

NISHAT MILLS LIMITED



The Registrar,
National Electric Power Regulatory Authority (NEPRA),
Islamabad.

Subject: **APPLICATION FOR GRANT OF ELECTRIC POWER SUPPLY LICENSE.**

I, **Mohammad Azam**, being the duly authorized representative of **Nishat Mills Limited** by virtue of Board Resolution dated **January 17, 2022** hereby apply to the National Electric Power Regulatory Authority for the grant of an Electric Power Supply License to **Nishat Mills Limited** pursuant to **section 14D (03) read with Section 23E** of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

I hereby certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, and undertake to abide by the terms and provisions of the above-said regulations. I further undertake and confirm that the information provided in the attached documents-in-support is true and correct to the best of my knowledge and no material omission has been made.

A Pay order (B.C. No.: 4171552 dated 15-02-2023) in the sum of **Rupee 750,000/-**, being license application fee calculated in accordance with Schedule II to the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, is also attached herewith.

Date: **February 17, 2023**



Mohammad Azam
(Chief Financial Officer)
Nishat Mills Limited
Mob: 0333-4060667
Tel: +92-42-35260041-50 Ext: 22-715

NISHAT MILLS LIMITED



RESOLUTION NO. 2174 DATED JANUARY 17, 2022 OF THE BOARD OF DIRECTORS OF NISHAT MILLS LIMITED

RESOLVED that Mr. Muhammad Azam, Chief Financial Officer having CNIC No.35202-1805195-5 of Nishat Mills Limited, (hereinafter referred to as the "Company") be and is hereby authorized Singly to institute and file a Petition or other legal proceedings before the Honorable Lahore High Court or any other court or forum of competent jurisdiction, including the Honorable Supreme Court of Pakistan and to Execute, Sign, Deliver, Submit, File, Withdraw any and all Documents, Contracts, Papers, Appeals, References, Civil suits, Writ petitions etc etc before any authority including SNGPL, LESCO, FESCO, and all other Government, Semi Government either Central or Provincial.

FURTHER RESOLVED that Mr. Muhammad Azam, Chief Financial Officer be and is hereby authorized and empowered to sign and execute any legal or other document, documents, papers including vakalatnama, suit/plaint, applications, petitions, replies, appeals, affidavits, indemnities undertaking(s) and to do all other things, acts and deeds necessary/incidental and to take any and all steps as he deems expedient for the said purpose and apply for any relief admissible under any law for the time being in force and/or as amended from time to time, and to represent the Company before any court constituted under any enactment, Order or Ordinance.

FURTHER RESOLVED that Mr. Muhammad Azam, Chief Financial Officer be and is hereby authorized on behalf of the Company to hire, and appoint legal advisor(s), Advocate(s) for the purpose of any proceedings, including appeals, review or revisions, as may be deemed desirable arising out of the proceedings initiated hereto and to prosecute or to appear in all such proceedings and to file and take back documents, to instruct the counsel and to ratify all acts done by the Advocate(s) and pay all fees, expenses and other legal payments for the prosecution of petitioners and appeals.

FURTHER RESOLVED that all papers, documents and undertakings, if any, previously signed and executed by him for the above aforementioned purposes will be considered ratified and approved.

FURTHER RESOLVED that certified copies of this resolution be communicated and supplied to the concerned quarters as and when so demanded and shall remain in force until notice in writing to the contrary be given.

Certified True Copy issued on 26th day of January 2023

KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY



As per Schedule III of S.R.O. 760 (I)/2021 dated June 17, 2021 documents required for Electric Power Supply are described in this Schedule.

1. **Relevant Feeder Maps, number of consumers and expected load:** The relevant feeder maps are mentioned below. Further we have two consumers namely "**Masood Textile Mills Limited**" and "**Hyundai Nishat Motors (Private) Limited**" and the expected load is as under:

- **Masood Textile Mills Limited 1.2 MW.**
- **Hyundai Nishat Motors (Private) Limited 5 MW.**



REHMATABAD

POWER PLANT

FEEDER FOR PESCO

11 KV

TRANSFORMER

CABLE WITH 1000 KVA

11 KV

ROAD

RAILROAD

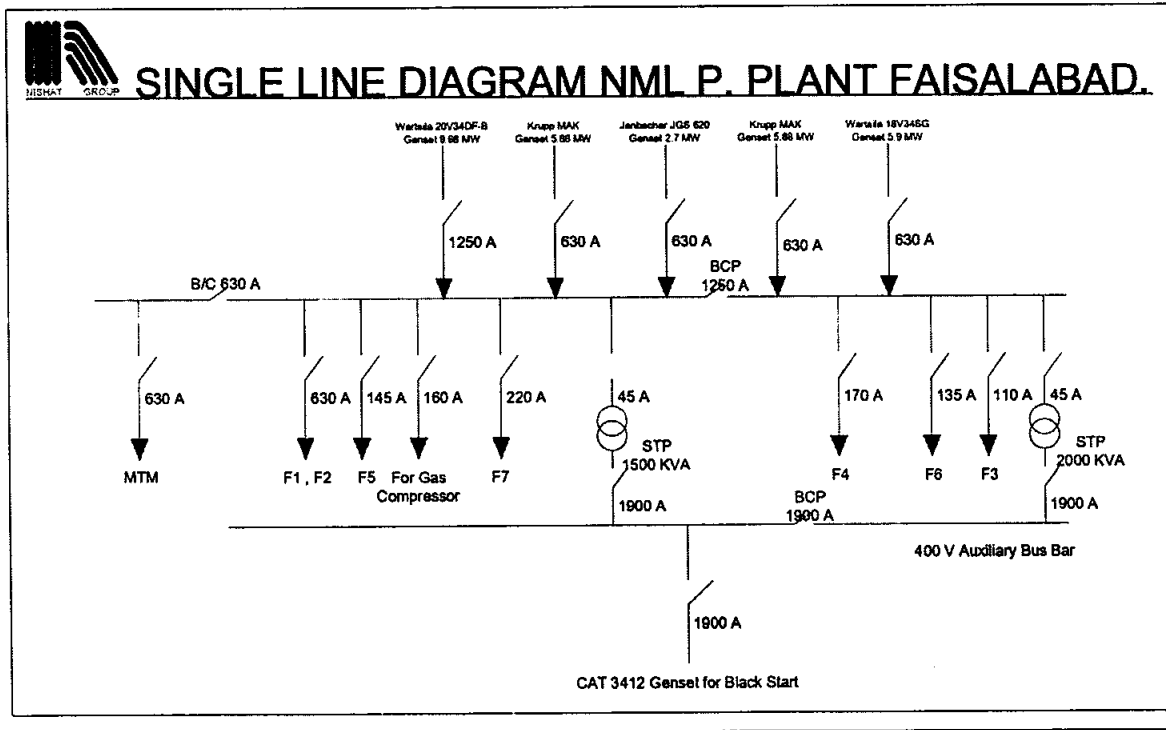
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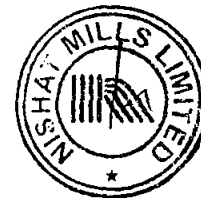
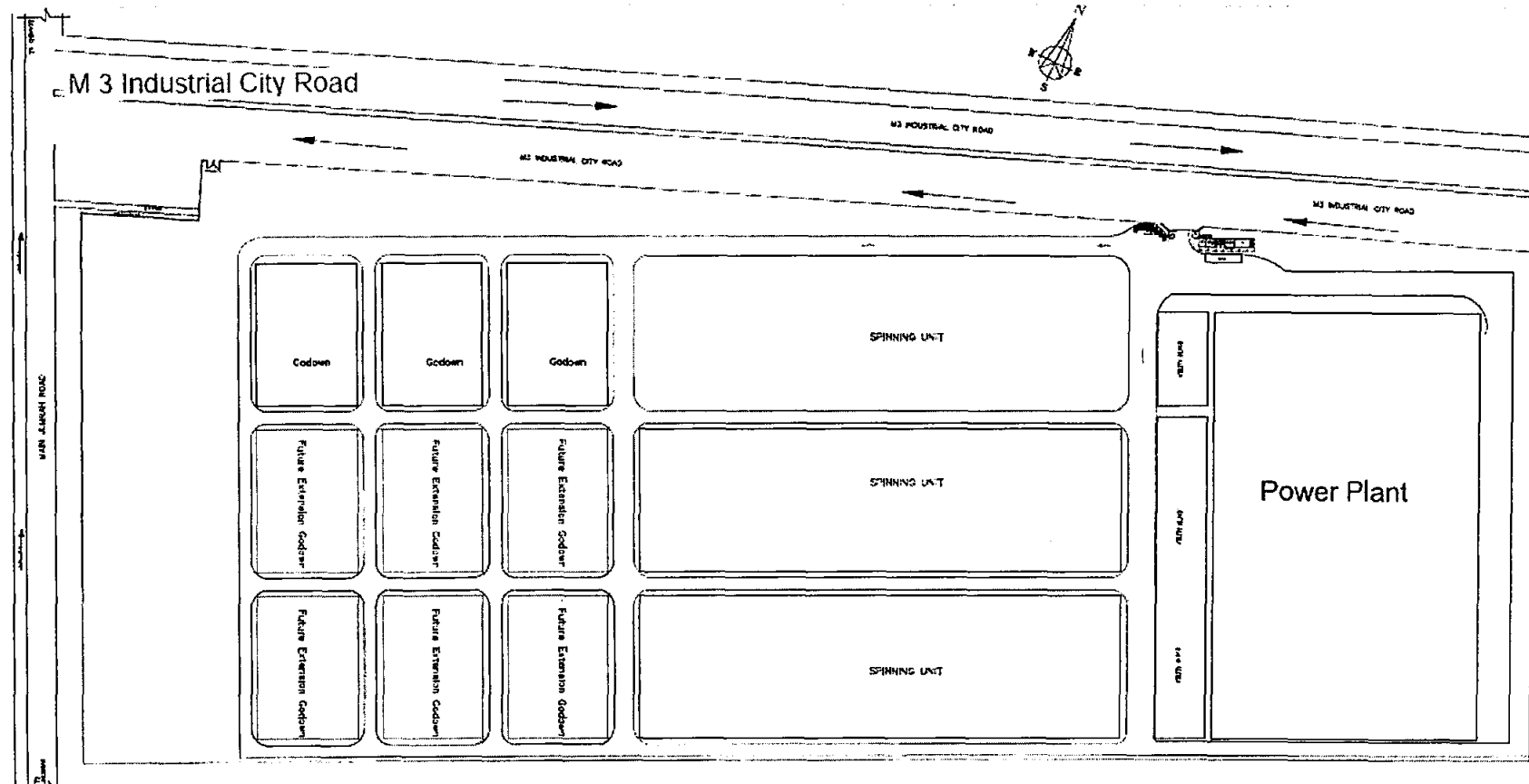
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Schematic Diagram

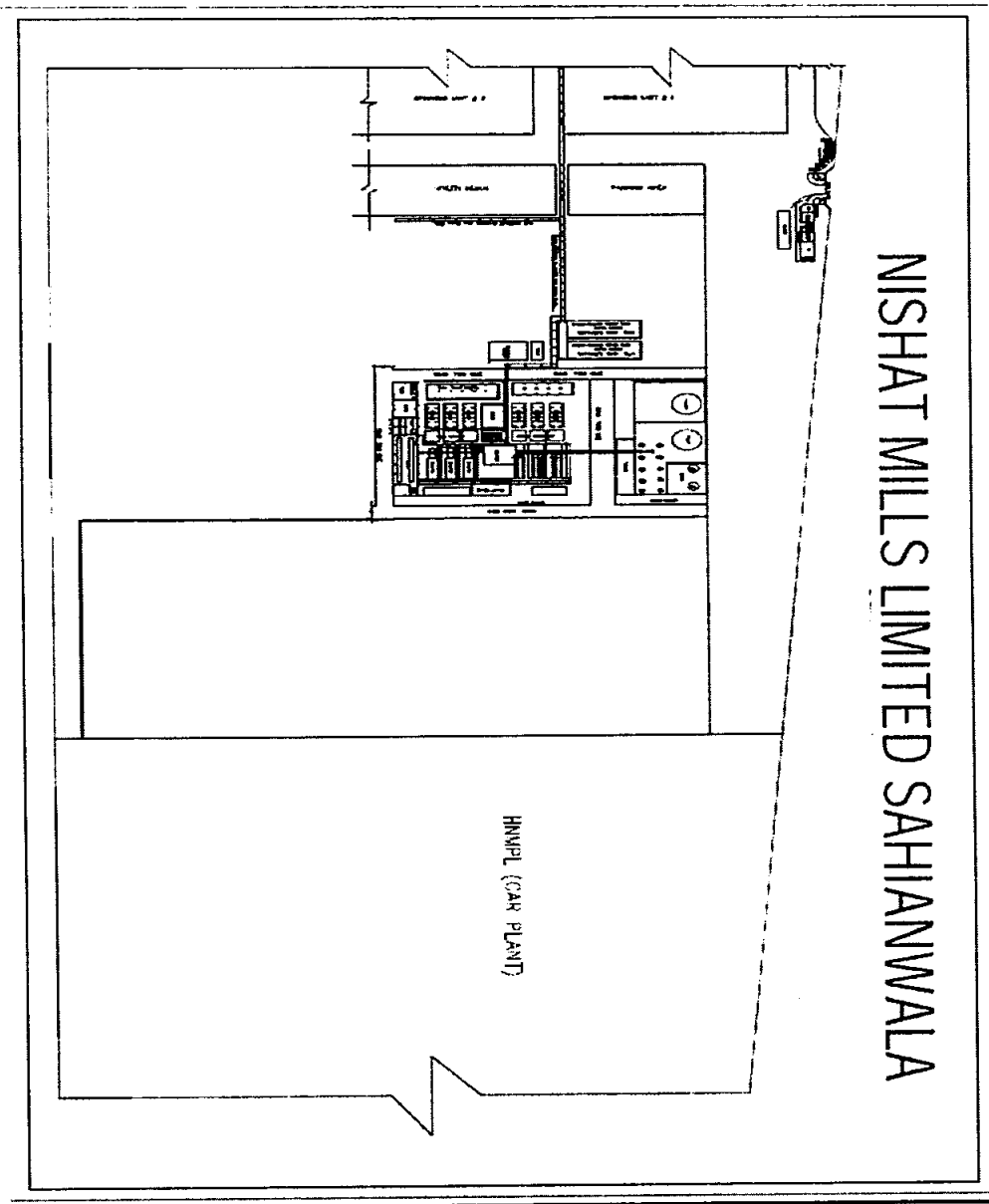
Single line Diagram of
the Generation Facility-III/Power Plant-III of the
Licensee/Nishat Mills Limited



Location of
the Generation Facility-VIII of the
Licensee/Nishat Mills Limited
Located at Textile Manufacturing Plant VIII FIEDMC, Sahianwala, Faisalabad



BPC (Hyundai Nishat Motors (Private) Limited) of the Licensee/Nishat Mills Limited



2. **Consumer Class/Category, Sub category on the basis of sanctioned load and voltage level:** Consumer class/category is "**B**" and sub category is "**3**".
3. **Tariff categories of consumer classes to be served:** Tariff category of consumer class to be served is "**B3 Industrial**".
4. **Demand and consumption pattern on different time period:** Demand and consumption pattern of "**Masood Textile Mills Limited**" is as under:

<i>SR No.</i>	<i>Time (Hours)</i>	<i>Load (KW)</i>
1	0000	167
2	0100	150
3	0200	133
4	0300	133
5	0400	117
6	0500	83
7	0600	50
8	0700	67
9	0800	133
10	0900	267
11	1000	283
12	1100	267
13	1200	317
14	1300	300
15	1400	200
16	1500	333
17	1600	350
18	1700	300
19	1800	300
20	1900	250
21	2000	217
22	2100	200
23	2200	200
24	2300	183

Note: Electricity supply to "**Hyundai Nishat Motors (Private) Limited**" is not yet started so demand and consumption pattern not available.



5. **Procurement Plan for meeting expected loads:** We have enough inhouse generation facility of 51.66 MW to meet demand of maximum 6.2 MW of the two BPCs namely "**Masood Textile Mills Limited**" and "**Hyundai Nishat Motors (Private) Limited**". Moreover, we do not have received any load enhancement applications from these two BPCs.
6. **12 Month projections on expected load, number of consumers and expected sale of units for each consumer category:** Projection on expected load of "**Masood Textile Mills Limited**" is as under:

<i>Month</i>	<i>Projected Units (KWH)</i>
<i>Jan 23</i>	<i>194,640</i>
<i>Feb 23</i>	<i>165,382</i>
<i>Mar 23</i>	<i>224,499</i>
<i>Apr 23</i>	<i>264,188</i>
<i>May 23</i>	<i>266,517</i>
<i>June 23</i>	<i>315,666</i>
<i>July 23</i>	<i>296,973</i>
<i>Aug 23</i>	<i>306,192</i>
<i>Sep 23</i>	<i>267,015</i>
<i>Oct 23</i>	<i>217,179</i>
<i>Nov 23</i>	<i>168,325</i>
<i>Dec 23</i>	<i>137,307</i>
<i>Total</i>	<i>2,823,883</i>

Note: Projection on expected load of "**Hyundai Nishat Motors (Private) Limited**" is not available.



7. **5- year Investment Plan indicating schemes/models/framework for undertaking supply of electric power (including frameworks for providing non-discriminatory services and acquisition/sale of assets in relevant service territories):** Currently we do not have any specific plan regarding this because electricity is being provided through a single line and property where BPCs are operating is very close to our facility and this do not involve any outside area/property.

Further, we have already invested and purchased engines operating on different fuels like gas, furnace oil, diesel etc. for continuously meeting the internal as well as the demand of the BPCs.

8. **Training and development procedures and manuals:** (Annexure A)

9. **Consumer service manual:** (Annexure B)

10. **Information relating to:**

- i. **Proposed service territory:** Already shared in point number 1.
- ii. **Billing and collection procedures (including provisions for remote metering):**
Remote metering available at Power Plant. At the end of each month consumers are billed on the basis of actual consumption recorded by the meters installed at the Power Plants at the agreed price. Payments received in the name of Nishat Mills Limited through cross cheque.
- iii. **Ability to access consumer metering systems and other services/equipment:**
Available.
- iv. **Emergency provision and protocols:** (Annexure C and D)
- v. **Basis of common services for commercial and residential consumers and their allocation thereof:** We do not have commercial and residential consumers. We only have two industrial consumers.



Training & Development Program

1. PURPOSE:

The Purpose of this program is to ensure and maintain the Organization workplace w.r.t Occupational Health & Safety aspects and impacts through introducing and providing the Training & Development Programs to its employees, visitors, customers, and others stakeholders involved in any dealings or attached with system chain.

NISHAT Mills Limited bearing in mind the prevailing knowledge of the industry and specific hazards, providing a safe and healthy working environment by taking adequate steps to prevent accidents and injury.

Maintaining harmless working environment for employees while optimizing cost and productivity is the major purpose of this program.

2. SCOPE:

This procedure is applicable in NISHAT Mills Limited.

3. RESPONSIBILITY:

Manager HR & Admin Management Representative Head of Departments (Concerned)
Chief Security Officer.

4. POLICY:

It is company policy to provide knowledge of industry safe and healthy working environment to its employees and to take adequate steps to prevent accident and injury or any other loss of health.

5. PROCEDURE:

1. In NISHAT Mills Limited, it is ensured that workers have a safe, healthful and hazard free workplace where adequate preventive measures are taken to avoid health and safety hazards and accidents both in the short and long term.
2. Workers are able to perform their functions through their adult lifetime without actual or latent occupational health damages.
3. Management is responsible for workplace condition and therefore, for ensuring that worker training and the overall occupational health and safety program is effective.



At system levels following steps are taken:

- ❖ Health and safety posters, program and work instructions, emergency exits covering accident and emergencies that could arise. These work instructions are disseminated to all workers, including management, contract and permanent workers in Urdu and English languages.
- ❖ The management has assigned the responsibility of health and safety to Management Representative and Chief Security Officers who shall be accountable for the implementation of health and safety elements of this standard.
- ❖ There are clearly assigned health and safety responsibility with documentation of accountability from, top management to supervisory level as well as the necessary resources to meet these responsibilities. Employee's involvement in activities having a significant effect on the health and safety.
- ❖ All trainings imparted during the working hours, not as an added task outside work.
- ❖ A consistent disciplinary system is applied to all employees (including managers and supervisors) who will disregard the rules.
- ❖ Accidents reports with written documentation and analysis of trends in injury / illness experience and in hazards found are carried out with workers' involvement to identify pattern of problems and implement programs adjustments. Accident reports are complete and fully available to auditors, action taken to avoid recurrence is recorded.
- ❖ Personal equipment's are provided to workers at no cost and there are measures to ensure these are in use throughout the facility.
- ❖ National health and safety regulations are fulfilled by both middle and top management as well as employees are involved in the enforcement of the same.
- ❖ Annual health and safety program evaluations are done with written narrative reports, recommendations for program changes, action plans and verification purposes.

SAFETY MEASURES:

Following activities are carried out time to time ensures the health and safety:

- Safety Switches are within easy reach of workers in case of machinery functions.
- Training and awareness programs take place regularly and properly recorded.
- Emergency Exits are clearly marked, aisles are unblocked and exit doors are unlocked.



- Adequate first aid supplies and trained first aid personnel are available on site to attend any accident. Doctor or medically competent personnel can be reached in case of emergencies and employees are trained to contact appropriate medical and emergency providers.
- Emergency exits and fire extinguisher systems are ensured. Fire drills take place after every three months. Workers have access to potable water and eating facilities and sanitary.
- ❖ Lavatory facilities are hygienic, functional, and segregated as per local requirement and sufficient in number of the size of workforce.
- ❖ Ventilation and lighting, temperature control is adequate to prevent injury to health. Workers doing carriage job are provided with the safety gloves. Productive equipments are freely available.

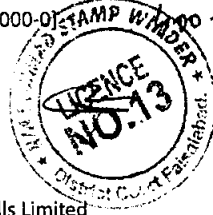


E-STAMP



E-Stamp ID : PB-FSD-0E9586DC1759572E
Stamp Type : Low Denomination
Amount : Rs 100/-

Description : SURRENDER OF LEASE - 61
Applicant : Masood Textile Mills[00000-0000000-0]
Representative From : Masood Textile Mills
Address : Fsd
Issue Date : 9-Apr-2022 11:14:44 AM
Delisted On/Validity : 16-Apr-2022
Amount in Words : One Hundred Rupees Only
Reason : For Rent Deed In Favor Nishat Mills Limited
Vendor Information : Riaz Ahmad | PB-FSD-13 | District Courts



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Ijarah Agreement

This Agreement is made at Faisalabad on the 1st May 2022
BETWEEN:

Nishat Mills Limited, a company incorporated under the Companies Ordinance 1984, having its registered office at 53-A Lawrence Road, Lahore and textile (Spinning) Unit at Nishatabad, Faisalabad through its Chief Financial Officer, **Muhammad Azam** son of Ghulam Hussain bearing CNIC No. 35202-1805195-5, hereinafter call the "OWNER" (Which expression shall include its heirs, assigns successors, executors, administration and legal representatives) of the first part,

AND

Masood Textile Mills Limited, a company incorporated under the Companies Ordinance 1984, situated at Universal House West Canal Bank Road, Faisalabad, through its authorized official, Director, Industrial Management, **Mr. Nasir Ali Zia** son of Abdul Rasool resident of chak # 198, G.B, Tehsil Samundari, Distt: Faisalabad CNIC: 33100-4151686-3 .Hereinafter called the "TENANT" (Which expression shall include its heirs , assigns successors , executors, administration and legal representatives) of 2nd part,



WHEREAS

- The OWNER is the owner in possession of the building known as GSC Plaza and land situated at Nishatabad, Faisalabad, comprising of:
 - Basement, Ground Floor, First Floor
And Second Floor with covered area
132443 Sq Ft
 - Covered Area of Khata / Godown is first front of GSC covered area
6695 Sq Ft
 - Residential Area
23621 Sq Ft
- Total: **162759 SqFt**



ATTESTED
Mian Sajid Hussain
Advocate High Court
Oath Commission

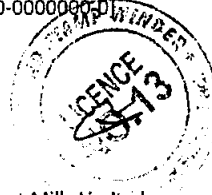
Which is hereinafter called "The Premises" and is bounded as under:
North : Property of OWNER

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E-Stamp ID : PB-FSD-104FB1588240D226
Stamp Type : Low Denomination
Amount : Rs 100/-

Description : SURRENDER OF LEASE - 61
Applicant : Masood Textile Mills[00000-00000000-D]
Representative From : Masood Textile Mills
Address : Fsd
Issue Date : 9-Apr-2022 11:17:02 AM
Delisted On/Validity : 16-Apr-2022
Amount in Words : One Hundred Rupees Only
Reason : For Rent Deed In Favor Nishat Mills Limited
Vendor Information : Riaz Ahmad | PB-FSD-13 | District Courts



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East : 65 feet wide road
West : 60 feet wide road
South : 15 feet wide street

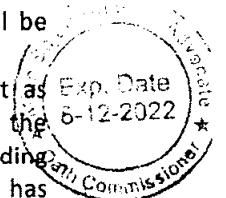
II. The OWNER has agreed, on the request of the TENANT, to grant a total area of 162759 Sq.Ft. of "The Premises" Detailed And Demarcated as above, on Ijarah for Industrial purpose and Garments Stitching (not for Hosiery) on such terms and covenants as laid down hereinafter;

III. The OWNER and the TENANT have agreed that pending execution of a proper Ijarah Agreement the parties hereof exchange document as evidence, terms and conditions agreed inter-se for subsequent incorporation in the referred Ijarah Agreement.

NOW THEREFORE

That the OWNER and TENANT agree that:

- "The Premises" is to be Ijarah for a period of 11 (Eleven) Months **commencing form 1st May, 2022 to 31st March, 2023** renewable at the option of OWNER for such period or periods, on such terms and condition as may be mutually agreed between the parties hereof; provided the TENANT informs to the OWNER not less than 3 (Three) month before the Expiry of Ijarah with its intentions to seek renewal of the same.
- Similarly the OWNER & TENANT may terminate the Ijarah by giving three month notice in writing.
- That the rent of "the Premises" shall be **Rs. 4,796,232/-** per month lump sum, payable in advance for three months (quarterly) on the 10th each quarter or before. In Case of late payment markup @ 30% P.A on late payment shall be charged from the TENANT.
- The TENANT will pay Security deposit equals to two month advance rent as security money with the OWNER, which will be refunded at the time of the vacation of "the premises" by the OWNER if there will be nothing outstanding against TENANT on any account. (security equal to two months advance has already been paid, however TENANT will pay balance of this year's increased rent)
- It is agreed that next rent of "The Premises" will be increased @ 10%, if agrees to continue



Mian Sajid Hussa
Advocate High Cour
Civil Commission
Faisalabad

E-STAMP



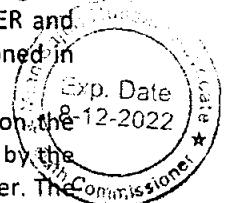
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Amount : Rs 100/-

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Applicant : Masood Textile Mills[00000-0000000-0]
Representative From : Masood Textile Mills
Address : Fsd
Issue Date : 9-Apr-2022 11:17:21 AM
Delisted On/Validity : 16-Apr-2022
Amount in Words : One Hundred Rupees Only
Reason : For Rent Deed In Favor Nishat Mills Limited
Vendor Information : Riaz Ahmad | PB-FSD-13 | District Courts

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2. That the OWNER has arranged fitting and fixtures in the said premises at its own expense, a list of which has already been provided by the OWNER to the TENANT for records, for proper maintenance and for safety purpose etc.
3. That the TENANT will not sublet "The premises" or any part thereof without the written consent of the OWNER.
4. That the OWNER will allow installment of all reasonable utilities, if not already available, in "the premises" with mutual understanding.
5. The parties covenants with each other that:-
 - a. The TENANT shall not make any alteration or addition in "the premises" of without prior written consent the OWNER.
 - b. The TENANT shall keep "the premises" neat and clean and in habitable condition; the TENANT shall make all necessary repair arising out of and in the course of the normal use and those incidents or damage arising out because of negligence or misuse on the part of the TENANT.
 - c. The TENANT shall maintain "the premises" and keep the fixtures and fitting provide by the OWNER (as per list attached) in good and workable condition and hand over the same at the Expiry of the Ijarah without any damage. If any damage is done to "the premises" and/ or to its fixtures and fitting, the TENANT will have to get it repaired / replaced them or pay the costs of the repair & maintenance / replacement to the OWNER before handing over "the premises" or will be deductible from the advance money paid as per Para No. 1 (IV) cited above.
 - d. The TENANT shall timely clear all the bills in respect of electricity, gas, water ,Telephone and all other conservancy charge, consumed by the TENANT during the period of the Ijarah and endorse copies of the duly paid bills to the OWNER and the payments shall be mad by the TENANT before the target date mentioned in the bills by the OWNER.
 - e. The OWNER will supply electricity to the TENANT according to tariff B III on the rates of Tariff B-III as prescribed by the WAPDA for industries as prescribed by the FESCO / WAPDA and agreed formulated as per Annex-"A" whichever is higher. The OWNER has already got approval form the provincial government for the permission to supply electricity to the TENANT and after permission relevant electrical installations were installed. Similarly the WASA bills for



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District High Court
District Commissioner

E-STAMP



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Stamp Type : **Low Denomination**
Amount : **Rs 100/-**

Description : SURRENDER OF LEASE - 61
Applicant : Masood Textile Mills[00000-0000000-0]
Representative From : Masood Textile Mills
Address : Fsd
Issue Date : 9-Apr-2022 11:18:23 AM
Delisted On/Validity : 16-Apr-2022
Amount in Words : One Hundred Rupees Only
Reason : For Rent Deed In Favor Nishat Mills Limited
Vendor Information : Riaz Ahmad | PB-FSD-13 | District Courts

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- f. water and sanitation etc. shall be paid by the TENANT to the OWNER at the rate prescribed by WASA and for that purpose required Flow Meter / meter s will be installed separately. If required at the cost of TENANT. Gas Meter /meters will also be installed at the premises at the cost of TENANT. If required and the TENANT will pay to the OWNER for the consumption of the gas at the rate prescribed by SNGPL Ltd. (Sui Gas Department, Faisalabad) from time to time.
 - g. OWNER will issues utility bills to the TENANT up to 5th of every month that shall be paid by TENANT up to 15th and if not paid by the due date. TENANT will pay markup at the rate of 30% P.a. in case of late payment and surcharge will be paid with the next month utility bills.
 - h. In case of any emergent circumstances, if the supply of Electricity, Gas, and Water is disconnected because of "Force Majeure Event" supply shall be the priority of the OWNER.
 - i. The OWNER, their agent and other persons authorized by them, shall have the right or access to the premises, during normal working hours, to inspect and examine the condition of "the premises".
6. At the time of expiry of the Ijarah, the TENANT will vacate the premises and deliver vacant possession to the OWNER without any delay.
 7. All other terms and condition which are not mentioned herein shall be governed by the rent laws in force from time to time.
 8. That the TENANT shall not violate any provision of the Environment protection Act.1997 (PEP Amended 2012) and other applicable laws and rules & regulation framed thereunder.

IN WITNESS WHEREOF, both the parties have set their respective hands to this deed on the above date in the premises of the witness.

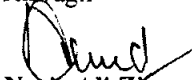
LESSOR

Nishat Mills Limited
Through


Muhammad Azam
Chief Financial Officer

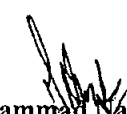
LESSEE

Masood Textile Mills Limited
Through


Mr. Nasir Ali Zia
Director Industrial Management MTM

WITNESSES:


Name: Syed Mubeen Raza
Head HR & Admin NML


Name: Muhammad Nadeem
Admin Manager-MTM



EMERGENCY PROVISION SOP FOR ACTION PLAN IN CASE OF ELECTRICAL POWER FAILURE:

1.0 Objective:

To lay down a procedure to describe the Action plan in case of electrical power failure other than normal power change over time.

2.0 Scope:

This standard operating procedure is applicable for procedure involved in the action plan in case of electricity power failure other than normal power changes over time 3-5 minutes, to be followed at formulation plants.

3.0 Responsibility:

3.1 Officer / executive Engineering shall be responsible for the execution of this procedure.

3.2 Engineering Manager shall be responsible for the implementation of this SOP.

3.3 Head QA/designee shall be responsible for the compliance of this SOP.

4.0 Abbreviations and Definitions:

SOP: Standard Operating procedure

No: Number

QA: Quality assure

Qty: Quantity

HVAC: Heating ventilation and air conditioning

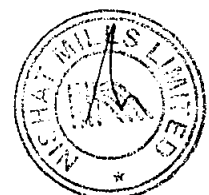
5.0 Procedure for Engineering Control:

5.1 Duration:

5.1.1 Normal power change over duration from DG set to UPCL within 1-2 Minutes.

5.1.2 Normal change over duration from UPCL to DG set within 3-5 Minutes.

5.1.3 The power failure time exceeds from 5 Minutes, it shall be considered as power failure. The above time limit is based on normal power change over.



5.2 Procedure:

5.2.1 Immediately inform to Head of Engineering. Head of QA, Head of QC and Head of Production regarding the Electrical power failure.

5.2.2 A separate SOP followed by production department for action plan in case of electrical power failure.

5.2.3 After proper communication to all concerns identify the fault and get it repaired.

5.2.4 Again inform to all concerns before putting power supply ON put ON the power supply

Where is required.

5.2.5 Start all the necessary utilities as per their start up procedure.

5.2.6 Start the HVAC System as per requirement of users

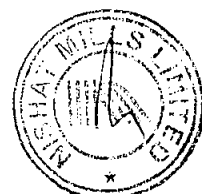
5.2.7 Start the Purified water system as per the startup procedure after system failure.

5.2.8 Ensure all the machines and system for proper functioning.

5.2.9 Record power changeover is maintained as per SOP of Diesel Generator.

6.0 Cause of Emergency / Protocol:

- 1- Earth Fault occurs at 11 kV cables /panels / Equipment failure.
- 2- Electric short-circuits cause of power failure.
- 3- Sudden malfunction in process.
- 4- Prime mover failure at emergency mode.
- 5- Instrument damaged /out of order.
- 6- Prime mover is acceding /cross parameter high limit cause failure.
- 7- System over loading.
- 8- Birding at overhead line.
- 9- Weather condition effect at the overhead line.
- 10- Fire incident occur at a circuit



7.0 SAFETY PROCEDURE:

1. First of all obtain PTW on concerned circuit.
2. Carry out tail board conference.
3. Took up the hand line with the help of pilot rope, maintain the limit of approach, attach hand line to tower arm or bridge.
4. Raise grip all or clamp stick.
5. The outer or lowest conductor teased for checking of isolation with the help of grip all.

Note: Isolation of circuit must be verified before proceeding.

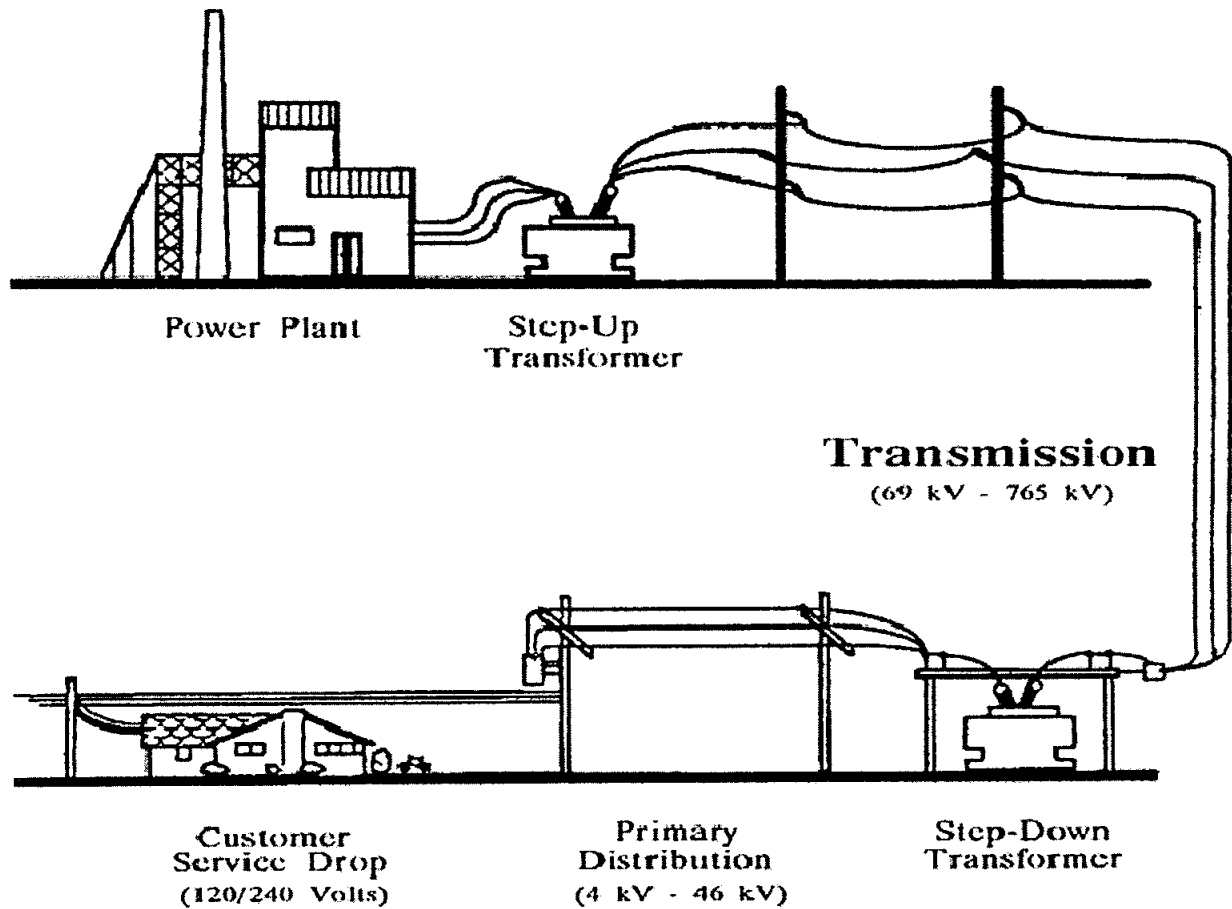
6. Attach brush with grip all and clean the conductor 450mm.(19inch) from conductor clamp.
7. Raise earth lead and install T clamp on tower arm.
8. Attach the other end (Duck Bell) with the help of grip all on cleaned portion of conductor.
9. Move hand line for access to next conductor and repeat procedure.

SAFETY PRECAUTIONS:

1. PTW of required circuit must be obtained.
2. All the T&P must be checked before using.
3. Always approved PPE must be used.
4. When apply grounds, first apply at tower arm or bridge (ground end) then at conductor, when Removing the ground first remove from conductor and then from tower arm or bridge (ground end).



ELECTRICAL POWER SYSTEM:



NOTE: kV = 1,000 Volts

8.0 Distribution:

8.1 Master copy – Documentation cell (Quality Assurance)

8.2 Controlled Copies – Engineering Department



EMERGENCY PROVISION SOP FOR ACTION PLAN IN CASE OF ELECTRICAL POWER FAILURE:

1.0 Objective:

To lay down a procedure to describe the Action plan in case of electrical power failure other than normal power change over time.

2.0 Scope:

This standard operating procedure is applicable for procedure involved in the action plan in case of electricity power failure other than normal power changes over time 3-5 minutes, to be followed at formulation plants.

3.0 Responsibility:

3.1 Officer / executive Engineering shall be responsible for the execution of this procedure.

3.2 Engineering Manager shall be responsible for the implementation of this SOP.

3.3 Head QA/designee shall be responsible for the compliance of this SOP.

4.0 Abbreviations and Definitions:

SOP: Standard Operating procedure

No: Number

QA: Quality assure

Qty: Quantity

HVAC: Heating ventilation and air conditioning

5.0 Procedure for Engineering Control:

5.1 Duration:

5.1.1 Normal power change over duration from DG set to UPCL within 1-2 Minutes.

5.1.2 Normal change over duration from UPCL to DG set within 3-5 Minutes.

5.1.3 The power failure time exceeds from 5 Minutes, it shall be considered as power failure. The above time limit is based on normal power change over.



5.2 Procedure:

5.2.1 Immediately inform to Head of Engineering. Head of QA, Head of QC and Head of Production regarding the Electrical power failure.

5.2.2 A separate SOP followed by production department for action plan in case of electrical power failure.

5.2.3 After proper communication to all concerns identify the fault and get it repaired.

5.2.4 Again inform to all concerns before putting power supply ON put ON the power supply

Where is required.

5.2.5 Start all the necessary utilities as per their start up procedure.

5.2.6 Start the HVAC System as per requirement of users

5.2.7 Start the Purified water system as per the startup procedure after system failure.

5.2.8 Ensure all the machines and system for proper functioning.

5.2.9 Record power changeover is maintained as per SOP of Diesel Generator.

6.0 Cause of Emergency / Protocol:

- 1- Earth Fault occurs at 11 kV cables /panels / Equipment failure.
- 2- Electric short-circuits cause of power failure.
- 3- Sudden malfunction in process.
- 4- Prime mover failure at emergency mode.
- 5- Instrument damaged /out of order.
- 6- Prime mover is acceding /cross parameter high limit cause failure.
- 7- System over loading.
- 8- Birding at overhead line.
- 9- Weather condition effect at the overhead line.
- 10- Fire incident occur at a circuit



7.0 SAFETY PROCEDURE:

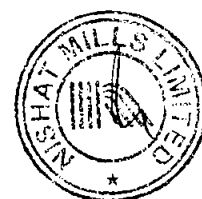
1. First of all obtain PTW on concerned circuit.
2. Carry out tail board conference.
3. Took up the hand line with the help of pilot rope, maintain the limit of approach, attach hand line to tower arm or bridge.
4. Raise grip all or clamp stick.
5. The outer or lowest conductor teased for checking of isolation with the help of grip all.

Note: Isolation of circuit must be verified before proceeding.

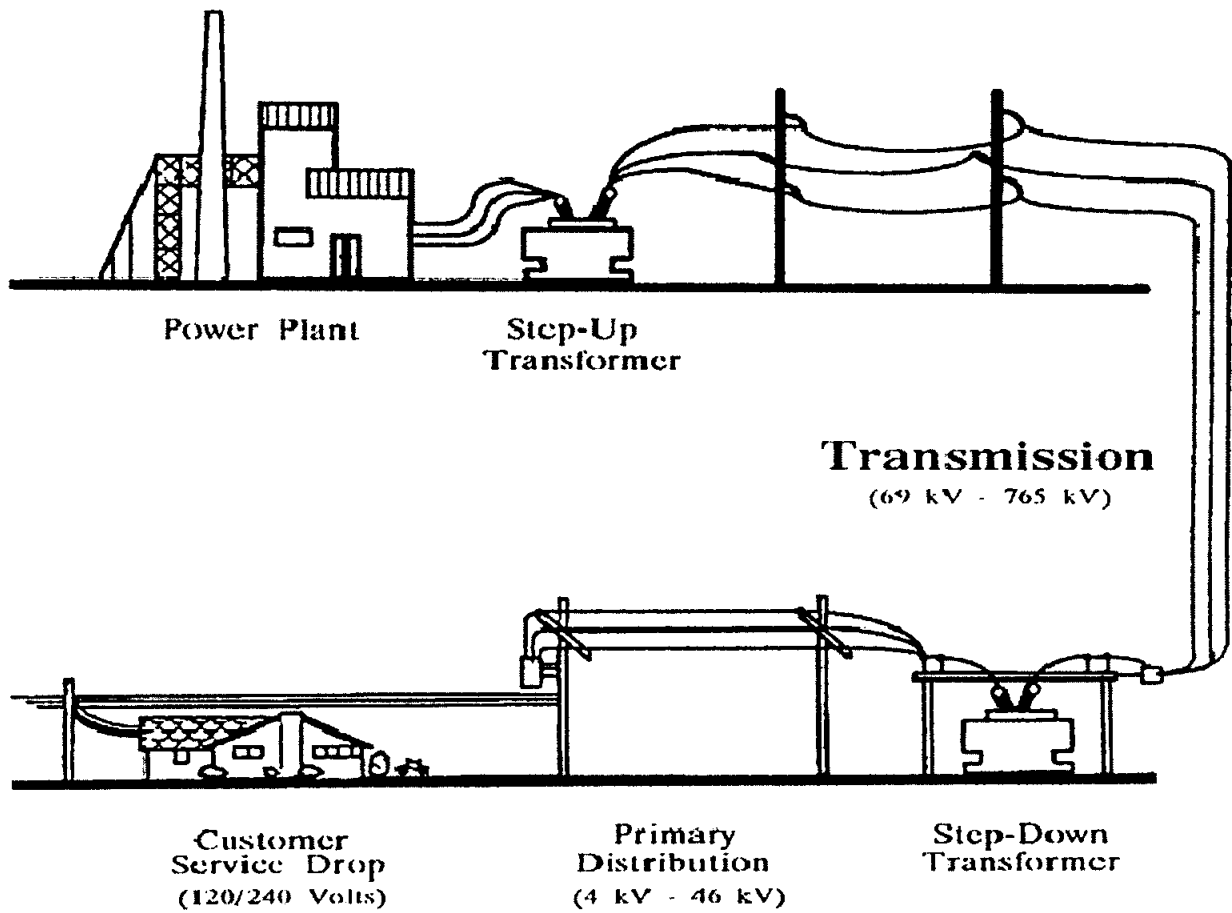
6. Attach brush with grip all and clean the conductor 450mm.(19inch) from conductor clamp.
7. Raise earth lead and install T clamp on tower arm.
8. Attach the other end (Duck Bell) with the help of grip all on cleaned portion of conductor.
9. Move hand line for access to next conductor and repeat procedure.

