



PAKGEN POWER LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of Pakgen Power Limited (the "Company") will be held on Monday, April 26, 2021 at 12:00 P.M. at the Nishat Hotel (Emporium Mall), Trade and Finance Centre, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following business.

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2020 together with the Chairman Review, Directors and Auditors' reports.
2. To approve Final Cash Dividend @ 10% [i.e. Re.1/- (Rupee One Only) per Ordinary Share] as recommended by the Board of Directors of the Company in addition to the 12.50%, 1st Interim and 10%, 2nd Interim Dividends already declared and paid.
3. To appoint statutory Auditors of the Company for the year ending 2021 and fix their remuneration. The Board and Audit Committee have recommended the name of M/s Riaz Ahmad & Co., Chartered Accountants, the retiring auditors, for appointment as Auditors of the Company.
4. **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).

- A) **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 investment of upto PKR 1,000,000,000/- (Rupees One Billion Only) in the form of loan / advance to Lalpir Power Limited (“Lalpir”), an associated company, for a period of one year starting from the date of approval by the members, at the mark up rate of 1 (One) Month KIBOR plus 1% (which shall not be less than the average borrowing cost of the Company) and as per other terms and conditions 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.

- B) **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 investment of up to PKR 500,000,000/- (Rupees Five Hundred Million Only) in the form of working capital loan extended 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 mark up rate of 1 (One) Month KIBOR plus 1% (which shall not be less than the average borrowing cost of the Company) and as per other terms and conditions 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.

- C) **To consider and if deemed fit, to pass the following resolutions as Special Resolutions with or without modification, addition(s) or deletion(s) for alteration in the Memorandum and Articles of Association of the Company:**

RESOLVED THAT subject to the requisite approvals, the existing object clause III of the Memorandum of Association of Pakgen Power Limited be and is hereby substituted with the following new object Clause III:

- III (i) The principle line of business of the Company shall be to carry out, set up, own, manage, operate, maintain power generation plants anywhere in Pakistan and to carry on the business of electric Power Generation.
- ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge,

directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

- (iv) It is hereby undertaken that the company shall not:
- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
 - (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
 - (c) engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

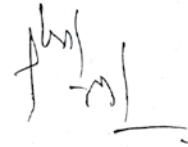
FURTHER RESOLVED THAT the Chief Executive Officer or Company Secretary be and are hereby singly authorized to fulfil all legal, corporate and procedural formalities for accomplishing alteration of the Company's Memorandum of Association and file applications with the relevant authorities as may be required and signed and execute all such applications and documents, affidavits, statements, etc.

FURTHER RESOLVED that the aforesaid alteration in the Memorandum of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be directed / advised by the Securities and Exchange Commission of Pakistan which direction / advise shall be deemed to be have been approved as part of the passed Special Resolution without the need of the members to pass a fresh Special Resolution.

FURTHER RESOLVED THAT the new Memorandum of Association of the Company be printed and replaced for the existing ones after getting the confirmation of the Securities and Exchange Commission of Pakistan.

Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to the notice of meeting circulated to the members of the Company.

By order of the Board



(KHALID MAHMOOD CHOCHAN)
COMPANY SECRETARY

LAHORE
February 24, 2021

NOTES:

1. BOOK CLOSURE NOTICE:

The Share Transfer Books of Ordinary Shares of the Company will remain closed from 17-04-2021 to 26-04-2021 (both days inclusive) for entitlement of 10% Final Cash Dividend (i.e. Re. 1/- Per Ordinary Share) and attending of Annual General Meeting. Physical transfers / CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 16-04-2021 at CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, will be considered in time for entitlement of 10 % Final Cash Dividend and attending of meeting.

2. ATTENDANCE AT MEETING

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The instrument appointing the proxy and the power of attorney or other authority under which it is originally signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. The proxy form, in English and Urdu languages, are attached with this notice sent to the members. The same is also available on the Company's website: <http://www.pakgenpower.com/>.

