up to Rs. 1.0 billion at the markup rate of 1 Month KIBOR + 0.50 % (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the company whichever is higher). Repayment of the principle amount of loan will be made within one year with payment of interest due on monthly basis. The Management expects better return for the Company which will eventually enhance the return on investment of the shareholders of the Company. The Management expects the transactions to be beneficial for the Company as this will enhance the return on surplus funds available with the Company.

The Directors of the Company have certified that they have carried out necessary due diligence for the proposed investment which shall be made as financial health of NHPL is such that it has the ability to repay the loan as per agreement. A due diligence report duly signed by the directors with recommendations shall be made available for inspection of members in the annual general meeting along with the latest annual audited financial statements and latest interim financial statements of the Company and NHPL.

Page 4 of 8

PAKGEN POWER LIMITED



N I S H A T

NHPL is not a member of the Company. Its sponsors/directors are directors/members of the Company. They have no interest except their directorship and to the extent of their shareholding in the Company which is as follows:

Name	% of Shareholding
Mian Hassan Mansha	3.93

Information Under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

(a) Disclosure for all types of investments:																																																															
(A) Disclosure regarding associated company																																																															
(i)	Name of Associated Company or Associated Undertaking	Nishat Hotels and Properties Limited (NHPL)																																																													
(ii)	Basis of Relationship	Common Directorship																																																													
(iii)	Earnings / (Loss) per Share for the last three years	2015:(0.09) 2016:(0.11) 2017:(0.23)																																																													
(iv)	Break-up value per Share, based on last audited financial statements	2017:9.60																																																													
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements as on 30 Jun, 2018. (Un-Audited)	<table border="1"> <thead> <tr> <th>Equity and Liabilities</th> <th>Rs</th> <th>Assets</th> <th>Rs</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>8,092,590,496</td> <td>Non-Current Assets</td> <td>24,667,120,635</td> </tr> <tr> <td>Non-Current Liabilities</td> <td>11,647,899,483</td> <td></td> <td></td> </tr> <tr> <td>Current Liabilities</td> <td>7,410,833,297</td> <td>Current Assets</td> <td>2,484,202,641</td> </tr> <tr> <td></td> <td><u>27,151,323,276</u></td> <td></td> <td><u>27,151,323,276</u></td> </tr> <tr> <td colspan="4">Issued, subscribed and paid up share capital</td> </tr> <tr> <td colspan="4">960,000,000 (2017: 960,000,000)</td> </tr> <tr> <td colspan="4">ordinary shares of Rs 10 each</td> </tr> <tr> <td></td> <td></td> <td></td> <td>9,600,000,000</td> </tr> <tr> <td colspan="4">Share deposit money</td> </tr> <tr> <td></td> <td></td> <td></td> <td>-</td> </tr> <tr> <td colspan="4">Revenue reserve: Accumulated loss</td> </tr> <tr> <td></td> <td></td> <td></td> <td>(1,507,409,504)</td> </tr> <tr> <td></td> <td></td> <td></td> <td><u>8,092,590,496</u></td> </tr> <tr> <td colspan="2">Loss after taxation</td> <td colspan="2">Rs. (1,123,968,424)</td> </tr> </tbody> </table>		Equity and Liabilities	Rs	Assets	Rs	Equity	8,092,590,496	Non-Current Assets	24,667,120,635	Non-Current Liabilities	11,647,899,483			Current Liabilities	7,410,833,297	Current Assets	2,484,202,641		<u>27,151,323,276</u>		<u>27,151,323,276</u>	Issued, subscribed and paid up share capital				960,000,000 (2017: 960,000,000)				ordinary shares of Rs 10 each							9,600,000,000	Share deposit money							-	Revenue reserve: Accumulated loss							(1,507,409,504)				<u>8,092,590,496</u>	Loss after taxation		Rs. (1,123,968,424)	
Equity and Liabilities	Rs	Assets	Rs																																																												
Equity	8,092,590,496	Non-Current Assets	24,667,120,635																																																												
Non-Current Liabilities	11,647,899,483																																																														
Current Liabilities	7,410,833,297	Current Assets	2,484,202,641																																																												
	<u>27,151,323,276</u>		<u>27,151,323,276</u>																																																												
Issued, subscribed and paid up share capital																																																															
960,000,000 (2017: 960,000,000)																																																															
ordinary shares of Rs 10 each																																																															
			9,600,000,000																																																												
Share deposit money																																																															
			-																																																												
Revenue reserve: Accumulated loss																																																															
			(1,507,409,504)																																																												
			<u>8,092,590,496</u>																																																												
Loss after taxation		Rs. (1,123,968,424)																																																													
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely	N/A																																																													

PAKGEN POWER LIMITED



N I S H A T

I	Description of the project and its history since conceptualization	N/A
II	Starting date and expected date of completion of work	N/A
III	Time by which such project shall become commercially operational	N/A
IV	Expected time by which the project shall start paying return on investment	N/A
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	N/A
(B) General Disclosures:		
(i)	Maximum amount if investment to be made	Rs. 1,000,000,000 (Rupees One Billion Only)
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>Purpose: Working Capital needs of the associated Company.</p> <p>Benefits: The Company will earn better return from investment.</p> <p>The investment in NHPL will be for a period of one (1) years and shall payable within one(1) year from the date of approval by the members unless renewed by the members under Section 199 of the Companies Act. 2017.</p>
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Company's own funds.
(I)	Justification for investment through borrowings	NA
(II)	Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	NA
(III)	Cost of benefit analysis	NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>Agreement will be signed after approval by the members. Significant terms and conditions are as under:</p> <ol style="list-style-type: none"> Interest due on outstanding amount of loan shall be paid by the associated company on monthly basis on 20th of every month starting from the next month. In case of delay in re-payment of principal and interest, an additional sum equivalent to 7.50% per annum on the unpaid amount for the period for which the payment is delayed, shall be paid by Nishat Hotels and Properties Limited to Lalpir