SAFETY PRECAUTIONS:

1. PTW of required circuit must be obtained.
2. All the T&P must be checked before using.
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4. When apply grounds, first apply at tower arm or bridge (ground end) then at conductor, when Removing the ground first remove from conductor and then from tower arm or bridge (ground end).



ELECTRICAL POWER SYSTEM:



NOTE: kV = 1,000 Volts

8.0 Distribution:

8.1 Master copy – Documentation cell (Quality Assurance)

8.2 Controlled Copies – Engineering Department



EMERGENCY RESPONSE/PLANING

1- PURPOSE:

To develop and maintain a concise, efficient and effective plan for the handling emergencies.

2- GENERAL:

a) An emergency is an incident which has the potential to cause serious damage to persons and property, and which can tend to cause disruption inside and / or outside of the plant site and requires the use of emergency resources.

b) Emergency procedures are designed to provide maximum protection for employees and property against such major incidents as serious Fire, Electric Related Emergencies, terrorist acts, civil disturbances or serious weather conditions.

c) Emergency procedures are broadly to include the following aspects:

A: PRE EMERGENCY PLANNING A continuous process to devise, review and develop procedures to control effectively any emergency situation and institute damage control measures.

B: EMERGENCY RESPONSE Specify actions related to various emergency situations need to be elaborated in order to guide emergency response actions which should be known (and practiced through training) by all Senior Manager's. Additionally, develop a set of procedures that describe how to get personnel out of an area safely in an emergency and account for each individual.

3- TYPE OF EMERGENCY:

3.1 FIRE

a) Fire is a serious emergency, which if not controlled, can cause grievous loss to both personnel and property.

b) Detailed instructions on Fire Fighting have been prepared which are included in the following Fire Fighting standard operating procedures.

SOP No. SAI-33 = Fire Fighting Procedures.

SOP No. SAI-34 = Fire Extinguisher and Fire Hose Station Inspection

3.2 BOMB THREAT In the prevailing environment of unknown terrorism, Bomb Threat is a possibility which besides causing severe psychological in security amongst the personnel, can



cause serious damage to life and property, if the threat becomes a reality and cannot be prevented in time.

3.3 TRANSPORTATION INCIDENTS Owing the unsafe road conditions, violation of traffic discipline on a mechanical failure, a company vehicles or a contracted transport is liable to meet an accident, which can lead to damage involving both personnel and property belonging to the company or another party. Besides, if a truck containing cotton/chemicals meets an accident possible of a hazardous spill (motor vehicle fuel or chemical leakage) cannot be ruled out, which can be a menace for public health & life. Any of these situations are dangerous and necessitate the development of an elaborate SOP (Standard Operating Procedures) to prevent and or occurrence, minimize the damage that can be caused.

3.4 CIVIL UNREST Civil agitation can escalate, which could result in violence. During such frenzy, unruly mobs can cause damage to company property or injury to its personnel in the vicinity of the plant.

3.5 SEVERE WEATHER PHENOMENON Severe tropical monsoon rains are an annual feature in our part of the world. Floods that ensue can cause severe damage, necessitating an elaborate procedure to prevent and counter any possible devastation.

3.6 SPILL SITUATION

a) An emergency can arise, if spillage of any kind of chemical takes place, inside the plant or in the peripheral areas like the transformer room, Generator Room or Diesel/ Furnace Oil Storage/ Hazardous Material storage room.

b) Response to such a situation has been elaborately laid down in Administration in HR & Administration Dept.

4.0 RESPONSIBILITY AND RESPONSE:

a) The senior plant officials present at the time will assume full responsibility for emergency and will assess the situation and direct appropriate action, until released by a higher authority.

b) Following persons will generally responsible to handle an Emergent situation, the sequence also indicating the degree of responsibility:

a. Director Concerned b. Sr. GM H.R & Admin c. All Units / Dept. Heads. d. Chief Engineer e. Manager Administration. f. Chief Security Officer g. Fire Master. h. Management Representative

c) It is responsibility of each employee; in particular, the Management staff to ensure that higher authority is informed quickly to ensure that corrective action will be initiated immediately.



d) It is the responsibility of senior plant official on the basis of available information to activate the emergency procedures.

5.0- ACTION BY SENIOR PLANT OFFICIALS:

The senior most plant officials will immediately organize to deal with emergency as follows:

- a) Depending on the type of emergency sound an alarm / Alert (general or otherwise) on a need to know basis.
- b) Ensure the emergency evacuation of all personnel including visitors and contractors.
- c) Arrange to minimize the possibility of the problem spreading and segregate the affected area.
- d) Coordinate actions amongst Departmental Head, Managers and Officers concerned, which will assure responsibility for their own group/area.

6.0 COMMAND AND CONTROL SYSTEM:

- a) In case of fire or a chemical spill situation, which entails evacuation of personnel, command post will be established in the Security Office at the Main Gate. The cellular phones available in the concerned or Admin Department will augment existing telephonic communications through PABX Exchange. Senior most Managers present in the plant out of the ones designated above will be available in the concerned post, till the time the situation has been brought under control.
- b) In case of any other emergency office of Concerned Director or Sr. GM H.R & Administration will serve as the Nerve Center from where the response will be directed.
- c) For communication, PABX and direct telephone connections / cordless phones will be available to coordinate and direct response.
- d) In case of disruption of normal channels, available cellular, / Mobile phone will be used as alternative means.

7.0 GENERAL GUIDELINES FOR RESPONSE:

In most situations, there are some common elements of response, which inevitably will come into play. They are: -



- a) Informing the senior most Managers present in the plant.
- b) Establishing a command post in one of the location identified above.
- c) Depending on the type of emergency quick passage of information to all or some of the following agencies: -
 - 1. Nearest Fire Station. 2. Ambulance Service. 3. Water and sanitation authority. 4. Police. 5. Electric Department. 6. Office of the area Magistrate. 7. Concerned G.M./Departmental Head if they are not present in the plant.
- d) Depending on the situation sounds a general Alarm.
- e) If needed, conduct an immediate evacuation.

8.0 SPECIFIC EMERGENCY CONTROL MEASURES IN DIFFERENT CASES:

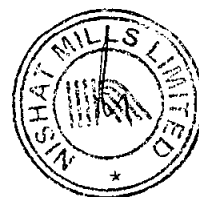
8.1 FIRE

- a) Detailed action plan, which includes the organization and action of Plant Fire Brigade, Departmental Fire Fighting Teams, evacuation plan, Installation/Maintenance of Fire Fighting Equipment etc., is available in the Administration.

8.2 BOMB THREAT

- a. In case a suspicious looking object/package is sighted in any area or a Bomb Threat is received on telephone, following actions, in addition to the general civilian out lined above, are to be initiated under the guidance of the senior most concerned Manager available in the plant.
- b. Sound on alarm.
- c. Conduct evacuation of personnel as per pre-planned and rehearsal evacuation plan.
- d. Inform the police and get Bomb Disposal squad to conduct a search, locate the device and deactivate it.
- e. Have Ambulance Standby.
- f. Prepare Plant Fire Brigade Team for action. Inform public Fire Brigade to be on standby.
- g. Prepare plant First Aid Team, and Medical Aid for necessary emergency treatment, if needed.

8.3 TRANSPORTATION INCIDENTS



Following emergency actions will be taken in connection with a situation arising out of an accident involving a company vehicle.

- a. Arrange evacuation of injured (if any) to the nearest Government Hospital.
- b. Inform the area police in order for them to investigate the accident.
- c. In case vehicle involved is damaged, arrange its evacuation to an automobile workshop after obtaining Police Clearance.
- d. In case accident involves civilian vehicle party, negotiate (if permitted by law) a settlement with them through police.
- e. In case accident results in a chemical spill have the area made safe through own sanitation resources, if the spill is small. In case contamination is on a larger scale, involve the concerned Government Agencies.

8.4 CIVIL UNREST

- a) In case an unruly mob approached the plant, alert all security guards and deploy them in the pre-selected vantage points, with their weapons.
- b) Close the gates of the factory and deny entry to all outsiders.
- c) Inform the nearest police station and seek their active help to disperse the crowd.
- d) Use a loud hailer to warn the crowd to stay away from the premises of the mills.
- e) In extreme situations, if police have not arrived and the situation is becoming dangerous allow one of the security guard to fire a single shot from his weapon in the air. Repeat the exercise till the police arrival.
- f) Alert Fire Fighting Teams to combat any fire that might arise out of miscreant action.
- g) Alert local fire station and Ambulance service to standby to help in case of need.
- h) Through Departmental Heads ensure that employees working in the plants remain calm.

8.5 SEVERE WEATHER PHENOMENON

- a) In case of severe and prolonged monsoon storm / Rainwater tends to accumulate in the compound area and the vicinity of the Mills, making movement of personnel and vehicles difficult. Also the plant, machinery, cotton store, warehouses, other stores located in different locations has to be prevented at all costs.
- b) Following specific action will be taken as Emergency Response.



- c) The sanitation staff checks the flow of storm water into the gutters and storm drains.
- d) Water disposal pumps are immediately put into operation to clean the area of excess water.
- e) Engineering staff aided by the sanitation personnel carry out a joint survey / inspection of the plant for any leakage / seepage etc.
- f) Immediate remedial actions are initiated to contain any such leakage pending elaborate repair work later.
- g) Any trees that might have fallen around the Mills area as a result of gusty winds will be shifted to allow unhindered movement.
- h) Any loose or fallen Electric or Telephone Cables could be hazardous for personnel safety. The Engineering, building in this regard will take immediate action.
- i) Department in collaboration with the Government Electric Department (if needed).
- j) After Rain / Storm some personnel could be stranded in the Mills premises due to non-availability of public transport. Arrangements should be made to evacuate such persons to their homes in the company own transport.
- k) Conduct evacuation of personnel (Especially Women & Children) from low line Mills Housing Colonies.
- l) The injured if any will be attended by the social security hospital and the first aid teams of various departments. Serious cases will be transported to the nearest hospitals.

8.6 SPILL RESPONSE

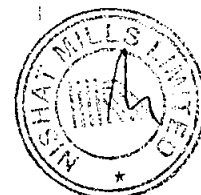
Spill response action, are covered in detail in SOP No. P-1.03

8.7 EVACUATION PLAN

Evacuation of personnel is necessitated in many emergency situations. Evacuation plan has been displayed on prominent locations.

8.8 TRAINING FOR EMERGENCY RESPONSE

- a) Fire Fighting Training is to be carried out periodically under the plants own arrangements with the help of Government's Civil Defense Department.



b) In order to Familiarize Management staff with firefighting mechanism and system established in the plant, this subject will receive due importance in the training conducted for the Management Staff.

c) All other Topics of Emergency Response will also be discussed and disseminated to the Managers / Supervisors in their monthly hearing sessions.

d) Departmental Training in Emergency Response is to be imparted by Department Heads in coordination with the H.R. & Administration Department.

e) A formal prescribed **"EMERGENCY PLAN & PROTOCOL CHART"** is also mandatory to be displayed on each location where potential emergency threat may cause serious damage to persons and property, and which can tend to cause disruption inside and / or outside of the plant site and requires the use of emergency resources. The specimen of protocol chart can be seen on next page.

P.T.O



NISHAT MILLS LIMITED**EMERGENCY PLAN & PROTOCOL CHART**

Emergency Type	Date of issue	Plan/Protocol No

Sr. #	Hazard Description	Details
1	Emergency/ Accident condition	
2	Environmental impact	
3	Safety/ Health Risks	

Sr. #	Safety Precautions available	Location
1		
2		
3		
4		

Special Instructions/ Actions

Key Personnel	Name	Designation	Contact
Shift Supervisor			
Deptt Head			
Main Gate			
Fire Brigade			
Civil Defense			



NISHAT MILLS LIMITED



The
Registrar,
National Electric Power Regulatory Authority (NEPRA),
Islamabad.

Subject: **DOCUMENTS FOR SUPPLIER LICENSE.**

Dear Sir,

With reference to NEPRA letter No: NEPRA/R/LAS-100/4823 dated March 03, 2023 (Annexure-A) where some information / documents are required under Regulation 3 of the Regulations. Please find below our reply.

1. Prospectus:

Nishat Mills Limited is the flagship company of Nishat Group. It was established in 1951. It is one of the most modern and largest vertically integrated textile companies in Pakistan. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity. The company is also the top exporter of Textile Products in Pakistan.

The license is being sought to supply electricity from two facilities i.e. Generation Facility III and Generation Facility VIII.

1.2 MW electric power being provided from Generation Facility III to BPC Masood Textile Mills Limited located at 6 KM Faisalabad Sheikhpura Road, Nishatabad, Faisalabad where one Feeder of 200-meters length is being installed. The 11 KV underground cable supplying power to Masood Textile Mills Limited is located on private property of Nishat Mills Limited without crossing any FESCO lines. Operation and Maintenance of Feeder is the responsibility of Nishat Mills Limited.

6 MW electric power being provided from Generation Facility VIII to BPC Hyundai Nishat Motors (Private) Limited located at FIEDMC, Sahianwala, Faisalabad where two Feeders of 630-meters length are being installed. The 11 KV underground cable supplying power to Hyundai Nishat Motors (Private) Limited is located on private property of Nishat Mills Limited without crossing any FESCO lines. Operation and Maintenance of Feeder is the responsibility of Nishat Mills Limited.

One Feeder of 200-meters length with 11KV underground cables are being installed at Generation Facility III supplying electricity to BPC Masood Textile Mills Limited and Two Feeders of 630-meters with 11 KV underground cables are being installed at Generation Facility VIII supplying electricity to BPC Hyundai Nishat Motors (Private) Limited.

Nishat Mills Limited has already installed the gensets on its both premises having excess capacities. The gensets installed are fuel efficient and are very helpful in saving imported fuels.

Registered Office: Nishat House, 53-A, Lawrence Road, Lahore. UAN: 111 113 333 Tel: +92 42 36360154 Fax: +92 42 36367414

Head Office: 7-Main Gulberg, Lahore. UAN: 111 332 200 Tel: +92 42 35716351-59 Fax +92 42 35716349-50

Mill: 5 K.M. Nishat Avenue Off 22 K.M., Ferozepur Road, Lahore. Tel: +92 42 35260041-50, +92 42 35260061-70 Fax: +92 42 35260093-94, +92 42 35260071

Received - Along with Charles BS 295838

The proposed facility not only save the fuel but also the cost of building infrastructure if the facility is not carrying out. Both BPCs are operating near the generation facilities and so mere lying of Cables can make the arrangement operational.

Further, Nishat Mills Limited is in process of shifting from conventional to renewable energy sources. The Company is committed to acquire more solar power plants in order to ensure environmental sustainability and cheap energy. The company has also established Effluent Water Treatment Plants to treat waste water before its discharge in order to preserve clean water source.

2. Certified copies of certificate of incorporation are enclosed.
3. Certified copy of Memorandum & Article of Association is enclosed.
4. Certified copies of Annual Reports of the company are enclosed.
5. Last annual return of the company submitted in compliance of section 130 of the Companies Act is enclosed.
6. **Detailed Profile of the applicant and applicant's senior management, technical and professional staff:**

The detailed profile of the applicant i.e. "**Nishat Mills Limited**" and the profile of Board of Directors is as under:

- **Nishat Mills Limited** is the flagship company of Nishat Group. It was established in 1951. It is one of the most modern and largest vertically integrated textile companies in Pakistan. The Company is engaged in the business of textile manufacturing and of spinning, combing, weaving, bleaching, dyeing, printing, stitching, apparel, buying, selling and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, synthetic fibre and cloth and to generate, accumulate, distribute, supply and sell electricity. The company is also the top exporter of Textile Products in Pakistan.
- **Mian Umer Mansha, Chief Executive Officer** received his Bachelor's degree from Babson College, Boston, USA. He has been serving on the Board of Directors of various listed companies for more than 27 years. He also serves on the Board of Adamjee Insurance Company Limited, MCB Bank Limited, Adamjee Life Assurance Company Limited, Nishat Dairy (Private) Limited, Nishat Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Developers (Private) Limited, Nishat Sutas Dairy Limited, Hyundai Nishat Motor (Private) Limited, Nishat Agriculture Farming (Private) Limited, Nishat Agrotech Farms (Private) Limited and National Textile Foundation.
- **Mian Hassan Mansha, Chairman** has been serving on the Board of various listed companies for several years. He also serves on the Board of Nishat Power Limited, Security General Insurance Company Limited, Lalpir Power Limited, Pakgen Power Limited, Nishat Hotels and Properties Limited, Nishat (Aziz Avenue) Hotels and Properties Limited, Nishat (Raiwind) Hotels and Properties Limited, Nishat Dairy (Private) Limited, Pakistan Aviators and Aviation (Private) Limited, Nishat Real Estate Development Company (Private) Limited, Nishat Agriculture Farming (Private) Limited and Hyundai Nishat Motor (Private) Limited.



- **Syed Zahid Hussain, Non-Executive Director** is a seasoned professional in Pakistan's corporate world. He possesses multi-faceted talents and has attained exemplary accomplishments. He has in-depth knowledge of a wide range of subjects and has extensively diversified experience and exposure in senior positions. He has earned B.Sc, LLB and MA in International Relations. He has a vast experience of working as Chairman / Chief Executive / Director of various state owned enterprises and listed companies. He has also served as the High Commissioner / Ambassador of Pakistan in Kenya, with accredited assignments of Ambassadorship in Tanzania, Uganda, Rwanda, Krundse, Ethiopia and Eritrea. He is a fellow member of the Institute of Management, England, International Biographical, Center, the USA and the Institute of Marketing Management, Karachi.
- **Mr. Farid Noor Ali Fazal, Non-Executive Director** is a Bachelor of Commerce, Bachelor of Laws and Bachelor of Management. He has more than 49 years' experience of marketing. He worked on various positions in Middle East and USA. He is associated with cement industry in one form or the other and was the acting chairman of All Pakistan Cement Manufacturers Association in 2002. He also serves on the Board of D. G. Khan Cement Company Limited and Nishat Paper Products Company Limited.
- **Mr. Mahmood Akhtar, Non-Executive Director** holds an MBA degree from Punjab University and has over 39 years of managerial experience spread across various industries. He also serves on the Board of D. G. Khan Cement Company Limited, Lalpir Power Limited, Nishat Power Limited, Security General Insurance Company Limited, Nishat Hospitality (Private) Limited, Nishat Paper Products Company Limited, and Nishat Commodities (Private) Limited.
- **Mrs. Sara Aqeel, Independent Director** is a qualified lawyer, with a significant experience in litigation and academics. She holds a gold medal in Bachelors of Law and has worked with Ramday Law associates. Her work includes cases pertaining to the corporate sector with a special focus on the Banking Sector. In addition, she has also taught Law at Pakistan College of Law and acted as a coordinator for the external program of Law offered by the University of London. Over the years she has participated in a number of skills training programs which have focused primarily on International Law, pertaining to Trade, Human Rights and Comparative Jurisprudence.
- **Mrs. Mehak Adil, Independent Director** holds an LLM from the London School of Economics and Political Science, with a specialization in Corporate and Commercial Law. Mrs. Mehak started her career as a corporate lawyer at Cornelius, Lane and Mufti in 2015, where she was engaged in various corporate and commercial cases. Mrs. Mehak is an Advocate of the High Courts in Pakistan, with expertise in domestic and international dispute resolution, including international arbitration.

All the other technical and professional staffs are hired after due security and after fulfillment of the required education as per the company's policy. Moreover, company has the policy for its employees including the technical and professional staff to get their knowledge up to date and for this company often arrange the workshops for its employees.

7. Technical and financial proposals:

Currently we do not have any specific plan regarding this because electricity is being provided through a single line and property where BPCs are operating is very close to our Generation Facilities and this do not involve any outside area. Further, we have already invested and



purchased engines operating on different fuels like gas, furnace oil, diesel etc. for continuously meeting the internal as well as the demand of the BPCs.

Moreover, operation, maintenance is sole responsibility of us. We carry out regular checks on the laid cables so that the problem can be identified before time and for this we have access to the property of the BPCs also. There is no planning and development required in this case as we have already laid down the cables from our Generation Facilities to the BPCs and currently there is no expansion is required by the BPCs, not they have communicated any expansion in business operations to us.

8. We hereby confirm that we have only been granted the Generation License No. SGC/40/2008 in the name of Nishat Mills Limited pursuant to Section 26 of NEPRA Act ready with Regulation 11(6) of the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations 2021.

9. We hereby confirm that we have not been refused grant of License under the Act.

10. We hereby confirm the above detail is correct, authentic and accurate to the best of our knowledge.

Lastly, chq amounting to Rs. 295,838/- is also enclosed.

In light of above provided information and documents we request you to kindly issue us the Supply License at the earliest.

Yours sincerely,



Mohammad Azam
(Chief Financial Officer)
Nishat Mills Limited
Mob: 0333-4060667
Tel: +92-42-35260041-50 Ext: 22-715

2/

Certificate of Incorporation

No. 155 of 1960

I hereby certify that the following is a true and correct copy of the Memorandum of Association and Articles of Association of the Company as filed with the Registrar of Companies on the 15th day of May 1960.

Yours faithfully,
The Registrar of Companies

This day incorporated under the Companies Act, 1947, and that the Company is Limited.

Given under my hand at Lahore on the 15th day of May 1960.

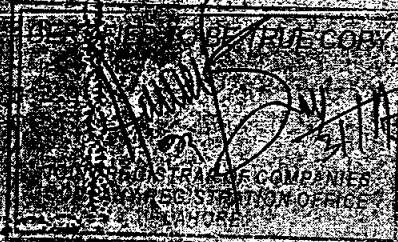
The Registrar of Companies

Attest my hand and seal this 15th day of May 1960.

Registrar of Companies

A.S.C. 34

T.F. Keli-9-55-2,000



THE COMPANIES ORDINANCE, 1984



COMPANY LIMITED BY SHARES



MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

NISHAT MILLS LIMITED



SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN
COMPANY REGISTRATION OFFICE
LAHORE.

Petition under Section 21 of the Companies Ordinance, 1984

ORDER

IN THE MATTER OF "NISHAT MILLS LIMITED"

This is an application made under section 21 of the Companies Ordinance, 1984 seeking confirmation of Special Resolution passed by the petitioner company on 19-04-2010, amending the Memorandum of Association so as to insert a new sub-clause 52 A to Clause III of Memorandum of Association. The newly inserted sub-clause 52 A of Clause III shall be read as under:-

"52 A To issue corporate guarantee(s) to any of the corporate or non corporate bodies including but not limited to the financial institutions/banks on behalf of subsidiaries and associated companies/undertakings for obtaining loans, and other financial facilities."

2. The alteration is sought to provide guarantee against the financial facilities to be obtained by its associated and subsidiary companies. The creditors of the company have given in writing that they have no objection to the requisite amendment

3. In view of the above, Special Resolution passed by the company on 19-04-2010 is hereby confirmed to the extent mentioned in para 1 above. Further actions according to the requirements of law shall be taken by the petitioner.


(SHAHBAZ SARWAR)
Joint Registrar (Incharge)

Announced.

Lahore, August 19, 2010

SPECIAL RESOLUTION*Please complete in typescript or in bold block capitals.*

1. Incorporation Number	0001053		
2. Name of the Company	NISHAT MILLS LIMITED		
3. Fee Paid (Rs.)	1	0	0
Name & Branch of The Bank	MCB BANK LIMITED Eden Centre Br, LHR		
4. Receipt No.	74973	Day 2 7	Month 0 4
	Year 2 0 1 0		
(Bank challan to be attached in original)			
5. Date of Dispatch of notice	Day 2 6	Month 0 3	Year 2 0 1 0
6. Specify the intention to propose the resolution as Special Resolution	Notice was served to pass a Special Resolution.		
7. Date of passing of Special Resolution	Day 1 9	Month 0 4	Year 2 0 1 0
8. Total Number of Members	13,490 Representing 242,482,654 shares of Rs.10/- each		
9. Members present in person and/or through proxy in the meeting	69 Representing 144,007,611 shares of Rs.10/- each		
10. Members voted for	69 Representing 144,007,611 shares of Rs.10/- each		
11. Members voted against	Representing Nil shares of Rs. Each		
12. At a general meeting of the members of the said company, duly convened and held at	Nishat House, 53 – A, Lawrence Road, Lahore.		
	(Mention the address)		
13. Place (city)	LAHORE – PUNJAB		
14. Text of special resolution (attach copy, if space is insufficient to reproduce it)	<p>(1) RESOLVED THAT that consent and approval of the members of the Company be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 for an investment of Rs. 382,150,560 (Rupees three hundred eighty two million one hundred fifty thousands and five hundred sixty) in the equity of D. G. Khan Cement Company Limited ("DGKC") by way of subscribing 19,107,528 ordinary right shares at Rs. 20 per share including premium of Rs.10 per share to be offered by DGKC @ 20% of the existing shareholding and to dispose of, through any mode at any time, a part or all of investment and unpaid right entitlement in DGKC.</p> <p>RESOLVED FURTHER THAT the Chief Executive of the Company be and is hereby authorized to invest in the aforesaid right shares of DGKC and to dispose off a part or all of this investment in DGKC at any time he deems fit in the best interest of the Company.</p>		

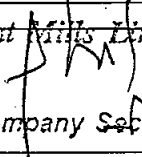
RESOLVED FURTHER THAT the Chief Executive and/or Company Secretary of the Company be and are hereby authorized singly to take any and all actions including signing of any document, which may be necessary under the law or otherwise for carrying out the purposes aforesaid and giving full effect to the above resolution.

(2) **RESOLVED** that pursuant to the provisions of Section 21 and other applicable provisions, if any of the Companies Ordinance, 1984 and subject to the confirmation of the Securities and Exchange Commission of Pakistan, the following new sub clause No 52 A be and is hereby inserted after the existing sub clause 52 of the Object Clause III of the Memorandum of Association of the Company

"To issue corporate guarantee(s) to any of the corporate or non corporate bodies, including but not limited to the financial institutions / banks on behalf of subsidiaries and associated companies/undertakings for obtaining loans, and other financial facilities".

RESOLVED FURTHER THAT Chief Executive and/or Company Secretary of the Company be and are hereby authorized singly to take any and all actions which may be necessary for carrying out the purpose aforesaid and giving full effect to the above resolution and to make application to Securities & Exchange Commission of Pakistan for confirmation of alteration of the Memorandum of Association, as aforesaid.

15. Signature of Chief Executive/ Secretary

for Nishat Mills Limited.

Company Secretary

16. Name of Signatory

KHALID MAHMOOD CHOHAN

17. Designation

COMPANY SECRETARY

18. NIC Number of signatory

3	3	1	0	0	-	0	9	8	5	6	3	8	-	5
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19. Date

Day		Month		Year			
1	9	0	4	2	0	1	0

THE COMPANIES ORDINANCE, 1984

[Section 172]

SPECIAL RESOLUTION

Please complete in typescript or in bold block capitals.

1. Incorporation Number	0001053		
2. Name of the Company	NISHAT MILLS LIMITED		
3. Fee Paid (Rs.)	1 0 0 0	Name & Branch of The Bank	MCB BANK LIMITED Eden Centre Br, Lahore
4. Receipt No.	P-0306161	Day 2 7	Month 0 1
		Year 2 0 1 0	
	(Bank challan to be attached in original)		
5. Date of Dispatch of notice	Day 2 3	Month 1 2	Year 2 0 0 9
6. Specify the intention to propose the resolution as Special Resolution	To seek the approval from shareholders for investment in the shares of AES Lal Pir (Pvt) Ltd and AES Pak Gen (Pvt) Ltd.		
7. Date of passing of Special Resolution	Day 2 5	Month 0 1	Year 2 0 1 0
8. Total Number of Members	13,210 Representing 242,482,654 shares of Rs.10/- each		
9. Members present in person and/or through proxy in the meeting	71 Representing 147,652,527 shares of Rs.10/- each		
10. Members voted for	71 Representing 147,652,527 shares of Rs.10/- each		
11. Members voted against	Nil Representing Nil shares of Rs. 10/- each		
12. At a general meeting of the members of the said company, duly convened and held at	Nishat House, 53 - A, Lawrence Road, Lahore.		
	(Mention the address)		
13. Place (city)	LAHORE PUNJAB.		
14. Text of special resolution (attach copy, if space is insufficient to reproduce it)	<p>RESOLVED that pursuant to the requirements of related provisions of the Companies Ordinance, 1984, the Company be and is hereby authorized to make investment upto US\$ 60 million (US Dollar Sixty Million Only) in equivalent Pak Rupees by way of purchasing shares of AES Lal Pir (Private) Limited and AES Pak Gen (Private) Limited (hereinafter jointly referred as the "Lal Pir Projects").</p> <p>FURTHER RESOLVED that any of the Chief Executive and Company Secretary of the Company be and are hereby authorized singly in doing and performing all acts, matters, things and deeds to implement and/or give effect to purchase shares of Lal Pir Projects and to settle the terms and conditions</p>		

in this respect and to execute and sign any and all documents/papers including but not limited the sale and purchase agreement with the seller(s) and to pay the down payment and final consideration on successful transaction.

For Nishat Mills Limited.

5. Signature of Chief Executive/ Secretary

[Signature]

COMPANY SECRETARY

6. Name of Signatory

KHALID MAHMOOD CHOHAN

7. Designation

COMPANY SECRETARY

8. NIC Number of signatory

3 3 1 0 0 - 0 9 8 5 6 3 8 - 5

Day

Month

Year

9. Date

2 5

0 1

2 0 1 0

THE COMPANIES ORDINANCE, 1984

[Section 172]

SPECIAL RESOLUTION

Please complete in typescript or in bold block capitals.

1. Incorporation Number	0001053						
2. Name of the Company	NISHAT MILLS LIMITED						
3. Fee Paid (Rs.)	1	0	0	0	Name & Branch of The Bank	MCB BANK LIMITED Eden Centre Br, Lahore	
4. Receipt No.	14513			Day 1	Month 1	Year 2 0 0 9	
(Bank challan to be attached in original)							
5. Date of Dispatch of notice	Day 2	Month 5	Year 0	8	2	0	0 9
6. Specify the intention to propose the resolution as Special Resolution	To seek the approval from shareholders for further investment in MCB Bank Ltd and adoption of new set of Articles of Association in replacement of all existing Articles.						
7. Date of passing of Special Resolution	Day 2	Month 9	Year 1	0	2	0	0 9
8. Total Number of Members	13,267 Representing 242,482,654 shares of Rs.10/- each						
9. Members present in person and/or through proxy in the meeting	68 Representing 146,441,882 shares of Rs.10/- each						
10. Members voted for	68 Representing 146,441,882 shares of Rs.10/- each						
11. Members voted against	Representing Nil shares of Rs. each						
12. At a general meeting of the members of the said company, duly convened and held at	Nishat House, 53 – A, Lawrence Road, Lahore.						
(Mention the address)							
13. Place (city)	LAHORE PUNJAB.						
14. Text of special resolution (attach copy, if space is insufficient to reproduce it)	<p>RESOLVED unanimously that the regulations contained in the printed documents submitted to this meeting, and for the purpose of identification subscribed by the Chairman hereof, be approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of, all the existing Articles of Association of the Company thereof.</p> <p>FURTHER RESOLVED that the Chief Executive and Secretary of the Company be and are hereby authorized to comply with all formalities in this regard.</p>						

for Nishat Mills Limited.

15. Signature of Chief Executive/ Secretary

Company Secretary

16. Name of Signatory

KHALID MAHMOOD CHOHAN

17. Designation

COMPANY SECRETARY

18. NIC Number of signatory

3	3	1	0	0	-	0	9	8	5	6	3	8	-	5
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Day

Month

Year

19. Date

2	9
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THE COMPANIES ORDINANCE, 1984

FORM 26

[SECTION 172]

SPECIAL RESOLUTION

Only Pdf files are allowed for attachment

1. Incorporation Number	0001053		
2. Name of the Company	NISHAT MILLS LIMITED		
3. Fee Paid (Rs.)	500.00	Name & Branch of the Bank	LAHORE MCB - Eden Center [1217]
4. Receipt No.	E-2009-020320		
5. Date of Dispatch of Notice (DD/MM/YYYY)	31/07/2009		
6. Specify the intention to propose the resolution as Special Resolution	Certified Copy of Special Resolution attached.		
7. Date of Passing of Special Resolution (DD/MM/YYYY)	31/08/2009		
8. Total Number of Members	13253	Representing	242482654 Shares of Rs. 10.00 each
9. Members Present in Person and/or through proxy in the meeting	57	Representing	146516313 Shares of Rs. 10.00 each
10. Members voted for	57	Representing	146516313 Shares of Rs. 10.00 each
11. Members voted against	0	Representing	0 Shares of Rs. 10.00 each
12. At a general meeting of the members of the said company, duly convened and held at	Nishat House, 53-A Lawrance Road, Lahore. Punjab 57560		
13. Place(City)	Lahore.		
14. Text of special resolution (attach copy, if space is insufficient to reproduce it.)	Certified Copy of Special Resolution attached.		
15. Signature of Chief Executive/Secretary			
16. Name of Signatory	KHALID MAHMOOD CHOCHAN		
17. Designation	Secretary		
18. NIC Number	3310009856385		
19. Date (DD/MM/YYYY)	07/09/2009		

NISHAT MILLS LIMITED



NISHAT GROUP

CERTIFIED COPY OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF NISHAT MILLS LIMITED IN THEIR EXTRA ORDINARY GENERAL MEETING HELD ON AUGUST 31, 2009 (MONDAY) AT 11:00 A.M. AT NISHAT HOUSE, 53 - A, LAWRENCE ROAD, LAHORE.

RESOLVED that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, the Company be and is hereby authorized to make further investment up to PKR 1.5 Billion (PKR One Billion Five Hundred Million Only) from time to time, in Nishat Power Limited ("NPL"), a subsidiary of the Company, by way of advances and loans, provided that the return on any outstanding amount of loan or advance shall not be less than the rate of 3 months KIBOR + 200 pbs and that such loan or advance shall be repayable within the 5 years period or as agreed by the Company.

FURTHER RESOLVED that the Company be and is hereby authorised to issue further corporate guarantees and undertakings upto a sum of Rs.3 Billion to the lenders and suppliers of NPL, issued /to be issued from time to time as and when requested by NPL.

RESOLVED FURTHER that the Chief Executive of the Company be and is hereby authorized to settle the terms and conditions of loan/advance transactions and to undertake the decision of disbursement of said loan/advance and issuance of corporate guarantees on request of NPL.

RESOLVED FURTHER that, each of Chief Executive, and the Company Secretary, be and is hereby singly authorized and empowered 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 above resolution.

Certified true copy issued on this 31st day of August 2009.

KHALID MAHMOOD CHOCHAN
COMPANYS SECRETARY



HEAD OFFICE

: 7 MAIN GULBERG, LAHORE - PAKISTAN UAN : 111 33 22 00 TEL : (042) 5716351-9 FAX : (042) 5716350 E-Mail : nishat@nishatmills.com

REGISTERED OFFICE & SHARES DEPTT.

: NISHAT HOUSE, 53-A, LAWRENCE ROAD, LAHORE - PAKISTAN PH: (042) 6367812-15 TLX : 47523 NISHAT PK. FAX : (042) 6367414

FORM 26THE COMPANIES ORDINANCE, 1984
[Section 172]**SPECIAL RESOLUTION***Please complete in typescript or in bold block capitals.*

1. Incorporation Number **0001053**
2. Name of the Company **NISHAT MILLS LIMITED**
3. Fee Paid (Rs.) **1 0 0 0** Name & Branch of The Bank **MCB BANK LIMITED**
Main Market. Gumbay
4. Receipt No. **72561** Day **15** Month **05** Year **2009**
(Bank challan to be attached in original)
5. Date of Dispatch of notice Day **18** Month **03** Year **2009**
6. Specify the intention to propose the resolution as Special Resolution **Notice was served to pass a Special Resolution.**
7. Date of passing of Special Resolution Day **30** Month **04** Year **2009**
8. Total Number of Members **14,216 Representing 239,678,575 shares of Rs.10/- each**
9. Members present in person and/or through proxy in the meeting **63 Representing 132,452,832 shares of Rs.10/- each**
10. Members voted for **63 Representing 132,452,832 shares of Rs.10/- each**
11. Members voted against **Representing Nil shares of Rs. Each**
12. At a general meeting of the members of the said company, duly convened and held at **Nishat House, 53 - A, Lawrence Road, Lahore.**
(Mention the address)
13. Place (city) **LAHORE - PUNJAB.**
14. Text of special resolution
(attach copy, if space is insufficient to reproduce it)
- RESOLVED:**
- THAT** the Company be and is hereby authorized to subscribe for =15,922,940= ordinary right shares at Rs.20/= per share including premium of Rs. 10/= per share amounting to Rs.318,458,800/= against 20% Right entitlement of the Company declared by the board of directors of D. G. Khan Cement Company Limited (DGKC) and/or to dispose off through any mode, a part or all of its said right entitlement.
- THAT** the Chief Executive of the Company, be and is hereby authorized singly to undertake the decision for subscription of right shares of DGKC and/or to dispose off a part or all of the said right entitlement.
- THAT** the Chief Executive and/or Company Secretary of the Company be and are hereby authorized Singly to take any and

all actions which may be necessary to compliance with the requirements of Companies Ordinance and /or other Regulatory Authorities.

15. Signature of Chief Executive/ Secretary

for Nishat Mills Limited

Company Secretary

16. Name of Signatory

KHALID MAHMOOD CHOCHAN

17. Designation

COMPANY SECRETARY

18. NIC Number of signatory

3	3	1	0	0	-	0	9	8	5	6	3	8	-	5
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19. Date

Day		Month		Year			
3	0	0	4	2	0	0	9

FORM 26

THE COMPANIES ORDINANCE, 1984

[Section 172]

SPECIAL RESOLUTION*Please complete in typescript or in bold block capitals.*

1. Incorporation Number	0001053								
2. Name of the Company	NISHAT MILLS LIMITED								
3. Fee Paid (Rs.)	1	0	0	0	Name & Branch of The Bank	MCB BANK LIMITED			
4. Receipt No.				Day	Month	Year			
						2 0 0 9			
(Bank challan to be attached in original)									
5. Date of Dispatch of notice	Day			Month			Year		
	0 9			0 1			2 0 0 9		
6. Specify the intention to propose the resolution as Special Resolution	Notice was served to pass a Special Resolution.								
7. Date of passing of Special Resolution	Day			Month			Year		
	2 1			0 2			2 0 0 9		
8. Total Number of Members	13,266 Representing 159,785,717 shares of Rs.10/- each								
9. Members present in person and/or through proxy in the meeting	57 Representing 92,053,744 shares of Rs.10/- each								
10. Members voted for	57 Representing 92,053,744 shares of Rs.10/- each								
11. Members voted against	Representing Nil shares of Rs. Each								
12. At a general meeting of the members of the said company, duly convened and held at	Nishat House, 53 – A, Lawrence Road, Lahore.								
(Mention the address)									
13. Place (city)	LAHORE – PUNJAB.								
14. Text of special resolution (attach copy, if space is insufficient to reproduce it)	<p>Resolved the "Scheme of compromises, arrangements and reconstruction for merger of Nishat Apparel Limited into Nishat Mills Limited put before the meeting be and is hereby agreed, approved and adopted, subject to any modification which may be required by the Honourable Lahore High Court, Lahore".</p> <p>Further resolved, "Mian Umer Mansha, Chief Executive/Director of the Company and/or Mr. Khalid Mahmood Chohan, Company Secretary of the Company be and is/are hereby authorized to do or cause to be done, on behalf of the Company, all acts, deeds and things as may be considered necessary or appropriate for implementing the Scheme of compromises, arrangements and reconstruction."</p>								

15. Signature of Chief Executive/ Secretary

for Nishat Mills Limited.

Company Secretary

16. Name of Signatory

KHALID MAHMOOD CHOHAN

17. Designation

COMPANY SECRETARY

18. NIC Number of signatory

3	3	1	0	0	-	0	9	8	5	6	3	8	-	5
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Day

Month

Year

19. Date

2	1
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0	2
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2	0	0	9
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FORM 26

THE COMPANIES ORDINANCE, 1984
[Section 172]

SPECIAL RESOLUTION

Please complete in typescript or in bold block capitals.

1. Incorporation Number	0001053		
2. Name of the Company	NISHAT MILLS LIMITED		
3. Fee Paid (Rs.)	2	0	0
	Name & Branch of The Bank MCB BANK LIMITED		
4. Receipt No.	86603	Day 2 5	Month 1 1
	Year 2 0 0 8		
	(Bank challan to be attached in original)		
5. Date of Dispatch of notice	Day 0 1	Month 1 1	Year 2 0 0 8
6. Specify the intention to propose the resolution as Special Resolution	Notice was served to pass a Special Resolution.		
7. Date of passing of Special Resolution	Day 2 9	Month 1 1	Year 2 0 0 8
8. Total Number of Members	13,201 Representing 159,785,717 shares of Rs.10/- each		
9. Members present in person and/or through proxy in the meeting	43 Representing 93,548,297 shares of Rs.10/- each		
10. Members voted for	43 Representing 93,548,297 shares of Rs.10/- each		
11. Members voted against	Representing Nil shares of Rs. Each		
12. At a general meeting of the members of the said company, duly convened and held at	Nishat House, 53 – A, Lawrence Road, Lahore.		
	(Mention the address)		
13. Place (city)	LAHORE – PUNJAB.		
14. Text of special resolution (attach copy, if space is insufficient to reproduce it)	<p>i. Resolved unanimously, “Scheme of compromises, arrangements and reconstruction for merger of Nishat Apparel Limited into Nishat Mills Limited put before the meeting be and is hereby agreed, approved and adopted, subject to any modification which may be required by the Honourable Lahore High Court”.</p> <p>Further resolved’ “Mian Umer Mansha, Chief Executive / Director of the Company and/or Mr. Khalid Mahmood Chohan, Company Secretary of the Company be and is/are hereby authorized to do or cause to be done, on behalf of the Company, all acts, deeds and things as may be considered necessary or appropriate for implementing the “Scheme of compromises, arrangements and reconstruction”.</p>		

ii. Resolved unanimously, Authorized Capital of the Company be and is hereby increased from Rs. 1,784,700,000/- divided into 178,470,000 ordinary shares of Rs. 10/- each to Rs.10,000,000,000/- divided into 1,000,000,000 shares of Rs. 10/- each..