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 under Circular No.1 of 2000:

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose 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 whose 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.

Members are requested to timely notify any change in their addresses.

3. DEDUCTION OF WITHHOLDING TAX ON DIVIDEND

Pursuant to the provisions of under Rule 1 of Tenth Schedule of the Income Tax Ordinance, 2001 (Ordinance) the rates of deduction of income tax from dividend payments have been revised as follows:

- Filer 7.5%
- Non-Filer 15%

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

4. EXEMPTION OF WITHHOLDING TAX:

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi, up to April 16, 2021.

5. SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC to the Company or the Company's Share Registrar. All shareholders are once again requested to send a copy of their valid CNIC to our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. The Shareholders while sending CNIC must quote their respective folio numbers and name of the Company.

6. 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.

In case you want to claim exemption from compulsory deduction of Zakat, please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form with Share Registrar, CDC Share Registrar Services Limited, 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/CDC Account numbers.

7. 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. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In the case of shares held in CDC, the same information should be provided directly to the CDS participants for updating and forwarding to the Company.

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	

Signature of Shareholder

8. TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL

In terms of the provisions of the Companies Act, 2017, the Company can send financial statements electronically to its members. In this regard, the members may send their email information on a standard form which is available at the Company's website i.e. www.pakgenpower.com and send the form, duly signed, along with copy of his/her CNIC to the Company's Share Registrar M/s CDC Share Registrar Services Limited.

9. CIRCULATION OF ANNUAL REPORTS THROUGH DIGITAL STORAGE

Pursuant to the SECP's notification SRO 470(I) / 2016 dated 31st May, 2016 the Members of Pakgen Power Limited in AGM held on April 26, 2017 had accorded their consent for transmission of annual reports including audited annual financial statements and other information contained therein of the Company through CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary / Share registrar, the standard request form available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand.

10. UNCLAIMED DIVIDEND / SHARES

Shareholders who have not collected their dividend/ physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

11. VIDEO-LINK FACILITIES FOR THE MEETING:-

In light of COVID-19 situation, the Securities and Exchange Commission of Pakistan ("SECP") has advised vide Circular No. 4 of 2021 dated 15 February, 2021 to provide participation of the members through electronic means. The members can attend the AGM via video link using smart phones/tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at khalidchohan@pakgenpower.com or smahmood@dgcement.com by April 20, 2021.

Name of Member/ Proxyholder	CNIC No.	Folio No. / CDC Account No.	Cell No. Whatsapp No.	Email ID

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 Annual General Meeting of the Company to be held on April 26, 2021.

A) LOAN / ADVANCE TO LALPIR POWER LIMITED

Lalpir Power Limited ("Lalpir") is a Public Limited Company incorporated on 8 May 1994 under the Companies Ordinance, 1984. The registered office of Lalpir is situated at 53-A, Lawrence Road, Lahore. The principal activities of the Company are to own, operate and maintain an oil fired power station having gross capacity of 362 MW in Mehmood Kot, Muzaffargarh, Punjab, Pakistan. It is currently listed on the Pakistan Stock Exchange Limited.

Lalpir has a persistent problem with its trade debt balances which fluctuate routinely due to delay in payments from Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). This creates liquidity problems for Lalpir due to which it has to borrow funds from Banks and Financial Institutions to meet 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 have recommended loan / advance in the form working capital loan up to Rs. 1 Billion to Lalpir at the interest rate of 1 Month KIBOR plus 1% which shall not be less than borrowing cost of the Company. Repayment of the principle amount of loan/

advance shall be made within one year from the date of approval by the members while payment of interest due shall be made on monthly basis. The Management expects the transaction to be beneficial for the Company and its shareholders as this will enhance the return on surplus funds available with the Company.

Prospective Benefits of the Proposed Investment

Following are the prospective benefits and projected financial gain of the proposed investment:

- a. Earnings of Rs.84.7 Million interest income on proposed investment for 365 days i.e. upto the date of next Annual General Meeting of the Company. It is linked with the interest rate of KIBOR plus 1% (i.e. 1M KIBOR +1 %).
- b. Opportunity for short term investment to earn more than average borrowing cost of the Company.