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717080-86, 35717159-83, FAX: 92-42-35717239, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@lalpir.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42 36367414

POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 89, MUZAFFARGARH. PC-34200, PAKISTAN. TEL: 92-86-2300030, FAX: 92-86-2300200, www.pakgenpower.com

PAKGEN POWER LIMITED



		<p>Power Limited in addition to the agreed interest amount.</p> <p>3. All payments under the loan agreement shall be made through crossed cheque.</p> <p>4. The associated company shall provide corporate guarantee to secure extension of loan.</p>																		
(v)	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	<p>One Director of Pakgen Power Limited, Mian Hassan Mansha currently holds 21.72% shares and his spouse currently holds 0.00% (13,902) shares, brothers of Mian Hassan Mansha namely Mian Raza Mansha and Mian Umer Mansha also currently holds 21.50% and 21.72% respectively, in Nishat Hotels and Properties Limited.</p> <p>The associated companies holding shares of Nishat Hotels and Properties Limited are interested in Pakgen Power Limited to the extent of their shareholding in Nishat Hotels and Properties Limited as follows:-</p> <table border="0"> <tr> <td></td> <td style="text-align: right;">%</td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">7.40</td> </tr> <tr> <td>Security General Insurance Co. Ltd.</td> <td style="text-align: right;">7.40</td> </tr> <tr> <td>D. G. Khan Cement Co. Ltd.</td> <td style="text-align: right;">10.42</td> </tr> </table> <p>The associated companies holding shares of Pakgen Power Limited are interested in Nishat Hotels and Properties Limited to the extent of their shareholding in Pakgen Power Limited as follows:-</p> <table border="0"> <tr> <td></td> <td style="text-align: right;">%</td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">27.55</td> </tr> <tr> <td>Security General Insurance Co. Ltd.</td> <td style="text-align: right;">1.72</td> </tr> <tr> <td>Adamjee Insurance Co. Ltd.</td> <td style="text-align: right;">6.89</td> </tr> <tr> <td>Engen (Private) Limited</td> <td style="text-align: right;">17.33</td> </tr> </table>		%	Nishat Mills Limited	7.40	Security General Insurance Co. Ltd.	7.40	D. G. Khan Cement Co. Ltd.	10.42		%	Nishat Mills Limited	27.55	Security General Insurance Co. Ltd.	1.72	Adamjee Insurance Co. Ltd.	6.89	Engen (Private) Limited	17.33
	%																			
Nishat Mills Limited	7.40																			
Security General Insurance Co. Ltd.	7.40																			
D. G. Khan Cement Co. Ltd.	10.42																			
	%																			
Nishat Mills Limited	27.55																			
Security General Insurance Co. Ltd.	1.72																			
Adamjee Insurance Co. Ltd.	6.89																			
Engen (Private) Limited	17.33																			
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs	NA																		
(vii)	Any other important details necessary for the members to understand the transaction	None																		
Additional disclosure regarding investment in the form of Loan/Advance																				
(i)	Category-wise amount of investment	Running finance loan upto PKR 1,000,000,000 (Pak Rupees One Billion Only).																		
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return unfunded facilities, as the case may be, for the	Average borrowing cost 1 Month KIBOR + 0.35 % 1 Month KIBOR as on September 27, 2018 is 8.33%																		

HEAD OFFICE

: 1-B, AZIZ AVENUE, CANAL BANK, GULBERG V, LAHORE. TEL: +92-42-35717000-06, 35717159-63, FAX: 92-42-35717238, WEBSITE: www.pakgenpower.com, E-MAIL: pakgen@alplr.com

REGISTERED OFFICE

: NISHAT HOUSE, 53/A, LAWRENCE ROAD, LAHORE. TEL: 111-113-333 FAX: +92-42 36367414

POWER STATIONS

: LALPIR THERMAL POWER STATIONS, P.O. BOX NO. 69, MUZAFFARGARH, PC-34200, PAKISTAN. TEL: 92-66-2300030, FAX: 92-66-2300280, www.pakgenpower.com

PAKGEN POWER LIMITED



N I S H A T

	relevant period	
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	1 Month KIBOR + 0.50% (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period or the borrowing cost of the company whichever is higher)
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Corporate Guarantee of the associated company.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayment of principal will be made within one year of the approval by the shareholders while payment of interest due will be made on monthly basis.

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Lalpir Power Limited	Lalpir Solar Power (Pvt) Limited
Total Investment Approved:	Investment by way of loan/advance of Rs 1,000,000,000 (Rupees One Billion Only) was approved by members in AGM held on April 30, 2018 for the period of 1 year from the date of approval by members.	Equity investment of Rs 270,270,000 (Rupees Two Hundred Seventy Million Two Hundred Seventy Thousand Only) was approved by members in AGM held on April 30, 2016 for the period of (3) years.
Amount of Investment Made to date:	Rs.200,000,000	Nil
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	No deviation from approved timeline. Not further invested as no demand raised.	No deviation from approved timeline. Tariff not approved so we are unable to invest.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	As per latest available Financial statements Dec 31,2017,profit was Rs.972,340,000 and earnings per share is Rs.2.56	Lalpir Solar Power (Pvt) Limited has issued paid-up share capital of 50,000 shares of Rs 10 each amounting to Rs 500,000 (Rupees five hundred thousand only). As per latest available financial statements for the year ended June 30, 2018, the loss per share is Rs. (2.43)