Further Resolved that the new shares when issued shall carry equal voting rights and rank pari passu with the existing shares in all respects / matters in conformity with the related provisions of Section 92 of the Companies Ordinance, 1984.

iii. ALTERATION OF THE MEMORANDUM OF ASSOCIATION

Resolved unanimously, Clause V of Memorandum of Association of the Company be and is hereby substituted with the following:

The Authorized Capital of the Company is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 (One Billion) ordinary shares of Rs. 10/- each. The Company shall have the power to increase, reduce or reorganize the said capital and divide shares in the capital for the time being in several classes in accordance with the provisions of the Companies Ordinance, 1984.

iv. Further resolved' "Mian Umer Mansha, Chief Executive / Director of the Company and/or Mr. Khalid Mahmood Chohan, Company Secretary of the Company be and are hereby authorized singly to take all such steps as may be necessary to incorporate the above amendments, substitutions and alterations in the Memorandum of Association of the Company, in compliance with the provisions of the Company Law in Pakistan.

15. Signature of Chief Executive/ Secretary

for *Khalid Mahmood Chohan* Limited.

Company Secretary

16. Name of Signatory

KHALID MAHMOOD CHOHAN

17. Designation

COMPANY SECRETARY

18. NIC Number of signatory

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Day		Month		Year			
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19. Date

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THE COMPANIES ORDINANCE, 1984

[Section 172]

SPECIAL RESOLUTION

Please complete in typescript or in bold block capitals.

1. Incorporation Number	0001053		
2. Name of the Company	NISHAT MILLS LIMITED		
3. Fee Paid (Rs.)	2	0	0
	Name & Branch of The Bank		MCB BANK LIMITED
4. Receipt No.		Day	Month
			Year
			2
			0
			0
			8
(Bank challan to be attached in original)			
5. Date of Dispatch of notice	Day	Month	Year
	2	7	0
		0	8
			2
			0
			0
			8
Specify the intention to propose the resolution as Special Resolution	Notice was served to pass a Special Resolution.		
7. Date of passing of Special Resolution	Day	Month	Year
	3	1	1
		0	0
			2
			0
			0
			8
8. Total Number of Members	13,177 Representing 159,785,717 shares of Rs.10/- each		
9. Members present in person and/or through proxy in the meeting	35 Representing 84,229,588 shares of Rs.10/- each		
10. Members voted for	35 Representing 84,229,588 shares of Rs.10/- each		
11. Members voted against	Representing Nil shares of Rs. each		
12. At a general meeting of the members of the said company, duly convened and held at	Nishat House, 53 - A, Lawrence Road, Lahore.		
	(Mention the address)		
13. Place (city)	LAHORE - PUNJAB.		

Text of special resolution
(attach copy, if space is insufficient to reproduce it)

Annual General Meeting:

RESOLVED that the article No. 22 of the Articles of Association of the Company be and is hereby amended so that the words "six months" appearing in 4th line be substituted with the words "four months".

Quorum of Annual General Meeting:

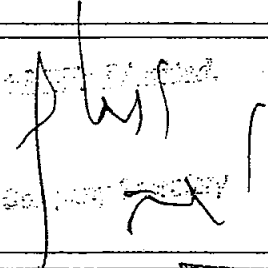
RESOLVED that the article No. 27 of the Articles of Association of the Company be and is hereby amended so that the words "Three members" appearing in 3rd line be substituted with the words "Ten members".

Balance Sheet and Profit and Loss Account:

RESOLVED that the article No. 84 of the Articles of Association of the Company be and is hereby amended so that the words "six months" appearing in 4th line be substituted with the words "four months".

RESOLVED that the Chief Executive or Company Secretary be and is hereby authorized singly to take all such steps as may be necessary to incorporate the above amendments, alterations in the Articles of Association of the Company.

15. Signature of Chief Executive/ Secretary


KHALID MAHMOOD CHOCHAN

16. Name of Signatory

KHALID MAHMOOD CHOCHAN

17. Designation

COMPANY SECRETARY

18. NIC Number of signatory

3 3 1 0 0 - 0 9 8 5 6 3 8 - 5

19. Date

Day Month Year
3 1 1 0 2 0 0 8

THE COMPANIES ORDINANCE, 1984
[Section 172]

SPECIAL RESOLUTION

Please complete in typescript or in bold block capitals.

1. Incorporation Number **KAR -765 OF 1359**
2. Name of the Company **NISHAT MILLS LIMITED**
3. Fee Paid (Rs.)

2	0	0
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 Name & Branch of The Bank **HBL - WAPDA HOUSE BR. LAHORE**
4. Receipt No.

4	9	0	6	5	2
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 Date

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0	1
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2	0	0	5
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(Bank challan to be attached in original)
5. Date of Dispatch of notice

1	8
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1	1
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2	0	0	4
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6. Specify the intention to propose the resolution as Special Resolution

To seek consent of shareholders for transmission of quarterly accounts through website in compliance with Section 245 of the Companies Ordinance, 1984 and Securities & Exchange Commission of Pakistan's Circular No.19 of 2004.																																							
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7. Date of passing of Special Resolution

3	0
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1	2
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2	0	0	4
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8. Total Number of Members **9,369**

Representing 122,478,803 shares of Rs.10/- each																																							
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9. Members present in person and/or through proxy in the meeting **28**

Representing 64,487,418 shares of Rs.10/- each																																							
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10. Members voted for **28**

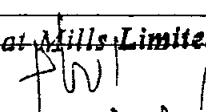
Representing 64,487,418 shares of Rs. 10/- each																																							
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11. Members voted against **Nil**

Representing Nil shares of Rs. each																																							
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12. At a general meeting of the members of the said company, duly convened and held at

At the Company's registered office, Nishat House, 53 - A, Lawrence Road, Lahore.																																							
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(Mention the address)
13. Place (city) **LAHORE.**
14. Text of special resolution (attach copy, if space is insufficient to reproduce it)

(Copy of Special Resolution is attached)																																							
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15. Signature of Chief Executive/ Secretary

<i>for Nishat Mills Limited.</i>  Company Secretary																																							
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16. Name of Signatory

KHALID MAHMOOD CHOCHAN																																							
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17. Designation

COMPANY SECRETARY																																							
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18. NIC Number of signatory

3	3	1	0	0	-	0	9	8	5	6	3	8	-	5
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19. Date

3	0
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1	2
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2	0	0	4
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NISHAT MILLS LIMITED



CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED
AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
NISHAT MILLS LIMITED HELD ON DECEMBER 30, 2004 (THURSDAY)
AT 11:00 A.M. AT THE COMPANY'S REGISTERED OFFICE, NISHAT HOUSE,
53 - A, LAWRENCE ROAD, LAHORE.

RESOLVED THAT:

- a) Consent be and is hereby granted to place the quarterly accounts of the Company on the website of the Company, pursuant to the Securities & Exchange Commission of Pakistan ("SECP") Circular No.19 of 2004 dated 14 April, 2004;
- b) The Chief Executive and the Company Secretary be and are hereby authorized severally or jointly, to apply SECP for its consent for such placing of the quarterly accounts on the website of the Company and to do all necessary acts, deeds and things in connection therewith and ancillary thereto including consultation with the Stock Exchanges on which the Company is listed.

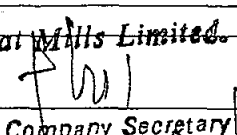
for Nishat Mills Limited.

Company Secretary

THE COMPANIES ORDINANCE, 1984
[Section 172]

SPECIAL RESOLUTION

Please complete in typescript or in bold block capitals.

1. Incorporation Number	KAR -765 OF 1959												
2. Name of the Company	NISHAT MILLS LIMITED												
3. Fee Paid (Rs.)	2	0	0										
Name & Branch of The Bank	HBL - WAPDA HOUSE BR. LAHORE												
4. Receipt No.	445598	Date	Day: 3, 0, Month: 0, 9, Year: 2, 0, 0, 4										
(Bank challan to be attached in original)													
5. Date of Dispatch of notice	Day: 0, 3	Month: 0, 9	Year: 2, 0, 0, 4										
6. Specify the intention to propose the resolution as Special Resolution	To approve Scheme of Arrangement for merger of Umer Fabrics Limited into Nishat (Chunian) Limited and Nishat Mills Limited and Investment in an associated company.												
7. Date of passing of Special Resolution	Day: 2, 9	Month: 0, 9	Year: 2, 0, 0, 4										
8. Total Number of Members	10,000	Representing 122,478,803 shares of Rs.10/- each											
9. Members present in person and/or through proxy in the meeting	33	Representing 73,901,042 shares of Rs.10/- each											
10. Members voted for	33	Representing 73,901,042 shares of Rs. 10/- each											
11. Members voted against	Nil	Representing Nil shares of Rs. each											
12. At a general meeting of the members of the said company, duly convened and held at	At the Company's premises, 21-Kilometre Ferozpur Road, Lahore.												
(Mention the address)													
13. Place (city)	LAHORE.												
14. Text of special resolution (attach copy, if space is insufficient to reproduce it)	(Copy of Special Resolution is attached)												
15. Signature of Chief Executive/ Secretary	for Nishat Mills Limited.  Company Secretary												
16. Name of Signatory	KHALID MAHMOOD CHOHAN												
17. Designation	COMPANY SECRETARY												
18. NIC Number of signatory	3 3 1 0 0 - 0 9 8 5 6 3 8 - 5												
19. Date	Day: 2, 9	Month: 0, 9	Year: 2, 0, 0, 4										

NISHAT MILLS LIMITED



NISHAT GROUP

**TEXT OF THE SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF
NISHAT MILLS LIMITED IN THEIR EXTRA ORDINARY GENERAL MEETING
HELD ON SEPTEMBER 29, 2004 AT 11:00 A.M. AT THE COMPANY'S
PREMISES, 21-K.M., FEROZPUR ROAD, LAHORE.**

- a) **RESOLVED** unanimously, "the Scheme of arrangement for merger of Umer Fabrics Limited into Nishat (Chunian) Limited and Nishat Mills Limited put before the meeting be and is hereby approved, agreed and adopted, subject to any modifications which may be required by the Honourable Lahore High Court".

FURTHER RESOLVED, "Mrs. Naz Mansha, Chief Executive of the Company and / or Mr. Khalid Mahmood Chohan, Company Secretary of the Company be and is / are hereby authorized to take all such steps as may be necessary or incidental for the purpose of implementing the aforesaid Scheme of Arrangement of the above named Companies".

- b) **RESOLVED** unanimously that the Company be and is hereby authorized to invest not over Rs.70,000,000/- (Rupees Seventy Million only) by way of equity investment through purchase of shares of Nishat Shuaiba Paper Products Company Limited, an associated Company.

FURTHER RESOLVED that the Chief Executive of the Company be and is hereby empowered / authorized to make the said investment of shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders.

CERTIFIED TO BE TRUE COPY

For Nishat Mills Limited.

Company Secretary

HEAD OFFICE

REGISTERED OFFICE & SHARES DEPTT.

KARACHI OFFICE

: 7-MAIN GULBERG, LAHORE. UAN : 111 33 22 00 TEL : (042) 5716351-9 FAX : (042) 5716350 E-MAIL : nishat@nishatmills.com

: NISHAT HOUSE, 53-A - LAWRENCE ROAD, LAHORE - PAKISTAN Ph : (042) 6367812-15 TLX : 47523 NISHAT PK, FAX : (042) 6367414

: 1ST FLOOR, KARACHI CHAMBERS, HASRAT MOHANI ROAD, KARACHI 74000-PAKISTAN. Ph : (021) 2414721-23, FAX : 2412966 TLX : 25322/23401 NML PK.66

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED

Company Registration No. KAR-765

Presented by * MR. MUHAMMAD AZAM-COMPANY SECRETARY

Fee paid Rs. 200/- in * * Vide receipt No. dated

To

The Registrar of Companies FAISALABAD

Date of despatch of notice specifying the intention
to propose the resolution as Special Resolution. 09-03-1998

Passed on * * 31-03-1998

At a General meeting of the members of the said Company, duly convened and held at REGISTERED OFFICE in the city of FAISALABAD on 31ST the MARCH, 1998 the following special resolution was passed unanimously.

RESOLVED THAT the following special Resolution dated December 23, 1992 adopted by the members of the company, be and is hereby treated as cancelled:

"b) That the following object clause No.54 be added in the Memorandum of Association of the Company

to carry on all or any kind of he cement business of manufacturers, sellers, dealers and conveniences of all kinds.

Date : 10-04-1998

Place : FAISALABAD

Signature 
(NAME IN BLOCK LETTERS)
MR. MUHAMMAD AZAM

Designation * * *
COMPANY SECRETARY.

- * State the name and designation of the officer signing the document.
* * If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.
* * * State whether Chief Executive or Secretary.

Note :- A printed or typed copy of every Special Resolution shall, within fifteen days from the passing thereof, be filed with the Registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED

Company Registration No. KAR. NO. 765

Presented by * MR. MUHAMMAD AZAM - COMPANY SECRETARY

Fee paid Rs. 200/- in ** N.B.P. Vide receipt No. 22 dated 26-6-1997

To

The Registrar of Companies FAISALABAD

Date of despatch of notice specifying the intention
to propose the resolution as Special Resolution.] 02-06-1997

Passed on ** 24-06-1997

At a General meeting of the members of the said Company, duly convened and held at REGISTERED OFFICE in the city of FAISALABAD on 24 TH the JUNE, 1997 the following special resolution was unanimously approved and adopted:-

"RESOLVED that the Scheme of Arrangement put before the shareholders for the merger of Nishat Fabrics Limited and Nishat Tek Limited with the company be and is hereby approved with the following amended clause 2.1 and subject to completion of formalities and approval by the Honorable Lahore High Court, Lahore.

2.1 As consideration for the said transfers, NML shall issue at par and allot to the members of NFL "X" fully paid-up ordinary share of the par value of Rupees 10 each in the capital of NML for every one fully paid-up ordinary share of the value of Rupees 10 each held by them in the capital of NFL and shall issue at par and allot to the members of NTL "Y" fully paid-up ordinary share of Rupees 10 each in the capital of NML for every one fully paid-up ordinary share of Rupees 10 each held by them in the capital of NTL, as on a day to be fixed by the Board of Directors of NML following the transfer date.

The value of "X" and "Y" will be determined on the basis of the ratio between the value of one ordinary share of NFL and NTL and NML on the basis of average daily market price of the shares of three companies during the period from 01 July 1997 to 30 September, 1997.

FURTHER RESOLVED that the Chief Executive of the Company be and is hereby authorised to take all such steps as may be necessary or incidental for the purpose of implementing the Scheme of Arrangement for the merger of the companies." For Nishat Mills Limited

Signature MR. MUHAMMAD AZAM
(NAME IN BLOCK LETTERS)

Designation ***
COMPANY SECRETARY.

Date : 24-06-1997
Place : FAISALABAD

- * State the name and designation of the officer signing the document.
** If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.
*** State whether Chief Executive or Secretary.

Note :- A printed or typed copy of every Special Resolution shall, within fifteen days from the passing thereof, be filed with the Registrar, duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED

Company Registration No. KAR. NO. 765

Presented by * MR. MUHAMMAD AZAM - COMPANY SECRETARY

Fee paid Rs. 200/- in * * N.B.P. Vide receipt No. _____ dated _____

To

The Registrar of Companies FAISALABAD

Date of despatch of notice specifying the intention
to propose the resolution as Special Resolution.] 05-03-1997

Passed on * * 31-03-1997

At a General meeting of the members of the said Company, duly convened and held at REGISTERED OFFICE in the city of FAISALABAD on 31st the MARCH 1997 the following special resolution was passed.

RESOLVED THAT the authorized capital of the Company be and is hereby increased from Rs. 1,000,000,000 divided into 1000 000 00 ordinary shares of Rupees 10/- each to Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rupees 10/- each and new shares so issued shall rank pari passu with the existing shares in all respects and clause "V" of the Memorandum of Association of the Company be amended to read as follows:

"The authorized capital of the Company shall be Rs. 1,500,000,000 (one billion five hundred million) divided into 150,000,000 (one hundred fifty million) ordinary shares of Rupees 10/- each. The Company shall have the power to increase, reduce or reorganize the said capital and divided shares in the capital for the time being in several classes in accordance with the provisions of the Companies Ordinance, 1984".

For NISHAT MILLS LTD.

Signature Secretary.
(NAME IN BLOCK LETTERS)

MR. MUHAMMAD AZAM

Date : **March 31, 1997**

Place : **FAISALABAD**

Designation * * *
COMPANY SECRETARY.

- * State the name and designation of the officer signing the document.
- * * If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.
- * * * State whether Chief Executive or Secretary

Note :- A printed or typed copy of every Special Resolution shall, within fifteen days from the passing thereof, be filed with the Registrar and, in case of a listed company, also to the corporate Law Authority, duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED.

Company Registration No. KAR NO.765 DATED. 16-11-1959

Presented by* MR. MUHAMMAD AZAM-COMPANY SECRETARY

Fee Paid Rs. 100/- in MBP 252 vide Receipt No. 3 dated 29-03-95

To,

The Registrar of Companies FAISALABAD.

Date of despatch of notice specifying the }
intention to propose the resolution as } 23-02-1995
Special Resolution }

Passed on** 19-03-1995
annual

At a general meeting of the members of the said Company, duly convened
and held at REGISTERED OFFICE in the city of FAISALABAD on the 19TH
day of MARCH 19 95 the following Special Resolution was Passed.

Resolved that

- (a) That the authorized capital of the Company be and is hereby increased from Rs. 800,000,000 divided in to 80,000,000 ordinary shares of Rupees 10/- each to Rupees 1,000,000,000 divided in to 100,000,000 ordinary shares of Rupees 10/- each and new shares so issued shall rank pari passu with the existing shares in all respects and clause "v" of the Memorandum of Association of the Company will be amended to read as follows:
- "The authorized capital of the Company shall be Rupees 1,000,000,000 (one billion) divided in to 100,000,000 (one hundred million) ordinary shares of Rupees 10/- each. The Company shall have the power to increase, reduce or reorganize the said capital and divide shares in the capital for the time being in several classes in accordance with the provisions of the company Ordinance, 1984".
- (b) That the Company be and is hereby authorised to make investment upto Rupees 5.000 million in fidelity Investment Bank Limited, Rupees 40.000 in Nishat Sacks Limited by way of equity participation and /or advance/ loan in normal course of business.
- (c) That the Company be and is hereby authorized to increase the limit of investment by way of equity participation in Nishat Tek Limited by Rupees 100.000 million.

Signature 
(NAME IN BLOCK LETTERS)

contd: P/2

Date :

Place :

***Designation

- *State the name and designation of the officer signing the document.
- **If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.
- ***State whether Chief Executive or Secretary.
- Note :—A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To,
The Registrar of Companies _____

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution }

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the _____
day of _____ 19____ the following Special Resolution was Passed.
Resolved that _____

page -2-

- (d) That the Company is hereby authorized to reinvest in equity of a company in which investment has already been made upto the sale proceeds of shares sold.
- (e) That the Company be and is hereby authorized to sell all/or certain part(s) of its investments and to make investment in associated undertakings within limits approved in present/previous meetings, investment in equity approved already in number of shares be considered equal to purchase value of shares and also authorized to subscribe Right Share offered by the Companies in which investments exist.
- (F) That the Chief Executive of the Company be and is hereby authorized to undertake/negotiate and settle such transactions in the best interest of the shareholders and the Company as and when necessary.

Date : 19-03-1995

Signature _____
(NAME IN BLOCK LETTERS)

MUHAMMAD AZAM
COMPANY SECRETARY

Place : FAISALABAD

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :—A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To, The Registrar of Companies _____

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution }

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the _____
day of _____ 19 _____ the following Special Resolution was Passed.
Resolved that _____

(PAGE - 2)

- g) That the company be and is hereby authorised to increase the paid up of
of the company from Rupees 519,356,090 divided into 51,935,609 ordinary
shares of Rupees 10/-each to Rupees 519,526,590 divided into 51,952,659
ordinary shares of Rupees 10 each due to merger of General Stitching
Company Limited with Nishat Mills Limited.

for Nishat Mills Limited

Secretary

Signature _____
(NAME IN BLOCK LETTERS)

Date : 31.03.1994

Place : FAISALABAD

MUHAMMAD AZAM
COMPANY SECRETARY
***Designation

- *State the name and designation of the officer signing the document.
**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and
passed at the meeting of which less than 21 days' notice was given, state the position in this regard.
***State whether Chief Executive or Secretary.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED

Company Registration No. KAR NO. 765 DATED 16-11-1959

Presented by* MUHAMMAD AZAM - COMPANY SECRETARY

Fee Paid Rs. 100/- in vide Receipt No. dated

To, DEPUTY
The/Registrar of Companies FAISALABAD

Date of despatch of notice specifying the
intention to propose the resolution as } AUGUST 03, 1993
Special Resolution

Passed on** 26.08.1993
EXTRA ORDINARY

At a general meeting of the members of the said Company, duly convened
and held at REGISTERED OFFICE in the city of FAISALABAD on the 26TH
day of AUGUST 19 93 the following Special Resolution was Passed.

RESOLVED that the authorized capital of the Company be and is hereby increased from Rs. 400 million divided into 40 million ordinary shares of Rs.10/- each to Rs. 800 million divided into 80 million ordinary shares of Rs. 10/- each and new shares so issued shall rank pari passu with the existing shares in all respects and clause "V" of the Memorandum of Association of the Company will be amended to read as follows:

"The authorized capital of the Company shall be Rs. 800,000,000 (Eight hundred million) divided into 80,000,000 ordinary shares of Rs. 10/- each. The Company shall have the power to increase, reduce or reorganize the said capital and divide shares in the capital for the time being in several classes in accordance with the provisions of the Companies Ordinance, 1984".

Contd....P/2

Signature _____
(NAME IN BLOCK LETTERS)

Date :

Place : ***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :-A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To,
The Registrar of Companies _____

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution }

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the _____
day of _____ 19 _____ the following Special Resolution was Passed.
Resolved that _____

-:2:-

b) To pass special resolution u/s 208 and 196 of the
Companies Ordinance 1984:

i) UNANIMOUSLY RESOLVED :-

That the Company be and is hereby authorized to
make investment upto Rupees 40.000 million in
each right shares of Raza Textile Mills Limited
and Umer Fabrics Limited as announced by the
companies.

ii) That the Company be and is hereby authorized
to disinvest all/or certain part(s) of its
investments and to make investment in associated
undertakings within limits approved in
present/previous meetings.

Contd....P/3

Signature _____
(NAME IN BLOCK LETTERS)

Date :

Place :

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :-A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To, The Registrar of Companies _____

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution }

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the _____
day of _____ 19 _____ the following Special Resolution was Passed.


Resolved that _____

-:3:-

iii) That the Company be and is hereby authorized
to sell one of its weaving units to any
prospective buyer.

iv) That the Chief Executive of the Company be and
is hereby authorized to undertake/negotiate and
settle such transactions in the best interest of
the shareholders and the Company as and when
necessary.

Date : 26.08.1993

Signature 
(NAME IN BLOCK LETTERS)
MUHAMMAD AZAM
COMPANY SECRETARY

Place : FAISALABAD

***Designation

- *State the name and designation of the officer signing the document.
**If the members entitled to attend and vote at the meeting at which the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.
***State whether Chief Executive or Secretary.
Note :- A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED

Company Registration No. KAR NO. 765 DATED 16.11.1959

Presented by* MIAN MUHAMMAD SALEEM, Director

Fee Paid Rs. 100/- in STATE BANK vide Receipt No. 22 dated 11.04.93
OF PAKISTAN

To,
The Registrar of Companies FAISALABAD


Date of despatch of notice specifying the
intention to propose the resolution as } 07-03-1993
Special Resolution

Passed on** 30-03-1993
Extra Ordinary
At a general meeting of the members of the said Company, duly convened

and held at Registered Office in the city of FAISALABAD on the 30TH
day of MARCH 1993 the following Special Resolution was Passed.

Resolved that the Scheme of Arrangement put before the meeting for the merger of General Stitching Company Limited with Nishat Mills Limited be and is hereby approved subject to the completion of formalities and approval by the High Court.

Further Resolved that the Chief Executive of the company be and is hereby authorised to take all such steps as may be necessary or incidental for the purpose of implementing the aforesaid scheme for the merger/amalgamation of the two companies above named.


Signature
(NAME IN BLOCK LETTERS)
MIAN MUHAMMAD SALEEM
Director

Date : 30-03-1993

Place : FAISALABAD

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :—A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company Nishat Mills Limited

Company Registration No. KAR No.765 dated 16-11-1959

Presented by* Mr. Khalid Mahmood Chohan-Company Secretary

Fee Paid Rs. 60/- in ^{NBP}CIVIL LINES vide Receipt No. 7 dated 24.07.91

To,
The Registrar of Companies Lahore Region, Lahore.

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution } 25 June 1991

Passed on** 18 July 1991

Extra Ordinary At a general meeting of the members of the said Company, duly convened
and held at Registered Office in the city of Faisalabad on the 18th
day of July 1991 the following Special Resolution was Passed.

Resolved that _____

- (a) Resolved that the company be and is hereby authorised to invest Rs.6,555,363 by way of purchasing 113475 shares of Muslim Commercial Bank Limited in addition to the investments already made.

Further Resolved that the Chief Executive of the Company be and is hereby authorised to undertake such investments as and when necessary on the terms and conditions as mutually settled between the parties.

Contd...p/-2

Signature _____
(NAME IN BLOCK LETTERS)

Date :

Place :

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :—A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To, The Registrar of Companies _____

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution }

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the _____
day of _____ 19 _____ the following Special Resolution was Passed.
Resolved that _____

Page-2

- (b) Resolved that the authorised capital of the company be
and is hereby increased from Rs.200,000,000 divided into
20,000,000 ordinary shares of Rs.10/- each to Rs.300,000,000
divided into 30,000,000 ordinary shares of Rs.10/- each
by creating additional 10,000,000 ordinary shares of
Rs.10/- each and to amend the clause 'V' of the Memorandum
of Association of the company accordingly. The new shares,
subject to the date (s) of issue shall rank pari passu
with the existing shares in all respects.

For and on behalf of
Nishat Mills Limited,

Signature _____ Secretary.
(NAME IN BLOCK LETTERS)
KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

Date : 18 July 1991

Place : Faisalabad

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and
passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :- A printed or typed copy of every special resolution shall, within fifteen days from the passing of, be
filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED

Company Registration No. KAR NO. 765 OF 1959-60

Presented by* MR. KHALID QADEER QURESHI - COMPANY SECRETARY

Fee Paid Rs. 60/- in vide Receipt No. dated

To,

The Registrar of Companies LAHORE

Date of despatch of notice specifying the
intention to propose the resolution as } 6 MARCH 1990
Special Resolution

Passed on** 31 MARCH 1990

At a general meeting of the members of the said Company, duly convened
at 2.30 P.M. at
and held at Registered Office in the city of Faisalabad on the 31st
day of MARCH 1990 the following Special Resolution was Passed.

(A) Resolved that the Memorandum of Association of Nishat Mills Limited be altered as follows:

- (i) In clause No.20, 21 and 53 before full stop at the end of each clause the following words shall be inserted, namely:-

Except managing agent

- (ii) For clause No.26 the following shall be substituted, namely:-

To carry on the business of electrical engineers, electricians, engineers, contractors, manufacturers, constructors, suppliers, of and dealers in electrical and other appliances, cables, wire-lines, dry cells, accumulators lamps and works and to generate, accumulate, distribute and supply electricity for the purpose of light, heat, motive power and for all other purposes for which electrical energy can be employed and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity,

Signature
(NAME IN BLOCK LETTERS)

Date :

Place :

*** Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :-A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To, _____
The Registrar of Companies

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution _____

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the _____
day of _____ 19 _____ the following Special Resolution was Passed.

Resolved that _____

Page-2

including in the term electricity all powers that may be
directly or indirectly derived therefrom or may be
incidentally hereafter discovered in dealing with
electricity.

(iii) For clause No.27 the following shall be substituted, namely:-

To underwrite, subscribe, acquire, invest, hold, sell, divest,
exchange or transfer shares, debentures, stocks, bonds,
modaraba certificates, participation term certificates,
term finance certificates or other securities issued or
guaranteed by any company, constituted in Pakistan or
abroad or issued or guaranteed by any Government, State,
sovereign, rulers, Commissioners, public body or authority,
supreme, local or others and to exercise and enforce all
rights and powers conferred by or incidental to the
ownership thereof.

Signature _____
(NAME IN BLOCK LETTERS)

Date :

Place :

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and
passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :-A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof,
be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To, _____
The Registrar of Companies

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution }

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the _____
day of _____ 19 _____ the following Special Resolution was Passed.

Resolved that _____ Page-3

- (iv) In clause No.28 after the words 'future of the company'
comma be substituted with full stop and the following
words shall be omitted,namely:-

(including its uncalled capital)

- (v) In clause No.30 after the words 'or fully' the following
words shall be omitted,namely:-

or partly

- (vi) In clause No.36 the following words shall be omitted,
namely:-

managing agents

- (vii) Clause No.37 be omitted.

- (viii) In clause No.41 after the words 'particular for shares' the
following words shall be omitted,namely:-

(fully or partly paid up)

Signature _____
(NAME IN BLOCK LETTERS)

Date :

Place :

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and
passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :—A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof,
be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI
The Companies Ordinance, 1984 (Section 172)
SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To,

The Registrar of Companies.

Date of despatch of notice specifying the
intention to propose the resolution as
Special Resolution }

Passed on** _____

At a general meeting of the members of the said Company, duly convened
and held at _____ in the city of _____ on the
day of _____ 19 _____ the following Special Resolution was Passed.

Resolved that _____ Page-4

(ix) In clause No.44 the following words shall be omitted by
inserting full stop after the words 'other experts', namely:-

or agents

(x) In clause No.47 after the words 'to the issue of' the
following words shall be omitted, namely:-

preferred and deferred or any other special

(b) Resolved that the company be and is hereby authorised to make
investment upto Rupees 40 million in NISHAT (CHUNIAN) LIMITED
by way of equity participation and loan/advance in the ordinary
course of business upto Rupees 30 million.

(c) Resolved that the company be and is hereby authorised to be a
sponsor and to make investment upto Rupees 80 million by way of
loan or equity participation in NISHAT TEK LIMITED.

Signature _____

(NAME IN BLOCK LETTERS)

Date : _____

Place : _____

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and
passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :-A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof,
be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company _____

Company Registration No. _____

Presented by* _____

Fee Paid Rs. _____ in _____ vide Receipt No. _____ dated _____

To, The Registrar of Companies _____

Date of despatch of notice specifying the intention to propose the resolution as Special Resolution _____

Passed on** _____

At a general meeting of the members of the said Company, duly convened and held at _____ in the city of _____ on the _____ day of _____ 19 _____ the following Special Resolution was Passed.

Resolved that _____

Page:- 5 :-

Further Resolved that the Chief Executive be and is hereby authorised to undertake such investments as and when necessary and interest/mark-up on loan/advance be charged on the amounts outstanding at prevailing bank rate as mutually settled between the parties.

- d) Resolved that the authorised capital of the company be and is hereby increased from Rupees 150,000,000 to Rupees 200,000,000 by creating 5,000,000 ordinary shares of Rupees 10 each and to amend the clause V of the Memorandum of Association of the company accordingly. The new shares, subject to the date(s) of issue shall rank pari passu with the existing shares in all respects.

For and on behalf of
Nishat Mills Limited

Signature _____ Secretary
(NAME IN BLOCK LETTERS)

Date : 31-3-1990

(KHALID RAJEEV SURESH)

Place : Faisalabad

***Designation

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :—A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

F O R M 26
THE COMPANIES ORDINANCE, 1984
(Section 172)

SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED
Company Registration No. KAR NO. 755 OF 1959-60
Presented by* MR. M.M. AKRAM - COMPANY SECRETARY
Fee paid Rs. 60/- in** N.B.P. CIVIL LINES FAISALABAD vide receipt
No. _____ dated 13-4-1989 (to be attached in original).

To, Joint
The/Registrar of Companies Lahore
Date of despatch of notice specifying the
intention to propose the resolution 7 March 1989
as Special Resolution.
Passed on*** 30 March 1989

At a general meeting of the members of the said Company, duly convened and held
at Registered Office in the city of Faisalabad on the 30th
day of March 1989 the following special resolution was passed:

- (a) Resolved that the Authorised capital of the company be and is hereby
increased from Rupees 100,000,000 to Rupees 150,000,000 by creating
5000000 ordinary shares of Rupees 10.00 each and to amend the clause
"V" of the Memorandum of Association of the company accordingly. The
new shares, subject to the date(s) of issue shall rank pari passu
with the existing shares in all respects.
- (b) THAT increased in the limit of investment as loan/advance from Rupees
20 million to Rupees 40 million in each of the following associated
companies in the ordinary course of business be and is hereby approved:
1. RAZA TEXTILE MILLS LTD
2. UMER FABRICS LIMITED

CONTINUED PAGE-2

Date:

Place:

Signature

Name in Block letters

Designation****

For & on behalf of
NISHAT MILLS LIMITED,

Secretary

M. M. AKRAM

NISHAT MILLS LIMITED
KARACHI CHANDEL
MAHATMA JINNAH ROAD
KARACHI

- *State the name and designation of the officer signing the document.
**State the name and address of the Treasury/Bank.
***If the members entitled to attend and vote at the meeting agreed to the special resolution being proposed and passed at the meeting of which less than 21 days notice was given, state the position in this regard.
****State whether Chief Executive or Secretary.

Note:-A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the Registrar duly authenticated by the Chief Executive or Secretary of the Company.

F O R M 26

THE COMPANIES ORDINANCE, 1984

(Section 172)

SPECIAL RESOLUTION

Name of Company _____
 Company Registration No. _____
 Represented by* _____
 Fee paid Rs. _____ in** _____ vide receipt
 No. _____ dated _____ (to be attached in original).
 To,
 The Registrar of Companies _____
 Date of despatch of notice specifying the
 intention to propose the resolution
 as Special Resolution. _____
 Passed on*** _____
 At a general meeting of the members of the said Company, duly convened and held
 at _____ in the city of _____ on the _____
 day of _____ 19 _____ the following special resolution was passed.
 Resolved that _____

PAGE-2

FURTHER RESOLVED that the Chief Executive be and is hereby authorised
 to undertake such investments as and when necessary and interest on
 loan/advance be charged on the amounts outstanding at prevailing bank
 rate as mutually settled between the parties.

Date: 30-3-1989

Place: FAISALABAD

For & on behalf of
 NISHTAT MILLS LIMITED;
 Signature _____
 Name in Block letters, M. AKBAR ALI
 Designation**** SECRETARY
 NISHTAT MILLS LIMITED
 HAZRAT MOHANI ROAD
 KARACHI

*State the name and designation of the officer signing the document.

**State the name and address of the Treasury/Bank.

***If the members entitled to attend and vote at the meeting agreed to the special resolution being proposed and passed at the meeting of which less than 21 days notice was given, state the position in this regard.

****State whether Chief Executive or Secretary.

Note:-A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the Registrar duly authenticated by the Chief Executive or Secretary of the Company.

FORM XXVI

The Companies Ordinance, 1984 (Section 172)

SPECIAL RESOLUTION

Name of Company NISHAT MILLS LIMITED

Company Registration No. KAR No. 765 DATED 16-11-1959

Presented by* MIAN MOHAMMAD MANSHA - CHIEF EXECUTIVE

Fee Paid Rs. 60/- in S.B.P vide Receipt No. 25 dated 6-2-1988
FBO

To, The Registrar of Companies LAHORE

Date of despatch of notice specifying the
intention to propose the resolution as } 6-1-1988
Special Resolution } 31-1-1988

Passed on** Extra-Ordinary

At general meeting of the members of the said Company, duly convened
and held at Registered Office in the city of Faisalabad on the 31st
day of January 19 88 the following Special Resolution was Passed.

Resolved ~~that~~ xxx and approved the insertion of the following new clause
in the object clauses shown in the Memorandum of Association of the
Company

55-"To underwrite acquire or hold any shares, stocks, debentures,
debenture stocks, bonds, obligations or securities by original subscriptions,
participation in syndicate, tender, purchase exchange or otherwise and to
guarantee the subscription thereof and to exercise and enforce all
rights and powers conferred by or incidental to the ownership thereof".

Certified to be True Copy

For Nishat Mills Ltd.

Assn. Secretary

Signature

(NAME IN BLOCK LETTERS) MIAN MOHAMMAD MANSHA

Date : 6-2-1988

For on behalf of
NISHAT MILLS LTD.

Chairman
Chief Executive

Place : Faisalabad.

Mansha
***Designation CHIEF EXECUTIVE

*State the name and designation of the officer signing the document.

**If the members entitled to attend and vote at the meeting agreed to, the special resolution being proposed and passed at the meeting of which less than 21 days' notice was given, state the position in this regard.

***State whether Chief Executive or Secretary.

Note :- A printed or typed copy of every special resolution shall, within fifteen days from the passing thereof, be filed with the registrar duly authenticated by the Chief Executive or Secretary of the Company.

LAHORE HIGH COURT LAHORE.

C.O. 48-2008

PRESENT.

MR. JUSTICE UMAR ATA BANDIAL

Nishat Mills Limited.

AND

Nishat apparel limited.

Joint Application for merger and amalgamation under
section 284 to 288 of the Companies Ordinance, 1984.

FULL PARTY NAMES AND PRAYER ATTACHED.

ORDER P.T.O.

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Lahore High Court, Lahore

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C.O.No.48-L2008 Form No:HCJD/C-121

ORDER SHEET

**IN THE LAHORE HIGH COURT LAHORE
JUDICIAL DEPARTMENT**

Case N.G.O.No.48-L/2008

Versus

M/s Nishat Mills Ltd.

Nishat Apparel Ltd.

S. No. of order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary.
--------------------------------	------------------------------	--

31.03.2009

Mr. Imran Anjum Alvi, Advocate for the petitioner.
Mr. Sohail Zahid Butt, Advocate for counsel for
Income Tax Department.
Muhammad Saqlain Arshad, Assistant Director Legal
SECP.

Through this application under Section 284 to
288 of the Companies Ordinance, 1984 a prayer has
been made for merger of petitioner No. 2, M/s Nishat
Apparel Limited ("NAL") into petitioner No.1,
Nishat Mills Limited ("NML") along with its assets
and liabilities.

2. Petitioner No.1 NML, established in 1969, is a
public limited company with a paid up capital of
Rs.1,597,857,170 divided into 159,785,717 ordinary
shares of Rs.10/- each listed on all stock exchanges of
the country. The petitioner No.2 NAL, an unlisted
public limited company, was established in 2005 and
has paid up capital of Rs.717,288,000 divided into
71,728,800 ordinary shares of Rs.10/- each.

3. The merger of petitioner No.2 NAL into
petitioner No.1 NML in terms of the scheme attached

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C.O.No.48-L2008

with the petition as Annexure "C" is sought on the ground that the creation of a single entity after merger will save administrative expense/over heads, will enhance the profitability of the entity, improve the operation, manufacturing and production of the unit and will simplify and streamline the credit arrangements. Also the reorganization of capital through amalgamation will be to the advantage of shareholders jointly and severally.

4. On the presentation of the application, general meetings of the aforesaid companies were convened under the supervision of Chairmen appointed by the Court. The scheme of proposed merger and various arrangements for its execution were placed before the members in general meetings. All those shareholders present or represented in the meetings unanimously approved the amalgamation scheme. Thereafter notice of hearing was issued through newspapers in terms of Rule 61 of the Companies (Court) Rules, 1997. However, no one has come forward to object the proposed scheme and amalgamation.

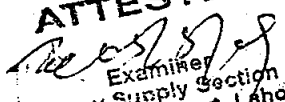
5. Parawise comments filed by the SECP in relation to the terms of the scheme of the merger contained three observations, upon which the Court conducted hearing after inviting the reply of the

3/

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[Signature]
Executive Director
Company Law Section
Secy to Govt. of India
Ministry of Law & Justice

petitioners. These points have been answered through rejoinder in the main petition. The points raised are to the following effect:-

- i. The swap ratio between the petitioners, NML and NAL has been calculated on the basis of break up value of shares taken on historical basis. It is recommended that the swap ratio should be based upon revaluation of assets for arriving at a realistic figure.
- ii. Although paid up capital of the two merging entities is being added in consequence of the amalgamation, however, the same treatment cannot be given to their authorized capital. The authorized capital of the surviving entity should be increased to cover the aggregated paid up capital.
- iii. The merging company petitioner No.2 NAL is a loss making entity and therefore, the public shareholders of the petitioner No.1 NML would suffer a disadvantage on account of the merger which is not in their interest.

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Learned counsel for the petitioners companies

has answered the foregoing observation as follow:-

He submits that the law does not lay down any specific method or basis for the purposes calculating the swap ratio of shares of amalgamating companies.

Any incremental value obtained as a result of

1/m
revaluation of assets of a company is to be credited to a Surplus on Revaluation of Fixed Assets *Account* ("Account"). According to Section 235(2) of the Companies Ordinance, 1984 the Account cannot have revenue application. The Account is excluded from the Free Reserves of a company and does not form part of its shareholders equity. The Account cannot, therefore, be an input in the calculation for determining the break up value of shares. He has reinforced the point by reference to the definition of "Free Reserves" provided in Companies (Issue of Capital) Rules, 1996.

1/m
7. A similar objection taken in a letter by a shareholder, State Life Insurance Corporation (SLIC) claiming a higher swap ratio for the present merger was abandoned at the extraordinary general meeting of petitioner No.1 company as SLIC could not provide a basis for its claim. In so far as the observation by the SECP is concerned its intent is appreciated. However, the higher value that is expected on the revaluation of the assets of petitioner No.1 is inconsequential because of the statutory prohibition on utilization of the Account for calculating shareholders equity which is the principal ingredient for determining break up value of a share

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and hence its swap ratio. Accordingly, recourse to revaluation of assets of the petitioner No.1 company was not necessary in the circumstances of the case as it would not have fetched any advantage or benefit to its shareholders. In the light of the aforesaid, the observation made by the SECP stands explained.

8. The second observation by the SECP to the effect that the authorized capital of the surviving company should be increased in order to accommodate the increased paid up capital resulting from its merger with the second company was answered by the learned counsel for the petitioner. The notion of paid up capital cannot exist in law without the umbrella of authorized capital. Accordingly, where the paid up capital of two merging companies is aggregated under an amalgamation, likewise, the corresponding authorized capital of both companies must also be added. As a result, by the merger the authorized capital of the surviving company is increased correspondingly by the amount of the authorized capital of the merging company. The resulting figure of authorized capital of the surviving company shall be sufficient to cover the combined paid up capital of the two companies.

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9. The observation is seemingly meant to recover additional fees for the SECP. However, in terms of law such an objection has been rejected in other cases, including, Mahmood Power Generation Limited and Mahmood Textile Mills Limited vs. Joint Registrar of Companies and others (2006 CLC 1364). That view proceeds on the footing that paid up capital and authorized capital are connected items relating to capital issue of a company. When paid capital of merging companies is aggregated, it is necessary that their authorized capitals should also receive the same treatment. In the present case, there are no legal or accounting bars to the proposed aggregation. In the light of the aforesaid judgment, the SECP objection stands explained.

10. The third objection is that the petitioner No.2 is a loss making entity and its merger with the surviving company would cause loss to the shareholders of the latter company. A perusal of the report by the Chairman of the extra ordinary general meetings of the petitioner companies shows that no objection was raised by any member of either company against the proposed merger being carried into effect. Learned counsel for the petitioners has clarified that the break up value of the shares of the merging company,

13

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petitioner No.2 has been calculated after deducting its total accumulated loss from its total paid up capital. This has diminished the break up value of its share resulting in a lower swap ratio for its share, thereby transferring the loss to its shareholders. The merger is bringing in new assets to the surviving company worth Rs.1.0 billion whereas additional liabilities of Rs.650.0 million are being added to the balance sheet of the surviving company. There is a net value addition made to the assets of the surviving company. The secured creditors of the petitioner companies have also given their NOCs to the proposed merger. In view of the fact that accumulated loss was deducted from shareholders equity of the merging company whilst arriving at the swap ratio constitutes an adequate step for safeguarding the shareholders of the surviving company.