Other Relevant Information to the Satisfaction of Minority Shareholders

The following other relevant information to the satisfaction of minority shareholders is being provided:

- All business decisions being made by the board of directors of the Company are aimed at securing the best interests of the Company and its shareholders.
- The investment decisions implemented by the board of directors of the Company are a direct manifestation of the will of the majority shareholders through resolutions passed at the general meetings which the board of directors is duty bound to comply with as per the law.
- The Company is interested in maximizing returns for all its stakeholders and bases its business decisions on this principle of maximization of returns. Some business decisions are more fruitful than others, however, we assure you that none are motivated by ill-intent.

The Directors have certified that they have carried out necessary due diligence for the proposed investment before making recommendation for approval of the members and duly signed recommendation of the due diligence report shall be made available for inspection of members in the general meeting along with latest financial statements of Lalpir.

Lalpir is not a member of the Company. Its sponsors/directors are directors/members of the Company. They have no interest either direct or indirect 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
Mr. Aurangzeb Firoz	0.03

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	Lalpir Power Limited (Lalpir)																
(ii)	Basis of Relationship	Common Directorship																
(iii)	Earnings / (Loss) per Share for the last three years	<table border="1"> <thead> <tr> <th>Year</th> <th>Earnings per Share (Rs.)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>9.35/-</td> </tr> <tr> <td>2019</td> <td>5.38/-</td> </tr> <tr> <td>2018</td> <td>1.97/-</td> </tr> </tbody> </table>	Year	Earnings per Share (Rs.)	2020	9.35/-	2019	5.38/-	2018	1.97/-								
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(iv)	Break-up value per Share, based on last audited financial statements	PKR 46.14 per share as at 31 December 2020.																
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>Statement of financial position (Rupees '000)</p> <table border="1"> <tbody> <tr> <td>Non-current assets –</td> <td>6,876,654</td> </tr> <tr> <td>Current assets –</td> <td>22,982,335</td> </tr> <tr> <td>Total assets –</td> <td>29,858,989</td> </tr> <tr> <td>Net equity –</td> <td>17,524,346</td> </tr> </tbody> </table> <p>Statement of profit and loss account (Rupees '000)</p> <table border="1"> <tbody> <tr> <td>Revenue 2020 –</td> <td>12,402,237</td> </tr> <tr> <td>Expenses (CGS+Admin) –</td> <td>7,575,991</td> </tr> <tr> <td>Other income –</td> <td>43,630</td> </tr> <tr> <td>Profit/(Loss) after tax-</td> <td>3,551,394</td> </tr> </tbody> </table>	Non-current assets –	6,876,654	Current assets –	22,982,335	Total assets –	29,858,989	Net equity –	17,524,346	Revenue 2020 –	12,402,237	Expenses (CGS+Admin) –	7,575,991	Other income –	43,630	Profit/(Loss) after tax-	3,551,394
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(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																
	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 of investment to be made	PKR 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	Purpose of this investment is to earn income on the Company's surplus funds and the likely benefit is to earn more than average borrowing cost of the Company which will add to its profitability. Loan will be given for a period of one year starting from the date of approval by the members.																				
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Surplus funds of the Company																				
	(I) Justification for investment through borrowings	N/A																				
	(II) Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	N/A																				
	(III) Cost of benefit analysis	N/A																				
(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. Other significant terms and conditions are as under:</p> <ol style="list-style-type: none"> 1. Mark up 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 of the disbursement of loan. 2. In case of delay in re-payment principal and interest, an additional sum equivalent to 2% per annum on the unpaid amount for the period for which the payment is delayed, shall be paid by associated company to the Company in addition to the agreed interest amount. 3. The associated company shall provide a corporate guarantee to secure the loan. 																				
(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>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>Two Directors of Pakgen Power Limited, Mian Hassan Mansha currently holds 6.84% shares, Mr. Aurangzeb Firoz currently holds 0.00% shares in Lalpir Power Limited.</p> <p>The associated/related companies holding shares of Pakgen Power Limited are interested in Lalpir Power Limited to the extent of their shareholding as follows:</p> <table border="0"> <thead> <tr> <th></th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">28.80</td> </tr> <tr> <td>Security General Insurance Co. Ltd.</td> <td style="text-align: right;">1.80</td> </tr> <tr> <td>Adamjee Insurance Co. Ltd.</td> <td style="text-align: right;">7.20</td> </tr> <tr> <td>Engen (Pvt) Limited</td> <td style="text-align: right;">18.17</td> </tr> </tbody> </table> <p>The associated/related Companies holding shares of Lalpir Power Limited are interested in Pakgen Power Limited to the extent of their shareholding as follows:</p> <table border="0"> <thead> <tr> <th></th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <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 (Pvt) Limited</td> <td style="text-align: right;">17.33</td> </tr> </tbody> </table>		%	Nishat Mills Limited	28.80	Security General Insurance Co. Ltd.	1.80	Adamjee Insurance Co. Ltd.	7.20	Engen (Pvt) Limited	18.17		%	Nishat Mills Limited	27.55	Security General Insurance Co. Ltd.	1.72	Adamjee Insurance Co. Ltd.	6.89	Engen (Pvt) Limited	17.33
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(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	Sr. No.	Description	Amount (Rs.)
		1	Maximum loan advanced to Lalpir since last approval	659,085,889/-
		2	Amount outstanding on the date of the notice of the AGM	NIL
		3	Markup accrued and recovered since inception upto 31-12-2020	92,276,276 /-
		4	Mark up accrued since the last date of approval	1,743,757/-
		5	Mark-up recovered since the last date of approval	1,743,757/-
		6	Mark up outstanding at the date of notice of the AGM	0
(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 (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 Shariah compliant products and rate of return unfunded facilities, as the case may be, for the relevant period	The average borrowing cost of the Company for the previous year ended 31 December, 2020 was 10.75%. Current 1 (one) Month KIBOR as on February 24, 2021 is 7.47%.		
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	The Company shall charge mark up at the rate of 1 Month KIBOR plus 1% (which shall not be less than the average borrowing cost of the Company).		
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	The associated company shall provide a corporate guarantee to secure the loan.		
(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 with payment of markup due on monthly basis.		

B) LOAN / ADVANCE TO NISHAT HOTELS AND PROPERTIES LIMITED

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. 12,908,890,270/- (Rupees Twelve Billion Nine Hundred Eight Million Eight Hundred Ninety Thousand Two Hundred Seventy Only) divided into 1,290,889,027 (One Billion Two Hundred Ninety Million Eight Hundred Eighty Nine Thousand Twenty Seven Only) ordinary shares of PKR 10 each. Its main object is to carry on retail and hospitality business in Pakistan. For the intended purpose, NHPL has acquired 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. Hotel has been opened from 20th May 2017 and 198 rooms are fully operational. The Building has a covered area of 2.742 Million Square Feet comprising the following building components (3 basements, ground floor and 11 floors):

- 4 star Hotel with 198 rooms
- Banquet halls
- Carre Four
- Shopping Mall with following features:
 - o Retail
 - o Food courts
 - o Cineplex
 - o Fun Factory
 - o Health and Leisure Zones
 - o Two basements with 2,815 parking bays for cars and motorcycles

Since NHPL has achieved commercial operation of hotel, short term finance is needed by NHPL for meeting expense of staff salary, power generation, maintenance of HVAC and other 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 in their meeting held on February 24, 2021 has recommended renewal of above said working capital loan upto PKR 500 Million extended to NHPL at the interest rate of 1 Months KIBOR plus 1% (which shall not be less than the Karachi Inter Bank Offered Rate (KIBOR) or borrowing cost of the Company whichever is higher) for a further period of one year starting from the date of this AGM i.e. April 26, 2021 on the terms and conditions of loan agreement in writing and as disclosed to the members

Repayment of the principle amount of loan will be made within one year with payment of interest due on monthly basis. The management expects financial gains for the Company through higher interest rates charged to NHPL which will eventually enhance the return on investment to the shareholders of the Company.