11. In the result, the observations made by the SECP, although pertinent, are not sufficient to counter the case for merger approved unanimously by the members of both petitioner companies no.1 and no.2 in their general meetings held on 29.11.2008 and 21.2.2009 respectively.

12. The NOCs from all creditors banks of both petitioner companies have been placed on record.

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Lahore High Court, Lahore

C.O.No.48-L2008

This show unanimous approval of the creditors for the relief of merger now under consideration of the Court.

13. In view of what has been stated above, the merger prayed for is allowed with effect from 01.7.2008.

sd
(UMAR ATA BANDIAL)
JUDGE

h Raza
04/5/9

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Authorized Under Article 87 of
Qanun-e-Shahadat Order, 1984

Petition No. 56517
Case No. 12/08
Date of Presentation of Application 24/08/08
Copy of
Under
F.
G.
H.
I.
Date of Delivery 24/08/08

25/8/08

5/5/09

IN THE LAHORE HIGH COURT, LAHORE
(Company Jurisdiction)

C.O. No. 48-1/2008

Nishat Mills Limited
with its registered office at
Nishat House, 53-A, Lawrence Road,
Lahore

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Lahore High Court, Lahore
Petitioner no.1

And

Nishat Apparel Limited
(formerly Gulf Nishat Apparel Limited)
with its registered office at
Nishat House, 53-A, Lawrence Road,
Lahore.....Petitioner no.2

===== .
JOINT APPLICATION for merger and amalgamation under section 284 to 288
of the Companies Ordinance, 1984
=====



Respectfully Submitted:

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Examiner Commercial Branch
515709

1. Through this petition, the petitioners move this honourable Court under the referred provisions of the Companies Ordinance, 1984, to obtain sanction of the Scheme of Arrangement to merge the entire undertaking of Nishat Apparel Limited, the petitioner no.2 (herein "NAL") along with its respective assets and liabilities into Nishat Mills Limited, the petitioner no.1 (herein "NML").
2. By way of background, it is submitted that NML, incorporated on November 16, 1959 under the provisions of the Companies Act, 1913, (now the Companies Ordinance 1984) is a public limited listed company. A copy of its

Memorandum and Articles of Association is attached herewith as Annexure "A-1". It is engaged in the business of textiles.

3. NML has an authorized capital of Rs.10,000,000,000/- divided into 1,000,000,000 ordinary shares of Rupees 10/- each; its paid up capital is Rs.1,597,857,170/- divided into 159,785,717 ordinary shares of Rupees 10/- each. A copy of the latest audited accounts for the year ended on June 30, 2008 is attached herewith as Annexure "A-2". The latest copies of Form-29 with Form 'A' as well as Form-34 are attached as Annexure "A-3" and Annexure "A-4" respectively.

This petition is being instituted and filed by duly authorized company secretary of NML, Mr. Khalid Mahmood Chohan, who is fully conversant with facts of the petition and is able to depose thereto.

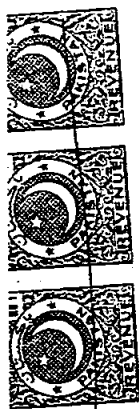
4. NAL, incorporated on August 02, 2005 under the provisions of the Companies Ordinance 1984, is an unlisted public limited company. A copy of its Memorandum and Articles of Association is attached herewith as Annexure "B-1". It is engaged in the business of textile including all allied and ancillary activities thereto.

5. It has an authorized capital of Rs.1,000,000,000/- divided into 100,000,000 ordinary shares of Rupees 10/- each; its paid up capital is Rs.717,288,000/- divided into 71,728,800 ordinary shares of Rupees 10/- each. A copy of the last audited accounts for the year ended on June 30, 2008 is attached herewith as Annexure "B-2". The latest copies of Form-29 with Form 'A' as well as Form-34 are attached as Annexure "B-3" and Annexure "B-4" respectively.

This petition is being instituted and filed by duly authorized company secretary of NAL, Mr. Khalid Mahmood Chohan, who is fully conversant with the facts of the petition and is able to depose thereto.

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6. The parties hereto have agreed, in view of the grounds mentioned hereinafter, that the whole undertaking alongwith assets and liabilities of petitioner no.2 be merged with petitioner no.1. The Scheme of Merger/Amalgamation is attached as Annexure "C" (the Scheme) and contains the terms and conditions thereof.
7. The Scheme has been approved by the respective Board of Directors of the petitioners in their meetings held on November 01, 2008. The Boards' resolutions of the aforesaid companies, respectively are Annexure "D-1 and D-2".
8. The aforesaid Scheme, after fulfillment of statutory requirements, was also laid before the respective shareholders of aforesaid petitioners in their Extra Ordinary General Meetings held on November 29, 2008.



The parameter, on the basis whereof the shareholders of NAL are to be allotted shares under the Scheme in NML, was considered and the stated Scheme has been approved in the aforementioned meetings. The resolutions of approval of the Scheme passed at the Extra Ordinary General Meetings are attached herewith as Annexure "E-1 and E-2".

9. The circumstances which justify and/or necessitate the said Scheme of Merger / Amalgamation are inter alia as follows:-

GROUND

- I. As a consequence of the merger, there will be a viable unit of NML and the administrative/overhead cost will be less and thus the operations will be more profitable. There will also be an increase in personnel efficiency by way of concordant control. The consequential

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Lahore

improvement in the operations, manufacturing and production of the petitioner companies will eventually result to the benefit of shareholders, employees, consumers and others in general.

- II. As a consequence of amalgamation of the petitioners, the credit arrangements will be streamlined and multiple arrangements for obtaining loans and other credit facilities will be reduced; hence the better application of loans and credit facilities would be available, thereby reducing the cost.
- III. In the context of aforesaid, the business of petitioners will be integrated so as to achieve an optimum level of utilization of their inherent potential. This would make the new entity market and more result oriented. This in itself will ensure due performance of creditors obligations and obtain best creditor response.
- IV. In case of amalgamation and/or reorganization of the petitioners the opportunities, at present and in future, for improvement and modernization will be diversified.
- V. Upon amalgamation and reorganization of petitioners, the administrative costs incurred by each of the petitioners separately, will be reduced considerably for the following amongst other reasons:
- a. Corporate record keeping like sets of books of account and records, register of shareholders required to be maintained, forms etc., required to be filed with the various Government Departments including the Registrar of Companies will be reduced.



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- b. Inter-company transfers taxation including inter alia the adverse impact of different taxes will be eliminated.
- c. The number of AGMs required to be held and the sets of annual / half yearly accounts to be printed and circulated by the petitioners will be reduced.
- d. The number of Board of Directors required to administer the petitioners will be reduced.
- e. All tax obligations and discharge thereof would be simplified.
- f. To avail tax incentives will be simplified for the new composite enterprises.

VI. The transfer and reorganization of capital and amalgamation of the NAL into NML will result in improvement in administration of personnel affairs of the petitioners, since administration and staff regulating policies will be uniformed and simpler to administer.

VII. The reorganization of capital and amalgamation of petitioners will be to the advantage of shareholders, creditors and employees of the petitioners severally and jointly as:

- a. After amalgamation of the petitioners, the enhanced revenue of petitioners, reduced overhead costs and unified resource utilization, will result in better capitalization of business opportunities and consequent progress; the same will ensure disbursement of dividends to their shareholders.
- b. The security available to the creditors of the petitioners will be increased due to common pooling of the assets and resources of petitioners.



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c. The employees of the petitioners are likely to be benefited due to proposed enhanced commercial strength and resources.

10. The List of major creditors/bankers/leasing companies of the petitioner companies are Annexure "F1 and F2"; they have not expressed any objection to the Scheme.

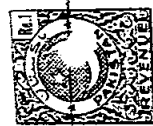
11. There is no investigation pending against the petitioner companies under any provision of the Companies Ordinance 1984 before any forum or court.

12. Sanction in terms of section 11 of the Competition Ordinance, 2007, has been granted by the Competition Commission of Pakistan vide its letter No. 110/CCP/MERGER/2007 dated November 11, 2008 and the same is Annexure "G".

13. No prejudice shall be caused if the proposed Scheme is sanctioned, as the sanction of the said Scheme, will benefit and is in the interest of the petitioners, their shareholders, employees and of the general public. The Scheme is just and equitable in all respects.

14. This honourable Court has the jurisdiction to try and adjudicate this matter as the registered offices of the petitioners are situated in the Province of Punjab.

15. It is just and equitable that this honourable Court be pleased to confirm the said Scheme.



PRAYER

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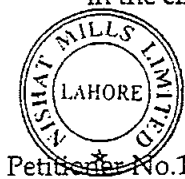
It is therefore, respectfully prayed that this honourable Court may be pleased:

- a. To direct that a joint meeting of members of petitioner companies be called, to consider and approve the Scheme of Arrangement attached herewith and or the meeting so called may kindly be held under the supervision of this Court.
- b. To direct that notices through publication or otherwise of the said meeting be given to the members of petitioners, the Registrar of the Companies, the creditors and general public at large.
- c. To approve and sanction the Scheme of Merger/Amalgamation submitted before this honourable Court.
- d. To pass all requisite vesting orders for giving effect to the said Scheme of Arrangement, including vesting orders pursuant to section 287 of the Companies Ordinance, 1984 and relating to the transfer of whole of the undertaking including all assets, properties, rights, privileges, benefits of government consents, sanctions, authorizations and licenses and liabilities of petitioner no.2 into petitioner no.1 with effect from July 01, 2008.
- e. To order the dissolution without winding up of the petitioner no.2.
- f. To order that the cost and incidental expense to this application be paid by the petitioner no.1.



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g. To pass such further order or orders and to issue all consequential and necessary directions as this honourable Court may deem fit and proper in the circumstances.



Petitioner No.1

[Signature]

and

[Signature]

Petitioner No.2



Through

[Signature]
Imtiaz Rashid Siddiqui
Advocate Supreme Court

[Signature]
Imran Ajum Ali
Advocate High Court

[Signature]
Zubair Rasool Sehale
Advocate High Court

[Signature]
Muhammad Asif-ur-Rehman
Advocate High Court

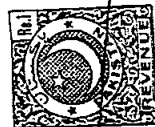
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Barrister Shehryar Kasuri
Advocate High Court
Nawa-e-Waqt Building
4-Shrahra-e-Fatima Jinnah
Lahore

CERTIFICATE:

As per instructions it is the first petition under section 284 to 288 of the Companies Ordinance 1984 to effect merger between the parties.

List of Books:

- 1) The Companies Ordinance, 1984
- 2) The Companies Court Rules, 1997



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5/5/09

[Signature]
Advocate

[Signature]
Advocate

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ANNEXURE C

SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION

**FOR
MERGER**

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UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984

OF

NISHAT APPAREL LIMITED
(FORMERLY GULF NISHAT APPAREL LIMITED)

INTO

NISHAT MILLS LIMITED



For NISHAT APPAREL LIMITED
Formerly Gulf Nishat Apparel Limited

Company Secretary

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NISHAT APPAREL LIMITED

Board of Directors : Mian Hassan Mansha (Chief Executive)
: Mian Umer Mansha
: Mr. Khalid Qadeer Qureshi
: Mr. Faisal Naseem Kari
: Mr. Mushtaq Ahmed
: Mr. Khalid Mahmood Chohan

Company Secretary : Mr. Khalid Mahmood Chohan

Registered Office : Nishat House, 53 A Lawrence Road, Lahore

NISHAT MILLS LIMITED

Board of Directors : Mian Umer Mansha (Chief Executive)
: Mian Hassan Mansha
: Mr. Manzar Mushtaq
: Mr. Khalid Qadeer Qureshi
: Mr. Muhammad Azam
: Rana Muhammad Mushtaq
: Ms. Nabiha Shahnawaz Cheema

Company Secretary : Mr. Khalid Mahmood Chohan

Registered Office : Nishat House, 53 A Lawrence Road, Lahore

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AND RECONSTRUCTION
FOR
MERGER

323

UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984
OF

NISHAT APPAREL LIMITED
(Formerly Gulf Nishat Apparel Limited)
INTO
NISHAT MILLS LIMITED

1. DEFINITIONS

1.1 In this Scheme, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

"NAL" means Nishat Apparel Limited (Formerly Gulf Nishat Apparel Limited), a public limited Company having its registered office at Lahore.

"NML" means Nishat Mills Limited, a public limited Company having its registered office at Lahore.

"Court" means Lahore High Court, Lahore

"Completion Date" means the day on which the Scheme becomes operative in accordance with clause 14 of this Scheme.

"Effective Date" means 01 July 2008.

"Undertaking of NAL" means the entire undertakings of NAL, as at the transfer date including all assets, permissions, rights, privileges, powers, bank accounts, leave and licenses and all or any other assets, rights, privileges, powers, contracts, etc of NAL:

Without prejudice to the generality of the above, undertaking of NAL shall include all rights, powers, authorities, privileges, contracts, benefits of Government, consents, sanctions and authorizations, licenses, liberties and all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situate, including in particular freehold land, factory building, plant and machinery, furniture and fixture, tool and equipment, electric installations, computer equipment, office equipment, vehicles, capital work-in-progress, long term security deposit, stores and spares, stock in trade, trade debts, advances to employees and suppliers, prepayments, deposits, receivables, advance income tax, sales tax refundable, rebates, cash and bank balances, and all other authorities, business operation, licenses, rights or interests in or arising out of such property as may belong to or be in the possession or claim

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of NAL on the transfer date and all books of account and documents relating thereto, and shall be deemed to include all debts, long term and short term loans, creditors, accrued and other liabilities, retention money, accrued finance cost, contingencies and commitments, duties and obligations of NAL of whatever kind, including liabilities for payment of gratuity to employees. "Scheme" means this Scheme of compromises, arrangements and reconstruction in its present form with any modification thereof or addition thereto approved or condition imposed by the Court.

2. CAPITAL

- 2.1 The authorized share capital of Nishat Apparel Limited (Formerly Guif Nishat Apparel Limited) is Rupees 1,000,000,000 divided into 100,000,000 ordinary shares of Rupees 10 each and it's issued, subscribed and paid up capital is Rupees 717,288,000 divided into 71,728,800 ordinary shares of Rupees 10 each.
- 2.2 The authorized share capital of Nishat Mills Limited is Rupees 1,784,700,000 divided into 178,470,000 ordinary shares of Rupees 10 each and it's issued, subscribed and paid up capital is Rupees 1,597,857,170 divided into 159,785,717 ordinary shares of Rupees 10 each. The board of directors has declared to issue 50% right shares at the rate of Rupees 25 per share to the existing shareholders of the Company on their holding as on 21 November 2008. Accordingly it has been proposed to increase in authorized share capital of the Company up to Rupees 10,000,000,000 divided into 1,000,000,000 ordinary shares of Rupees 10 each. The paid up capital after right issue will be Rupees 2,396,785,750 divided into 239,678,575 ordinary shares of Rupees 10 each.

3. OBJECT OF THIS SCHEME

The principal object of this Scheme is to effect merger / amalgamation of NAL into NML through the transfer and vesting in NML of the whole undertakings and businesses of NAL together with all the property, assets, rights, liabilities and obligations of every description of NAL against allotment of fully paid ordinary shares of NML to the registered shareholders of NAL, in lieu of shares of NAL held by them without further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting and / or assumption.

4. TRANSFER OF UNDERTAKINGS

- 4.1 The undertaking of NAL as at the Effective Date shall, without any further act, instrument or deed, be and the same shall stand transferred to and be vested or deemed to have been transferred to or vested in NML.
- 4.2 The transfer / vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages if any as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which NAL is a party wherein the assets of NAL have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the undertaking of NAL.

as the case may be and are vested in NML by virtue of this scheme to the end and intend that such securities, mortgages and charges shall not extend or be deemed to extend to any of the assets of NML, unless specially agreed to by NML, PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to NAL which shall vest in NML on approval of this Scheme by the Honourable Lahore High Court, Lahore and NML shall not be obliged to create any further or additional security therefore after the approval of this Scheme as aforesaid or otherwise.

- 4.3 In respect of such of the assets as are movable in nature or are otherwise capable of transfer by manual / physical delivery or by endorsement and delivery, the same shall be so transferred by NAL and shall become the property of NML as its integral part. The amount lying with the Banks to the credit of NAL, shall be transferred to NML. Such delivery and / or transfer shall be made on a date to be agreed upon by the Board of Directors of NAL.
- 4.4 All the liabilities of NAL as at the effective date, shall without any further act, instrument or deed, be and stand transferred and vested in NML; so as to become as and from the effective date, the debts, liabilities, duties and obligations of NML and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.
- 4.5 The transfer and vesting of the undertaking of NAL under clauses 4.1, 4.2, 4.3 and 4.4 hereof and the continuance of proceedings by NML under clause 7 hereof shall not affect any transactions or proceedings already concluded by NAL as the case may be in the ordinary course of business and after the transfer date to the end and intent that NML accepts on behalf of itself all acts, deeds and things done and executed by NAL, as the case may be.

5 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1 NML shall undertake, pay, satisfy, discharge, perform and fulfill all debts, liabilities, contracts, engagements and obligations whatsoever of NAL as at the effective date, and all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and all other instruments of whatever kind subsisting or having effect immediately before the transfer date to which NAL may be a party or which shall be in favour of NAL as they were before the transfer date and may be enforced or acted upon as fully and effectively as if instead of NAL, NML had been a party thereto or as if the same had been issued by or in favour of NML, PROVIDED ALWAYS the existing creditors of NML and NAL respectively having charges over the land, building, machinery and other fixed assets of the respective companies shall continue to retain their security interests over the land, building, machinery and other fixed assets respectively charged in their favour; the existing creditors of NML having charges over the current assets of NML shall retain their respective charges over the current assets as on the effective date of NML and shall have a first charge ranking, *pari passu inter se*, on the future current assets which are kept at the NML premises; and

326 the existing creditors of NAL having charges over the current assets of NAL shall retain their respective charges over the existing current assets of NAL as on the effective date and shall have a first charge ranking pari passu inter se, on the future current assets which are kept at the NAL premises after the effective date.

- 5.2 All agreements entered into by NAL with their respective bankers, financial institutions, leasing companies, agents, etc, if any, shall continue to be in full force and effect and may be enforced by or against NML.

6 LEGAL PROCEEDINGS

All causes, suits, appeals, petitions/revisions or other judicial, quasi judicial and/or administrative proceedings of whatever nature by or against NAL which shall be pending on the effective date in or before any court, tribunal forum or other authority will be continued, prosecuted and enforced in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against NAL as if this Scheme had not been made, by or against NML the same shall not abate, be discontinued or be in any way prejudiced or affected by the provisions of this Scheme.

7 CONDUCT OF BUSINESS BY NAL TILL COMPLETION DATE

- 7.1 With effect from the effective date and upto completion date, NAL:

- a) shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for NML and all the profits accruing to NAL or losses arising or incurred by it shall, for all purposes, be treated as the profits or losses of NML as the case may be.
- b) hereby undertakes to carry on its business until the completion date with reasonable diligence, business prudence and shall not except in the ordinary course of business or without the prior written consent of NML, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its respective undertaking of NAL or any part thereof.

8 TRANSFER OF STAFF, WORKMEN AND EMPLOYEES

Every officer, workman or other employee of NAL on the effective date shall become an officer, workman or employee, as the case may be, of NML on the basis that his services have not been interrupted by the vesting of the undertaking of NAL into NML under this Scheme and on the same remunerations and other conditions of service, rights and privileges, if any, and other matters as were applicable to him before the transfer date.

9 BASIS OF AMALGAMATION AND RECONSTRUCTION

- 9.1 Upon the scheme becoming fully effective, in consideration of the transfer and vesting of the undertaking of NAL in NML in terms of the scheme, the NML will subject to the provisions

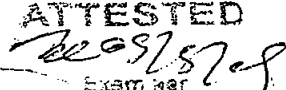
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of the scheme and without any further application or deed, issue at par and allot to the individual members of NAL one fully paid-up ordinary share of the par value of Rupees 10 each in the capital of NML for nineteen fully paid-up shares of the par value of Rupees 10 each of NAL to the shareholders of NAL whose names are recorded in NAL register of members as on effective date or on a day to be fixed by the board of directors of NML following the effective date, provided however that no such allotment shall be made of any fully paid shares held by NML in the capital of NAL as on the effective date which shall be cancelled. Swap ratio has been determined based on breakup value of NML and NAL as on 30 June 2008. While calculating the breakup value of NML fair value reserves have been excluded in view of fall in market value of shares. All assets and liabilities of NAL as on effective date appearing in the books of NAL will form an asset or liability of corresponding nature in the books of NML. The difference due to transfer of assets and liabilities shall be adjusted against accumulated profit / revenue reserve of NML as on effective date.

- 9.2 For the purpose of the allotments to be calculated, fractional entitlements of above 0.5 shall be rounded up to nearest one certificate and below 0.5 shall be ignored.
- 9.3 The said fully paid-up ordinary shares in NML to be issued and allotted to the members of NAL shall rank pari passu in all respects with the existing fully paid-up ordinary shares in NML.
- 9.4 All members whose names shall appear in the Register of Members of NAL as on effective date, shall surrender their share certificates for cancellation thereof to NML. In default, upon the new shares in NML being issued and allotted by it to the members of NAL whose name shall appear on the Register of Members of NAL as on effective date, as aforesaid, the share certificates in relation to the shares held by them in NAL shall be deemed to have been cancelled.
- 9.5 Authorized share capitals of Rupees 1,000,000,000 divided into 100,000,000 ordinary shares of Rupees 10 each of NAL as on effective date shall be merged with authorized share capital of Rupees 1,784,700,000 divided into 178,470,000 ordinary shares of Rupees 10 each of NML which will result in total authorized share capital of Rupees 2,784,700,000 divided into 278,470,000 ordinary shares of Rupees 10 each of NML as on effective date.

10 MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 10.1 NAL and NML by their respective Directors may assent to any modification or amendment to the scheme or agree to any terms and / or conditions which the Courts and / or any other authorities under law may deem fit to direct to impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the scheme and do all acts, deed and things as may be necessary, desirable or expedient for putting the scheme into effect.
- 10.2 For the purpose of giving effect to the scheme or to any modification thereof, the Directors

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337 of NML are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

11 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of NAL and NML respectively in relation to or in connection with the scheme and of carrying out and implementing / completing the terms and provisions of the scheme and / or incidental to the completion of merger / amalgamation of the said Undertaking of the NAL in pursuance of the scheme shall be borne and paid solely by NAL.

12 SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

The scheme is conditional on and subject to:

- 12.1 Approval of and agreement to the scheme by the requisite majority of the respective members of and such classes of persons of NAL and NML as may be directed by the court.
- 12.2 Requisite resolution(s) under the applicable provision of the Companies Ordinance, 1984 being passed by the shareholders of NAL and NML for any of the matters provided for or relating to the scheme as may be necessary or desirable.
- 12.3 No objection certificate from Competition Commission of Pakistan pursuant to Competition Ordinance, 2007.
- 12.4 Any other sanctions or approval of the appropriate authorities concerned, as may be necessary and appropriate by the respective board of directors of NAL and NML, being obtained and granted in respect of and of the matters for which such sanctions or approval is required.

13 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the scheme not being sanctioned by the Court and / or the Order or Orders not being passed as aforesaid on or before 31 December 2009 or within such further period or periods as may be agreed upon between NAL and NML through their respective Board of Directors, the scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the scheme.

14 COMPLETION DATE OF SCHEME

The scheme, although operative from the effective date, shall take effect finally upon and from the date on which the last of the aforesaid sanctions or approvals or orders shall have been obtained, and such date shall be the completion date for the purpose of the scheme.

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15 APPLICATION TO THE COURT

NAL and NML hereto shall, with all reasonable dispatch, make applications to the Court for sanctioning the scheme and for dissolution of NAL without winding up.

16 DISSOLUTION OF NAL

Subject to an order being made by Court under Section 287 of the Companies Ordinance 1984, NAL, shall, without winding up, stand dissolved from such date on which all assets and liabilities of NAL are appropriated and issued, subscribed and paid up share capital of NAL stand cancelled as referred to the clause 9 of this scheme.

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THE ANCHRE HIGH COURT LAHORE.

C.O. 58-2004

PRESENT.

MR. JUSTICE ALI NAWAZ CHOWHAN.

File No. 58-2004
C.O. 58-2004
Lahore High Court
13/11/04

In the matter of :- Umer Fabrics Limited
Nishat (Chunian) Limited
Nishat Mills Limited.

Joint Application for merger and amalgamation
under section 234 to 288 of the companies ordinance, 1984.

FULL PARTY NAMES AND PRAYER ATTACHED.

ORDER ATTACHED.

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2. By way of background, it is submitted that UFL, established in 1988 under the provisions of the Companies Ordinance, 1984, is a listed public limited company. A copy of its Memorandum and Articles of Association is attached herewith as Annexure "A-1". It is engaged in the business of textiles along with allied and ancillary activities thereto.

3. UFL has an authorized capital of Rs.300,000,000/- divided into 30,000,000 ordinary shares of Rs.10 each and its paid up capital is Rs.240,052,050/- divided into 24,005,205 ordinary shares of Rs.10 each. A copy of the last un-audited accounts as of June 30, 2004 is attached herewith as Annexure "A-2".

This petition is being filed by duly authorized Company Secretary of UFL, Mr. Abdul Aziz Shahid, who is fully conversant with facts of the petition and is able to depose thereto.

4. NCL, established in 1990 under the provisions of the Companies Ordinance, 1984, is a listed public limited company. A copy of its Memorandum and Articles of Association is attached herewith as Annexure "B-1". It is engaged in the business of textiles along with allied and ancillary activities thereto.

5. It has an authorized capital of Rs.500,000,000/- divided into 50,000,000 ordinary shares of Rs.10 each and its paid up capital is Rs.443,520,000/- divided into 44,352,000 ordinary shares of Rs.10 each. A copy of the last un-audited accounts as of June 30, 2004 is attached herewith as Annexure "B-2".

This petition is being filed by duly authorized Company Secretary of NCL, Mr. Farrukh Ifzal, who is fully conversant with the facts of the petition and is able to depose thereto.

the newspapers; "The Pakistan Observer" and "Nawa-e-Waqt".

3. The Chairmen are before this Court having accomplished the task which was assigned to them who have submitted their report personally before this Court today. The report is further certified to the effect that both the Chairmen have completed all the formalities required under the Companies Ordinance, 1984 in this regard. It is said that the scheme aforementioned has also been unanimously approved and the following conclusions which are reflected in the report vouch safe this fact:-

"CONCLUSION AND RESOLUTION

After a thorough discussion, and presentation of management, the chairmen again inquired from the shareholders for any question or objection for the proposed scheme of merger/amalgamation. No objection was raised by any shareholder for the approval of the scheme and following resolution was passed:

Resolved unanimously, "the scheme of arrangement for merger of Umer Fabrics Limited into Nishat (Chunian) Limited and Nishat Mills Limited put before the meeting be and is hereby approved, agreed and adopted, subject to any modifications which may be required by the Honourable Lahore High Court."

There being no other business and the meeting ended with a vote of thanks to the Chair."


4. On behalf of the Registrar S.E.C.P. the only objection taken was that a copy of the NOC from the creditor was not given to him which was immediately supplied leading to the withdrawal of the objection.

Extra-Ordinary General Meetings held on October 08, 2004 and petitioner no.3 in its Extra-Ordinary General Meeting held on September 29, 2004 respectively.

The parameter on the basis whereof the shareholders of UFL are to be allotted shares under the Scheme, of NCL and NML, was considered and the stated Scheme has been unanimously approved in the mentioned meetings. The minutes of the Extra-Ordinary General Meetings and the resolutions passed by the shareholders of aforesaid companies are Annexure "F-1, F-2 & F-3".

11. The circumstances which justify and/or necessitate the said Scheme of Merger/Amalgamation are inter alia as follows:-

GROUND

- 
- i. As a consequence of the merger, there will be viable units of NML and NCL and the administrative/overhead cost will be less and thus the operations will be more profitable. There will also be an increase in personnel efficiency by way of concordant control. The consequential improvement in the operations, manufacturing and production of the petitioner companies will eventually result to the benefit of shareholders, employees, consumers and others in general.

- ii. As a consequence of amalgamation of the petitioners, the credit arrangements will be streamlined and multiple arrangements for obtaining loans and other credit facilities will be reduced; hence the better application of loans and credit facilities would be available, thereby reducing the cost.

IN THE LAHORE HIGH COURT, LAHORE
(Company Jurisdiction)

C.O. No. 58 /2004

Umer Fabrics Limited
with its registered office at 31-Q, Gulberg-II, Lahore.....Petitioner no.1

And

Nishat (Chunian) Limited
with its registered office at 31-Q, Gulberg-II, Lahore.....Petitioner no.2

And

Nishat Mills Limited
with its registered office at Nishat House,
53-A; Lawrence Road, Lahore.....Petitioner no.3

=====

JOINT APPLICATION for merger and amalgamation under section 284 to 288 of
The Companies Ordinance, 1984.

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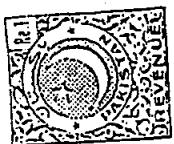
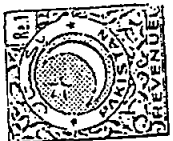
Respectfully Submitted:

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13/12/04

1. Through this petition, the petitioners move this honourable Court under the referred provisions of the Companies Ordinance 1984, to obtain sanction of the Scheme of Arrangement to merge the undertakings of Umer Fabrics Limited (herein "UFL") along with its respective assets and liabilities into Nishat (Chunian) Limited (herein "NCL") and Nishat Mills Limited (herein "NML").

- f. To avail tax incentives will be simplified for the new composite enterprises.
- vi. The transfer and reorganization of capital and amalgamation of the petitioner no.1 into petitioners no.2 and no.3 will result in improvement in administration of personnel affairs of the petitioners, since administrative and staff regulating policies will be uniformed and simpler to administer.
- vii. The reorganization of capital and amalgamation of petitioners will be to the advantage of shareholders, creditors and employees of the petitioners severally and jointly as:
- a. After amalgamation of the petitioners, the enhanced revenue of petitioners, reduced overhead costs and unified resource utilization, will result in better capitalization of business opportunities and consequent progress; the same will ensure disbursement of dividends to their shareholders.
- b. The security available to creditors of the petitioners will be increased due to common pooling of the assets and resources of petitioners.
- c. The employees of the petitioners are likely to be benefited due to proposed enhanced commercial strength and resources.

12. The List of major creditors/bankers/leasing companies of the petitioner companies are Annexure "G-1, G-2 and G-3". They have already been approached to provide their no objection to the Scheme and the same will be filed before this honourable Court.



12. Company
1993
Section 22
Dist. Laban

6. NML, established in 1959 under the provisions of then existing law and now the Companies Ordinance, 1984, is a listed public limited company. A copy of its Memorandum and Articles of Association is attached herewith as Annexure "C-1". It is engaged in the business of textiles along with allied, ancillary and other business activities.

7. The authorized capital of NML is Rs.1,500,000,000/- divided into 150,000,000 ordinary shares of Rs.10 each with a paid up capital of Rs.1,224,788,030/- divided into 122,478,803 ordinary shares of Rs.10 each. A copy of the last un-audited accounts as of June 30, 2004 is attached herewith as Annexure "C-2".

This petition is being filed by duly authorized Company Secretary of NML, Mr. Khalid Mahmood Chohan, who is fully conversant with the facts of the petition and is able to depose thereto.

8. The parties hereto have agreed that UFL, its assets and liabilities namely "Part-1" and "Part-2" as contained in Annexes "A" and "B" to the Scheme of Arrangement, be merged so that Part-1 of UFL is merged with NCL and Part-2 of UFL is merged with NML. The Scheme of Merger/Amalgamation aforesaid is attached as Annexure "D" (the Scheme) and contains the terms and conditions thereof.

9. The Scheme has been approved by the respective Board of Directors of petitioners no.1 and no.2 in their meetings held on September 10, 2004 and petitioner no.3 in its meeting held on September 03, 2004 respectively. The Boards' resolutions of the aforesaid companies are Annexure "E-1, E-2 and E-3".

10. The aforesaid Scheme, after fulfillment of statutory requirements, was also laid before the respective shareholders of aforesaid petitioners no.1 and no.2 in their

ATTESTED
Copy of the Scheme of Arrangement
submitted to the Registrar of Companies
for filing in the Court of Law

d. To pass all requisite vesting orders for giving effect to the said Scheme of Arrangement, including vesting orders pursuant to section 287 of the Companies Ordinance, 1984 and relating to the transfer of whole of the undertaking including all assets, properties, rights, privileges, benefits of government consents, sanctions, authorizations and licenses and liabilities of petitioner no. 1 into petitioner no.2 and petitioner no.3 with effect from 1st October 2004.

e. To order the dissolution without winding up of the petitioner no. 1.

f. To order that the cost and incidental expense to this application be paid by the petitioner no.2 and petitioner no.3 respectively.

g. To pass such further order or orders and to issue all consequential and necessary directions as this honourable Court may deem fit and proper in the circumstances.

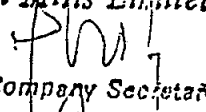
Umer Fabrics Limited


Company Secretary
Petitioner no.1

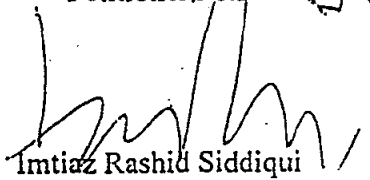
Nishat (Chemicals) Limited.


Company Secretary
Petitioner no.2

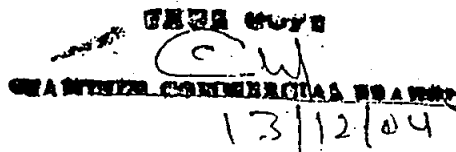
104 Nishat Mills Limited.



Company Secretary
Petitioner no.3

Through


Imtiaz Rashid Siddiqui
Advocate Supreme Court

October 27, 2004


13/12/04


Imran Anjum Alvi
Advocate
Nawa-e-Waqt Building
4-shahrah-e-Fatima Jinnah
Lahore

CERTIFICATE: As per instructions it is the first petition under section 284 to 288 of the Companies Ordinance 1984 to effect merger between the parties.


Advocate

- iii. In the context of the aforesaid, the business of petitioners will be integrated so as to achieve an optimum level of utilization of their inherent potential. This would make the new entity market and more result oriented. This in itself will ensure due performance of creditors obligations and obtain best creditor response.
- iv. In case of amalgamation and/or reorganization of the petitioners the opportunities, at present and in future, for improvement and modernization will be diversified.
- v. Upon amalgamation and reorganization of petitioners, the administrative costs incurred by each of the petitioners separately, will be reduced considerably for the following amongst other reasons:
- a. The number of AGMs required to be held and the sets of annual half yearly accounts to be published and circulated by the petitioners will be reduced.
 - b. The number of Board of Directors required to administer the petitioners will be reduced.
 - c. Corporate record keeping like sets of books and records, register of shareholders required to be maintained, forms etc., required to be filed with the various Government Departments including the Registrar of Companies will be reduced.
 - d. Inter-company transfers taxation including inter alia the adverse impact of different taxes will be eliminated.
 - e. All tax obligations and discharge thereof would be simplified.



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1st COMMERCIAL SECTION
11/11/11

STATEMENT ACCOMPANYING NOTICE TO THE SHAREHOLDERS UNDER SECTION 236(1)(a)/160(1)(b) OF THE COMPANIES ORDINANCE, 1984

The accompanying copy of the notice is for the purpose of convening the meeting of the shareholders for the purpose of passing of the special resolution specified in the notice for obtaining the approval of the Scheme of Arrangement from the shareholders.

CAPITAL

The authorized share capital of Umer Fabrics Limited (UFL) is Rupees 300,000,000 divided into 30,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 240,052,050 divided into 24,005,205 ordinary shares of Rupees 10 each.

The authorized share capital of Nishat (Chunian) Limited (NCL) is Rupees 500,000,000 divided into 50,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 443,520,000 divided into 44,352,000 ordinary shares of Rupees 10 each.

The authorized share capital of Nishat Mills Limited (NML) is Rupees 1,500,000,000 divided into 150,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 1,224,788,030 divided into 122,478,803 ordinary shares of Rupees 10 each.

THE BENEFITS OF THE MERGER

The proposed merger of UFL into NCL and NML will rationalize business structure, bring economies and significantly improve the flexibility, efficiency and financial strength. It will also result in reducing expenses, cut down the reporting requirements, savings in tax and enhance the profitability of the companies and as a consequence, will benefit the shareholders.

The merger is expected to achieve economies of scale and other benefits as under:

1. EXPANDED RESOURCE BASE

Mills of UFL are located in the vicinity of NCL and as such the activities carried out are complementary to each other. So as to expand the activities and increase the product portfolio in textile business, the management of UFL has considered various options for consolidating the activities and operations with NCL and NML which would provide synergistic linkages besides economies in cost by combining the business factions and related operation and activities, contributing to growth and profitability. While combining the activities of UFL with NCL and NML, it is felt that this arrangement would result in better working capital management, most optimum utilization of the manufacturing and other facilities, reserves, financial, managerial, technological and marketing, distribution networks, man power and other resources, which will be conducive to enhance the capability to face competition in the market more effectively, thereby strengthening further the market position and growth prospects.

The proposed amalgamation will give emergence to organizations with a substantially larger capital base. This would not only improve the financial health of NCL and NML but would also be helpful in undertaking bigger exposures.

2. IMPROVED RISK ABSORPTION CAPACITY

The larger capital base would also improve the risk absorption capacity of NCL and NML against potential risks arising out of an adverse and uncertain operating environment. This would lead to operating stability and long-term sustainability.

3. REDUCTION IN ADMINISTRATIVE COSTS

The amalgamation will result in substantial administrative cost saving and economies of scale leading to enhanced profitability and will also improve operational efficiency of NCL and NML. Some of the benefits which will accrue after amalgamation/merger of UFL into NCL and NML is the reduction of following administrative, corporate and tax functions being carried out by UFL and consequent expenses for the said functions:

13. There is no investigation pending against the petitioner companies under any provision of the Companies Ordinance 1984 before any forum or court.

14. No prejudice shall be caused if the proposed Scheme is sanctioned, as the sanction of the said Scheme, will benefit and is in the interest of the petitioners, their shareholders, employees and of the general public. The Scheme is just and equitable in all respects.

15. This honourable Court has the jurisdiction to try and adjudicate this matter as the registered offices of the petitioners are situated in the Province of Punjab.

16. It is just and equitable that this honourable Court be pleased to confirm the said Scheme.

Copy of the Scheme
Lahore High Court
13/12/14

PRAYER

It is therefore, respectfully prayed that this honourable Court may be pleased:

- a. To direct that a meeting of members of each petitioner company be called, to consider and approve the Scheme of Arrangement attached herewith as Annexure "D" and or the meeting so called may kindly be held under the supervision of this Court.
- b. To direct that notices through publication or otherwise of the said meeting be given to the members of petitioners, the Registrar of the Companies, the creditors and general public at large.
- c. To approve and sanction the Scheme of Merger/Amalgamation submitted before this honourable Court.

d. To pass all requisite vesting orders for giving effect to the said Scheme of Arrangement, including vesting orders pursuant to section 287 of the Companies Ordinance, 1984 and relating to the transfer of whole of the undertaking including all assets, properties, rights, privileges, benefits of government consents, sanctions, authorizations and licenses and liabilities of petitioner no. 1 into petitioner no.2 and petitioner no.3 with effect from 1st October 2004.

e. To order the dissolution without winding up of the petitioner no. 1.

f. To order that the cost and incidental expense to this application be paid by the petitioner no.2 and petitioner no.3 respectively.

g. To pass such further order or orders and to issue all consequential and necessary directions as this honourable Court may deem fit and proper in the circumstances.



Umer Fabrics Limited

Company Secretary
Petitioner no.1

Nishat (Chunian) Limited.

Company Secretary
Petitioner no.2

101 Nishat Mills Limited.

Company Secretary
Petitioner no.3

Through

Imtiaz Rashid Siddiqui
Advocate Supreme Court

October 27, 2004.

IMRAN ANJUM ALVI
13/12/04

Imran Anjum Alvi
Advocate
Nawa-e-Waqt Building
4-shahrah-e-Fatima Jinnah
Lahore

CERTIFICATE: As per instructions it is the first petition under section 284 to 283 of the Companies Ordinance 1984 to effect merger between the parties.

Advocate

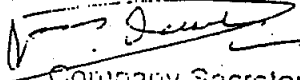
ANNEX A-16
CERTIFIED TO BE TRUE COPY
Umer Fabrics Limited
Company Secretary
Copy Submitted to
Lahore High Court Section
13/1/84 of

SCHEME OF ARRANGEMENT FOR MERGER

Under Section 284 to 288 of the Companies Ordinance, 1984
of

UMER FABRICS LIMITED
INTO
NISHAT (CHUNIAN) LIMITED
AND
NISHAT MILLS LIMITED

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Umer Inc. Limited


Company Secretary

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Proxy Form	

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23/12/07
Examiner
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Lahore High Court, Lahore

CORPORATE INFORMATION

UMER FABRICS LIMITED

Board of Directors:

Mrs. Annil Raza Mansha
Mian Hassan Mansha
Mr. Khalid Qadeer Qureshi
Mr. Muhammad Azam
Rana Muhammad Mushtaq
Mr. Farrukh HZal
Mr. Farid Noor Ali Fazal

(Chief Executive)

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Umer Fabrics Limited

Company Secretary:

Mr. Abdul Aziz Shahid

Registered Office:

31-Q, Gulberg-II, Lahore.

NISHAT (CHUNIAN) LIMITED

Board of Directors:

Mr. Muhammad Saleem
Mr. Shahzad Saleem
Mr. Yahya Saleem
Mr. Manzoor Ahmed
Mr. Aftab Ahmad Khan
Mr. Khalid Niaz Khawaja
Syed Jawad Gillani

(Chairman)

(Chief Executive)

(Nominee NIT)

Company Secretary:

Mr. Farrukh HZal

Registered Office:

31-Q, Gulberg-II, Lahore.

NISHAT MILLS LIMITED

Board of Directors:

Mrs. Naz Mansha
Mian Raza Mansha
Mian Hassan Mansha
Mr. Muhammad Nawaz Tishna
Mr. Muhammad Bilal Sheikh
Mr. Faisal Ehsan Ellahi
Mr. Khalid Qadeer Qureshi
Mr. Muhammad Azam
Rana Muhammad Mushtaq

(Chief Executive and Chairperson)

(Nominee NIT)

(Nominee PICIC)

Company Secretary:

Mr. Khalid Mahmood Chohan

Registered Office:

Nishat House
53-A, Lawrence Road, Lahore.

**CONSULTANTS TO
THE MERGER:**

Sarfraz Mahmood (Private) Limited
Management Consultants

Imtiaz Siddiqui and Associates
Advocates and Solicitors

ATTES
Examiner
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Lahore High Court, Lahore
01

STATEMENT ACCOMPANYING NOTICE TO THE SHAREHOLDERS UNDER SECTION 235(1)(a)/160(1)(b) OF THE COMPANIES ORDINANCE, 1984

The accompanying copy of the notice is for the purpose of convening the meeting of the shareholders for the purpose of passing of the special resolution specified in the notice for obtaining the approval of the Scheme of Arrangement from the shareholders.

CAPITAL

The authorized share capital of Umer Fabrics Limited (UFL) is Rupees 300,000,000 divided into 30,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 240,052,050 divided into 24,005,205 ordinary shares of Rupees 10 each.

The authorized share capital of Nishat (Chunian) Limited (NCL) is Rupees 500,000,000 divided into 50,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 443,520,000 divided into 44,352,000 ordinary shares of Rupees 10 each.

The authorized share capital of Nishat Mills Limited (NML) is Rupees 1,500,000,000 divided into 150,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 1,224,788,030 divided into 122,478,803 ordinary shares of Rupees 10 each.

THE BENEFITS OF THE MERGER

The proposed merger of UFL into NCL and NML will rationalize business structure, bring economies and significantly improve the flexibility, efficiency and financial strength. It will also result in reducing expenses, cut down the reporting requirements, savings in tax and enhance the profitability of the companies and as a consequence, will benefit the shareholders.