Prospective Benefits of the Proposed Investment

Following are the prospective benefits and projected financial gain of the proposed investment:

- a. Earnings of Rs.42.35 Million interest income on proposed investment for 365 days i.e. upto the date of next Annual General Meeting of the Company. It is linked with the interest rate of KIBOR plus 1% (i.e. 1M KIBOR +1%).
- b. Opportunity for short term investment to earn more than average borrowing cost of the Company.

Other Relevant Information to the Satisfaction of Minority Shareholders

The following other relevant information to the satisfaction of minority shareholders is being provided:

- All business decisions being made by the board of directors of the Company are aimed at securing the best interests of the Company and its shareholders.
- The investment decisions implemented by the board of directors of the Company are a direct manifestation of the will of the majority shareholders through resolutions passed at the general meetings which the board of directors is duty bound to comply with as per the law.
- The Company is interested in maximizing returns for all its stakeholders and bases its business decisions on this principle of maximization of returns. Some business decisions are more fruitful than others, however, we assure you that none are motivated by ill-intent.

The directors of the Company certify / undertake that the investment is being made after due diligence and financial health of the borrowing company is such that it has the ability to repay the loan as per agreement. The duly signed recommendation of the due diligence report and directors undertaking/ certificate along with annual accounts of NHPL shall be made available to the members for inspection at the meeting.

NHPL is not a member of the Company. Its sponsors/directors are directors/members of the Company. They have no interest either direct or indirect 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	Sr.	Year	
			Earnings / (Loss) per Share	
			Rs.	
		1.	2020	(0.71)
		2.	2019	1.42
		3.	2018	(0.30)
(iv)	Break-up value per Share, based on last audited financial statements	PKR 18.05 per share as at 30th June 2020		
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest audited financial statements as on 30 Jun, 2020.	<p>Audited financial statements as at 30th June 2020:</p> <p style="text-align: right;">Rs. in millions</p> <p>Balance Sheet:</p> <p>Assets</p> <p>Non-current assets 34,481.146</p> <p>Current assets 5,362.900</p> <p>Total assets <u>39,844.046</u></p> <p>Liabilities</p> <p>Borrowings 16,061.535</p> <p>Other liabilities 3,597.420</p> <p><u>19,658.955</u></p> <p>Equity 20,185.091</p> <p>Profit & loss:</p> <p>Sales 3,873.946</p> <p>Gross Profit 1,285.895</p> <p>Gross Profit Ratio 33.193%</p> <p>Net Loss after tax (790.891)</p> <p>Net (Loss)after tax Ratio (20.415%)</p>		
(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		

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	Upto PKR 500,000,000 (Pak Rupees Five Hundred Million only)
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>Purpose: Renewal of working capital loan.</p> <p>Benefits: The Company expects significant financial gains through higher interest rates charged to NHPL which will eventually enhance the return on investment of the shareholders of the Company.</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	N/A
	(II) Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	N/A
	(III) Cost of benefit analysis	N/A
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>Followings are the salient features of loan agreement already in existence:</p> <p>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.</p> <p>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 Pakgen Power Limited in addition to the agreed interest amount.</p> <p>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>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>The directors/CEO of Pakgen Power Limited (Pakgen), their relatives and associated companies holding shares of Nishat Hotels and Properties Limited (NHPL) are interested to the extent of their shareholding as under:-</p> <table border="0"> <tr> <td>Chief Executive Officer</td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">23.04</td> </tr> <tr> <td colspan="2">Relatives:</td> </tr> <tr> <td>Mian Umer Mansha</td> <td style="text-align: right;">23.04</td> </tr> <tr> <td>Mian Raza Mansha</td> <td style="text-align: right;">22.92</td> </tr> <tr> <td>Both brothers of Mian Hassan Mansha.</td> <td></td> </tr> <tr> <td>Mrs. Iqraa Hassan Mansha (Spouse of Mian Hassan Mansha)</td> <td style="text-align: right;">0.00</td> </tr> <tr> <td colspan="2">Associated Companies</td> </tr> <tr> <td>Nishat Mills Limited</td> <td style="text-align: right;">6.62</td> </tr> <tr> <td>Security General Insurance Co. Ltd.</td> <td style="text-align: right;">15.07</td> </tr> <tr> <td>D. G. Khan Cement Company Limited</td> <td style="text-align: right;">9.31</td> </tr> </table> <p>The directors of NHPL are interested in Pakgen to the extent of their shareholding as under:-</p> <table border="0"> <tr> <td>Name</td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td style="text-align: right;">3.93</td> </tr> </table> <p>The associated Companies holding shares of NHPL are interested in Pakgen to the extent of their shareholding as follows:</p> <table border="0"> <tr> <td>Name</td> <td style="text-align: right;">% of Shareholding</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> </table>	Chief Executive Officer	% of Shareholding	Mian Hassan Mansha	23.04	Relatives:		Mian Umer Mansha	23.04	Mian Raza Mansha	22.92	Both brothers of Mian Hassan Mansha.		Mrs. Iqraa Hassan Mansha (Spouse of Mian Hassan Mansha)	0.00	Associated Companies		Nishat Mills Limited	6.62	Security General Insurance Co. Ltd.	15.07	D. G. Khan Cement Company Limited	9.31	Name	% of Shareholding	Mian Hassan Mansha	3.93	Name	% of Shareholding	Nishat Mills Limited	27.55	Security General Insurance Co. Ltd.	1.72
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(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	<table border="1"> <thead> <tr> <th style="text-align: center;">S. No.</th> <th style="text-align: center;">Description</th> <th style="text-align: center;">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1</td> <td>Maximum loan advanced to NHPL since last approval</td> <td style="text-align: right;">350,000,000/-</td> </tr> <tr> <td style="text-align: center;">2</td> <td>Amount outstanding on the date of the notice of the AGM</td> <td style="text-align: right;">350,000,000/-</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Markup accrued and recovered since inception upto 31-12-2020</td> <td style="text-align: right;">186,476,699/-</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Mark up accrued since the last date of approval</td> <td style="text-align: right;">23,267,597/-</td> </tr> <tr> <td style="text-align: center;">5</td> <td>Mark-up recovered since the last date of approval</td> <td style="text-align: right;">21,313,734/-</td> </tr> <tr> <td style="text-align: center;">6</td> <td>Mark up outstanding at the date of notice of the AGM</td> <td style="text-align: right;">1,953,863/-</td> </tr> </tbody> </table>	S. No.	Description	Amount (Rs.)	1	Maximum loan advanced to NHPL since last approval	350,000,000/-	2	Amount outstanding on the date of the notice of the AGM	350,000,000/-	3	Markup accrued and recovered since inception upto 31-12-2020	186,476,699/-	4	Mark up accrued since the last date of approval	23,267,597/-	5	Mark-up recovered since the last date of approval	21,313,734/-	6	Mark up outstanding at the date of notice of the AGM	1,953,863/-
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(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 500,000,000 (Pak Rupees Five Hundred Million Only).
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return unfunded facilities, as the case may be, for the relevant period	The average borrowing cost of the Company for the previous year ended 31-12-2020 was 10.75% Current 1(one) Month KIBOR as on February 24, 2021 is 7.47%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	The Company shall charge mark up at the rate of 1 (one) Month KIBOR plus 1% (which shall not be less than the average borrowing cost of the Company).
(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 with payment of markup due on monthly basis.

C) Amendment to clause III (object Clause) of Memorandum of Association.