The merger is expected to achieve economies of scale and other benefits as under:

1. EXPANDED RESOURCE BASE

Mills of UFL are located in the vicinity of NCL and as such the activities carried out are complementary to each other. So as to expand the activities and increase the product portfolio in textile business, the management of UFL has considered various options for consolidating the activities and operations with NCL and NML which would provide synergistic linkages besides economies in cost by combining the business factions and related operation and activities, contributing to growth and profitability. While combining the activities of UFL with NCL and NML, it is felt that this arrangement would result in better working capital management, most optimum utilization of the manufacturing and other facilities, reserves, financial, managerial, technological and marketing, distribution networks, man power and other resources, which will be conducive to enhance the capability to face competition in the market more effectively, thereby strengthening further the market position and growth prospects.

The proposed amalgamation will give emergence to organizations with a substantially larger capital base. This would not only improve the financial health of NCL and NML but would also be helpful in undertaking bigger exposures.

2. IMPROVED RISK ABSORPTION CAPACITY

The larger capital base would also improve the risk absorption capacity of NCL and NML against potential risks arising out of an adverse and uncertain operating environment. This would lead to operating stability and long-term sustainability.

3. REDUCTION IN ADMINISTRATIVE COSTS

The amalgamation will result in substantial administrative cost saving and economies of scale leading to enhanced profitability and will also improve operational efficiency of NCL and NML. Some of the benefits which will accrue after amalgamation/merger of UFL into NCL and NML is the reduction of following administrative, corporate and tax functions being carried out by UFL and consequent expenses for the said functions:

- Convening of Annual General Meeting and annual / half yearly / quarterly accounts required to be published and circulated;
- Statutory records, books and statements to be maintained and forms to be filed with various Corporate / Government / Regulatory Agencies;
- Income tax and sales tax;
- Internal audit department;
- Corporate department to ensure corporate governance compliance;
- Accounting cost, taxation, legal and professional charges ;
- Licenses, membership fees of statutory bodies and association etc.

4. IMPROVEMENT IN PROFITABILITY

With the reduced operating costs, enhanced business procurement capability and economical resources mobilization, the profitability of the NCL and NML is expected to be increased.

5. REGULATORY AND MARKET TRENDS

In line with the global trends, the industrial sector in Pakistan is also going through a phase of consolidation by way of mergers and acquisitions. The regulatory authorities are continuously encouraging mergers and amalgamations in order to achieve stronger and viable entities instead of fragmented units of smaller sizes.

THE SCHEME

The principal object of this Scheme is to merge UFL into NCL and NML and divide the assets and liabilities of the UFL into two parts namely Part 1 and Part 2, as contained specifically in Annexes "A" and "B" to the Scheme and effect merger of Part 1 of the UFL with NCL and Part 2 of the UFL with NML through the transfer and vesting in NCL and NML of the two aforesaid parts for economies of scale in line with the global trends.

APPROVAL OF THE SCHEME

As required by Section 284(2) of the Companies Ordinance, 1984, the resolution specified in the notice has to be passed by a majority in number representing three-fourth in value of shareholders present in person or by proxy and voting at the meeting. The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme is approved by the members.

BASIS OF SWAP

Upon the scheme becoming fully effective, in consideration of the transfer and vesting of the undertaking of UFL in NCL and NML in terms of the scheme, the NCL will subject to the provisions of the scheme and without any further application or deed, issue at par and allot to the individual members of UFL "X" fully paid-up ordinary shares of the par value of Rupees 10 each in the capital of NCL for every one fully paid-up share of the par value of Rupees 10 each to the shareholders of UFL whose names are recorded in UFL register of members as on a day to be fixed by the board of directors of NCL following the effective date, provided however that no such allotment shall be made in respect of any fully paid shares held by NCL in the share capital of UFL on the effective date which shall be cancelled.

Upon the scheme becoming fully effective, in consideration of the transfer and vesting of the undertaking of UFL in NCL and NML in terms of the scheme, the NML will subject to the provisions of the scheme and without any further application or deed, issue at par and allot to the individual members of UFL "Y" fully paid-up ordinary shares of the par value of Rupees 10 each in the capital of NML for every one fully paid-up share of the par value of Rupees 10 each to the shareholders of UFL whose names are recorded in UFL register of members as on a day to be fixed by the board of directors of NML following the effective date, provided however that no such allotment shall be made in respect of any fully paid shares held by NML in the share capital of UFL on the effective date which shall be cancelled.

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Lahore High Court, Lahore

The swap ratio shall be determined by the external auditors of NCL and NML on the basis of the average of under mentioned three figures for NCL and NML and the value of net assets of UFL as per Annexes "A" and "B":

- Break up value of the share as per audited accounts for the year ended 30 September 2004.
- Average of weekly quotations of the share on the Karachi Stock Exchange from 01 October 2003 to 30 September 2004.
- Average dividend paid during the last 3 years.

SHARE / SHARE HOLDINGS

The following are the present holdings of shares by the directors of undertakings to be merged:

DIRECTORS	UFL	NCL	NML
Mrs. Amnail Raza Mansha	Nil	Nil	Nil
Mian Haseen Mansha	315,793	2,108,409	11,089,834
Mr. Khalid Qadeer Qureshi	Nil	Nil	Nil
Mr. Muhammad Azam	Nil	Nil	Nil
Rana Muhammad Mushtaq	Nil	Nil	Nil
Mr. Farrukh Ifzal	Nil	Nil	Nil
Mr. Farid Noor Ali Fazal	Nil	Nil	Nil
Mr. Muhammad Saleem	1,500	2,200,000	425
Mr. Shahzad Saleem	Nil	4,400,000	Nil
Mr. Yahya Saleem	Nil	4,400,000	Nil
Mr. Manzoor Ahmed (Nominee NIT)	Nil	Nil	Nil
Mr. Aftab Ahmad Khan	Nil	Nil	Nil
Mr. Khalid Niaz Khawaj	Nil	Nil	Nil
Syed Jawad Gillani	Nil	Nil	Nil
Mrs. Naz Mansha	19,902	22,176	6,867,932
Mian Raza Mansha	315,751	1,540	12,106,565
Mr. Muhammad Nawaz Tishna (Nominee NIT)	Nil	Nil	Nil
Mr. Muhammad Bilal Sheikh (Nominee PICIC)	Nil	Nil	Nil
Mr. Faisal Ehsan Ellahi	Nil	Nil	3,300

INTEREST OF DIRECTORS

All the directors of UFL, NCL and NML are interested to the extent of shares that are held by them in UFL, NCL and NML. The effect of the scheme on the interest of these directors does not differ from its effects on the like interest of other shareholders.

Those directors who are performing full time executive functions are also interested to the extent of remuneration, benefits and allowances as per the policies of the companies.

COMPENSATION FOR LOSS OF OFFICE

No Compensation is payable to any of the directors on account of their relinquishing their respective offices in UFL, NCL and NML after the merger.

ATTESTED
 Copy Submitted to
 Lahore High Court, Lahore

SCHEME OF ARRANGEMENT

FOR

MERGER

CERTIFIED TO BE TRUE COPY

Umer Fabrics Limited

Under Section 284 to 288 of the Companies Ordinance, 1984.

of

UMER FABRICS LIMITED

Company Secretary

INTO

NISHAT (CHUNIAN) LIMITED

AND

NISHAT MILLS LIMITED

1. DEFINITIONS

1.1 In this Scheme of Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them:

"UFL" means Umer Fabrics Limited, a public limited company having its registered office at Lahore.

"NCL" means Nishat (Chunian) Limited, a public limited company having its registered office at Lahore.

"NML" means Nishat Mills Limited, a public limited company having its registered office at Lahore.

"Court" means Lahore High Court, Lahore.

"Scheme" means this Scheme of Arrangement in its present form with any modification thereof or addition thereto approved or condition imposed by the Court.

"Effective Date" means the 01 October 2004.

"Completion Date" means the day on which the Scheme becomes operative in accordance with clause 14 of this Scheme.

"Undertaking of UFL" means the entire undertakings of UFL comprising of part 1 and part 2 (as contained specifically in Annexes "A" and "B" to this scheme), as at the transfer date including all assets, properties, quotas, rights, privileges, powers, bank accounts, leave and licences and all or any other assets, properties, quotas, rights, privileges, powers, contracts, bank accounts etc. of UFL.

Without prejudice to the generality of the above, undertaking of UFL shall include all rights, powers, authorities, privileges, contracts, benefits of Government consents, sanctions and authorizations, licenses, quotas, liberties and all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situate, including in particular tangible fixed assets, intangible fixed assets, equity investments, loans, advances, deposits, prepayments, other receivables, cash in hand, bank balances, stores and spares, stock in trade, telephones, emails, faxes, trade debts, reserves, unappropriated profit and all other authorities, business operation, quotas, rights or interests in or arising out of

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such property as may belong to or be in the possession or claim of UFL on the transfer date and all books of account and documents relating thereto, and shall be deemed to include all debts; borrowings, short term finance, non - current liabilities, current liabilities and loans, duties and obligations of UFL of whatever kind, including liabilities for payment of gratuity, provident fund compensation in the event of retrenchment.

- 1.2 The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

2. CAPITAL

- 2.1 The authorized share capital of Umer Fabrics Limited is Rupees 300,000,000 divided into 30,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 240,052,050 divided into 24,005,205 ordinary shares of Rupees 10 each.
- 2.2 The authorized share capital of Nishat (Chunian) Limited is Rupees 500,000,000 divided into 50,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 443,520,000 divided into 44,352,000 ordinary shares of Rupees 10 each.
- 2.3 The authorized share capital of Nishat Mills Limited is Rupees 1,500,000,000 divided into 150,000,000 ordinary shares of Rupees 10 each and its paid up capital is Rupees 1,224,788,030 divided into 122,478,803 ordinary shares of Rupees 10 each.

3. OBJECT OF THIS SCHEME

The principal object of this Scheme is to merge UFL into NCL and NML and divide the assets and liabilities of the UFL into two parts namely Part 1 and Part 2, as contained specially in Annexes "A" and "B" to the Scheme and effect merger of Part 1 of the UFL with NCL and Part 2 of the UFL with NML through the transfer and vesting in NCL and NML of the two aforesaid parts for economies of scale in line with the global trends.

4. TRANSFER OF UNDERTAKING

- 4.1 The undertaking of UFL comprising of Part 1 and Part 2 (as contained specifically in Annexes "A" and "B" to this Scheme) as at the Effective Date shall, without any further act, instrument or deed, be and the same shall stand transferred to and be vested or deemed to have been transferred to or vested in NCL and NML as per Annexes "A" and "B" respectively as from the commencement of business on 01 October 2004.
- 4.2 The transfer / vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages if any as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which UFL is a party wherein the assets of UFL have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the undertaking of UFL and are vested in NCL and NML by virtue of this scheme to the end and intend that such securities, mortgages and charges shall not extend or be deemed to extend to any of the assets of NCL and NML, unless specially agreed to by NCL and NML, PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to UFL which shall vest in NCL and NML on approval of this Scheme by the Honourable Lahore High Court, Lahore and NCL and NML as the case may be shall not be obliged to create any further or additional security therefor after the approval of this Scheme as aforesaid or otherwise.
- 4.3 In respect of each of the assets as are movable in nature or are otherwise capable of transfer by manual / physical delivery or by endorsement and delivery, the same shall be so transferred by UFL and shall become the property of NCL and NML as its integral part. The amount lying with the Banks to the credit of UFL, shall be transferred to NCL and NML. Such delivery and / or transfer shall be made on a date to be mutually agreed upon by the respective Board of Directors of UFL, NCL and NML.
- 4.4 All the liabilities of UFL as at the effective date, shall without any further act, instrument or deed,

ATTESTED

Examiner 13/2/19
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be and stand transferred and vested in NCL and NML, so as to become as and from the effective date, the debts, liabilities, duties and obligations of NCL and NML and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

- 4.5 The transfer and vesting of the undertaking of UFL under clauses 4.1, 4.2, 4.3 and 4.4 hereof and the continuance of proceedings by NCL and NML under clause 6 hereof shall not affect any transactions or proceedings already concluded by UFL in the ordinary course of business and after the transfer date to the end and intent that NCL and NML respectively accepts on behalf of itself all acts, deeds and things done and executed by UFL in relation to the part being merged with either, as the case may be.

5 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 5.1 NCL shall in respect of the assets and liabilities mentioned in Annex "A" undertake, pay, satisfy, discharge, perform and fulfill all debts, liabilities, contracts, engagements and obligations whatsoever of UFL as at the effective date, and all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and all other instruments of whatever kind subsisting or having effect immediately before the transfer date to which UFL may be a party or which shall be in favour of UFL as they were before the transfer date and may be enforced or acted upon as fully and effectively as if instead of UFL, NCL had been a party thereto or as if the same had been issued by or in favour of NCL, PROVIDED ALWAYS the existing creditors of NCL and UFL respectively having charges over the land, building, machinery and other fixed assets of the respective companies shall continue to retain their security interests over the land, building, machinery and other fixed assets respectively charged in their favour: the existing creditors of NCL having charges over the current assets of NCL shall retain their respective charges over the current assets as on the effective date of NCL and shall have a first charge ranking, *pari passu inter se*, on the future current assets which are kept at the NCL premises; and the existing creditors of UFL having charges over the current assets of UFL shall retain their respective charges over the existing current assets of UFL as on the effective date and shall have a first charge ranking *pari passu inter se*, on the future current assets which are kept at the UFL premises after the effective date.
- 5.2 NML shall in respect of the assets mentioned in Annex "B" undertake, pay, satisfy, discharge, perform and fulfill all contracts, engagements and obligations whatsoever of UFL as at the effective date, and all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and all other instruments of whatever kind subsisting or having effect immediately before the transfer date to which UFL may be a party or which shall be in favour of UFL as they were before the transfer date and may be enforced or acted upon as fully and effectively as if instead of UFL, NML had been a party thereto or as if the same had been issued by or in favour of NML, PROVIDED ALWAYS the existing creditors of NML and UFL respectively having charges over stock in trade, investments, trade debts and other current assets shall continue to retain their security interests over the stock in trade, investments, trade debts and other current assets respectively charged in their favour; the existing creditors of NML having charges over the current assets of NML shall retain their respective charges over the current assets as on the effective date of NML and shall have a first charge ranking, *pari passu inter se*, on the future current assets which are kept at the NML premises.
- 5.3 All agreements entered into by UFL with their respective bankers, agents, etc, if any, shall continue to be in full force and effect and may be enforced by or against NCL and NML.

6 LEGAL PROCEEDINGS

All causes, suits, appeals, petitions/revisions or other judicial, quasi judicial and/or administrative proceedings of whatever nature by or against UFL which shall be pending on the effective date in or before any court, tribunal or other authority will be continued, prosecuted and enforced in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against UFL if this Scheme had not been made, by or against NCL and NML to the extent and relating to the part being merged with each and the same shall not abate, be discontinued or be in any way prejudiced or affected by the provisions of this Scheme.

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CONDUCT OF BUSINESS BY UFL TILL COMPLETION DATE

7.1 With effect from the effective date and upto completion date, the UFL:

- a) shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for NCL and NML and all the profits accruing to UFL or losses arising or incurred by it shall, for all purposes, be treated as the profits or losses of NCL and NML as the case may be.
- b) hereby undertake to carry on its business until the completion date with reasonable diligence, business prudence and shall not except in the ordinary course of business or without the prior written consent of NCL and NML, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its respective undertaking of UFL or any part thereof.

8 TRANSFER OF STAFF, WORKMEN AND EMPLOYEES

Every officer, workman or other employee of UFL on the effective date shall become an officer, workman or employee, as the case may be, of NCL on the basis that his services have not been interrupted by the vesting of the undertaking of UFL into NCL and NML under this Scheme and on the same remunerations and other conditions of service, rights and privileges as to provident fund and gratuity, if any, and other matters as were applicable to him before the transfer date.

9 ISSUE OF SHARES BY NCL AND NML

9.1 Upon the scheme becoming fully effective, in consideration of the transfer and vesting of the undertaking of UFL in NCL and NML in terms of the scheme, the NCL will subject to the provisions of the scheme and without any further application or deed, issue at par and allot to the individual members of UFL "X" fully paid-up ordinary share of the par value of Rupees 10 each in the capital of NCL for every one fully paid-up share of the par value of Rupees 10 each to the shareholders of UFL whose names are recorded in UFL register of members as on a day to be fixed by the board of directors of NCL following the effective date, provided however that no such allotment shall be made in respect of any fully paid shares held by NCL in the share capital of UFL on the effective date which shall be cancelled.

9.2 Upon the scheme becoming fully effective, in consideration of the transfer and vesting of the undertaking of UFL in NCL and NML in terms of the scheme, the NML will subject to the provisions of the scheme and without any further application or deed, issue at par and allot to the individual members of UFL "Y" fully paid-up ordinary share of the par value of Rupees 10 each in the capital of NML for every one fully paid-up share of the par value of Rupees 10 each to the shareholders of UFL whose names are recorded in UFL register of members as on a day to be fixed by the board of directors of NML following the effective date, provided however that no such allotment shall be made in respect of any fully paid shares held by NML in the share capital of UFL on the effective date which shall be cancelled.

9.3 The swap ratio shall be determined by the external auditors of NCL and NML on the basis of the average of under mentioned three figures for NCL and NML and the value of net assets of UFL as per Annexes "A" and "B":

- a) Break-up value of the share as per audited accounts for the year ended 30 September 2004.
- b) Average of weekly quotations of the share on the Karachi Stock Exchange from 01 October 2003 to 30 September 2004.
- c) Average dividend paid during the last 3 years.

9.4 For the purpose of the allotments to be calculated as specified in clause 9.1, 9.2 and 9.3 fractional entitlements of above 0.5 shall be rounded up to nearest one certificate and below 0.5 shall be ignored.

9.5 The said fully paid-up ordinary shares in NCL and NML to be issued and allotted to the members

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of UFL shall rank pari passu in all respects with the existing fully paid-up ordinary shares in NCL and NML respectively.

9.6 All members whose names shall appear in the Register of Members of UFL on such date (after the effective date) as the Board of Directors of NCL and NML may determine, shall surrender their share certificates for cancellation thereof to NCL and NML. In default, upon the new shares in NCL and NML being issued and allotted by it to the members of UFL whose name shall appear on the Register of Members of UFL on such date, as aforesaid, the share certificates in relation to the shares held by them in UFL shall be deemed to have been cancelled.

9.7 The excess value of the net assets of Part 1 of UFL as at 30 September 2004 over the paid-up value of shares issued and allotted pursuant to the terms of clause 9.1, 9.2 and 9.3 hereof shall be accounted for in the books of NCL as at the effective date, as follows:

Revenue Reserves and the unappropriated profit of Part 1 of UFL, as at 30 September 2004 shall constitute Reserves of a corresponding nature of NCL and the balance, if any, transferred to the General Reserves in NCL.

9.8 The excess value of the net assets of Part 2 of UFL as at 30 September 2004 over the paid-up value of shares issued and allotted pursuant to the terms of clause 9.1, 9.2 and 9.3 hereof shall be accounted for in the books of NML as at the effective date, as follows:

The Capital Reserves, Revenue Reserves and the unappropriated profit of Part 2 of UFL, as at 30 September 2004 shall constitute Reserves of a corresponding nature of NML and the balance, if any, transferred to the General Reserves in NML.

9.9 On the completion date, UFL shall stand delisted from the concerned stock exchanges in Pakistan without any further act or deed.

10 MODIFICATIONS / AMENDMENTS TO THE SCHEME

10.1 UFL, NCL and NML by their respective Directors may assent to any modification or amendment to the scheme or agree to any terms and / or conditions which the Courts and / or any other authorities under law may deem fit to direct to impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and / or carrying out the scheme and do all acts, deed and things as may be necessary, desirable or expedient for putting the scheme into effect.

10.2 For the purpose of giving effect to the scheme or to any modification thereof, the Directors of NCL and NML are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

11 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of UFL, NCL and NML respectively in relation to or in connection with the scheme and of carrying out and implementing / completing the terms and provisions of the scheme and / or incidental to the completion of merger / amalgamation of the said Undertaking of UFL in pursuance of the scheme shall be borne and paid by NCL and NML respectively.

12 SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

The scheme is conditional on and subject to:

12.1 approval of and agreement to the scheme by the requisite majority of the respective members of and such classes of persons of UFL, NCL and NML as may be directed by the court.

12.2 requisite resolution(s) under the applicable provision of the Companies Ordinance, 1984 being passed by the shareholders of NCL and NML for any of the matters provided for or relating to the scheme including approval to the issue and allotment of equity shares in the NCL and NML to the members of UFL, as may be necessary or desirable.

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12.3 any other sanctions or approval of the appropriate authorities concerned, as may be necessary and appropriate by the respective board of directors of UFL, NCL and NML, being obtained and granted in respect of and of the matters for which such sanctions or approval is required.

13 EFFECT OF NON-RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the scheme not being sanctioned by the Court and / or the Order or Orders not being passed as aforesaid on or before 31 December 2005 or within such further period or periods as may be agreed upon between UFL, NCL and NML through their respective Board of Directors, the scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the scheme.

14 COMPLETION DATE OF SCHEME

The scheme, although operative from the effective date, shall take effect finally upon and from the date on which the last of the aforesaid sanctions or approvals or orders shall have been obtained, and such date shall be the completion date for the purpose of the scheme.

15 APPLICATION TO THE COURT

UFL, NCL and NML hereto shall, with all reasonable dispatch, make applications to the Court for sanctioning the scheme and for dissolution of UFL without winding up.

16 DISSOLUTION OF UFL

Subject to an order being made by Court under Section 287 of the Companies Ordinance 1984, UFL shall, without winding up, stand dissolved from such date on which all shares to be allotted by NCL and NML to the members of UFL, shall have been so allotted.

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SARFRAZ MAHMOOD (PVT) LIMITED

Management Consultants

10-B, Saint Mary Park
Main Boulevard,
Gulberg-III
Lahore - 54660 Pakistan

Phones: (042) 5718137-39
Fax : (042) 5714340
E-mail : smillhr@lhr.paknet.com.pk
:sarfrazm@brain.net.pk

G-1-449

08 December 2004

To: Mr. Khalid Qadeer Qureshi
Mr. Farrukh Ifzal
Mr. Abdul Aziz Shahid
Mr. Khalid Mahmood Chohan

From: Sarfraz Mahmood

RE: MERGER OF UMER FABRICS LIMITED (UFL) INTO NISHAT (CHUNIAN) LIMITED (NCL) AND
NISHAT MILLS LIMITED (NML)

The Honourable Lahore High Court has allowed the merger of above companies on 06 December 2004. Mr. Imtiaz Siddique, Advocate has applied for five certified copies of the order which will be forwarded to you immediately after receipt.

We now list down the actions to be taken by you for completion of the merger formalities:

CORPORATE AFFAIRS

1. Certified copies of the order of the Honourable Lahore High Court alongwith the Memorandum and Articles of Association of all three companies be filed with the Additional Registrar of Companies, Lahore, within thirty days from the order of Lahore High Court, Lahore.
2. Copy of order shall be annexed to every copy of the Memorandum and Articles of Association of NCL and NML.
3. Procedure for issue of certificates be followed as laid down in Clause 9 of Scheme of Arrangement.
4. Share certificates of NCL and NML be issued to the shareholders of UFL in the following ratio

1 share of UFL = 0.051 share of NCL and 0.949 share of NML.
5. Form III (Return of Allotments) be filed with Additional Registrar of Companies, Company Registration Office, Lahore.
6. Additional Registrar of Companies be intimated for completion of formalities of merger and dissolution of UFL.
7. Application be sent to the stock exchanges for listing of the fresh issued capital.
9. Stock Exchanges be intimated for completion of formalities of merger, issuance of capital by NCL and NML and removal of name of UFL from the listed securities.

SARFRAZ MAHMOOD
(PVT) LIMITED
Management Consultants

INCOME TAX AND SALES TAX

Copies of the order be submitted in the concerned circles / offices of income tax and sales tax departments for merger of UFL into NCL and NML with effect from 01 October 2004.

ACCOUNTING

The entries for transfer of assets, liabilities, reserves of UFL be incorporated in the books of NCL and NML on the basis of Annexes "A" and "B" of auditors certificate no. N-1-2315 dated 25 November 2004. All transactions made by UFL during the period from 01 October 2004 to date shall be deemed to have been carried out by NCL except investment and other assets as referred to in Annex "B" to the auditors certificate no. N-1-2315 dated 25 November 2004.

All vouchers, books of account and records of UFL for the period from 01 October 2004 to date may be stamped with the name NCL.

OPERATION

Customers, debtors, creditors, banks and financial institutions and other concerned parties dealing with the UFL be intimated for merger with effect from 01 October 2004.

All agreements / contracts shall stand transferred in the name of NCL. No further transaction in the name of UFL shall be carried out. However, you may use the name "Umer Fabrics" without writing "Limited".

BANKS

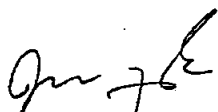
Copies of the order be sent to all banks for maintenance and operation of accounts in the name of NCL.

GENERAL

Please note that by virtue of sanctioning of this merger petition, the authorized capital of UFL stands merged with NCL and NML as per Annexes "A" and "B" to the auditors certificate no. N-1-2315 dated 25 November 2004.

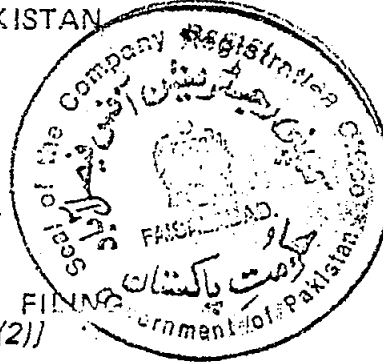
We shall be glad to provide you further information in this matter, should you so desire.

Regards,



(SARFRAZ MAHMOOD)

GOVERNMENT OF PAKISTAN



ACKNOWLEDGEMENT OF FILING
See-regulation-8 (2)

No. DRE/981

Dated : 18/11/98

In the matter of "NISHAT MILLS LIMITED"

The receipt of the undermentioned document (s) filed/registered/recorded/ pursuant to the provisions of the Companies Ordinance, 1984 (XLVII of 1984) is hereby acknowledged.

1. Form 26(Special resolution passed on 30.3.1993) dated 30.03.1993
2. (Order of Lahore High Court, Lahore merger of General Stitching Company Limited with Nishat Mills Limited) dated 7.06.1993
3. Form 26(Special resolution passed on 24.6.1997) dated 24.06.1997
4. (Order of Lahore High Court, Lahore merger of Nishat Tek Limited with Nishat Mills Limited) dated 23.09.1997

The Chief Executive,
Nishat Mills Limited,
Nishatabad, Faisalabad.


(TAHIR MAHMOOD)

BY. REGISTRAR OF COMPANIES
FAISALABAD REGION

Fee. Rs.600/- + 300/-add.fee

LAHORE HIGH COURT LAHORE

CIVIL ORIGINAL No.135 of 1996

IN THE MATTER OF

1. Nishat Fabrics Ltd.
2. Nishat Tek Ltd.
3. Nishat Mills Ltd

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Lahore High Court

PRESENT MR.JUSTICE AMIR ALAM KHAN

PETITION Under Section 284,285,286,287 and other
enabling Provisions of the Companies
Ordinance, 1984

- a) Complete prayer attached.
- b) Complete parties name attached.

ORDER

PTO

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Khayal H
Examiner Commercial Branch

3-11-97

JUDGMENT SHEET
IN THE LAHORE HIGH COURT LAHORE/
RAWALPINDI BENCH RAWALPINDI/
MULTAN BENCH MULTAN
JUDICIAL DEPARTMENT

No. 135 ... of 1996.

JUDGMENT

DATE OF HEARING 23-9-1997

APPELLANT BY Mr. Faizul S. Khan for Advocates

RESPONDENT BY Amir Bilal Soofi, Mr. Bilal Mirza, Faisal Islam
Advocates, S/o Amir Mirza, M. Khadim Muhammad Khan
Public Notary

AMIR ALAM KHAN, J. - The petitioners being

independent companies duly incorporated under the Companies Ordinance, 1984 have applied for their merger inter-se in the manner that the petitioner No.1 i.e. Nishat Fabrics Ltd. and petitioner No.2 Nishat Tek Ltd. are to merge in petitioner No.3 i.e. Nishat Mills Ltd. meaning thereby that petitioners No.1 and 2 were to sink to keep afloat the petitioner No.3. Since the petitioner No.2 i.e. Nishat Tek Ltd was having its registered office in the province of Sindh, therefore, the matter could not proceed as under the law an application for the merger was also required to be filed in the Province of Sindh. Faced with this difficulty, learned counsel for the petitioner having sought adjournment in the case got shifted the registered office of the said Company at

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Nishat Mills, Nishat Abad, Faisalabad, and then applic

C.O.No.135/1996.

for further proceedings in the case by way of
C.N.No.600-L/1997. Notice of the said application
was issued to the Registrar Joint Stock Companies, who
did not opt to oppose the same with the result that
the assertion as to shifting of office remained
uncontested, resultantly same is hereby accepted.
Usual notices were issued to the creditors of all the
companies, list whereof had been appended with the
petition. Similarly notice was also issued to the
Registrar Joint Stock Companies. Some of the creditors
sought time to obtain instructions in the matter while
the Registrar Joint Stock Companies inter alia
objected to swap ratio as proposed by the company. The
objection of the Registrar did not move a step further
inasmuch as the same was not persuaded by the Registrar.
Although, it was asserted in the petition that the
merger had been approved by the Share holders yet, a
meeting was arranged by the court by appointing
a Local Commissioner who has since reported that no
objection worth the name was raised in the meeting.
This chapter having been closed, the creditors were
asked to submit their objections, if any, whereupon the

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matter was adjourned for quite some dates. The creditors
ultimately evinced their agreement to the proposed

No.135/1996.

merger and out of total lot of them American Express Bank Ltd., Habib Bank Ltd. A.G. Zurich, Bank of America and Standard Chartered Bank conceded to the proposed merger with the rider that the undertaking given by the petitioners to the said banks regarding their charge on the amounts of loan advanced to the companies shall remain part of the order of merger and the petitioner shall be bound to fulfill the same. As far Bank of America is concerned, it was maintained that their first charge on the hypothecated assets as defined, in joint Pari Passu Hypothecation

agreement dated 5.5.1997 with Nishat Mills Ltd. shall remain unaffected and that there shall be no dilution whatsoever as a result of the merger in the first

Pari Passu charge of Rs. 394,000,000/- (Rupees 394 millions only) created in favour of Bank of America N.T & S.A through the agreement and/or modification/

supplemental if any thereto, ~~over~~ the hypothecated assets, shall remain intact. Habib Bank A.G Zurich

also gave no objection to the merger subject to this court declaring that all the liabilities of Habib Bank

A.G Zurich towards petitioners No.1 i.e. Nishat Fabrics Ltd, shall stand unaffected and shall be ranked first

in the order of preference, when the liabilities of

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merging petitioners are transferred to petitioner No.3

It was also maintained that no objection furnished by MS Habib Bank A.C Zurich is based on the clear understanding that the petitioner No.3 shall continue to accord preference in clearing Habib Bank A.C Zurich's financial liability, Messrs American Express Bank Ltd. also furnished no objection to the proposed merger subject to the following conditions:-

- a) There shall be no dilution, whatsoever, in the first pari passu charge of Rs. 550,000,000/- (Rupees Five hundred and fifty million only) of American Express Bank (AMEX), as stated in, and in terms of, the Joint Pari Passu Hypothecation Agreement dated 5.5.1997 executed by Nishat Mills Limited inter alia with AMEX, and duly registered with the Registrar Joint Stock Companies.
 - b) AMEX shall hold a first pari-passu charge on the entire present and future current assets as well as the marketable securities of Nishat Mills Limited after the merger.
 - c) The amounts payable by Nishat Tek Limited to Amex are fully paid and adjusted by Nishat Tek Limited and/or Nishat Mills Limited within 7 days of the order of the Court approving Scheme of merger on or by October 10, 1997 whichever is earlier.
 - d) The aforesaid conditions are all made part of the order of approval of the scheme of arrangement/amalgamation by the Hon'ble High Court
2. The Standard Chartered Bank furnished no

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objection subject to undertaking given by the three petitioners vide their letter dated 20.9.1997. No objection certificate was received on the record as mark 'D' alongwith the undertaking itself as mark 'D.1' as also the letter dated 20.9.1997 issued by respondent no.3 as mark 'D-2'. The precise undertakings given by the petitioner no.3 are as under:-

1. Nishat Mills Limited undertakes that there shall be no dilution whatsoever as a result of the merger in the first pari passu charge of Rs. 500 million created in favour of Standard Chartered Bank through the joint Pari Passu Hypothecation Agreement dated 5 May, 1997 and modification/supplement, if any thereto over the entire present and future current assets of Nishat Mills Limited (including but not limited to stores, spare parts and loose tools, stock in trade, short term investments, trade debts, advances, deposits and prepayments, other receivables, cash and bank balances and all markable securities whether or not classified as current assets) and after the merger it shall take no steps which shall dilute Standard Chartered Bank's abovementioned charge.

2. Nishat Mills Limited undertakes that Standard Chartered Bank shall continue to hold an exclusive charge in respect of the properties mortgaged to it by equitable mortgage created in its favour by deposit of the deeds with respect to such property and confirmed by a Memorandum of Deposit of title deed on 28.7.1996 which has been duly filed with the Registrar of Companies.

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3. Nishat Mills Limited undertakes that the entire plant and machinery charged by it in favour of Standard Chartered Bank through Letter of Hypothecation, dated 27.7.1996 for Pak Rupees 200,000,000 shall not be the subject of any ~~letter of hypothecation~~ charge/claim of any bank/financial institution which may have provided any loan/money/sum/finance/facility to Nishat Fabrics Limited or Nishat Tek Limited, except where such plant or machinery has been offered as security to any bank/financial institution with the prior written consent of Standard Chartered Bank. The charge on the assets created by the aforesaid letters of hypothecation shall remain undiluted as a result of the merger. Additionally Nishat Mills Limited shall indemnify Standard Chartered Bank concerning any claim/demand made by any bank/financial institution which may have provided any loan/money/sum/finance/facility to Nishat Fabrics Limited or Nishat Tek Ltd. in respect of the plant and machinery mentioned in the said Letters of Hypothecation.

4. Nishat Mills Limited undertake that it shall ensure that after the merger Standard Chartered Bank shall hold a first charge, ranking pari passu with other banks/financial/institutions who are parties to the joint Hypothecation Agreement dated 5 May, 1997 or modification/supplement, if any thereto and continue to provide finance/money/loan/facility to Nishat Mills Ltd. after the merger and those banks/financial institutions which shall continue to finance activities of the merged entity but who were financing activities of Nishat Fabrics Limited or Nishat Tek Limited prior to the merger and had charges on current assets of these companies, on all present and future current assets of the merged entity (including but not limited to stores, spare parts and loose tools,

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stock in trade, short term investments, trade debts, advances deposits and prepayments, other receivables, cash and bank balances and all marketable securities (whether or not classified as current assets) and that a joint Hypothecation Agreement with respect to such assets, in form and substance satisfactory to Standard Chartered Bank shall be executed within 90 days of the effective date of the order (as approved by the Hon'ble Lahore High Court by Nishat Mills Limited and all such bank/financial institutions.

5. In the event Nishat Mills Limited is unable to procure the execution of the joint Hypothecation Agreement envisaged in paragraph 4 of these undertakings within the time stipulated in paragraph 4 or any other extended period allowed by Standard Chartered Bank in its complete discretion, Nishat Mills Limited undertakes that Standard Chartered Bank shall, without prejudice to any rights that it may have under its existing financing agreement with Nishat Mills Limited have the right to demand immediate repayment of all amounts due from Nishat Mills Limited to it and Nishat Mills Limited shall make immediate repayment of all such amounts demanded without demur or argument. Nishat Mills Limited undertakes that the certificate of a duly authorised officer of Standard Chartered Bank setting out the amounts due will be conclusive proof of such amounts being immediately payable by Nishat Mills Limited and shall make immediate payment to Standard Chartered Bank accordingly."

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by Supply & Service
Lahore High Court

3. The above referred no objections were submitted in court in writing and were received on

the record as mark 'A', mark 'B', mark 'C', mark 'D', mark 'D-1' and mark 'D-2'. In the circumstances

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Jurat of Commercial Branch
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aforenoted learned counsel for the petitioner was called upon to have his say in regard to the conditional concession of the three objectors aforenoted, who proceeded to accept the same with the submission that the conditions attached to the no objections of the three creditors above named are acceptable to the petitioners and that the same may be ordered to be made part of the order of the merger.

4. Since no other creditor has objected to the proposed merger and the conditions attached to the no objection furnished by the three creditors are aforenoted/even accepted by the petitioner, therefore, the proposed merger is allowed the condition attached to the no objection certificates furnished by the three creditors namely Bank of America, Habib Bank Ltd. A.G Zurich, American Express Bank Ltd and Standard Chartered Bank as noted above and incorporated in mark 'A', mark 'B', mark 'C' and mark 'D-2' shall remain integral part of the order of merger and the petitioner No.3 shall remain bound to fulfill the same. Resultantly, this petition is accepted in the terms noted above. There shall however, be no order as to costs.

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ORDER SHEET

LAHORE HIGH COURT, LAHORE/
RAWALPINDI BENCH, RAWALPINDI/
MULTAN BENCH, MULTAN

Civil Original
~~APPEAL/REVISION~~ NO. 135/1996

In the matter of Nishat Fabrics Limited,
Nishat Tek Ltd. & Nishat Mills Ltd.

~~XXXXXX~~

~~XXXXXXXXXX~~
- PETITIONER -

~~XXXXXXXXXX~~

Appeal/Revision against the decree or order (as the case may be) of _____

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
1.	14.10.1996.	<p>Mr. Jansad S. Khawaja, Advocate, for the Petitioner.</p> <p>Learned counsel for the petitioner prays for time to come up on 28.10.1996.</p> <p><i>[Signature]</i> Judge</p>

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Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3

28.10.1996. Mr. Jawad S.Khawaja, Advocate for the petitioner.


Learned counsel for the petitioner prays
 for more time as according to him certain
 question involved in this petition are to be
 attended to in the light of law applicable
 thereto. In the circumstances, this petition may
 be fixed upon the motion of the learned counsel i
 and when he chooses.

(Amir  Khan)
 Judge.

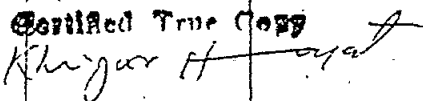
G.Hussain.

13.3.1997. C.M.600-L/97
 Presence as before.

Notice to the Registrar ~~for~~
 of Company for 18.3.1997.


 Judge

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 where High Court is

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 3.11-97

ORDER SHEET

LAHORE HIGH COURT, LAHORE

C.O
APPEAL/REVISION No. 135 of 19 96.

versus

APPELLANT
PETITIONER

RESPONDENT

Appeal/Revision against the decree or order (as the case may be) of _____

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary
1	2	3
	23.5.1997.	<p>C.M.No. 1350/1/1997</p> <p>Mr. Jawad S. Khawaja, Advocate for the petitioner.</p> <p>The petitioners in the present C.O</p> <p>as also in C.O No. 135 of 1996 had originally</p> <p>applied for merger of the two companies whereupon</p> <p>ordered to be</p> <p>notices were/issued to the Registrars of the</p> <p>companies. While the matter is still pending,</p> <p>the petitioners have now applied for permission</p> <p>to hold meeting of the share-holders so that the</p> <p>scheme/arrangement of merger be approved at a</p> <p>general meeting. It is submitted that the</p> <p>result of meeting of the share-holders would</p> <p>help the court in deciding the matter effectively</p> <p>and finally. The prayer is bona-fide, therefore,</p>

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Order of proceeding.	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary
1	2	3
		<p>the same is allowed. Let a general meeting of share holders be held after issuing due notice in this regard. Mr. Javed Shaukat Malik, Advocate, Mozang Road, Lahore is appointed as Local Commissioner to supervize the said meeting. His remunerations are fixed at Rs.40,000/- which shall be paid by the petitioner/company. To come up on 27.6.1997.</p>

(Amir Khan)
Judge.

C.M. 1417-L/97

2.6.1997 Mr. Javed S. Khawaja, Advocate.

Requisite notices be issued in the daily "Nawa-i-Waqt" and the "Business Recorder".

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Lahore High Court, Lahore.

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3-11-97

ORDER SHEET

LAHORE HIGH COURT, LAHORE

C.O.

APPEAL/REVISION No. 122 of 19 96.

versus

APPELLANT
PETITIONER

RESPONDENT

Appeal/Revision against the decree or order (as the case may be) of _____

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
	27.6.1997.	<p>Mr. Jawad S. Khawaja, Advocate for the petitioner.</p> <p>Mr. Javid Shaukat Malik, Advocate, Local Commissioner Shohzada Qaisar, Advocate on behalf of BEL and HBL AG Zurich.</p> <p>Mr. Shaukat Umar Pirzada, Advocate for Prime Commercial Bank.</p> <p>Mr. A.G. Bhutta A.W.P. Picic.</p> <p>Mr. Qamar-uz-Zaman, Advocate for M.C.B.</p> <p>Mr. Faisal Islam, Advocate for Bank of America.</p> <p>Mr. Mohammad Khalid Mahmood Khan, Advocate for Union Bank Ltd.</p> <p>Malik M. Rashid Aman, Advocate for Metropolitan Bank Ltd.</p> <p>Mr. Asim Nazir, Advocate for Citi Bank N.A, Standard Chartered Bank, and ABN, AMRO Bank.</p> <p>Mr. Nusrat Ahmad, Advocate for Askari Commercial Bank.</p> <p>Mr. Zahid Malik, Advocate for Bank of Punjab.</p>

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Report of the Local Commission has

been filed. It is stated that requisite meetings have been held and that the agenda for the meetings was unanimously approved. Learned counsel for the creditors having entered appearance have submitted that they need some time to obtain instructions in the

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3-11-97

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
G. Hussain.	4.7.1997.	<p>matter. Let the needful be done. To come up on 4.7.1997.</p> <p>(Amir Khan Khan) Judge.</p> <p>Presence as before. Mr. Ahmer Bilal Sufi, Advocate for H.B.A.G-Zurich Ltd.</p> <p>Learned counsel for the Standard Chartered Bank Ltd. prays for time as, according to him, the said Bank is minded to file objection to merger being proposed by the two companies. Since one of the creditors have objected to the merger being proposed by the two companies therefore, I am not minded to proceed with the case today and since the same is being adjourned therefore, all or any body who is also minded to object to the merger proposed by the two companies may proceed to file its objection within a period of fortnight from today. Relist on 12.8.1997.</p> <p>(Amir Khan Khan) Judge.</p>
G. Hussain.		<p>Certified True Copy</p> <p>Examiner Copy Supply Section</p> <p>Authorised Under Article 87</p> <p>Qanoon-e-Shahadat Order 1984</p>

3-11-97

IN THE LAHORE HIGH COURT, LAHORE

2/11/96
نشاط فابریکس لمیٹڈ
C.O. NO. 135 of 1996

IN THE MATTER OF

Nishat Fabrics Limited
a Public Limited Company having
its registered office at
Nishat House,
53-A, Lawrence Road, Lahore
in the Province of Punjab

... Petitioner No.1

AND

Nishat Tek Limited
a Public Limited Company having
its registered office at
1st Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi.
in the Province of Sind

... Petitioner No.2

AND

Nishat Mills Limited
a Public Limited Company having
its registered office at
Nishatabad, Faisalabad,
in the Province of Punjab

... Petitioner No.3

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Lahore High Court, Lahore

PETITION UNDER SECTION 284, 285,
286, 287 AND OTHER ENABLING
PROVISIONS OF THE COMPANIES
ORDINANCE, 1984.

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Khanzaar H. Khan

Examiner Commercial Branch

3-11-96

13) It is in the interest of justice if the meetings of the members of the said Petitioners are called to consider and approve the proposed Scheme of Arrangement. It is respectfully suggested that the meetings be held at Faisalabad on such dates and at such times as this Honourable Court may direct and that the Chief Executive of Petitioner No.1 be appointed as Chairman of the meeting.