Following the enactment of the new Companies Act, 2017 (hereinafter the 'Act'), certain changes have been necessitated in the object clause of the Memorandum of Association of Pakgen Power Limited (the 'Company') to bring it in line with the requirements of the Act.

The proposed changes will not affect any rights and obligations of the Company and the interest of any shareholder or investor in any manner.

Comparative analysis of existing clause with the proposed alteration along with the reasons and justification of the proposed change in Memorandum of Association

In order to enable the shareholders to compare the existing clause III of the Memorandum of Association with the proposed new Clause III, a blackline draft of the amended Memorandum of Association identifying the changes proposed therein, bearing the initials of the Company Secretary for the purpose of identification, is being circulated along with the notice of this meeting. This will serve as a comparative analysis of the existing clause of the Memorandum of Association with the proposed new Clause III.

The changes in object clause is being proposed to bring the Memorandum of Association in line with the requirements of Section 26 of the Companies Act, 2017.

Existing Clause III of Memorandum of Association:

1. To set up, own, manage, operate and maintain power generation plants any where in Pakistan and to carry on the business of electric power generation.
2. To achieve the above object, the Company shall be entitled:
 - (a) To design, construct or acquire by way of outright purchase or financial or other lease(s) plant, machinery, equipment and services for setting up the said power plant on turn key basis or otherwise, under such arrangements, guarantees or warranties as may be considered appropriate.
 - (b) To transmit, store, sell or distribute the electricity generated by the Company.
 - (c) To engage in the reforestation and other work as may be necessary under the laws and or considered appropriate for the purposes of pollution abatement.
 - (d) To purchase, acquire or lease land and or buildings for the purpose of the Company and or for reforestation or other work considered necessary.
 - (e) To borrow or raise money by means of loans or other financing arrangements from banks, or other financial institutions, or from Directors, in such manner as the Company may think fit and in particular by issue of debentures, debenture-stock, perpetual or otherwise, convertible into shares and to mortgage, assign or charge the whole or any part of the property, rights, assets or revenue of the Company, present or future, by special assignment or to transfer or convey the same absolutely or in trust as may seem expedient and to purchase, redeem or pay off any such financing or securities.
 - (f) To arrange local and foreign currency loans or financing from scheduled, banks, industrial banks and other financial institution for the purpose of purchase and import of machinery, construction of plant, building, raw material and for working capital or for any other purpose of the Company.
 - (g) To draw, accept, make, endorse, discount and negotiate promissory notes, bills of exchange, bills of lading and other negotiable instruments connected with the business of the Company.

- (h) To open, maintain and operate banking accounts of the Company with one or more banks and to deposit or withdraw money there from.
 - (l) To distribute any of the properties of the Company amongst the members in specie or kind at the time of winding up.
 - (j) To carry out joint venture agreements with other companies or countries.
 - (k) To enter into contracts and arrangements of all kinds permitted by law including, without prejudice to the foregoing, contracts with suppliers and manufacturers of machinery, construction, procurement and engineering contractors, turn key contractors, contractors for operation and maintenance of plant and machinery.
 - (1) To approve and enter into schemes for amalgamation, merger and reorganization with such companies or other entities as may be considered appropriate or beneficial.
3. It is declared that notwithstanding anything contained in the foregoing object clause of this Memorandum of Association nothing contained therein shall be construed as empowering the Company to undertake or to indulge in the business of banking leasing managing agency or insurance business directly or indirectly as restricted under law or to indulge in any other unlawful operations.

Proposed Clause III of Memorandum of Association:

- III. (i) The Principle line of business of the Company shall be to carry out to set up, own, manage, operate, maintain power generation plants any where in Pakistan and to carry on the business of electric Power Generation.
- (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.

(iv) It is hereby undertaken that the company shall not:

- (a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
- (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
- (c) engage in any of the permissible business unless the requisite approval, permission, consent or licence is obtained from competent authority as may be required under any law for the time being in force.”