14) It would be just and equitable in the circumstances if the said Scheme of Arrangement is approved by this Honourable Court and orders passed as prayed.

It is, therefore, respectfully prayed that this Honourable Court may be pleased :

a) to direct the convening of separate meetings of the members of the Petitioners Nos.1, 2 and 3 at such time and place as may be ordered:

b) to direct that the notices through publication or otherwise, of the said meetings be given to the members of the Petitioners Nos.1, 2 and 3 and the Registrar as required

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Khizar H. Khan
Examiner Commercial papers

under Section 280 of the Companies Ordinance,
1984.

c) to give directions, if deemed fit, that
the Chairman of Petitioner No.3 be appointed as
Chairman of the said meetings and to direct the
said Chairman to submit reports to this
Honourable Court of the due convening and
Resolutions passed at such meetings by such
date as may be fixed:

d) to approve the Scheme of Arrangement of
Amalgamation detailed in Annex. P-10 hereto;

e) to pass all requisite vesting orders for
giving effect to the said Scheme of
Arrangement, including vesting orders pursuant
to Section 287 of the Companies Ordinance, 1984
and relating to the transfer of the whole of
the undertakings including all assets,
properties, rights, privileges, benefits of
Government consents, sanctions, authorizations
and licenses and liabilities of the Petitioners
Nos. 1 & 2 to the Petitioner No.3 with effect
from 1-10-1996.

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Examiner
Copy to P. Section
High Court

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Khizer H. Khan

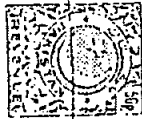
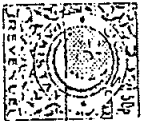
Executive Commercial Branch

f) to order the dissolution, without winding up, of the Petitioners Nos.1 and 2;

g) to order that the costs and incidental expenses to this application be paid by the Petitioner No.2:

h) to pass such further order or orders and to issue all consequential and necessary directions as this Honourable Court may deem fit and proper in the circumstances.

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PETITIONER NO.1

PETITIONER NO.2

PETITIONER NO.3

THROUGH

J. V. Khawaja
JAWWAD S. KHAWAJA
ADVOCATE (CODE 5166)

SYED MUZAMMIL ALI AKRAM
ADVOCATE (CODE 1723)

NAWA E WAQT HOUSE
4, SHARAE FATIMA JINNAH
LAHORE

FILED 10:45 AM 13-10-96
3878
Superintendent
13-10-96

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Khawaja H. A. A. A.

Sarfraz Mahmood (Pvt) Limited

Management Consultants

SCHEME OF ARRANGEMENT

Under Sections 284, 285, 286, 287 and 288 of the Companies Ordinance, 1984.

Between Nishat
Fabrics Limited

a company incorporated in Pakistan under the Companies Ordinance, 1984, whose registered office is situated at Lahore (hereinafter referred to as "NFL") having an authorised capital of Rupees 300 000 000 (Rupees three hundred million only), divided into 30 000 000 ordinary shares of Rupees 10 each and an issued, subscribed and paid-up capital of Rupees 210 000 000 (Rupees two hundred ten million only) divided into 21 000 000 ordinary shares of Rupees 10 each.

and Nishat Tek
Limited

a company incorporated in Pakistan under the Companies Ordinance, 1984 whose registered office is situated at Karachi (hereinafter referred to as "NTL") having an authorised capital of Rupees 300 000 000 (Rupees three hundred million only), divided into 30 000 000 ordinary shares of Rupees 10 each and an issued, subscribed and paid-up capital of Rupees 206 638 000 (Rupees two hundred six million six hundred thirty eight thousand only) divided into 20 663 800 ordinary shares of Rupees 10 each.

and Nishat Mills
Limited

a company incorporated in Pakistan under the Companies Act, 1913, (Now Companies Ordinance, 1984), whose registered office is situated at Faisalabad (hereinafter referred to as "NML"), having an authorised capital of Rupees 1 000 000 000 (Rupees one billion only), divided into 100 000 000 ordinary shares of Rupees 10 each and issued, subscribed and paid-up capital of Rupees 869 148 500 (Rupees eight hundred sixty nine million one hundred forty eight thousand five hundred only), divided into 86 914 850 ordinary shares of Rupees 10 each.

and Their Respective
Members.

Sarfraz Mahmood (Pvt) Limited

Management Consultants

WHEREBY IT IS PROPOSED THAT:

- 1.1 The entire undertakings of NFL and NTL, as at the transfer date(as hereinafter defined) including all assets, properties, rights, privileges, powers, bank accounts, trade marks, patents and licences and all or any other assets, properties, rights, privileges, powers, contracts, bank accounts, trade marks, patents and licences of NFL and NTL as at the transfer date (as hereinafter defined) shall, without further act or deed, stand transferred to and be vested in NML, as from the commencement of business on 01 October 1996 (hereinafter referred to as the "transfer date").
- 1.2 Without prejudice to the generality of paragraph 1.1 above, the undertakings of NFL and NTL shall include all rights, powers, authorities, privileges, contracts, benefits of Government consents, sanctions and authorisations, trade marks, patents, licences, liberties and all properties, immovable and moveable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situate, including in particular leasehold lands, and all cash balances, reserves, revenue balances, investments, loans, advances, deposits, prepayments, receivables, import quotas, telephones and telexes and trade debts owing to NFL and NTL and all other authorities, rights or interests in or arising out of such property as may belong to or be in the possession of NFL and NTL on the transfer date and all books of accounts and documents relating thereto, and shall be deemed to include all debts, borrowings, liabilities, duties and obligations of NFL and NTL of whatever kind, including liabilities for payment of gratuity, pension, benefits, provident fund or compensation in the event of retrenchment, PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to NFL and NTL which shall vest in NML by virtue of the approval of this Scheme by the Honourable Lahore High Court. Lahore and NML shall not be obliged to create any further or additional security therefore after the approval of this Scheme as aforesaid or otherwise.
- 1.3 The transfer and vesting of the undertakings of NFL and NTL under Clauses 1.1 and 1.2 hereof and the continuance of proceedings by NML under Clause 1.6 hereof shall not affect any transactions or proceedings already concluded by NFL and NTL in the ordinary course of business and after the transfer date to the end and intent that NML accepts on behalf of itself all acts, deeds and things done and executed by NFL and NTL

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- 1.4 As from the transfer date, NFL and NTL shall be deemed to have carried on and to carry on their business on behalf of and on account of NML until such time as this Scheme becomes fully effective.
- 1.5 NML shall undertake, pay, satisfy, discharge, perform and fulfill all debts, liabilities, contracts, engagements and obligations whatsoever of NFL and NTL as at the transfer date, and all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and all other instruments of whatever kind subsisting or having effect immediately before the transfer date to which NFL and NTL may be a party or which shall be in favour of NFL and NTL as they were before the transfer date and may be enforced or acted upon as fully and effectively as if instead of NFL and NTL, NML had been a party thereto or as if the same had been issued by or in favour of NML.
- 1.6 All suits, appeals or other legal proceedings of whatever nature by or against NFL and NTL which shall be pending on the transfer date in or before any court, tribunal or other authority will be continued, prosecuted and enforced in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against NFL and NTL as if this Scheme had not been made, by or against NML and the same shall not abate, be discontinued or be in any way prejudiced or affected by the provisions of this Scheme.
- 1.7 Every officer, workman or other employee of NFL and NTL shall, on the transfer date, become an officer, workman or employee, as the case may be, of NML on the basis that his services have not been interrupted by the vesting of the undertakings of NFL and NTL, in NML under this Scheme and on the same remunerations and other conditions of service, rights and privileges as to pension, provident fund and gratuity, if any, and other matters as were applicable to him before the transfer date.
- 2.1 As consideration for the said transfers, NML shall issue at par and allot to the members of NFL "X" fully paid-up ordinary share of the par value of Rupees 10 each in the capital of NML for every one fully paid-up ordinary share of the par value of Rupees 10 each held by them in the capital of NFL and shall issue at par and allot to the members of NTL "Y" fully paid-up ordinary share of Rupees 10 each in the capital of NML for every one fully paid-up ordinary share of Rupees 10 each held by them in the capital of NTL, as on a day to be fixed by the Board of Directors of NML following the transfer date.

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The value of "X" and "Y" will be determined on the basis of the ratio between the value of one ordinary share of NFL and NTL and NML on the basis of average daily market price of the shares of three companies during the period from 01 July 1997 to 30 September 1997.

- 2.2 For the purpose of the allotments to be calculated as specified in clause 2.1 fractional entitlements of above 0.5 shall be rounded up to nearest one share and below 0.5 shall be ignored.
- 2.3 The said fully paid-up ordinary shares in NML to be issued and allotted to the members of NFL and NTL shall rank pari passu in all respects with the existing fully paid-up ordinary shares in NML.
- 2.4 All members whose names shall appear in the Register of Members of NFL and NTL on such date (after the transfer date) as the Board of Directors of NML may determine, shall surrender their share certificates for cancellation thereof to NML. In default, upon the new shares in NML being issued and allotted by it to the members of NFL and NTL whose name shall appear on the Register of Members of NFL and NTL on such date, as aforesaid, the share certificates in relation to the shares held by them in NFL and NTL shall be deemed to have been cancelled.
- 2.5 The excess value of the net assets of NFL and NTL as at 30 September 1996 over the paid-up value of shares issued and allotted pursuant to the terms of Clause 2.1 hereof shall be accounted for in the books of NML as at the transfer date, as follows:

The Capital Reserves, Revenue Reserves and the unappropriated profit of NFL and NTL, as at 30 September 1996 shall constitute Reserves of a corresponding nature of NML and the balance, if any, transferred to the General Reserves in NML.
- 3.0 The Boards of Directors of NML and NFL and NTL acting jointly or any person or persons duly authorised by them respectively shall be authorised to take all such further supplemental, incidental and consequential actions and steps as may be requisite for giving full effect to this Scheme and may consent on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the Honourable Lahore High Court may think fit to impose.

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- 4.0 Subject to an order being made by the Honourable Lahore High Court under Section 287 of the Companies Ordinance 1984, NFL and NTL shall without winding up, stand dissolved from such date on which all shares to be allotted by NML under Clause 2 above to the member(s) of NFL and NTL shall have been so allotted.
- 5.0 The approvals and/or confirmations and/or directions to the proposed transfer of undertakings as set out in Clauses 1.1 and 1.2 of this Scheme have been received from major creditors of NFL and NTL and NML.
- 6.0 This Scheme shall be subject to such modifications or conditions as the Honourable Lahore High Court may approve or impose.
- 7.0 In case this Scheme is not sanctioned by the Honourable Lahore High Court for any reason whatsoever or if for any other reason this Scheme cannot be implemented before 30 September 1997 or within such further period or periods as may be agreed upon by NFL and NTL and NML (by their respective Directors) this Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter se by the parties in terms of this Scheme.

THE LAHORE HIGH COURT, LAHORE

present Mr. Justice Zia Mahmood Mirza

Petition under sections 284, 285, 286, 287

and other enabling provisions of the companies
Ordinance, 1984 for merger/amalgamation of the
Petitioner companies.

Party Name attached

ORDER

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Examiner Commercial Branch

29/6/53

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ORDER SHEET

LAHORE HIGH COURT, LAHORE.

C.O.

APPEAL/REVISION NO. 122 95 19 96.

versus

APPELLANT
PETITIONER

RESPONDENT

Appeal/Revision against the decree or order (as the case may be) of _____

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
	27.6.1997.	<p>Mr. Jawad S. Khawaja, Advocate for the petitioner.</p> <p>Mr. Javid Shaukat Malik, Advocate, Local Commissioner Shehzada Qaisar, Advocate on behalf of BEL and IHL AG Zurich.</p> <p>Mr. Shaukat Umar Pirzada, Advocate for Prime Commercial Bank.</p> <p>Mr. A.G. Bhutta A.V.P Picic.</p> <p>Mr. Qamar-uz-Zaman, Advocate for M.C.B.</p> <p>Mr. Faisal Islam, Advocate for Bank of America.</p> <p>Mr. Mohammad Khalid Mahmood Khan, Advocate for Union Bank Ltd.</p> <p>Malik M. Rashid Awan, Advocate for Metropolitan Bank Ltd.</p> <p>Mr. Asim Nazir, Advocate for Citi Bank N.A, Standard Chartered Bank, and ABN, AMRO Bank.</p> <p>Mr. Nasar Ahmad, Advocate for Askri Commercial Bank</p> <p>Mr. Zahid Malik, Advocate for Bank of Punjab.</p> <p>Report of the Local Commission has been filed. It is stated that requisite meetings have been held and that the agenda for the meetings was unanimously approved. Learned counsel for the creditors having entered appearance have submitted that <u>they</u> need some time to obtain instructions in the</p>

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Lahore High Court

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3-11-97

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
G.Hussain.	4.7.1997.	<p>matter. Let the needful be done. To come up on 4.7.1997.</p> <p>(Amir Khan Khan) Judge.</p> <p>Presence as before. Mr. Ahmer Bilal Sufi, Advocate for H.B.A.G.Zurich Ltd.</p> <p>Learned counsel for the Standard Chartered Bank Ltd. prays for time as, according to him, the said Bank is minded to file objection to merger being proposed by the two companies. Since one of the creditors have objected to the merger being proposed by the two companies therefore, I am not minded to proceed with the case today and since the same is being adjourned therefore, all or any body who is also minded to object to the merger proposed by the two companies may proceed to file its objection within a period of fortnight from today. Relist on 12.8.1997.</p> <p>(Amir Khan Khan) Judge.</p>
G.Hussain.		<p>Certified True Copy</p> <p>Khizer H. Hussain</p> <p>Examiner Copy Supply Section</p> <p>12-3-97</p> <p>Authorised Under Article 87</p> <p>Qanoon-e-Shahadat Order 1994</p>

3-11-97

ORDER SHEET

LAHORE HIGH COURT, LAHORE

C.O. 4-93
APPEAL/REVISION No. -----19

PETITIONER

APPELLANT
PETITIONER

RESPONDENT

Appeal/Revision against the decree or order (as the case may be) of -----

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
4.	7.6.1993	<p>Mr. Jawwad S. Khawaja, Advocate for the petitioner</p> <p>Mr. Nusrat Mahmood, Advocate for National Bank of Pakistan.</p> <p>Mr. Shahid Karim, Advocate- Court Appointee.</p> <p>This petition u/ss 284, 285, 286 and 287 of the Companies Ordinance, 1984 has been filed by General Stitching Company Ltd and Nishat Mills Ltd both public limited companies having their registered offices at Nishatabad, constituted for their amalgamation by merger of the first named company into the second ^{petitioner} company viz; Nishat Mills Ltd as per the Scheme of Arrangement Annex: P-7 herewith.</p> <p>2. It is stated that General Stitching</p>

Serial No. of order of proceeding	Date of order of proceeding	Order with signature of Judge, and that of parties or counsel, where necessary.
1	2	3
	<p>28/12</p>	<p>Company, petitioner No.1 has authorized/paid up capital of Rs.20,000,000.00 (Rupees twenty Million only) divided into 2,000,000 ordinary shares of Rs.10.00 each out of which 1,950,000 shares (97.5%) are held by Nichol Mills Ltd, petitioner No.2 which is the holding company of petitioner No.1. Authorised capital of petitioner No.2 is stated to be Rs.300,000,000.00 (Rupees three hundred Million only) which is divided into 30,000,000 ordinary shares of Rs.10.00 each. Its paid up capital, however, is Rs.263,315,560.00. It is further stated that the objects of petitioner No.1 include, inter alia, the business of manufacture, import and export of garments of all kinds, bed linen and hosiery items and the objects of petitioner No.2 as set out in its Memorandum of Association include, inter alia, the business of textile</p>

petitioner No.2 to offer similar securities to the creditors. As such, the creditors of the petitioner No.1 & 2 will not be prejudicially affected by the Scheme of Arrangement".

4. Notices of this application were published in daily "Nawa-i-Waqt", Lahore and daily "Pakistan Times", Lahore. Separate meetings of the members of the petitioner-companies were also ordered to be held to ascertain their wishes with respect to the Scheme of merger/amalgamation of the two companies. Pursuant to the Court's order, petitioner-companies^{have} held their respective Extra Ordinary General meetings wherein the proposed Scheme of Arrangement has been approved. Minutes of the meetings have been placed on the present record. Habib Bank Ltd, Emirate Bank International Ltd, National Bank of Pakistan, the Bank of Punjab and PICIC have put in their written "no-objection" to the merger/amalgamation of the petitioner-companies. Counsel appearing for Habib Bank Ltd, Emirate Bank International Ltd and the Bank of Punjab have stated that their client-banks have no-objection to the merger/amalgamation of the petitioner-companies. An

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intimation in writing has also been received from National Development Finance Corporation stating "our branch is not maintaining any account in the name of the subject companies as of today". Deputy Registrar of Companies, Faisalabad in his comments has stated that he "does not oppose the petition in principle, as petitioner No.1 is subsidiary of petitioner No.2 by virtue of shareholding to the extent of 97.5%". He has, however, pointed out that according to the record maintained by his office, the authorised capital of petitioner No.2 is Rs.400,000,000/- (Rupees Four Hundred Million Only) and paid up capital is Rs.268,632,470/- (Rupees Two Hundred Sixty Eight Million Six Hundred Thirty Two Thousand Four Hundred and Seventy Only) and that list of creditors of Nishat Mills, petitioner No.2 as provided in para 9 of the petition is not complete. It has also been pointed out in the comments of the Deputy Registrar that the Management of petitioner No.1 has been changed subsequent to the date of filing the petition. Petitioner-Companies in their reply to the comments of the Deputy Registrar have explained that the figures mentioned by the Deputy Registrar related to a period subsequent to the audit

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balance sheet and accounts and in any case these figures do not have bearing on the merits of the petition. It has been further contended in the reply to the comments of the Deputy Registrar that petitioner No.2 presently does not owe any amount to the various banks/financial institutions mentioned by the Deputy Registrar. With regard to the change of management of petitioner No.1, it has been explained that petitioner No.1 is a subsidiary of petitioner No.2 which owns 97.5% of the total share holding of petitioner No.1 and in any case change in the management of petitioner No.1 is not much relevant as the share-holders of petitioner No.1 continue to support the proposed merger/amalgamation. The explanation furnished by the petitioners in their reply to the comments of the Deputy Registrar appears to be quite valid. It may pertinently be stated that by virtue of para 1.5 of the Scheme for merger Annex-F-7, Nishat Mills Ltd has undertaken and is bound to pay, satisfy, discharge, perform and fulfil all debts, liabilities, contracts, engagements and obligations whatsoever of General Stitching Company as at the transfer date.

2.1
28/1/82

In view of the position afore-stated, this
application is allowed and the approval is accorded to the
Scheme of Arrangement as detailed in Annex-P-7; to all
requisite vesting orders for giving effect to the said
Scheme including vesting orders pursuant to Section 28
of Companies Ordinance, 1984 and relating to the
transfer of the whole of the undertakings including all
assets, properties, rights, privileges, benefits of
Government, consents, sanctions, authorizations and
licences and liabilities of petitioner No.1 to petitioner
No.2 namely Mashat Mills Ltd with effect from 31st March,
1993: to the dissolution without winding up of petitioner
No.1 i.e. General Stritching Company Ltd. Costs and
incidental expenses of the present application shall be
paid by petitioner No.2.

Dated/7.6.1993

-Sd

(ZIA MAJMOOD MIRZA)

JUDGE

Sub 2 P P 3

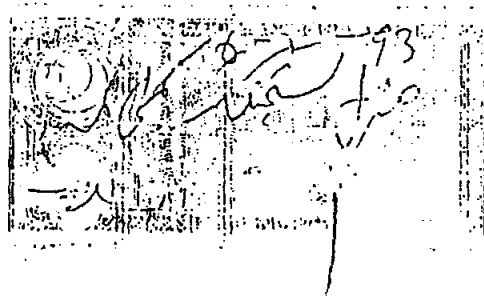
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Examiner Commercial Branch

26/6/93

222 P. 114-115
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IN THE LAHORE HIGH COURT, LAHORE.



C.O. No. 4 1993

IN THE MATTER OF

General Stitching Company Ltd
a Public Limited Company having
its registered office at Nishatabad,
Faisalabad in the Province of
Punjab
No. 1

AND

Nishat Mills Limited
a Public Limited Company
having its registered
office at Nishatabad, Faisalabad
in the Province of Punjab
No. 2

PETITION UNDER SECTIONS 284, 285, 286, 287
AND OTHER EMPOWERING PROVISIONS OF
THE COMPANIES ORDINANCE, 1984.

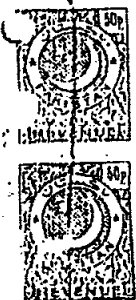
being respectively submitted as follows:

Petitioner No. 1 is an unlisted public company incorporated in Pakistan under the Companies Ordinance, 1984 having its registered office at Faisalabad in the Province of Punjab. Petitioner No. 1 has an authorised capital of Rs. 20,000,000.00 (Twenty Million only) divided into 2,000,000 ordinary shares of Rs. 10.00 each. It has an issued and paid up capital of Rs. 20,000,000.00 (Twenty Million only). Out of the said shares 1,950,000 ordinary shares (97.5%) are held by Petitioner No. 2 which is the holding company of Petitioner No. 1. The objects of Petitioner No. 1 are set out in its Memorandum of Association and include inter alia the business of manufacture, import and export of garments of all kinds, as well as hand-knitted items. Its objects also include the manufacture and carrying on the business of textile mills etc. A copy of the Memorandum and Articles of Association of Petitioner No. 1 is annexed hereto and marked Annex. P-1.

Petitioner No. 1 commenced business upon obtaining the Certificate of Commencement of Business and has been carrying on the same since 1987. The assets of Petitioner No. 1 as on June 30, 1991

liabilities including secured and unsecured loans as on the said date are detailed in the balance sheet reflecting the latest financial position of Petitioner No. 1. A copy of the financial statement of Petitioner No. 1 as on June 30, 1972 is annexed hereto and marked Annex. P-2. The latest Auditor's report along with audited accounts are also annexed hereto and marked Annex. P-3.

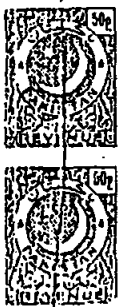
Petitioner No. 2 is a listed Public Company incorporated in Pakistan under the Companies Act, 1913 having its registered office at Faisalabad in the Province of Punjab. Petitioner No. 2 has an authorised capital of Rs. 300,000,000.00 (Rupees Three Hundred Million only) divided into 30,000,000 ordinary shares of Rs.10.00 each. The Petitioner No. 2 has an issued, subscribed and paid up capital of Rs. 268,315,560.00 (Rupees Two Hundred and Sixty Eight Million Three Hundred and Fifteen Thousand Five Hundred and Sixty only) divided into 26,831,556 shares of Rs.10.00 each. The objects of Petitioner No. 2 are set out in its Memorandum of Association and include inter alia the carrying on of textile manufacturers and of dyeing, bleaching, printing of textiles and other allied products. A copy of the Memorandum and Articles of Association of Petitioner No. 2 is annexed hereto and marked Annex. P-4.



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4) The Petitioner No. 2 commenced business upon obtaining certificate of commencement of business and has been carrying on the same since 1972. The assets of Petitioner No. 2 as on September 30, 1972 and its liabilities, including both secured and unsecured loans as on the said date, are detailed in the balance sheet reflecting the latest financial position of Petitioner No. 2. A copy of the financial statement of Petitioner No. 2 as on September 30, 1972 is annexed hereto and marked Annex-P-5. The latest Auditor's report alongwith audited accounts are also annexed hereto as Annex-

5) The respective Board of Director of both Petitioners No. 1 and 2 have considered ways and means of improving the business now carried on by the said Petitioners and proposed to be carried on by them in the future and have come to the conclusion that it would be of advantage to the said Petitioners if the said undertakings are amalgamated by way of re-construction or re-organization. The Petitioners have a common element in that the majority of the shares of Petitioner No. 1 are held by Petitioner No. 2 and majority of the Directors are also common. Further, the actual business of Petitioners No. 1 and 2 is such that it can be combined into one single corporate entity.



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4) That the transfer and re-organization of capital and amalgamation, as aforesaid, would be beneficial, inter alia, for the following reasons:

a) As a result of the said transfer, re-organization of capital and amalgamation there will be a considerable cost saving through streamlined manufacturing and elimination of duplicate services and operations and reduction in overhead and working expenses. There will also be an increase in efficiency by reason of unified control. The consequent improvement in the operations shall ultimately inure to the benefit of the share holders, employees, consumers and others generally.

b) Upon the amalgamation of the said Petitioner only one credit arrangement will be required for obtaining loans and credit facilities instead of separate arrangements for each of the said companies and credit facilities, resulting in better utilization of the loans and credit facilities available, reduction in financing costs and simpler operation of cash management.

c) The amalgamated company will have a broad, more well diversified product range and the advantages of further rationalization of



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modernization; or diversification will be
greater in the event of amalgamation of the
petitioners

In the event of amalgamation of the Petitioners:
the administrative costs incurred
by the Petitioners will be considerably
reduced.

only a single Board of Directors will be
required to administer the Petitioners;

if only one Annual General Meeting will be
required to be held and one set of
annual/half yearly accounts published and
circulated by the Petitioners.

iii) only one Register of Shareholders and one
set of books and records will be required
to be maintained and one set of forms etc
will be filed with the various Government
agencies including the Registrar of Joint
Stock Companies.

c) The merger and reorganization of capital and
amalgamation of the Petitioners No. 1 and 2
would result in an improvement
in the management of personnel affairs of the said
companies, as:

i) staff and administrative policies will be
uniform and simpler to administer;



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- (ii) the provident and other funds will benefit from the advantage of increased income whilst the cost of administering such funds would be reduced owing to the decrease in overhead.

The said transfer of undertakings, consolidation and reorganization of capital will be to the advantage of shareholders, creditors and employees of the Petitioners No. 1 and 2 for the following reasons:

- (i) the reduced overhead costs and unified sales collection is likely to result in enhanced revenues and lower costs, hence the prospect of higher profitability and its attendant consequences of better dividends to shareholders;
- (ii) the pooling of the assets and resources will enhance the security available to the creditors;
- (iii) the enhanced commercial visibility is likely to benefit the employees of Petitioners No. 1 and 2.

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(7) A Scheme of Arrangement has accordingly been proposed under which the entire undertaking, assets, properties and liabilities of the Petitioner No. 1 will be transferred to the Petitioner No. 2.

consideration for the said transfers Petitioner No. 2 shall issue at par and allot to the members of Petitioners No. 1, (other than Petitioner No. 2) one fully paid up ordinary share of the par value of Rupees 10.00 each in the capital of Petitioner No. 2, for every 3.91 fully paid up shares of the par value of Rs.10.00 each held by them in the capital of the Petitioner No. 1, as on a day to be fixed by the Board of Directors of Petitioner No. 2, following the transfer date. Appropriate accounting procedures shall also be effected to provide for the shares held by Petitioner No. 2 in the Petitioner No. 1. All costs, charges and expenses of carrying this Scheme of Arrangement into effect shall be borne and paid by Petitioner No. 2.

- 7) The said Scheme of Arrangement, Annex. P-7 hereof has been approved by the Board of Directors of Petitioners No. 1 and 2 above named. True copies of the relevant Board Resolutions of the Petitioners No.1 and 2 are hereto annexed and marked Annex P-8 and P-9 respectively.

The said Scheme of Arrangement is a Scheme between the above named Petitioners No. 1 and 2 and their members. It is submitted, in this connection, that by undertaking the said Scheme of Arrangement the creditors of the Above named Petitioners No. 1 and 2

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12. It is respectfully submitted that the notices of the proposed meetings may be given to the Creditors of the Petitioners, as per Annex. P-10 and P-11. Notice may also be issued to the Registrar under Section 208 of the Companies Ordinance, 1984.

13. It would be just and equitable in the circumstances if the said Scheme of Arrangement is approved by this Honorable Court and orders passed as prayed.

It is, therefore, respectively prayed that this Honorable Court may be pleased:

a) to direct the convening of separate meetings of the Petitioners No.1 and 2 at such time and place as may be ordered;

b) to direct that notices through publication or otherwise, of the said meetings be given to the members of the Petitioners No.1 and their Creditors as the Registrar as required under Section 208 of the Companies Ordinance, 1984.

c) to give directions, if deemed fit, that the Chairman of Petitioner No.1 be appointed as Chairman of the said meetings.



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M. J. HANCOCK

secured to the same extent as they
 as much as the existing assets of
 No. 1 and 2 will, subsequent to the
 Scheme of Arrangement, be secured
 of the Petitioner No. 2. Thereof
 Petitioner No. 1, to offer simila
 to the creditors. As such, the credito
 of the Petitioner No. 1 & 2 will not be prejudic
 affected by the Scheme of Arrangement. A list of
 major creditors of the Petitioners No. 1 and 2 as of
 June 30, 1992 and September 30, 1992 are also annexed
 hereto and marked Annex P-10 & P-11 respectively.

10) No investigation proceedings are pending against any
 of the Petitioners under the Companies Act,
 1913 or the Companies Ordinance, 1984.

11) If it is in the interest of justice if the meetings of
 the said Petitioners are called to
 consider and approve the proposed Scheme of
 Arrangement, it is respectfully suggested that the
 meetings be held at Lahore or at such other place
 determined by this Honorable Court and
 such dates and such times as this Honorable Court
 may direct. That the Chairman of Petitioner
 be designated as Chairman of the meetings.
 alternatively, this Honorable Court may be ple
 appoint a Chairman for each meeting.



ATTACHED
 24/10/92
 (Signature)
 Court of Sessions, Lahore

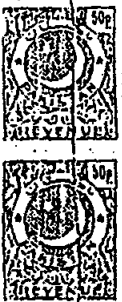
d) to direct that the said Chairman to submit
to this Honorable Court of the 10th
Convened and Resolutions passed at such
meetings by such date as may be fixed;

e) to fix a date for final hearing of the
application;

f) to approve the Scheme of Arrangement or
Amalgamation detailed in Annex. P-7 hereto;

g) to pass all requisite vesting orders for giving
effect to the said Scheme of Arrangement,
including vesting orders pursuant to Section
287 of the Companies Ordinance, 1984 and
relating to the transfer of the whole of the
undertakings including all assets, properties,
rights, privileges, benefits of Government
consents, sanctions, authorizations and
licenses and liabilities of the Petitioner No.
to the Petitioner No. 2 with effect from March
1993

h) to order the dissolution, without winding up
of the Petitioner No. 1;



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to order that the costs and incidental expenses
to this application be paid by the Petitioner
No 2:

to pass any further order or orders and to
issue all consequential and necessary
directions as this Honorable Court may deem fit
and proper in the circumstances.

Naz Jani
PETITIONER NO. 1

Munir
PETITIONER NO. 2

7-2-73

THROUGH

Jawwad S. Khan
JAWWAD S. KHAN

ADVOCATE
NAWA E WAQT BUILDING
4, SHARAE FATIMA JINNAH
LAHORE.

Certified True Copy

Examiner Commercial Branch

29/6/97

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Order 1984

**RIAZ AHMAD & ASSOCIATES
(PVT) LIMITED**

Management Consultants

SCHEME OF ARRANGEMENT

Under Sections 284, 285, 286, 287 and 288 of the Companies Ordinance, 1984.

Between General
Stitching Company
Limited.
(A subsidiary of
Nishat Mills
Limited).

A company incorporated in Pakistan under the Companies Ordinance, 1984, whose registered office is situated at Faisalabad (hereinafter referred to as "GSCL") having an authorised capital of Rs. 20 000 000 (Rupees twenty million only), divided into 2 000 000 ordinary shares of Rs. 10 each and an issued, subscribed and paid-up capital of Rs. 20 000 000 (Rupees twenty million only) divided into 2 000 000 ordinary shares of Rs. 10 each, of which 1 950 000 ordinary shares (97.5%) are held by Nishat Mills Limited the holding company.

and Nishat Mills
Limited.
(Holding Company
of General Stitching
Company Limited).

A company incorporated in Pakistan under the Companies Act, 1913, (Now Companies Ordinance, 1984) whose registered office is situated at Faisalabad (hereinafter referred to as "NML") having an authorised capital of Rs. 300 000 000 (Rupees three hundred million only), divided into 30 000 000 ordinary shares of Rs. 10 each and an issued, subscribed and paid-up capital of Rs. 214 206 830 (Rupees two hundred fourteen million, two hundred and six thousand, eight hundred and thirty only) divided into 21 420 683 ordinary shares of Rs. 10 each.

and Their Respective
Members.

RIAZ AHMAD & ASSOCIATES
(PVT) LIMITED

Management Consultants

WHEREBY IT IS PROPOSED THAT:

- 1.1 The entire undertakings of GSCL, as at the transfer date (as hereinafter defined) including all assets, properties, rights, privileges, powers, bank accounts, trade marks, patents and licences and all or any other assets, properties, rights, privileges, powers, contracts, bank accounts, trade marks, patents and licences of GSCL as at the transfer date (as hereinafter defined) shall, without further act or deed, stand transferred to and be vested in NML, as from the commencement of business on 1 January 1993 (hereinafter referred to as the "transfer date").
- 1.2 Without prejudice to the generality of paragraph 1.1 above, the undertakings of GSCL shall include all rights, powers, authorities, privileges, contracts, benefits of Government consents, sanctions and authorisations, trade marks, patents, licences, liberties and all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situate, including in particular leasehold lands, and all cash balances, reserves, revenue balances, investments, loans, advances, deposits, prepayments, receivables, import quotas, telephones and telexes and trade debts owing to GSCL and all other authorities, rights or interests in or arising out of such property as may belong to or be in the possession of GSCL on the transfer date and all books of accounts and documents relating thereto, and shall be deemed to include all debts, borrowings, liabilities, duties and obligations of GSCL of whatever kind, including liabilities for payment of gratuity, pension, benefits, provident fund or compensation in the event of retrenchment, PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to GSCL which shall vest in NML by virtue of the approval of this Scheme by the Honourable Lahore High Court, Lahore and NML shall not be obliged to create any further or additional security therefor after the approval of this Scheme as aforesaid or otherwise.
- 1.3 The transfer and vesting of the undertakings of GSCL under Clauses 1.1 and 1.2 hereof and the continuance of proceedings by NML under Clause 1.6 hereof shall not affect any transactions or proceedings already concluded by GSCL in the ordinary course of business and after the

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Management Consultants

transfer date to the end and intent that NML accepts on behalf of itself all acts, deeds and things done and executed by GSCL.

- 1.4 As from the transfer date, GSCL shall be deemed to have carried on and to carry on its business on behalf of and on account of NML until such time as this Scheme becomes fully effective.
- 1.5 NML shall undertake, pay, satisfy, discharge, perform and fulfill all debts, liabilities, contracts, engagements and obligations whatsoever of GSCL as at the transfer date, and all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and all other instruments of whatever kind subsisting or having effect immediately before the transfer date to which GSCL may be a party or which shall be in favour of GSCL as they were before the transfer date and may be enforced or acted upon as fully and effectively as if instead of GSCL, NML had been a party thereto or as if the same had been issued by or in favour of NML.
- 1.6 All suits, appeals or other legal proceedings of whatever nature by or against GSCL which shall be pending on the transfer date in or before any court, tribunal or other authority will be continued, prosecuted and enforced in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against GSCL as if this Scheme had not been made, by or against NML and the same shall not abate, be discontinued or be in any way prejudiced or affected by the provisions of this Scheme.
- 1.7 Every officer, workman or other employee of GSCL shall, on the transfer date, become an officer, workman or employee, as the case may be, of NML on the basis that his services have not been interrupted by the vesting of the undertakings of GSCL, in NML under this Scheme and on the same remunerations and other conditions of service, rights and privileges as to pension, provident fund and gratuity, if any, and other matters as were applicable to him before the transfer date.
- 2.1 As consideration for the said transfers, NML shall issue at par and allot to the individual members of GSCL one fully paid-up ordinary share of the par value of Rupees 10 each in the capital of NML for every 3.23 fully paid-up shares of the par value of Rs. 10 each held by them in the

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(PVT) LIMITED

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capital of GSCL, as on a day to be fixed by the Board of Directors of NML following the transfer date.

All costs, charges and expenses of carrying this scheme into effect shall be borne and paid by NML.

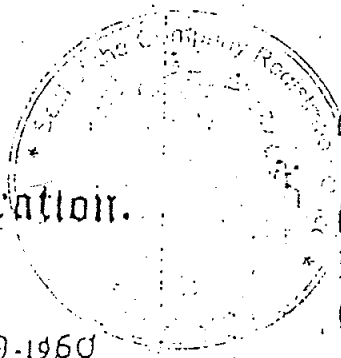
- 2.2 For the purpose of the allotments specified in clause 2.1 fractional entitlements of above 0.5 shall be rounded up to nearest one share and below 0.5 shall be ignored.
- 2.3 The said fully paid-up ordinary shares in NML to be issued and allotted to the members of GSCL shall rank *pari passu* in all respects with the existing fully paid-up ordinary shares in NML.
- 2.4 All members whose names shall appear in the Register of Members of GSCL on such date (after the transfer date) as the Board of Directors of NML may determine, shall surrender their share certificates for cancellation thereof to NML. In default, upon the new shares in NML being issued and allotted by it to the members of GSCL whose name shall appear on the Register of Members of GSCL on such date, as aforesaid, the share certificates in relation to the shares held by them in GSCL shall be deemed to have been cancelled.
- 2.5 The excess value of the net assets of GSCL as at 31 December 1992 over the paid-up value of shares issued and allotted pursuant to the terms of Clause 2.1 hereof shall be accounted for in the books of NML as at the transfer date, as follows:
- The Capital Reserves, Revenue Reserves and the unappropriated profit of GSCL, as at 31 December 1992 shall constitute Reserves of a corresponding nature of NML and the balance, if any, transferred to the General Reserves in NML.
- 3.0 The Chief Executives of NML and GSCL acting jointly or any person or persons duly authorised by them respectively shall be authorised to take all such further supplemental, incidental and consequential actions and steps as may be requisite for giving full effect to this Scheme and may consent on behalf of all concerned to any modification of or addition to this Scheme or to any condition which the Honourable Lahore High Court may think fit to impose.

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(PVT) LIMITED

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- 4.0 Subject to an order being made by the Honourable Lahore High Court under Section 287 of the Companies Ordinance 1984, GSCL shall, without winding up, stand dissolved from such date on which all shares to be allotted by NML under Clause 2 above to the member(s) of GSCL shall have been so allotted.
- 5.0 The approvals and/or confirmations and/or directions to the proposed transfer of undertakings as set out in Clauses 1.1 and 1.2 of this Scheme have been received from:
- a) Major creditors of GSCL and NML.
 - b) Loaning agencies.
- 6.0 This Scheme shall be subject to such modifications or conditions as the Honourable Lahore High Court may approve or impose.
- 7.0 In case this Scheme is not sanctioned by the Honourable Lahore High Court for any reason whatsoever or if for any other reason this Scheme cannot be implemented before 31 December 1993 or within such further period or periods as may be agreed upon by GSCL and NML (by their respective Directors) this Scheme shall become null and void and in that event no rights and liabilities shall accrue to or be incurred inter se by the parties in terms of this Scheme.

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Certificate of Incorporation.

KAR. No. 765 OF 19 59-1960

I hereby certify that N. I. S H A T

M I L L S . L I M I T E D .

is this day incorporated under the Companies Act, VII of 1913, and that the Company is Limited.

Given under my hand at K A R A C H I

this SIXTEENTH day of NOVEMBER

One thousand nine hundred and FIFTY - NINE.

(M. Y. SYDDIQI)

Registrar of Joint Stock Companies

I. S. C. M.

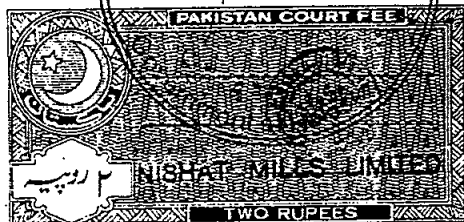
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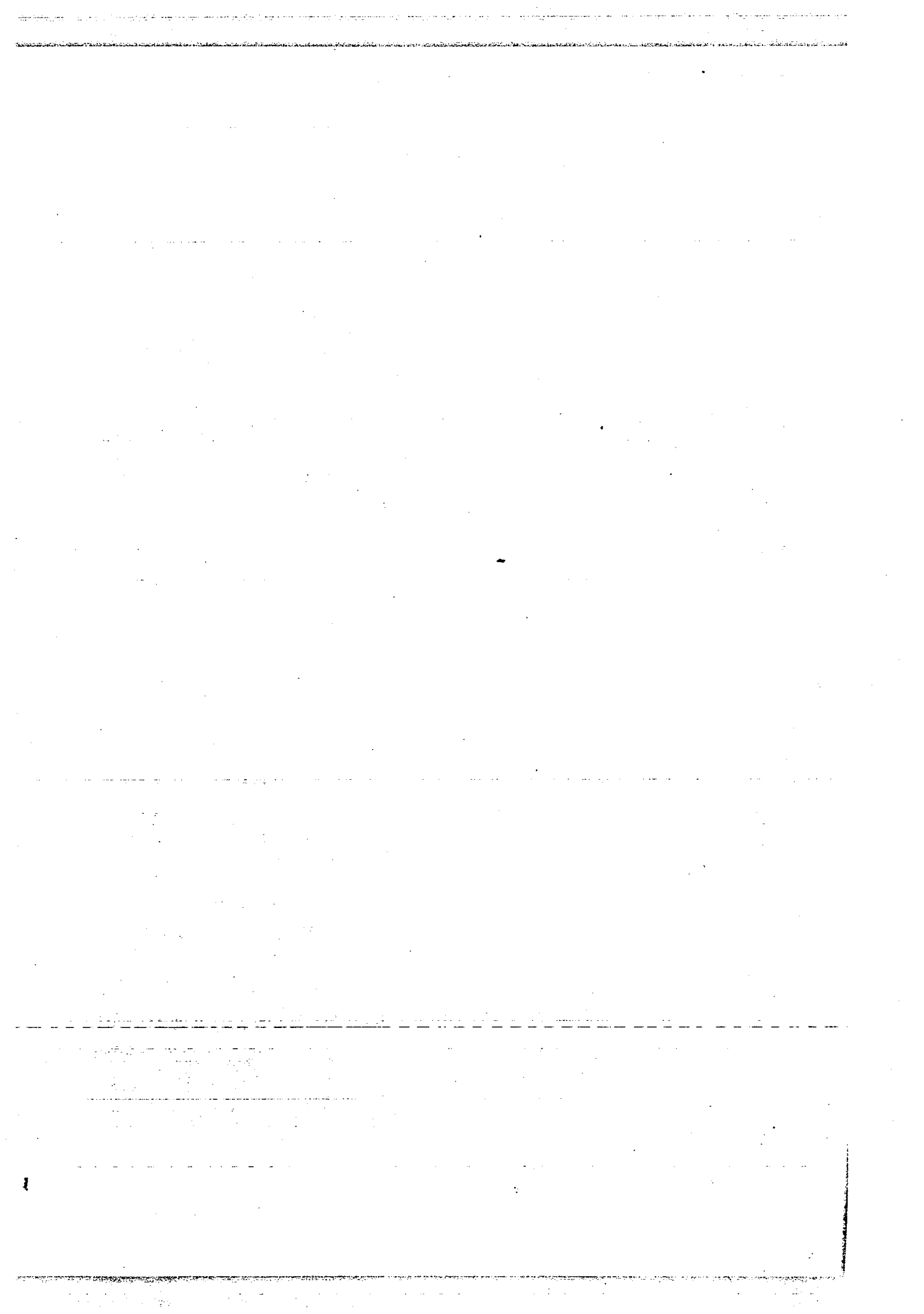
Certified to be true Copy

[Signature]

Joint Registrar of Companies
Company Registration Office
Government of Pakistan
Lahore.