Interest of directors

No directors or Chief Executive of the Company or their relatives have any interest, directly or indirectly, in the proposed alterations of the Memorandum of Association of the Company except in their capacities as directors/Chief Executive/shareholders of the Company and indirect interest as shareholders/directors of the companies which are shareholders of the Company.

Availability of Relevant Documents

A copy of the existing and amended Memorandum of Association identifying the changes proposed therein bearing the initial of the company secretary for identification purposes is attached herewith. A copy thereof and the documents pertaining to proposed special resolutions are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the meeting. The same shall also be available for inspection by the members in the annual general meeting.

Statement of the Board of Directors

“We, the members of the Board of Directors hereby confirm that the proposed amendments/alterations in the Memorandum of Association of the Company are in line with the applicable laws and regulatory framework.”

For the aforesaid purpose, it is proposed to consider and, if thought fit, to pass the resolution proposed in the notice of meeting as a special resolution, with or without modifications, to amend the Memorandum of Association of the Company.

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

Name of Investee Company	Lalpir Power Limited	Nishat Hotels and Properties 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 May 22, 2020 for the period of 1 year from the date of approval by members.	Equity investment upto Rupees 200 Million was approved by members in AGM held on April 30, 2019 within a period of 3 year from the date of approval by members	Investment of Rs. 500,000,000 by way of working capital loan was approved by members in AGM held on May 22, 2020 for a period of one year starting from the date of approval by members.
Amount of Investment Made to date:	Investment made on running basis. Maximum investment Rs.659 Million was in the month of May 2020.	Nil	Investment of Rs. 350,000,000 has been made against this approval to date.
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	No deviation from the approved time line.	No deviation from the approved time line.	No deviation from the approved time line
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2019, the earnings per share was Rs.5.38 and breakup value per share was Rs. 39.04 As per latest available financial statements for the year ended Dec 31, 2020 the earnings per share was Rs.9.35 and breakup value per share was Rs. 46.14.	At the time of approval, as per available latest audited financial statements for the year ended June 30, 2018, the basic loss per share was Rs. 0.30 and breakup value per share was Rs. 12.65 As per latest available (unaudited) financial statements for the year ended December 31, 2020 the basic loss per share is Rs. 0.03 and breakup value per share is Rs. 18.02	At the time of approval, as per available latest audited financial statements for the year ended June 30, 2019, the basic earning per share was Rs. 1.42 and breakup value per share was Rs. 18.09 As per latest available (unaudited) financial statements for the year ended December 31, 2020 the basic loss per share is Rs. 0.03 and breakup value per share is Rs. 18.02.



FORM OF PROXY

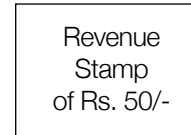
I/We, _____ of
_____ CDCA/CNO./FOLIONO. _____

being a shareholder of the Pakgen Power Limited (The Company) do hereby appoint.

Mr./Miss/Ms. _____
of _____ CDCA/CNO./FOLIONO. _____ and
or failing him/her _____ of _____

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on on April 26, 2021 (Monday) at 12:00 P.M. at the Nishat Hotel (Emporium Mall), Trade and Finance Centre , Near Expo Centre, Abdul Haq Road, Johar Town, Lahore and at any adjournment thereof in the same manner as I/we myself/ ourselves would vote if personally present at such meeting.

As witness my/our hands in this day of _____ 2021.



Signature _____

Address _____

No. of shares held _____

Witnesses:-

Name _____

Name _____

Address _____

Address _____

IMPORTANT:

- a. This instrument appointing a proxy, duly completed, must be received at the registered Office of the Company at Nishat House, 53- A, Lawrence Road, Lahore not later than 48 hours before the time of holding the Annual General Meeting. For Appointing Proxies.
- b. Attested copies of the CNIC or the passport of beneficial owners shall be furnished with the proxy form.
- c. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- d. 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.

AFFIX
CORRECT
POSTAGE

The Company Secretary

PAKGEN POWER LIMITED

53 - A, Lawrence Road, Lahore.

Tel : 042 - 36367812 - 16 Fax: 042 - 36367414