127/149





MEMORANDUM OF ASSOCIATION

OF

NISHAT MILLS LIMITED

- I. The name of the Company is NISHAT MILLS LIMITED.
- II. The Registered Office of the Company shall be situated in the Province of Punjab, Pakistan.
- III. The objects for which the company is established are as follows:

"OBJECTS"

1. To acquire and take over as a going concern the business rights, liabilities and undertakings of the NISHAT TEXTILE MILLS, LYALLPUR a firm belonging to:

- 1) Haji Moula Bakhsh Esqr.
- 2) Mohammad Yakub Esqr.
- 3) Mohammad Shafi Esqr.
- 4) Abdul Hamid Esqr.
- 5) Mohammad Rafiq Esqr.
- 6) Mohammad Yahya Esqr.
- 7) Mohammad Ayoob Esqr.
- 8) Mohammad Farooq Esqr.
- 9) Mohammad Vasi Esqr.

and to carry on the same business in whole or in part, or in extended form and pay for the same in cash, shares or otherwise and with a view thereto, to enter into the agreement referred to Clause 3 of the Company's Articles of Association and to carry the same into effect with or without modification.

2. To carry on the business of textile manufacturers and of dyeing, bleaching, printing, combing, preparing, spinning, weaving, manufacturing; selling, buying and otherwise dealing in yarn, linen, cloth and other goods and fabrics made from raw cotton, silk, flax, hemp, jute and other materials.
3. To purchase or take on lease or otherwise acquire and work and spinning mills, weaving mills, ginning factories or presses for pressing merchandise into bales or any other similar concern an the property, business and goodwill appertaining thereto.
4. To purchase, sell, exchange and deal in cloth, yarn, cotton in process, raw cotton, jute, wool, silk, hemp and other fibrous articles; also drugs, chemicals, dyes, metals, stores and other articles and things.
5. To carry on the business of spinners, weavers manufacturers balers and pressers of all jute, cutting, jute rejections, hemp, cotton, wool, hair and other fibrous material, and to transact all manufacturing, curing, preparing, dying, colouring or bleaching processes and mercantile business that may be necessary or expedient, and to vend the raw materials, and manufactured articles.

6. To purchase, import, export, sell, comb, prepare, spin, weave, dye and otherwise deal in cotton, flax, jute, hemp, wool, silk and all or any fibrous and other allied products.
7. To import, export, buy, sell or otherwise deal in all kinds of textile machinery and equipment, their spare parts and accessories and to manufacture and deal in articles of all kinds required for the manufacturers of yarn, silk, wool, linen and cloth and other allied products.
8. To weave and otherwise manufacture, buy, sell, import, export and otherwise deal in all kinds of cloth and other goods and fabrics including textile, filled, netted and looped goods.
9. To carry on the business of manufacturers, importers, exporters, buyers, sellers and dealers in waterproof material and fabrics, paulines, American cloths, floor cloths and imitation leathers, rubber and allied goods.
10. To carry on all or any of the business of silk mercers, silk weavers furriers, haberdashers, hosiers, manufacturers, importers, and wholesale and retail dealers of and in textiles and gold and silver thread fabrics of all kinds, milliners, dressmakers, tailors, hatters, clothiers, outfitters, gloves, lace manufacturers and feather dressers and allied products of every description.
11. To make arrangements for the supply of cotton, wool, flax, hemp, silk, jute and other fibrous and similar products for use in the Mills run by the Company or otherwise, either directly or in cooperation with any other person and for this purpose to set up farms, estates and other establishments.
12. To purchase, or take on lease for any term of years or otherwise acquire land with or without buildings thereon at such price or rent and under and subject to such terms and conditions as to title or otherwise as may be thought fit and to erect, build and construct thereon such factories (ginning or otherwise), mills warehouses, tanks, chawls, and other buildings and to purchase take on lease or otherwise acquire such machinery, engines and apparatus and other property and erect them and such other therein as may be necessary for the purposes of the Company.
13. To manufacture, refine, improve, purchase, sell, export, import, stock, store or otherwise deal in woollen, cotton, silk, or mercerised articles, goods, yarn or raw material or any other quality of the same and to dye it or to manufacture therefrom articles of hosiery such as socks, stockings, underwears, outwears, banyans, jersies, muflers, bands or any other article of knitting line or embroidery of every description, beads, tapes, laces or any other goods of similar nature.
14. To erect, manufacture, contract, install, purchase or hire machinery, mills and factories for the manufacture of starch and other allied products.
15. To promote and establish working of woollen, cotton or spinning and weaving mills, khaddies or otherwise, carding, raising, machining and finishing of all cotton, silken and woollen goods, articles and yarns.
16. To carry on the business of Cotton Ginners, Cotton Pressers and Dealers in Cotton and any products thereof.

17. To carry on all or any of the business of oil from cotton seeds, rape seeds and all other varieties of seeds and all other sorts of oil and any products thereof and the manufactures and dealers of vegetable ghee.
18. To carry on the business of dealing and importing rubber either in its raw or manufactured state and to treat, prepare, render marketable and manufacture all articles of rubber including Motor and Cycle tyres.
19. To carry on business of dealers and Importers of Chemicals of all sorts.
20. To carry on business as general merchants, contractors, agents, importers, exporters, factors and warehousemen except managing agents.
21. To Transact or carry on all kinds of agency commission and contract business in Pakistan or abroad and in particular in relation to industrial, manufacturing and financial transactions and to act as agents of any person, firm, company, Government or local authorities except managing agents.
22. To carry on all kinds of contracts of Government, Local Bodies and other authorities.
23. To adopt such means of making known the products and business of the Company as may seem expedient and in particular by advertisement and publicity in the Press or otherwise, exhibitions, publication of books and periodicals and by granting prizes, rewards and donations.
24. To purchase or by any other means acquire and protect, prolong and renew, whether in Pakistan or elsewhere any patent rights, brevent, invention, licences, protections, concessions, and the like, which may appear likely to be advantageous or useful to the Company, and use and turn to account and to manufacture under or grant licences or privileges, in respect of the same and to spend money in experimenting upon and testing or in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
25. To employ experts to investigate and examine the condition, prospects, value, character and circumstances of any business, concerns and undertakings and generally of any assets, property or rights.
26. To carry on the business of electrical engineers, electricians, engineers, contractors, manufacturers, contractors, suppliers of and dealers in electrical and other appliances, cables, wire-lines, dry cells, accumulators, lamps and works and to generate, accumulate, distribute and supply electricity for the purpose of light, heat, motive power and for all other purposes for which electrical energy can be employed and to manufacture and deal in all apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity, including in the term electricity all powers that may be directly or indirectly derived therefrom or may be incidentally hereafter discovered in dealing with electricity.
27. To underwrite, subscribe, acquire, invest, hold, sell, divest, exchange or transfer shares, debentures stocks, bonds, modaraba certificates, participation term certificates, term finance certificates or other securities issued or guaranteed by any company, constituted in Pakistan or abroad or issued or guaranteed by any Government, State, sovereign, rulers, Commissioners, public body or authority, supreme, local or others and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

28. To borrow raise or secure the payments of money by the issue of debentures, debenture-stock, bonds, obligations and securities of all kinds or on personal security or without security, and to frame, constitute, and secure same as may seem expedient, with full power to make the transferable by delivery, or by instruments of transfer or otherwise and either perpetual or terminable, and either redeemable or otherwise on the undertaking of the Company or upon and specific property and rights, present and future of the Company.
29. To receive fixed and other deposits, except the business of a Banking Company.
30. To pay for any property or rights acquired by the Company, either in cash fully paid shares or by the issue of securities, or partly in one mode and partly in another and generally on such terms as may be determined.
31. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchanges, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
32. To establish and support, or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit employees and ex-employees of the Company, or its predecessors in business or the dependents or connections of such persons and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.
33. To invest and deal with any money of the Company in such form as may be thought expedient.
34. To acquire and carry on all or any part of the business or property and to undertake any liabilities of any person, firm, association or company carrying on any business which the Company is authorised to carry on or possessed of property or rights suitable for any of the purposes of this Company and as the consideration for the same to pay cash or to issue any shares stocks or obligations of this Company.
35. To promote and form and to be interested in and to take, hold and dispose of shares and securities in any other company having objects altogether or in part similar to those of this Company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company and to transfer to any such company all or any of the property, rights and liabilities of this Company and to subsidise or otherwise assist any such company.
36. To appoint such person and/or firm as may be deemed expedient to be secretaries, managers, branch managers, or district representatives of the Company upon such terms as the Company may determine.
37. To undertake and execute any trust the undertaking whereof may seem desirable and either gratuitously or otherwise.
38. To procure the Company to be registered or recognised in any foreign country or any place.
39. To enter into partnership or arrangement in the nature of a partnership, cooperation or union of interests, with any person or persons Company or Corporation engaged or interested or about to become engaged or interested in the carrying on or conduct any business or enterprise which the Company is authorised to carry on or conduct or from which the Company would or might derive any benefit, whether direct or indirect.

40. To sell or dispose of the undertaking of the Company or any part thereof in such manner and for such considerations as the company may think fit and in particular for shares, debentures, debenture stock or securities or any other company whether promoted by this Company for tile purpose or not, and to improve, manage, develop, exchange, lease, dispose off turn to account, or otherwise deal with all or any part of the property and rights of the Company.
41. To pay all the preliminary expenses of any kind and incidental to the formation and incorporation of the Company out of the funds of the Company.
42. To distribute any of the company's property among the members in specie or in any manner whatsoever.
43. To take part in the formation, management, subsidising, supervision or control of the business or operations, of any Company or undertaking and for the purpose to act as directors, trustees, administrators, managers, secretaries or in any other capacity and to appoint and remunerate any directors, administrators, managers or accountants or other experts.
44. To advance and lend money on the security of assets of all kinds or without security upon such terms as may be arranged.
45. To give any guarantee in relation to the payment of any loan, debenture-stock, bonds, obligation, securities and to guarantee the payment of interest thereon or of dividends on any stock or shares of the Company.
46. To constitute any trust with a view to the issue of stocks or securities based on or representing any shares, stocks, or other assets specially appropriated for the purpose of any such trust and to settle and regulate, and if thought fit, to undertake and execute any such trusts and to issue, dispose or hold any preferred, deferred or other special stocks or securities.
47. To cause the Company to be registered or recognized in Pakistan or any other country.
48. To issue any shares of the Company at par or at a premium or debentures at premium or at a discount.
49. To remunerate any person or Company for services rendered or to be rendered, in placing or assisting to place or guaranteeing, the placing of or under-writing of any of the shares in the Company's capital or any debentures, debenture-stock or other securities of the Company, or in or about the formation and promotion of the Company or the conduct of its business.
50. To enter into any arrangement with any Government or authority, supreme, municipal, local or otherwise that may seem conducive to the Company's objects or any of them, and to obtain any such Government or authority, all right, concessions and privileges which the Company may think it desirable to obtain, and to carryout, exercise and comply with all such arrangements, rights, privileges and concessions.
51. To carry on various other businesses which in the opinion of the Company it is desirable or convenient to carry on in conjunction with or In lieu of any other business which the Company is authorised to carry on.

52. To do all or any of the above things in any part of the world, and either at principals, agents, trustees, or otherwise and either alone or in conjunction with others and, by or through agents, subcontractors, trustees or otherwise.
- 52.A To issue Corporate Guarantee(s) to any of the Corporate or non Corporate bodies including but not limited to the Financial Institutions/Banks on behalf of Subsidiaries and Associated Companies/Undertakings for obtaining loans, and other financial facilities.
53. To do all such other things as are incidental or the Company may think conducive to the attainment of the above objects or any of them it is hereby declared that in the interpretation of this clause the power conferred upon the Company by any paragraph, shall not be restricted by reference to any other paragraph, or by the juxtaposition of two or more objects and that in the event of the any ambiguity in this clause every paragraph thereof shall be constructed in such a way as to widen not to restrict the power of the Company.
- IV. The liability of Members is Limited.
- V. The Authorized Capital of the Company shall be Rs.11,000,000,000/- (Rupees Eleven Billion Only) divided into 1,100,000,000 (One Billion One Hundred Million) ordinary shares of Rs.10/- each. The Company shall have the power to increase, reduce or reorganize the said capital and divided shares in the capital for the time being in several classes in accordance with the provisions of the Companies Ordinance, 1984.

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

S. No.	Name & Surname (present and former) in full (in Block letters)	Father's / Husband's Name	Nationality with any former Nationality	Occupation	Residential address (Full)	Number of shares taken by each subscriber	Signature

Total number shares taken

Dated this _____ day of _____ 20

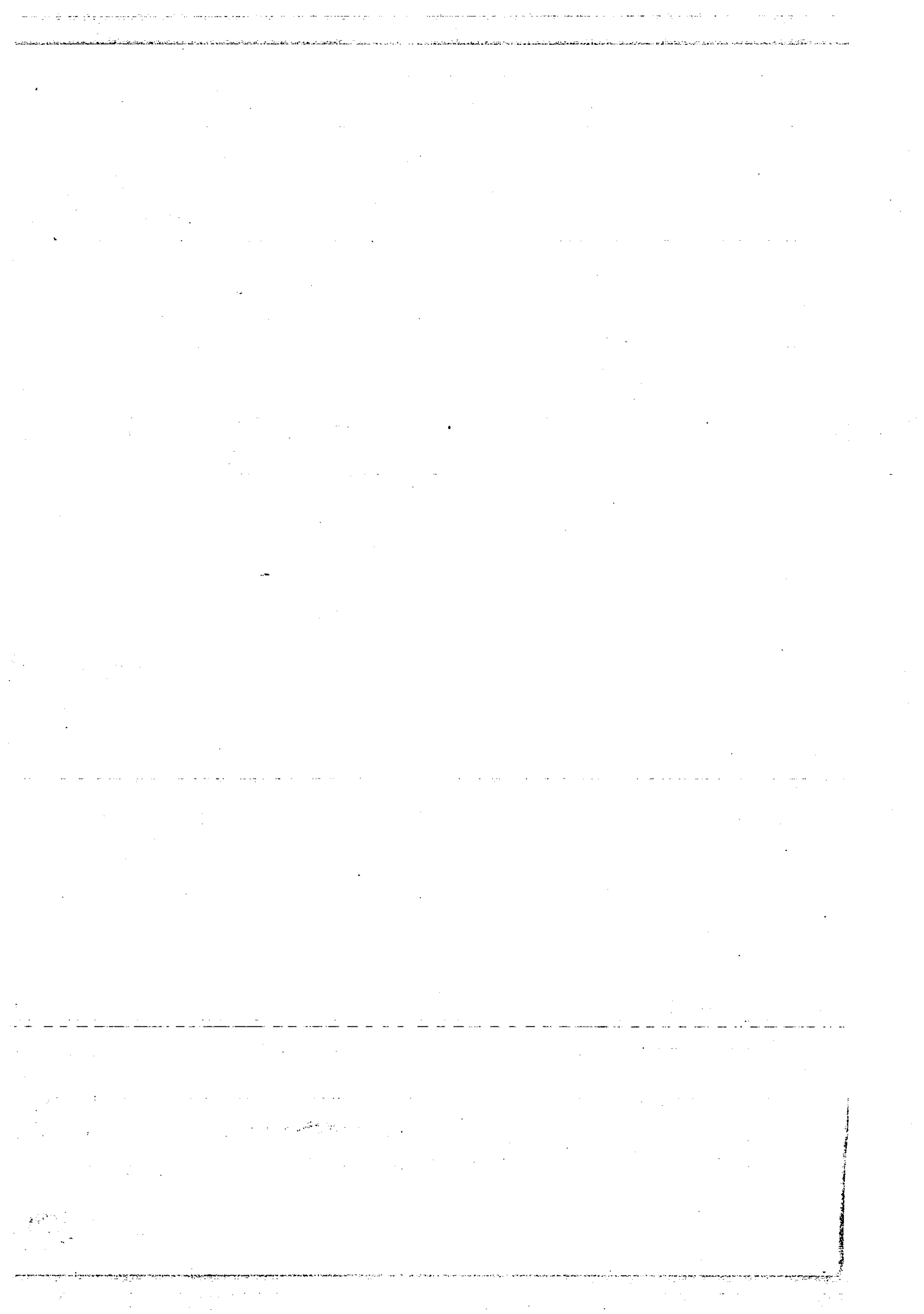
Signature _____

Witness:

Occupation _____

Full Name _____ Full address _____

Father's/Husband's Name _____



THE COMPANIES ORDINANCE, 1984

ARTICLES OF ASSOCIATION

OF

NISHAT MILLS LIMITED

COMPANY LIMITED BY SHARES

I. PRELIMINARY

1. TABLE "A" Not to Apply

The regulations in Table 'A' in the First Schedule to the Companies Ordinance, 1984 shall not apply to the Company except so far as the same are repeated or contained in these articles.

2. DEFINITIONS

Unless the context otherwise requires, the terms used in these articles shall have the meanings set out below:

- (a) **"Articles"** mean these articles of association of the company as originally framed or as from time to time altered by in accordance with the law.
- (b) **"Board"** means the group of directors in a meeting duly called and constituted or, as the case may be, the directors assembled at a board.
- (c) **"Book and paper"**, "book or paper" or "books of account" mean accounts, deeds, vouchers, writings and documents, maintained on paper or computer network, floppy, diskette, magnetic cartridge tape, CD-Rom or any other computer readable media;
- (d) **"Buy-back of shares rules"** mean the Companies (Buy-Back of Shares) Rules, 1999 and The Companies (Buy Back of Shares) Regulations or any modification or re-enactment thereof.
- (e) **"Company"** means NISHAT MILLS LIMITED.
- (f) **"Central depository"** means a central depository as defined in clause (ca) of section 2 of the Securities and Exchange Ordinance, 1969 (XVII of 1969) and registered with the Securities and Exchange Commission of Pakistan under section 32 A of the said Ordinance.
- (g) **"Central Depositories Act"** means the Central Depository Act, 1997 or any modification or re-enactment thereof.
- (h) **"Central Depository Regulations"** mean the central depository company of Pakistan limited regulations made pursuant to section 35(1) of the Central Depository Act, 1997 or any modification or re-enactment thereof.

- (i) **"Central Depository Register"** means a computerised electronic register maintained by a central depository in respect of book-entry securities.
- (j) **"Code"** means the code of corporate governance.
- (k) **"Commission"** means the Securities and Exchange Commission of Pakistan established under section 3 of the Securities and Exchange Commission of Pakistan Act, 1997.
- (l) **"Directors"** mean the directors for the time being of the company including alternate directors and, subsequently elected pursuant to Companies Ordinance, 1984 or as the case may be, the directors assembled at a board.
- (m) **"Dividend"** includes cash dividend, dividend in species and bonus shares.
- (n) **"Electronic"** includes electrical, digital, magnetic, optical, bio-metric, electro-chemical, wireless or electromagnetic technology.
- (o) **"Electronic Transactions Ordinance"** means the Electronic Transactions Ordinance, 2002 or any modification or re-enactment thereof.
- (p) **"In Person"** includes attendance and/or voting at a meeting, personally or by video or telephone-conference or other facility whereby all the participants of the meeting can hear and / or see each other unless expressly stated otherwise by the directors.
- (q) **"Instrument of transfer"** includes transfer deeds and any record of transfer of book-entry securities in the central depository register, provided by the central depositories act and the central depository regulations.
- (r) **"Issue of capital rules"** mean Companies (issue of capital) Rules, 1996 or any modification or re-enactment thereof.
- (s) **"Listing requirements"** mean the listing regulations of the stock exchanges.
- (t) **"Member"** means a person whose name is for the time being entered in the register of members by virtue of his being a subscriber to the memorandum of association of the company or of his holding by allotment or otherwise any share, scrip or other security which gives him a voting right in the company including but not limited to the account holders of a central depository.
- (u) **"Memorandum"** means the memorandum of association of the company as originally framed or as from time to time altered in accordance with law.
- (v) **"Month"** means calendar month according to the English calendar.
- (w) **"Office"** means the registered office for the time being of the company.
- (x) **"Ordinance"** means the Companies Ordinance, 1984 or any modification or re-enactment thereof for the time being in force.

- (y) **"Preference shares"** not being ordinary shares mean preference shares whether redeemable or irredeemable, participatory or non-participatory, convertible or non convertible, cumulative or otherwise with the rights, privileges and conditions attaching thereto as are provided by the articles.
- (z) **"Preference shareholders"** not being ordinary shareholders mean, in relation to the Company, every person to whom the company has allotted, or who becomes the holder of such shares and whose name is entered in the register of members.
- (aa) **"Proxy"** includes an attorney duly constituted under a power of attorney.
- (ab) **"Record"** includes, in addition to a written or printed form, any disc, tape, sound-track, film or other device in which sounds and / or other data is embodied so as to be capable (with or without the aid of some other instrument or machine) of being reproduced therefrom in audible, legible or visual form.
- (ac) **"Register"** means, unless the context otherwise requires, the register of members and include the register of debenture-holders or holders of other securities maintained on paper or computer network, floppy, diskette, magnetic cartridge tape, CD-Rom or any other computer readable media; to be kept pursuant to section 147 of the Ordinance and / or Central Depository Register under the Central Depositories Act and the Central Depository Regulations.
- (ad) **"Registrar"** means a registrar, defined in section 2 (1) (31), performing the duty of registration of companies under the Ordinance.
- (ae) **"Regulations"** mean the rules of governance of the company made by the board from time to time.
- (af) **"Seal"** means the common or official seal of the company.
- (ag) **"Section"** means section of the Ordinance.
- (ah) **"Share Capital Rules"** mean the companies' Share Capital (Variation in Rights and Privileges) Rules, 2000 or any modification or re-enactment thereof.
- (ai) **"Sign" and "Signature"** unless otherwise provided in these articles, include respectively lithography, printing facsimile, "advanced electronic signature" which is capable of establishing the authenticity and integrity of an electronic document, as defined by section 2(e) of the Electronic Transactions Ordinance, and names impressed with a rubber or other kind of stamp.
- (aj) **"Special Resolution"** means the special resolution of the company as defined in section 2(1) (36) of the Ordinance.
- (ak) **"Stock Exchanges"** mean the Islamabad, Lahore and Karachi Stock Exchanges and such other Stock Exchanges as may be established in Pakistan.

3. Interpretation

In these articles, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa and words denoting any gender shall include all genders;
- (b) references to any act, ordinance, legislation, the code, the listing requirements, rules or regulations or any provision of the same shall be a reference to that act, ordinance, legislation, the code, the listing requirements, rules or regulations or provisions, as amended, re-promulgated or superseded from time to time;
- (c) the terms "include" or "including" shall mean include or including without limitation;
- (d) expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form, including but not limited to, electronic transmission such as facsimile, and electronic mail or any other electronic process, as prescribed by section 3 of the Electronic Transactions Ordinance.
- (e) words importing persons shall include bodies corporate; and
- (f) words and expressions contained in these articles shall bear the same meaning as in the Ordinance.

REGISTERED OFFICE

- 4. The registered office of the company shall be in the Province of Punjab as the directors shall from time to time appoint.

PUBLIC LIMITED COMPANY

- 5. The company is a public limited company within the meanings of section 2(1), Clause (30) of the Companies Ordinance, 1984.

BUSINESS

- 6. All branches or kind of business which the company is either expressly or by implication authorised to undertake may be undertaken by the directors at such time or times as they shall think fit, and further may be allowed by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the directors may deem it expedient not to commence or proceed with such branch or kind of business.

II. CAPITAL

SHARES

- 7. Subject to provisions of the Ordinance and any rules in that regard made under the Ordinance, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the company may be issued with different rights, restrictions and privileges, including but not limited to the following as may be approved by the company by special resolution:
 - (1) different voting rights; voting rights disproportionate to the paid-up value of share held; voting rights for specific purposes only; or no voting rights at all;

- (2) different rights for entitlement of dividend, right shares or bonus shares or entitlement to receive the notices and to attend the general meetings;
 - (3) rights and privileges for indefinite period, for a limited specified period or for such periods as may from time to time be determined by the company;
 - (4) different manner and mode of redemption, including redemption in accordance with the provisions of these articles, subject to the provisions of the Ordinance, including but not limited to, by way of conversion into shares with such rights and privileges as determined by the company in the manner and mode provided in these articles; and
 - (5) different rights and privileges for listing or non-listing of any class of shares
8. Subject to provisions of the Ordinance and any rules in that regard made under the ordinance, the company may issue shares which are to be redeemed or any other redeemable security, on such terms and in such manner as may be provided in the Ordinance and rules.
9. Subject to provisions of the Ordinance and these articles and subject to any special rights or privileges for the time being attached to any issued shares, the shares in the capital of the company for the time being, including any new shares resulting from an increase in the authorized capital, shall be under the control of the directors who may allot or otherwise dispose of the same or any of them to such persons, on such terms and conditions, and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no direction be given, as the directors shall determine and at such times and in such manner as the directors think fit, either at par or at a premium or subject to provisions of the Ordinance at a discount, with power to the directors to give any person the right to call for and be allotted shares of any class of the company at par or at a premium or, subject as aforesaid, at a discount, such option being exercisable at such time, and for such consideration as the directors think fit. Provided that the shares in the capital of the company shall always be issued as fully paid shares and no shares shall be issued as partly paid shares. The directors shall, as regards any allotment of shares, duly comply with the provisions of the Ordinance, the Central Depositories Act, the Central Depository Regulations, the Issue of Capital Rules and the Share Capital Rules, as may be applicable to the company.
10. The directors may allot and issue shares in the capital of the company at payment or part payment for any property sold or transferred, or for services rendered, to the company in the ordinary course of its business, and shares so allotted shall be issued as and shall be deemed to be fully paid shares.
11. The board shall, as regards any allotment of shares, duly comply with such provisions of the Ordinance as may be applicable.
12. The company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture stock in the company or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares, debentures or debenture stock in the company; Provided, that, if the commission in respect of shares shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with, and the amount or rate of commission shall not exceed such percentage on the shares, debentures or debenture stock in

each case subscribed or to be subscribed, as may be determined by the board subject to any limits required by law. The commission may be paid or satisfied, either wholly or partly, in cash or in shares, debentures or debenture stock. The company may also on any issue of shares pay such brokerage fees as may be lawful; Provided that such brokerage fees shall not exceed such percentage of the shares, debentures or debenture stock paid-up as may be determined by the board, subject to any limits required by law.

13. Subject to the provisions of the Ordinance and any rules in that regard made under the Ordinance, the company may purchase its own shares on such terms and in such manner as may be provided in the Ordinance and Share Capital Rules.
14. Except as permitted in the Ordinance and any rules in that regard made under the Ordinance, no part of the funds of the company shall be employed in the purchase of its own shares or in giving, whether directly or indirectly and whether by means of a loan, guarantee, security or otherwise, any financial assistance for the purpose of or in connection with a purchase made or to be made by any person of or any shares in the company.
15. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these articles or by law otherwise provided or under an order of a court of competent jurisdiction) any other rights in respect of any share except any absolute right to the entirety thereof in the registered holder.
16. Save as herein otherwise provided, the company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as by statute required, be bound to recognise (even when having notice thereof) any benami, equitable, contingent, future, partial or other claim or right to or interest in such share on the part of any other person.
17. Shares may be registered in the name of persons, any limited company or other corporate body. Not more than four persons shall be registered as joint-holders of any share.
18. If any share or shares stand in the name of two or more persons, the person first named in the register shall, as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the company except voting at the meeting and the transfer of shares, be deemed the sole holder.

RIGHTS PRIVILEGES AND CONDITIONS ATTACHED TO SHARES

19. As regards income, the profits which the company may determine to distribute in respect of any financial year or other period for which the accounts shall be made up, shall be applied in the following order of priority:
 - (1) In paying the holders of the preferences shares, the right to a preferential dividend, cumulative or non cumulative, as determined by the board on the capital paid up thereon payable as regards each financial year out of the profits of the company resolved to be distributed in respect of that year, but shall not be entitled to any further participation in profits; and

- (2) Subject to the rights of any class of shares for the time being issued, in distributing the balance amongst the holders of the ordinary shares, according to the amounts paid up on the ordinary shares held by them, respectively.
20. As regards conversion, the company may partly or wholly convert the preference shares at the terms and conditions of their issue.
21. As regards redemption, subject to provisions of the Ordinance, the company may, upon giving the holders of the shares to be redeemed, notice in writing, redeem the whole or any part of the preference shares in accordance, respectively, with the terms and conditions of their issue.
22. As regards capital, on a return of capital in a winding up or otherwise (except upon the redemption of shares of any class of preference shares or the purchase by the company of its own shares), the surplus assets of the company remaining after payment of its liabilities shall be applied in the following order of priority:
- (1) in paying to the holders of the preference shares, the capital paid up on the same without any further right to participate in profits or assets; and
- (2) subject to the rights of any other class of shares for the time being issued, in distributing the balance amongst the holders of the ordinary shares according to the amounts paid up on the ordinary shares held by them respectively.
23. As regards entitlement to bonus or right shares, the holders of preference shares shall not be entitled to bonus or right shares in the event that the company increases its capital by the issue of further shares or otherwise.
24. As regards voting rights, the holders of the preference shares shall not be entitled to receive notice of, attend, or vote at, any general meeting of the company, except as otherwise provided by the Ordinance, whereby the holders of such shares would be entitled to vote separately as a class, that is, with respect to voting entitlement of the preference shareholders on matters affecting, respectively, their substantive rights and liabilities. Without prejudices to the foregoing, the holders of preference shares may attend the general meeting of the company as observers with prior permission of the chairman of the meeting.

CERTIFICATES

25. The certificates of title to shares and duplicate thereof shall be issued under the seal of the company and signed by two of the directors or by one such director and the secretary provided that such signatures may if necessary be printed lithographed or stamped subject to the approval of the directors.
26. Every member shall be entitled to one certificate for all the shares registered in his name, or, if the directors so approve, to several certificates each for one or more of such shares, but in respect of each certificate for less than one hundred shares, the directors shall be entitled to charge a fee of Rupees 10 or such lesser sum as they may determine. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued.

27. The company shall within ninety days after the allotment of any shares, debentures or debenture stock and within forty-five days (or where the transferee is a central depository, within five (5) days) after receipt by the company of the application for transfer of any such shares, debentures or debenture stock complete and have ready for delivery the certificate (such expression shall hereinafter be deemed to include book-entry security as defined in the Central Depositories Act, and the Central Depository Regulations) of all shares, the debentures and the certificate of all debenture stock allotted or transferred, and unless sent by post or delivered to the person entitled thereto within the period aforesaid the company shall immediately thereafter give notice to that person in the manner prescribed in these articles for the giving of notices to members that the certificate is ready for delivery.
28. If a certificate of shares, debenture or debenture stock is proved to the satisfaction of the company to have been lost or destroyed or, being defaced or mutilated or torn, is surrendered to the company, and the company is requested to issue a new certificate in replacement thereof, the company shall, after making such enquiry as it may deem fit, advise the applicant within thirty days from the date of application the terms and conditions (as to indemnity and otherwise and as to payment of the actual expenses incurred on such enquiry and of a fee not exceeding ten rupees per certificate) on which the company is prepared to issue a new certificate and a time for compliance therewith or of the reasons why the company is unable to issue a new certificate, as the case may be, and in the former case if the applicant shall within the time allowed comply with the terms and conditions specified, the company shall issue a new certificate to the applicant within forty five days from the date of application.
29. The company shall not be bound to issue more than one certificate in respect of a share or shares held jointly by two or more persons and delivery of a certificate for a share to any one of joint holders shall be sufficient delivery to all.

TRANSFER AND TRANSMISSION

30. (1) The directors shall not refuse to register the transfer of fully paid shares unless the instrument of transfer is defective or invalid or is not accompanied by the certificate of the share(s) to which it relates. The directors may also decline to recognise any instrument of transfer unless it is accompanied, in addition to the certificate of the shares to which it relates, by such other evidence as the directors may reasonably required to show the right of the transferor to make the transfer. The directors may waive the production of any certificate upon evidence satisfactory on them of its loss or destruction.
- (2) If the directors refuse to register a transfer of any shares they shall, within thirty (30) days (or where the transferee is a central depository, within five (5) days) after the date on which the instrument of transfer was lodged with the company, send to the transferee notice of the refusal indicating the reason for such refusal; provided that if the directors refuse to register a transfer of shares on account of a defect in or the invalidity of the instrument of transfer, the transferee shall be entitled, after removal of such defect or invalidity, to re-lodge the instrument of transfer with the company.
31. Shares in the company shall be transferred in accordance with the Central Depositories Act and the Central Depository Regulations. If the shares of the company are not registered in the central depository, the same may be transferred through the instrument of transfer accompanied with

attested copy of CIC/Passport. The instrument of transfer of any share shall be in writing in the usual common form, or in the following form, or as near thereto as circumstances will admit:

"I/We, of in consideration of the sum of Rupees only (Rs.) paid to me/us by of (hereinafter called the 'said transferee(s)') do hereby transfer to the said transferee(s) share(s) numbered To Inclusive, standing in my/our name(s) in the books of **NISHAT MILLS LIMITED**, to hold unto the said transferee(s) his/her/their executors, administrators and assigns, subject to the several conditions on which I/we hold the same at the time of execution hereof, and I/we the said transferee(s) do hereby agree to take the said share(s) subject to the conditions aforesaid.

As witness our hands the day of thousand and "

Signed by the said transferor in
the presence of

Transferor's signature
Transferor's occupation

Witness
Occupation
Address

Signed by the said transferee in
the presence of

Transferee
Signature
Full Name
Father's/ Husband's Name
Nationality
Occupation
Full Address

Witness
Occupation
Address

32. No transfer shall be made to a minor or person of unsound mind.
33. All registered instruments of transfer shall be retained by the company, but any instrument of transfer which the directors may decline to register shall be returned to the person depositing the same.
34. The instrument of transfer of any share in the company shall be duly stamped and executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share(s) until the name of the transferee is entered in the register in respect thereof.
35. On giving seven days previous notice in the manner provided in the Ordinance and articles, the transfer books and register may be closed during such time as the directors think fit, not exceeding in the whole forty-five days in each year, but not exceeding thirty days at a time.

36. Any member may make and deposit with the Company a nomination in writing specifying one or more eligible persons who or each of whom, in the event of the death of the member, may be entered in the register as the holder of such number of shares specified in the nomination for such nominee or each such nominee of which the member remains the registered holder, at the date of his death. A person shall be eligible for nomination for the purposes of this article only if he is a spouse, parent, brother, sister or child of the member nominating him and the applicable relationship all should be specified in the nomination in respect of each nominee. A member may at any time by notice in writing cancel, or by making and depositing with the company another nomination before his death vary any nomination already made by him pursuant to this article. In the event of the death of a member any person nominated by him in accordance with this article may, on written application accompanied by the relative share certificates and evidence establishing the death of the member, request the company to register himself in place of the deceased member as the holder of the number of shares for which the nomination in his favour had been made and deposited with the company, and if it shall appear to the Directors that it is proper so to do, the Directors may register the nominee as the holder of those shares in place of the deceased member.
37. The executors or administrators or the nominee appointed under provisions of the Ordinance of a deceased member (not being one of several joint-holders) shall be the only persons recognised by the company as having any title to the shares registered in the name of such member, and in case of the death of any one or more of the joint-holders of all registered shares (such expression shall hereinafter be deemed to include registration as a sub-account holder of a central depository under the Central Depositories Act and the Central Depositories Regulations) ,the survivors shall be the only persons, recognised by the company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any executor or administrator, the directors may require him to obtain a grant of probate or nomination as mentioned above or letters of administration or other legal representation, as the case may be, from some competent court in Pakistan having effect in Lahore. Provided nevertheless that in any case where the board in its absolute discretion think fit, it shall be lawful for the directors to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnity or otherwise as the directors, in their absolute discretion, may consider necessary.
38. Any person becoming entitled to a share in consequence of the death or insolvency of a member may upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as the holder of the share or instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or insolvency as the case may be.
39. Any committee or guardian of a lunatic or minor member or any person becoming entitled to a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the characters in respect of which he proposes to act under this article, or of his title, as the directors think sufficient, shall have the right to be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained, transfer such share.

40. Neither the company nor the directors nor any other officer of the company shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the company or the directors or any other officer of the company, as aforesaid, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and, notwithstanding that the company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case the person registered as transferee, his executors, administrators and assigns alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the company is concerned, be deemed to have transferred his whole title hereto.

ALTERATION OF CAPITAL

41. The company may by ordinary resolution and subject to compliance with the requirements of provisions of the Ordinance increase the authorized share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
42. Subject to the provisions of the Ordinance and of the Central Depositories Act, the company may, by ordinary resolution;
- (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
 - (b) sub-divide of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
43. The directors may from time to time increase the issued share capital by such sum as they think fit. Except as otherwise permitted by the provisions of the Ordinance, Issue of Capital Rules, the listing requirements and provisions of the Central Depositories Act, as are applicable to the company and subject to any special rights or privileges for the time being attached to any issued shares, all shares intended to be issued by the directors shall, before issue, be offered to the members strictly in proportion to the amount of the issued shares held by each member (Irrespective of class); provided that fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the company and the proceeds from such disposition shall be paid to such of the entitled members as may have accepted such offer. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the directors may dispose of the same in such manner as they think fit. In respect of each such offer of shares the directors shall comply with the provisions of the Ordinance. Any difficulty in the apportionment of shares amongst the members, such difficulty shall, in the absence of any directions given by the company in general meeting, be determined by the directors.

44. Except so far as otherwise provided by the conditions of issue or by these articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to transfer and transmission and otherwise.
45. Subject to the provisions of the Ordinance, if, owing to any inequality in the number of new shares to be issued and the number of shares held by a member entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the company in general meeting, be determined by the directors.
46. The company may, by special resolution, reduce its share capital in any manner, with and subject to, any incident authorized and consent required by law.
47. The share premium account maintained pursuant to provisions of the Ordinance may be applied by the company:
 - (a) in writing off the preliminary expenses of the company;
 - (b) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
 - (c) in providing for the premium payable on the redemption to any redeemable preference shares or debentures of the company; or
 - (d) in paying up un-issued shares of the company to be issued as fully paid bonus shares.
48. Subject to the provisions of the Ordinance, the directors may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

VARIATION OF SHAREHOLDERS' RIGHTS

49. Whenever the capital is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of the Ordinance, be modified, commuted, affected, abrogated or dealt with by agreement between the company and any person purporting to contract on behalf of that class provided such agreement is (a) ratified in writing by the holders of at least three-fourths in nominal value of the issued shares of the class or (b) confirmed by a special resolution passed at an extraordinary general meeting of the holders of shares of that class and all the provisions hereinafter contained as to general meetings, shall, mutatis mutandis, apply to every such meeting. This article shall not by implication curtail the power of modification which the company would have if this article were omitted.

III. MEETINGS

CONVENING OF GENERAL MEETINGS

50. Except as may be allowed under the provisions of the Ordinance and listing requirements, the company shall hold a general meeting once at least in every calendar year within a period of four months following the close of its financial year in the town in which the office is situated and at such time and place as may be determined by the directors, provided that no greater interval than fifteen months shall be allowed to elapse between two such general meetings. The

company may, for any special reason and with permission of the commission, extend the time within which any annual general meeting, not being the first such meeting, shall be held.

51. The company shall hold its annual general meeting in the town in which the registered office is situate; provided that, it may, for any special reason and with permission of the commission, hold the said meeting at any other place. Save as aforesaid, the company may hold its general meeting at two (2) or more venues using any technology that gives the members as a whole a reasonable opportunity to participate in the meetings.
52. All general meetings of the company, other than the statutory meeting or any annual general meeting, shall be called extraordinary general meetings, and shall be subject to the provisions of the Ordinance and listing requirements.
53. The directors may, whenever they think fit, and they shall, on the requisition of the holders of not less than one-tenth of the issued capital of the company, forthwith proceed to convene an extraordinary general meeting of the company. If at any time there are not within Pakistan sufficient directors capable of acting to form a quorum, any director of the company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by the directors, and in the case of such requisition the following provisions shall have effect:
 - (1) The requisition must state the objects of the meeting and must be signed by the requisitioners and deposited at the office and may consist of several documents in like form each signed by one or more requisitioners.
 - (2) If the directors do not proceed within twenty-one days from the date of the requisition being so deposited to cause a meeting to be called, the requisitioners or a majority of them in value may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.
 - (3) Any meeting convened under this article by the requisitioners shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the directors but shall be held at the office.
 - (4) A requisition by joint-holders of shares must be signed by all such holders.
54.
 - (1) Notice of a general meeting shall be sent in the manner hereinafter mentioned under the provisions of Ordinance and listing requirements to all such persons as are under these articles or the Ordinance entitled to receive such notices from the company and shall specify the place and the day and hour of the meeting and the nature of the business to be transacted thereat.
 - (2) In the case of an emergency affecting the business of the company, an extraordinary general meeting may be convened by such shorter notice than that specified in these articles as the Registrar may authorise.
 - (3) Where any special business, that is to say, business other than consideration of the accounts, balance sheet and the reports of the directors and auditors, the declaration of dividend, the appointment and fixation of the remuneration of auditors and, where the notice convening the meeting provides for the election of directors, (all such matters being herein referred to as ordinary business) is to be transacted at a general meeting,

there shall be annexed to the notice of such meeting a statement setting out all such facts as may be material for the consideration of such business including the nature and extent of the interest (whether direct or indirect) of any director, and where the item of business involves approval of any document, the time and place appointed for inspection thereof, and to the extent applicable such a statement shall be annexed to the notice also in the case of ordinary business to be transacted at the meeting.

- (4) Where a resolution is intended to be proposed for consideration at a general meeting in some special or particular form, a copy thereof shall be annexed to the notice convening such meeting.
 - (5) If a special resolution is intended to be passed at a general meeting, the notice convening that meeting shall specify the intention to propose the resolution as a special resolution.
 - (6) A notice for a general meeting at which an election of directors is to take place shall state the number of directors to be elected at that meeting and the names of the retiring directors.
 - (7) The notice of every general meeting shall prominently specify that a proxy may be appointed who shall have the right to attend, demand or join in demanding a poll and vote on a poll and speak at the meeting in the place of the member appointing him and shall be accompanied by a form of proxy acceptable to the company.
 - (8) The company shall comply with the provisions of the Ordinance with regard to giving notices of general meetings.
55. The accidental omission to give any such notice to, or the non-receipt of notice by, any of the members shall not invalidate the proceedings at any such meeting.

PROCEEDINGS AT GENERAL MEETINGS

56. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise, provided ten (10) members present in person or by proxy representing twenty five percent (25%) of the total voting power shall be a quorum.
57. The chairman of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he shall not be present in person within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the chief executive shall preside as chairman of the meeting, or if the chief executive is absent or unwilling to act, any one of the directors present in person may be elected to be chairman of the meeting, or if no director be present in person, or if all the directors present in person decline to take the chair, the members present in person shall choose one of their member to be chairman of the meeting.

58. If within half-an-hour from the time appointed for the meeting, a quorum is not present, the meeting if convened upon such requisition as aforesaid shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present within half-an-hour from the time appointed for it, the meeting shall be dissolved.
59. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
60. In the case of an equality of votes the chairman shall, both on a show of hands and at the poll, have a casting vote in addition to the vote or votes to which he may be entitled as member.
61. (1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with paragraph (2) of this article, and unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book or electronic record of the proceeding of the company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, the resolution.
- (2) Any of the following persons may demand a poll:
- (a) The chairman of the meeting, or
 - (b) Five members having the right to vote on the resolution and present in person or by proxy; or
 - (c) Any member or members present in person or by proxy having not less than one-tenth of the total voting power in respect of the resolution.
62. If a poll is demanded, as aforesaid, it shall be taken (subject to provision of the Ordinance) in such manner and at such time and place as the chairman of the meeting directs, and either at once or after an interval or adjournment of not more than fourteen days from the day on which the poll is demanded, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was held. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. In case of any dispute as to the admission or rejection of a vote, the chairman of the meeting shall determine the same, and such determination made in good faith shall be final and conclusive.
63. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on any other question shall be taken at such time, not being more than 14 days from the day on which the poll is demanded as the chairman of the meeting directs.

64. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

65. Subject to provisions of the Ordinance and any rights or restrictions for the time being attached to any class or classes of shares on a show of hands, every member present in person (where all the participants of a general meeting can see each other) shall have one vote and upon a poll, every member present in person or by proxy shall have one vote in respect of every share or other securities carrying voting rights held by him according to the entitlement of the class of such shares or securities, as the case may be provided that, the provisions of the Ordinance shall apply in the case of the election or removal of directors.
66. On a poll a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
67. Any company or other corporation which is a member of the company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the company or of any class of members of the company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company or corporation which he represents as that company or corporation could exercise if it were an individual member of the company, present in person. The production before or at the meeting of a copy of such resolution purporting to be signed by a director or the secretary of such company or corporation and certified by him as being a true copy of the resolution shall be accepted by the company as sufficient evidence of the validity of the appointment of such representative.
68. Any person entitled under the articles for transmission of shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the directors of his right to such shares, or the directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos mentis, he may vote, whether by a show of hands or at a poll, by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy.
69. Where there are jointly registered holders of any share, any one of such persons may vote at any meeting either in person or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting, either in person or by proxy, that one of the said persons so present whose name stands first in the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this article be deemed joint holders thereof.
70. On a poll votes may be given either in person or by proxy or in the case of a company, by a representative duly authorised as aforesaid.
71. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

72. The instrument appointing a proxy shall be in writing under the hand of the appointer (such expression shall exclude any reference to the Electronic Transactions Ordinance in accordance with provisions of the Electronic Transactions Ordinance) or of his attorney duly authorised in writing (such expression shall exclude electronic transmission as prescribed by provisions of the Electronic Transactions Ordinance) or if such appointer is a corporation under its common seal or signed by an officer or an attorney duly authorised by it (Such expression shall exclude any reference to the Electronic Transactions Ordinance in accordance with provisions of the Electronic Transactions Ordinance). Save as an alternate director being representing a member as his appointer, no person shall be appointed a proxy who is not a member of the company and qualified to vote.
73. Subject to aforesaid article, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of that power or authority duly notarized, shall be deposited (Such expression shall hereinafter include, where permitted by law; receipt in accordance with the provisions of the Electronic Transactions Ordinance) at the office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
74. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office before the meeting. Provided nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.
75. Every instrument appointing a proxy shall, as nearly as circumstances will admit, be in the form or to the effect following and shall be retained by the Company:

NISHAT MILLS LIMITED

I, _____ of _____, being a member of **NISHAT MILLS LIMITED**, hereby appoint _____ of _____ (or failing him _____ of _____ or failing him _____ of _____) as my proxy in my absence to attend and vote for me and on my behalf at the (Annual or Extraordinary, as the case may be) general meeting of the company to be held on the ____ day of _____ and at any adjournment thereof.

As witness my hand this ____ day of _____.

Signed by the said
In the presence of

Provided always that an instrument appointed a proxy may be in the form set out in regulation 39 of table A of the first schedule to the Ordinance.

IV. DIRECTORS

NUMBER OF DIRECTORS

76. Subject to the provisions of these articles and the Ordinance, all directors shall be elected by the members in general meeting.
77. The company shall have at least seven directors. Subject to the said minimum, the directors themselves shall determine from time to time in the manner provided in this article the number of directors that the company shall have. At least thirty-five (35) days before the date of every general meeting at which directors are intended to be elected, the directors shall fix the number of directors to be elected that the company shall have from the effective date of the election. The number of directors so fixed to be elected by the directors shall not be changed except with the prior approval of the company in general meeting.

ALTERNATE DIRECTORS

78. When any director intends to be, or is living outside Pakistan, he may with the approval of the directors appoint any person to be his alternate director, and such alternate director during the absence of the appointer from Pakistan, shall be entitled to receive notice of and to attend and vote at meeting of directors and shall be subject to and entitled to the provisions contained in these articles with reference to directors and may exercise and perform all such powers, directions and duties as his appointer could have exercised or performed including the power of appointing another alternate director. An alternate director so appointed shall not be required to hold any qualification. Such appointment shall be recorded in the director minute book. A director may at any time by notice in writing to the company remove an alternate director appointed by him. The alternate director shall cease to be such provided that if any director retires but is re-elected at the meeting at which such retirement took effect any appointment made by him pursuant to this article which was in force immediately prior to this retirement and re-election and which has not otherwise ceased to be effectively shall continue to operate after his re-election as if he had not so retired. An alternate director shall not be deemed to be the agent of the director appointing him but shall be reckoned as one with his appointer. All appointments and removals of alternate directors shall be effected by writing under the hand of the director making or revoking such appointment and left at the office. For the purpose of assessing a quorum in accordance with these articles hereof an alternate director shall be deemed to be director. Any director may act an alternate director for any one or more directors, as well as being able to act as a director in his own right. An alternate director may resign as such upon giving thirty (30) days prior notice to the board to this effect. An alternate director need not be a member of the Company.
79. An alternate director, even if not a member, shall, in the absence of a direction to the contrary in the instrument appointing him, be entitled to notice of general meetings of the company and to vote at such meetings on behalf of his appointer, if his appointer is a member of the company, and generally to represent his appointer.
80. Directors shall have power at any time and from time to time to appoint any person as Technical/ Executive Director and such Technical/Executive Director may be appointed only for a fixed period in such special remuneration as may be determined by the Board. The number of such directors appointed shall not be counted within minimum or maximum fixed for number of directors in

these articles. Such Technical/Executive Directors would be the senior executives of the company and will not have any representation on the Board of the company unless specially invited by the members to assist them in the proceedings of the meeting of the Board of Directors of the company.

CHIEF EXECUTIVE AND OTHER PRINCIPAL OFFICERS OF THE COMPANY

81. The company shall have an office of chief executive which shall be filled from time to time by the directors who may appoint a director or (subject to the provisions of the Ordinance) any other person to be the chief executive of the company for a period not exceeding three years and on such terms and conditions as the directors may think fit, and such appointment shall be made within fourteen days from the date on which the office of chief executive falls vacant. If the chief executive at any time is not already a director he shall be deemed to be a director of the company and he shall be entitled to all the rights and privileges and shall be subject to all liabilities of the office of director. Upon the expiry of his period of office, a chief executive shall be eligible for re-appointment. The chief executive may be removed from office in accordance with the provisions of the Ordinance notwithstanding anything contained in these articles or in any agreement between the company and the chief executive.
82. No person who is ineligible to become a director of the company shall be appointed or continue as the Chief Executive except as permitted by the provisions of the Ordinance.
83. The Chief Executive retiring under these articles continue to perform his functions until his successor is appointed unless non-appointment of his successor is due to any fault on his part or his office is expressly terminated.
84. The directors may appoint other principal officers of the company including chief operating officer, chief financial officer, head of internal audit and the company secretary (who is to be a full time employee of the company as required by the provisions of the Ordinance), and give such officer such designations and with such terms and conditions as the directors may determine from time to time.
85. A chief executive of the company shall receive such remuneration as the directors may determine and it may be made a term of his appointment that he be paid a pension and/or gratuity and/or other benefits on retirement from his office.
86. The directors may from time to time entrust to and confer upon the chief executive for the time being such of the powers exercisable under these articles by the directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the directors in that behalf; and may from time to time revoke, withdraw, alter or vary all or any of such powers.

QUALIFICATION AND REMUNERATION OF DIRECTORS

87. Any director who serves on any committee or who devotes special attention to the business of the company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration as the directors may determine from time to time. The remuneration of a director for attending meetings of the board shall from time to time be determined by the directors.
88. Each director of the company may, in addition to any remuneration receivable by him, be reimbursed his reasonable travelling and hotel expenses incurred in attending meetings of the directors or of the company or otherwise whilst employed on the business of the company.
89. The qualification of an elected director, in addition to his being a member, where required, shall be his holding shares of the nominal value of Rs. 1,000 at least in his own name, but a director representing the interests of a member or members holding shares of the nominal value of Rs. 1,000 at least shall require no such share qualification. A director shall not be qualified as representing the interests of a member or members holding shares of the requisite value unless he is appointed as such representative by the member or members concerned by notice in writing addressed to the company specifying the shares of the requisite value appropriated for qualifying such director. Shares thus appropriated for qualifying a director shall not, while he continues to be such representative, be appropriated for qualifying any other director. A director shall acquire his share qualification within two (2) months from the effective date of his appointment director.
90. The continuing directors may act notwithstanding any vacancy in their body so long as their number is not reduced below the number fixed by or pursuant to these articles as the necessary quorum of directors.
91. The office of a director shall ipso facto be vacated if:
 - (a) he ceased to hold the share qualification, if any, necessary for his appointment; or
 - (b) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (c) he is adjudged an insolvent; or has applied to be adjudicated as an insolvent and his application is pending or is an undercharged insolvent; or
 - (d) he has been convicted by a court of law for an offence involving moral turpitude; or
 - (e) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the company in general meeting accepts or holds any office of profit under the company other than that of a chief executive or legal or technical adviser or a banker in contravention of the provisions of the Ordinance; or
 - (f) he absents himself from three consecutive meetings of the directors or from all meetings of the directors for a continuous period of three months, whichever is the longer, without leave of absence from the board of directors; or

- (g) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the company in contravention of the provisions of the Ordinance; or
- (h) he acts in contravention of provisions of the Ordinance relating to disclosure of interest; or
- (i) by notice in writing to the company he resigns his office; or
- (j) he is removed from office by resolution of the company in general meeting in accordance with the provisions of the Ordinance; or
- (k) his appointment is withdrawn by the authority nominating him as director; or
- (l) he has betrayed lack of fiduciary behaviour and a declaration to the effect has been made by the court under the provisions of the Ordinance at any time during the preceding five years.

92. Subject to authorisation being given by the directors in accordance with the provisions of the Ordinance, a director shall not be disqualified from contracting with the company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the company with any company or partnership of or in which any director of the company shall be a member or otherwise interested, be avoided, nor shall any such director so contracting or being such member or so interested be liable to account to the company for any profit realised by any such contract or arrangement by reason of such director holding that office or of the fiduciary relationship so established. A director who, or whose spouse or minor child, is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement or proposed contract or arrangement with the company shall disclose the nature of such concern or interest in accordance with the provisions of the Ordinance that is to say:

- (a) in the case of a contract or arrangement to be entered into, at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration or, if the director was not, on the date of that meeting, concerned or interested in the contract or arrangement, at the first meeting of the directors held after he becomes so concerned or interested; and
- (b) in the case of any other contract or arrangement, at the first meeting of the directors held after the director becomes concerned or interested in the contract or arrangement.

A general notice that any director of the company is a director or a member of any other named company or is a member of any named firm and is to be regarded as interested in any subsequent transaction with such company or firm shall, as regards any such transaction, be sufficient disclosure under this article. Provided, however, that any such general notice shall expire at the end of the financial year in which it was given and may be renewed for a further period of one financial year at a time by giving fresh notice in the last month of the financial year in which it would otherwise expire.

93. Except as provided in the provisions of the Ordinance, a Director shall not vote in respect of any contract or arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote and if he does so vote, his vote shall not be counted.
94. Whereby any contract or resolution of the directors an appointment or a variation in the terms of an existing appointment is made (whether effective immediately or in the future) of a chief executive, whole time director or secretary of the company, in which appointment of any director of the company is, or after the contract or resolution becomes, in any way, whether directly or indirectly, concerned or interested, or whereby any contract or resolution of the directors, an appointment or a variation in the terms of appointment is made (whether effective immediately or in the future) of a chief executive, the company shall inform the members of such appointment or variation in the manner required by provisions of the Ordinance and shall comply with the requirements of that section in regard to the maintaining of such contracts and resolutions open for inspection by members at the office, the provision of certified copies thereof and extracts therefrom and otherwise.
95. In accordance with the provisions of the Ordinance, the company shall maintain at its office a register or electronic record, in which shall be entered separately particulars of all contracts, arrangements or appointments in which the directors are interested. Such register or electronic record shall be open to inspection to the members during business hours, subject to any reasonable restriction that may be imposed by the company in general meeting.
96. A director of the company may be or become a director of any other company promoted by the company or in which the company may be interested as a vendor, shareholder or otherwise, and no such director shall be accountable for any benefits received as a director or member of such other company.

ELECTION OF DIRECTORS

97. The directors shall be elected by the members in general meeting in the following manner, namely:
 - (a) a member present in person or by proxy shall have such number of votes as is equal to the product of voting shares held by him and the number of directors to be elected
 - (b) a member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose, and
 - (c) the candidate who gets the highest number of votes shall be declared elected as director and then the candidate who gets the next highest number of votes shall be so declared, and so on until the total number of directors to be elected has been so elected.

If the number of persons who offer themselves to be elected as directors is not more than the number of vacancies for which elections are being held, such persons being otherwise eligible shall be deemed to have been elected as directors from the date on which the election was proposed to be effective.

98. A director elected under these articles shall hold office for a period of three years unless he earlier resigns or becomes disqualified from being a director, or otherwise ceases to hold office.
99. A retiring director of the company shall be eligible for re-election.
100. The company in general meeting may remove a director from office by a resolution passed with the requisite number of votes determined in accordance with the provisions of the Ordinance.
101. Any casual vacancy occurring among the directors may be filled up by the directors within a time period prescribed by the code, and the person so appointed shall hold office for the remaining period of the director in whose place he is appointed. Provided that the directors may not fill a casual vacancy by appointing any person who has been removed from the office of a director of the company under these articles.
102. No person including a retiring director of the company shall be eligible for election to the office of director of the company at any general meeting unless he has, not less than fourteen days before the date of the meeting, left at the office, a notice in writing, and duly signed, signifying his candidature for the office.
103. The company shall keep at the office a register of the directors and officers, containing the particulars required by the provisions of the Ordinance and the company shall otherwise comply with the provisions of the Ordinance as regards furnishing returns to the Registrar and giving inspection of the register.

PROCEEDINGS OF DIRECTORS

104. The directors shall meet together at least once in each quarter of a year for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they may think fit in accordance with the Ordinance, the code and the listing requirements. Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the chairman shall have a second or casting vote.
105. The quorum necessary for the transaction of the business of the directors shall be one-third of the number of directors or four directors, whichever is greater, present in person. An alternate director whose appointment is effective shall be counted in a quorum. If all the directors except one are disqualified from voting, the matter should be decided in general meeting.
106. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Such meetings may be held using any technology consented to by all the directors, including but not limited to telephone and video conferencing. The consent may be a standing one, withdrawable by a director only within a reasonable period of time before the meeting. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from Pakistan.

107. The board of directors of the company shall from time to time elect one of the directors as chairman of the board of directors of the company and determine the period for which he is to hold office and his remuneration. The chairman or in his absence the chief executive shall preside over all meetings of the board of directors, but if at any meeting neither the chairman nor the chief executive is present in person within half an hour of the time appointed for holding the same, the directors present in person may choose one of their number to be chairman of the meeting.
108. A meeting of the directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under these articles for the time being vested in or exercisable by the directors generally.
109. The directors may from time to time delegate of their powers to committees consisting of such two members or more members of their body as they think fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the directors.
110. The meeting and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the directors, so far as the same are applicable thereto and are not superseded by any regulations made by the directors under these articles.
111. All acts done by any meeting of the directors or by a committee of the directors or by any person acting as a director of the company shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such directors or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a director and had been entitled to be a director. Provided that nothing in this article shall be deemed to give validity to acts done by any such director after the appointment of such director has been shown to be invalid.
112. A resolution in writing of the company, other than resolution in respect of any matter specified in the provisions of the Ordinance circulated through fax or email or any form of electronic transmission to all the directors for the time being entitled to receive notice of a meeting of the directors, passed without any meeting of the directors or of a committee of directors and signed or affirmed through fax or email or any form of electronic transmission, by a majority of all directors in writing under the hands of all directors (or in their absence their alternate directors) for the time being in Pakistan, being not less than the quorum required for meetings of the directors, or as the case may be of the members of the committee, shall be valid and effectual as if it had been passed at the meeting of the directors, or as the case may be of such committee, duly called or constituted. The resolution in writing of the company may consist of several copies of a document signed by one or more director(s) and takes effect at the date and time on which the last director, necessary for the resolution to be passed, signs a copy of the resolution; or a record of several signed electronic messages each indicating the identity of the sender, the text of the resolution and the sender's agreement or disagreement to the resolution, as the case may

be and such a resolution takes effect on the date on which the last director's message, necessary for the resolution to be passed, is received.

113. If any director of the company, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his place of business for the time being for any of the purposes of the company or in giving special attention to the business of the company as a member of a committee of the directors, the company may remunerate such director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by the directors, and such remuneration may be either in addition to or in substitution for his or their share in the remuneration above provided for the directors.

MINUTES

114. The directors shall cause minutes to be duly entered in books provided for the purpose of or as an electronic record, of,

- (a) all appointments of officers;
- (b) the names of the directors present in person at each meeting of the directors and of any committee of the directors;
- (c) all orders made by the directors and committees of the directors;
- (d) all resolutions and proceedings of general meeting and of meetings of the directors and of the committees of the directors;

and any such minutes of any meeting of the directors or of any such committee or of the company, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting, shall be prima facie evidence of the matter stated in such minutes.

POWERS AND DUTIES OF DIRECTORS

115. The directors shall duly comply with the provisions of the Ordinance, the listing requirements and the code. In particular and without prejudice to the generality of the foregoing, the company shall comply with the provisions of the Ordinance in regard to the registration of the particulars of mortgages and charges affecting the property of the company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, sub-division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein. All such information may be stored as an electronic record and transmitted accordingly, where possible.
116. The control of the company shall be vested in the directors, and the business of the company shall be managed by the directors who may exercise all such powers of the company and do all such acts and things as may be exercised or done by the company as by the Ordinance or by

these articles or by a special resolution expressly directed or required to be exercised or done by the company in general meeting, subject nevertheless to any regulations of these articles, to the provisions of the Ordinance, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

117. Without prejudice to the general powers conferred by these articles and to any other powers or authorities conferred by these articles on the directors, it is hereby expressly declared that the directors shall have the following powers, that is to say, power:

- (1) To purchase or otherwise acquire for the company any property, rights or privileges which the company is authorised to acquire at such price and generally on such terms and conditions as they think fit, and to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the company upon such terms and conditions, and for such consideration, as they may think fit.
- (2) At their discretion to pay for any property, rights, privileges acquired by or services rendered to the company either wholly or partially in cash or in shares (subject to the provisions of the Ordinance) bonds, debentures or other securities of the company. Any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the company or not so charged.
- (3) To open account with any bank or financial institution and deposit into and withdraw money from such accounts from time to time.
- (4) To make, draw, endorse, sign, accept, negotiate and give all cheques, bills of lading, drafts, orders, bills of exchange, and other promissory notes and negotiable instruments required in the business of the company.
- (5) To secure the fulfilment of any contracts, agreements or engagements entered into by the company by mortgage or charge of all or any of the property of the company for the time being or in such other manner as they may think fit.
- (6) Subject to the provisions of the Ordinance, to appoint and at their discretion remove or suspend such agents (other than Managing Agents), managers, secretaries, officers, employees for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.
- (7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the company any property belonging to the company or in which it is interested or for any other purposes, and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.
- ~~(8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the company or its officers or otherwise concerning the affairs of the company and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company.~~
- (9) To refer claims or demands by or against the company to arbitration and observe and perform the awards.

- (10) To make and give receipts, releases and other discharges for money payable to the company and for the claims and demands of the Company.
- (11) To act on behalf of the company in all matters relating to bankrupts and insolvents.
- (12) To determine who shall be entitled to sign on the company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.
- (13) From time to time to provide for the management of the affairs of the company either in different parts of Pakistan or elsewhere in such manner as they think fit, and in particular to establish branch offices and to appoint any persons to be the attorneys or agents of the company with such powers (including power to sub-delegate) and upon such terms as may be thought fit.
- (14) To invest and deal with any of the moneys of the company not immediately required for the purposes thereof upon such securities and in such manner as they may think fit, and from time to time to vary or realise such investments.
- (15) To execute in the name and on behalf of the company in favour of any director of the company or other person who may incur or be about to incur any personal liability for the benefit of the company, such mortgages of the company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on.
- (16) To give to any person employed by the company, a commission on the profits of any particular business or transaction or a share in the general profits of the company, and such commission or share of profits shall be treated as part of the working expenses of the company.
- (17) From time to time to make, vary and repeal bye-laws for the regulation of the business of the company, its employees.
- (18) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the company.
- (19) To establish, maintain, support and subscribe to any charitable or public object, and any institution, society, or club which may be for the benefit of the company or its employees, or may be connected with any town or place where the company carries on business; to give pensions, gratuities, or charitable aid to any person or persons who have served the company or to the wives, children, or dependants of such person or persons, that may appear to the directors just or proper, whether any such person, his widow, children or dependants, have or have not a legal claim upon the company.
- (20) Subject to the provisions of the Ordinance, before recommending any dividends, to set aside portions of the profits of the company to form a fund to provide for such pensions, gratuities, or compensation; or to create any provident or benefit fund in such or any other manner as to the directors may seem fit.
- (21) Subject to the provision of the Ordinance to accept from any member on such terms and conditions as shall be agreed a surrender of his shares or any part thereof.
- (22) To make advances and loans without security or on such security as they may deem proper and as permissible under the law.
- (23) To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and the company respectively to any such funds and the accrual, employment, suspension and forfeiture of the benefits of the said fund

and the application and disposal thereof, and otherwise in relation to the working and management of the said fund as the directors shall from time to time think fit.

(24) To delegate all or any of the powers hereby conferred upon them to such person or persons as they may from time to time think fit.

(25) Subject to the provisions of the Ordinance to authorise the having of an official seal of the company for use abroad.

REGISTER OF DIRECTORS SHAREHOLDINGS

118. In accordance with the provisions of the Ordinance, the company shall maintain at its office a register or electronic record of the directors, chief executive officer, chief financial officer (chief accountant), company secretary or head of internal audit who is or has been the beneficial owner of listed securities and every person who is directly or indirectly the beneficial owner of not less than ten percent (10%) of the beneficial interest in the company. This register or electronic record shall be open to inspection during business hours subject to the provisions of the Ordinance.

POWER OF ATTORNEY

119. The directors may from time to time and at any time by power of attorney appoint any company, firm or person (including any director or officer of the company) or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the company for such purposes and with such powers, authorities and discretions and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney to delegate all or any of the powers, authorities and discretions vested in him; and without prejudice to the generality of the foregoing any such power of attorney may authorise the attorney to institute, conduct, defend, compound or abandon any legal proceedings by or against the company, whether generally or in any particular case.

AUDIT COMMITTEE

120. The Directors shall establish an Audit Committee which shall comprise not less than three members, including the chairman. Majority of the members of the Committee shall be from among the non-executive directors of the company and the chairman of the Audit Committee shall preferably be a non-executive director. The names of member of the Audit Committee shall be disclosed in each annual report of the company.

BORROWING POWERS

121. (1) The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures, debenture stocks, and other securities, whether outright or as collateral security for any debt, liability or obligation of the company or of any third party.

- (2) In exercising the powers of the company aforesaid the directors may, from time to time and on such terms and conditions as they think fit, raise money from banks and financial institutions and from other persons under any permitted system of financing, whether providing for payment of interest or some other form of return, and in particular the directors may raise money on the basis of the mark up on price, musharika, modaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing the directors may exercise all or any of the powers of the company arising under the provisions of the Ordinance.
- (3) In regard to the issue of securities the directors may exercise all or any of the powers of the company arising under the provisions of the Ordinance and in particular the directors may issue any security as defined in the provisions of the Ordinance or may issue any instrument or certificate representing redeemable capital or participatory redeemable capital as defined in the Ordinance.

122. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.
123. Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing, allotment of shares, attending and voting at general meetings of the company, appointment of directors of the company or otherwise.
124. The directors shall cause a proper register to be kept in accordance with the provisions of the Ordinance, of all mortgages and charges specifically affecting the property of the company, and shall duly comply with the provisions of the Ordinance, regarding registration of mortgages and charges, endorsement of certificates, filing of prescribed particulars, keeping of a copy of every instrument creating any mortgage or charge by the company at the office and giving of intimation of the payment or satisfaction of any charge or mortgage created by the company.
125. Every register of holders of debentures of the company may be closed for any periods not exceeding in the whole forty five days in any year and not exceeding thirty days at a time. Subject as aforesaid, every such register shall be open to the inspection of members or debenture holders. But the company may in general meeting impose any reasonable restrictions, so that at least two hours, in each day when such register is open, for inspection.
126. Subject to the provisions of the Ordinance, no transfer of registered debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the company together with the certificate or certificates of the debentures.
127. If the directors refuse to register the transfer of any debentures, they shall, within thirty days from the date on which the instrument of transfer was lodged with the company, send or cause to be sent to the transferee and transferor notice of the refusal.

128. The company shall comply with the provisions of the Ordinance as to allowing inspection of copies kept at the office in accordance with the provisions of the Ordinance, and as to allowing inspection of the register of mortgages to be kept at the office in accordance with the provisions of the Ordinance.
129. The company shall comply with the provisions of the Ordinance as to supplying copies of any register of holders of debentures or of any trust deed for securing any issue of debentures.

LOCAL MANAGEMENT

130. Subject to the provisions of the Ordinance, directors may from time to time provide for the management of the affairs of the company outside Pakistan or in any special locality in Pakistan in such manner as they shall think fit and the following provisions shall operate without prejudice to the general powers hereby conferred.
- (1) The directors may from time to time and at any time establish any local boards or agencies for managing any of the affairs of the company outside Pakistan or in any specified locality in Pakistan and may appoint any persons to be members of such local board or any managers or agents and may fix their remuneration.
 - (2) The directors may from time to time and at any time delegate to any persons so appointed any of the powers, authorities and discretions for the time being vested in the directors and may authorise the members for the time being of any such local board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit; and the directors may at any time remove any person so appointed and may annul or vary any such delegation.
 - (3) The directors may at any time and from time to time, by power of attorney under the seal of the company, appoint any person to be the attorneys of the company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these articles) and for such period and subject to such conditions as the directors may from time to time think fit; and any such appointment may, if the directors think fit, be made in favour of all or any of the members of any local board established as aforesaid, or in favour of any company or of the members directors, nominees or managers of any company or firm, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the directors think fit.
 - (4) Any such delegates or attorneys as aforesaid may be authorised by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

V. ACCOUNTS AND DIVIDENDS

BOOKS OF ACCOUNT

(References to books of account, balance sheet, profit and loss accounts and auditors' report shall hereinafter mutatis mutandis include all electronic forms of record or storage of the company.)

131. The directors shall cause to be kept proper books of account in accordance with the provisions of the Ordinance.
132. The books of account shall be kept at the registered office or at such other place as the directors think fit, and shall be open to inspection by the directors during business hours. If the directors decide to keep the books of account at a place other than the registered office they shall comply with the directions contained in the provisions of the Ordinance.
133. The company shall preserve in good order the books of account of the company in respect of any financial year for a period of ten years following the close of that year or otherwise as provided in the provisions of the Ordinance.
134. The directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of the members, and no member (not being a director of the company) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the directors or by the company in general meeting.
135. (1) The directors shall arrange to place before the annual general meeting of the company in every year a duly audited balance sheet and profit and loss account, conforming to the requirements of provisions of the Ordinance and made up to a date not more than four months before the date of such meeting and having the auditor's report attached thereto, and a report of the directors conforming to the requirements of provisions of the Ordinance.

(2) As required by the provisions of the Ordinance the balance sheet and profit and loss account shall first be approved by the directors and when so approved shall be signed by the chief executive and at least one director but if on account of his absence from Pakistan or other reason the signature of the chief executive cannot be obtained, the balance sheet and profit and loss account shall be signed by at least two directors for the time being in Pakistan, and in every such case a statement signed by those two directors shall be subjoined to the balance sheet and profit and loss account stating the reason why the signature of the chief executive was not obtained.

(3) The directors may authorize the chairman or the chief executive to sign the report of the directors which may then be signed accordingly, but in the absence of any such authority the report of the directors shall be signed as required by provisions of the Ordinance in the same manner as the balance sheet and profit and loss account.

136. (1) A copy of the balance sheet, profit and loss account and the reports of the directors and auditors shall be sent not less than twenty one (21) days before the date of the annual general meeting to the members and other persons entitled to receive notices of general meetings in the manner in which notices are to be given hereunder and a copy thereof shall be kept for a period of at least fourteen (14) days before the meeting at the office for inspection by members. The company shall send, each stock exchange listing the shares of the company three hundred copies (or such number as may be prescribed from time to time), and to the Registrar of Companies and to the Commission, five copies (or such number as may be prescribed from time to time), each of the balance sheet, profit and loss account and the reports of the directors and auditors at the same as they are dispatched to the members and other persons in accordance with this article.
- (2) After the balance sheet, profit and loss account and the reports of the directors and auditors have been laid before the annual general meeting of the company, three copies thereof (or, such larger number as may be prescribed under the provisions of the Ordinance) signed by the signatories thereto shall be filed with the Registrar within thirty days from the date of the meeting and the company shall also comply with the provisions of the Ordinance where applicable.
- 3) Subject to provisions of the Ordinance and the listing requirements, the company shall, within one month from the close of the first and third quarters and two month from the close of the second quarter, of the year of account of the company, prepare and transmit to the members one copy and to stock exchange listing the shares of the company three hundred copies (or such number as may be prescribed from time to time), each of the profit and loss account for that quarter and of the balance sheet as at the end of that quarter. Such quarterly profit and loss accounts and balance sheets need not to be audited but must be signed in the same manner as the annual profit and loss accounts and balance sheets are required to be signed. The directors shall also send, to the Commission and to the Registrar three copies (or such number as may be prescribed for the time being under the provisions of the Ordinance), each of such quarterly profit and loss accounts and balance sheets at the same time as they are sent to the members in accordance with this article.
4. The company may with the consent of shareholders and consultation of respective stock exchange(s), transmit quarterly accounts through web site of the company subject to the approval of the Commission.
137. The directors shall in all respects comply with the provisions of the Ordinance, or any statutory modification thereof for the time being in force.

ANNUAL RETURNS

138. The company shall make the requisite annual returns in accordance with the provisions of the Ordinance.

DIVIDENDS

139. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors, provided that the company in general meeting may declare a smaller dividend.
140. No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits, and in the determination of the profits available for dividends the directors shall have regard to the provisions of the Ordinance.
141. The declaration of the directors as to the amount of the net profits of the company shall be conclusive.
142. The directors may from time to time pay to the members such interim dividends as in their judgement the position of the company justifies.
143. All dividends shall be declared and paid according to the amounts paid on the shares. All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
144. All dividends declared shall be paid within the periods specified in the provisions of the Ordinance.
145. No dividend payable in respect of a share shall bear interest against the company.
146. The directors may retain any dividends on which the company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
147. Any general meeting declaring a dividend may resolve that such dividend be paid and satisfied wholly or in part in cash or by the distribution of specific assets, and in particular by the distribution of paid-up shares, debentures, debenture-stock or other security of the company, or paid-up shares, debentures, debenture-stock or other security of any other company, or in any one or more of such ways.
148. Any general meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the company standing to the credit of the reserve fund or in the hands of the company and available for dividend (or representing premiums received on the issue of shares and standing to the credit of the share premium account) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such fund be applied on behalf of such members in paying up in full any un-issued shares, debentures, debenture-stock or other security of the company, which shall be distributed accordingly, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum.

149. For the purpose of giving effect to any resolution under the aforesaid articles, the directors may settle any difficulty which may arise in regard to the distribution as they think expedient and may fix the value for distribution of any specific assets and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the directors. Where requisite a proper contract shall be filed in accordance with the provisions of the Ordinance, and the directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.
150. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
151. The directors may retain the dividends payable upon shares in respect of which any person is under these articles entitled to become a member or which any person under that article is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.
152. Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividend and payments on account of dividends in respect of such share.
153. The dividend in respect of any share shall be paid to the registered holder of such share or to his banker or to a financial institution (as defined in the Ordinance) nominated by him for the purpose. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled thereto, or, in the case of joint-holders, to the registered address of that one whose name stands first on the register in respect of the joint-holding, or to such financial institution or bank as the member or person entitled thereto or such joint-holders, as the case may be, direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, or to the order of the institution or bank, directed as aforesaid.
154. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the directors for the benefit of the company until claimed and all dividends unclaimed for three years after having been declared may be forfeited by the directors for the benefit of the company, but the directors may annul the forfeiture wherever they may think proper.

RESERVE AND DEPRECIATION FUNDS

155. The directors may from time to time before recommending any dividend set apart any and such portion of the profits of the company as they think fit as a reserve fund to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company, for equalization of dividends or for repairing, improving, and maintaining any of the property of the company, and for such other purposes of the company as the directors in their absolute discretion think conducive to the interests of the company; and may invest the several sums so set aside upon such investments (other than shares of the company) as they may think fit, and from time to time deal with and vary such investments, and dispose of all or any part thereof for the benefit of the company, and may divide the reserve fund into such special funds as they think fit, with full power to employ the reserve funds or any part thereof in the business of the company, and that without being bound to keep the same separate from the other assets.

156. The directors may, from time to time before recommending any dividend, set apart any and such portion of the profits of the company, as they think fit, as a depreciation fund applicable at the discretion of the directors, for providing against any depreciation in the investment of the company or for rebuilding, restoring, replacing or for altering any part of the buildings, work, plant, machinery, or other property of the company destroyed or damaged by fire, flood, storm, tempest, earthquake, accident, riot, wear and tear, or any other means whatsoever, and for repairing, altering and keeping in good condition the property of the company, or for extending and enlarging the buildings, machinery and property of the company with full power to employ the assets constituting such depreciation fund in the business of the company, and that without being bound to keep the same separate from the other assets.
157. All moneys carried to the reserve fund and depreciation fund respectively shall nevertheless remain and be profits of the company applicable, subject to due provision being made for actual loss or depreciation, for the payment of dividends and such moneys and all the other moneys of the company not immediately required for the purposes of the company may be invested by the directors in or upon such investment or securities as they may select or may be used as working capital or may be kept at any bank on deposit or otherwise as the directors may from time to time think proper.
158. The directors may also carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

VI. AUDIT

159. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Ordinance or any statutory modification thereof for the time being in force.

VII. SEAL

160. The directors shall provide a common seal of the company which shall not be affixed to any instrument except by the authority of a resolution of the board or by a committee of directors authorised in that behalf by the directors, and two (2) directors, or one (1) director and the secretary of the company, shall sign every instrument to which the common seal is affixed.
161. The directors may provide for the use in any territory, district or place not situated in Pakistan, of an official seal which shall be a facsimile of the common seal of the Company, with the addition on its face of the name of every territory, district or place where it is to be used. The official seal shall not be affixed to any instrument except by the authority of a resolution of the board or by a committee of directors authorised in that behalf by the directors, and two (2) directors, or one (1) director and the secretary of the company, or such other person as the directors may appoint for the purpose, shall sign every instrument to which the official seal is affixed. The provisions of the Ordinance shall apply to the use of the official seal.

VIII. NOTICES

162. (1) A notice may be given by the company to any member either personally or by sending it by post to him at his registered address or (if he has no registered address in Pakistan) to the address, if any, within Pakistan supplied by him to the company for the giving of notices to him or in electronic form as prescribed by the provisions of the Electronic Transactions Ordinance.

- (2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.
163. In accordance with provisions of the Electronic Transactions Ordinance, a notice dispatched by electronic transmission shall be deemed to be received by the addressee at his place of business or where he ordinarily resides when it reaches the designated information system of the addressee. If no information system has been so designated, receipt will occur when the electronic notice reaches an information system of the addressee.
164. If a member has no registered address in Pakistan, and has not supplied to the company an address within Pakistan or an electronic address, for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper, circulating in the Province in which the registered office is situated and in at least one issue each of a daily newspaper in the English language and a daily newspaper in the Urdu language circulating in the province in which the stock exchange on which the company is listed is situate, shall be deemed to be duly given to him on the day on which the advertisement appears.
165. A notice may be given by the company to the joint-holders of a share by giving the notice to the joint-holder named first in the register in respect of the share.
166. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be so entitled or addressing it in a similar manner and dispatching it to a designed electronic address or until any such address has been so supplied, by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.
167. Notice of every general meeting shall be given in same manner hereinbefore authorised to (a) every member of the company except those members who (having no registered address within Pakistan) have not supplied to the company either a postal address within Pakistan or electronic address for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or insolvency of a member, who but for his death or insolvency would be entitled to receive notice of the meeting. Subject to these articles and provisions of the Ordinance, no other persons shall be entitled to receive notices of general meetings.
168. Any notice required to be given by the company to the members or any of them and not expressly provided for by these articles shall be sufficiently given, if given by advertisement.
169. Any notice required to be or which may be given by advertisement shall be advertised once in a newspaper circulating in the province in which the office is situate and in at least one issue each of a daily newspaper in the English language and a daily newspaper in the Urdu language circulating in the province in which the stock exchange on which the company is listed is situate.
170. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

171. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such shares.
172. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these articles shall, notwithstanding that such member may be then deceased and whether or not the company shall have received notice of his decease, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder thereof, and such service shall for all purposes of these articles be deemed a sufficient service of such notice or document on his heirs, executors, or administrators, and all persons, if any, jointly interested with them in any such share.
173. The signature to any notice to be given by the company may be written or printed.
174. In the event of a winding up of the company, every member of the company who is not for the time being normally resident in the town in which the office is situate shall be bound, within eight weeks after the passing of an effective resolution to wind up the company voluntarily or the making of an order for the winding up of the company, to serve notice in writing on the company appointing some householder residing in that town upon whom all summonses, notices, process, orders and judgements in relation to or under the winding up of the company may served, and in default of such nomination the liquidator of the company shall be at liberty on behalf of such member to appoint some such person, and service upon any such appointee, whether appointed by the member or the liquidator, shall be deemed to be good personal service on such member for all purposes, and where the liquidator makes any such appointment he shall with all convenient speed give notice thereof to such member by advertisement in some newspaper circulating in the province in which the office is situate and in at least one issue each of a daily newspaper in the English language and a daily newspaper in the Urdu language circulating in the province in which the stock exchange on which the company is listed is situate or by a registered letter sent through the post and addressed to such member at his address as mentioned in the register, and such notice shall be deemed to be served on the day on which the advertisement shall first appear or on the day following that on which the letter is posted, as the case may be. The provisions of this article shall not prejudice the right of the liquidator to serve any notice or other document in any other manner prescribed by the regulations of the company.

PUBLICATION OF NOTICES IN NEWSPAPERS

175. Subject to such provisions of the listing requirements as may apply specifically to the manner in which certain notices are to be published in the newspaper(s):
 1. Every prospectus issued by or on behalf of the company or by or on behalf of any person who has been engaged or interested in the formation of the company shall, in its full text or in such abridged form as may be prescribed, be published by the company in at least one (1) Urdu and one (1) English daily newspaper, in accordance with the provisions of the Ordinance not less than seven (7) days or more than thirty (30) days before the subscription list, as specified in the prospectus, is due to open. Provided that the company may, for special reasons and with permission of the commission, publish the advertisements of a prospectus more than thirty (30) days before the subscription list is due to open.

2. The company may, on giving not less than seven (7) days notices by advertisement in a newspaper having circulation in the Province, or part of Pakistan not forming part of a province, in which the office of company is situated and, in addition, in a newspaper having circulation in the Province, or other part as aforesaid, in which the stock exchange(s) on which the company is listed is / are situated, close the register of members or debenture holders, as the case may be, for any time or times not exceeding in the whole forty-five (45) days in a year and not exceeding thirty (30) days at a time, in accordance with the provisions of the Ordinance.
3. The notice of a general meeting of the company, whether annual or extraordinary general meeting, shall be published in at least one (1) issue each of daily newspaper in English language and a daily newspaper in Urdu language having circulation in the province in which the stock exchange(s) on which the company is listed is / are situated, in accordance with the provisions of the Ordinance.
4. All notices received by the company in accordance with provisions of the Ordinance for election as a director, shall be transmitted to the members not later than seven (7) days before the date of the general meeting at which the directors are to be elected, by publication in at least one (1) issue each of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the Province in which the stock exchange(s) on which the Company's securities are listed is / are situated, in accordance with the provisions of the Ordinance.
5. If a resolution is to be passed at the company's annual general meeting appointing as auditors a person other than a retiring auditors, the company shall, not less than seven (7) days before the date fixed for the annual general meeting, publish in at least one (1) issue each of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the province in which the stock exchange(s) on which the company is listed is / are situated, in accordance with the provisions of the Ordinance.
6. Notice of any resolution for winding up a company voluntarily under section 358, shall be given by the company within ten (10) days of the passing of the same by advertisement in the official Gazette of Pakistan, and also in a newspaper circulating in the province where the office of the company is situated and, in addition, shall also published in at least one (1) issue of a daily newspaper in English language and a daily newspaper in Urdu language having circulation in the province in which the stock exchange(s) on which the company is listed is / are situated, in accordance with the provisions of the Ordinance.

IX. AMALGAMATION, DIVISION AND RECONSTRUCTION

176. Subject to and in accordance with the provisions of the Ordinance, the company may reconstruct, amalgamate into an other company or divide into two (2) or more companies in the process of which the whole or any part of the undertaking, property or liabilities of the company or any other company, may be transferred to any other company or the company, respectively, as the case may be. Provided that any sale of the undertaking of the company, the directors, or the liquidator on a winding up, may, if authorised by a special resolution, accept fully paid shares, debentures or securities of any other company, whether incorporated in Pakistan or not, either then existing or to be formed, for the purchase in whole or in part of the property of the company, and the directors (if the profits of the company permit) or the liquidator (in a winding up) may

distribute such shares, or securities, or any other property of the company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the company, and for valuation of any such securities or property at such price in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the company is proposed to be or is in the course of being wound up, such statutory rights (if any) under the provisions of the Ordinance as are incapable of being varied or excluded by these articles.

X. SECRECY

177. Every director, manager, adviser, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the company shall, if so required by the directors before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the directors or by any meeting or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these articles contained.
178. No member or other person (not being a director) shall be entitled to enter upon the property of the company or to inspect or examine the company's premises or properties of the company without the permission of the directors for the time being or, subject to the provisions of these articles, to require discovery of or any information respecting any detail of the company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the directors it will be inexpedient in the interest of the members of the company to communicate.

XI. ARBITRATION

179. Whenever a difference arises between the company on the one hand and any of the members, their executors, administrators, or assignees on the other hand touching the true intent or construction or the incident or consequences of these presents, or of the status of enactment's of the legislature, or touching anything then or thereafter done, executed, omitted or suffered in pursuance of these presents or of the status of enactment's touching any breach or alleged breach or otherwise relating to the premises or to these presents, or to the status or to any of the affairs or officers of the company, the company by written agreement refer to arbitration in accordance with the Arbitration Act 1940 (X of 1940) and every such difference shall be referred to the decision of an arbitrator to be appointed by the parties in difference or if they cannot agree upon a single arbitrator, to the decision of two arbitrators, one appointed by such party, or in the event of disagreement of the arbitrators, to that of an umpire appointed by arbitrators themselves. The provisions of Arbitration Act 1940 (X of 1940) shall apply to all arbitrations between the company and persons having such difference.

180. The costs of, or incidental to any such reference and award shall be in the discretion of the arbitrator/arbitrators or umpire as the case may be who may determine the amount thereof and may award by whom, and to whom, and in what manner the same shall be borne and paid.

XII. WINDING UP

181. If the company shall be wound up and the assets available for distribution among the members, subject to the rights attached to any preference share capital, as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up on the shares held by them respectively. But this article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
182. If the company shall be wound, whether voluntarily or otherwise, the liquidator may with the sanction of a special resolution divide among the members in specie or kind any part of the assets of the company, and may with the like sanction vest any part of the assets of the company in trustees upon such trusts for the benefit of the members or any of them as the liquidator with the like sanction shall think fit.

XIII. INDEMNITY

183. Every director or officer of the company and every person employed by the company as auditor shall be indemnified out of the funds of the company against all liability incurred by him as such director, officer or Auditor in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under section 488 of the Ordinance in which relief is granted to him by the court.

S. No.	Name & Surname (present and former) in full (in Block letters)	Father's / Husband's Name	Nationality with any former Nationality	Occupation	Residential address (Full)	Number of shares taken by each subscriber	Signature

Total number shares taken

Dated this _____ day of _____ 20

Signature _____

Witness:

Occupation _____

Full Name _____ Full address _____

Father's/Husband's Name _____