



HSM/GM/2014/3484-A

MARCH 20, 2014

The Registrar,

National Electric Power Regulatory Authority

NEPRA Tower, Attaturk Avenue (East)

Sector G-5/2,

Islamabad.

**Subject: Application for a Generation License of 15MW High Pressure Bagasse Based Power Generation Project**

Dear Sir,

I, Iqbal Rashid S/o Muhammad Akram Rashid, General Manager being the duly Authorized representative Hamza Sugar Mills Limited by virtue of BOARD RESOLUTION dated 19.03.2014, hereby apply to the National Electric Power Regulatory Authority (NEPRA) and for the Grant of a Generation License of 15 MW High pressure bagasse based power generation power project to Hamza Sugar Mills Limited pursuant to the section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provision of National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999, and undertake to abide by the terms and provisions of 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 belief.

A Demand Draft bearing No. 01135130 dated 20.03.2014 in the sum of Rupees 196,824/- (One Lac ninety six thousand eight hundred and twenty four only) issued by Habib Metropolitan Bank Ltd. being the non-refundable license application fee calculated in accordance with Schedule-II to National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999, is also attached herewith.

Signature:

Name: IQBAL RASHID

Designation: General Manager

Company Seal



HEAD OFFICE: A/22, S.I.T.E., Mauripur Road, Karachi-75730 Pakistan. Tel : (92-21) 32561101-4 Fax : (92-21) 32561873

Email: mezan@cyber.net.pk, mezan@ptcl.net

MILL SITE : Jetha Bhutta Khanpur (Distt. Rahimyar Khan) Tel : (92-68) 5582256-60 Fax : (92-68) 5582043 E-mail: hamza\_sugar@yahoo.com

## **EXECUTIVE SUMMARY**

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This application is for **Grant of Generation License** filed by **Hamza Sugar Mills Limited (HSML)** (the "Project Company") for its 15 MW High Pressure Bagasse based Co-Generation Power Project (the "Project") in Jhetta Bhutta Rahim Yar Khan.

HSML got Letter of Intent (LoI) in September, 2013 from Alternative Energy Development Board (AEDB) for the development of 15 MW bagasse based co-generation power plant under the **Framework for Power Co-Generation 2013 (Bagasse/Biomass)**.

The Project is located adjacent to its existing sugar mill located in Jhetta Bhutta, Tehsil Khanpur, district Rahim Yar Khan. The Project facility will generate 15 MW electricity and supply to the national Grid. of WAPDA.

The Project is owned by Tayyab Group of Industries which is one of the leading industrial group of Pakistan. This group is a combination of five units operating at different locations in the field of yarn, sugar and information technology.

The feasibility of the Project is not required as per Framework for Power Co-generation 2013 (Bagasse/Biomass). The Initial Environmental Examination (IEE) and Grid Interconnection Studies of the Project has been completed and submitted to the relevant authorities for approval. The copies of the same have also been provided with this Generation License Application. The Project Company has planned to accept the upfront tariff for new bagasse based co-generation power projects announced by NEPRA dated 29<sup>th</sup> May, 2013. Therefore HSML is simultaneously submitting the upfront Tariff Application and Generation License Application.

This application document is a package of information as per NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 notified by National Electric Power Regulatory Authority (NEPRA).

The document is comprised of following Annexure:

- Annexure-A: Copy of Board Resolution
- Annexure-B: Certificate of Incorporation
- Annexure-C: Memorandum and Articles of Association
- Annexure-D: Last Filed Annual Return
- Annexure-E: Last Three Years Financial Statement
- Annexure-F: Company Profile of Project Applicant and Project Sponsors
- Annexure-G: CV of Senior Management, Technical and Professional Staff

- Annexure-H: Details of Lender's Facility available for the Project
- Annexure-I: Company Profiles of Sub-Contractors
- Annexure-J: Consent Letters from Sub Contractors
- Annexure-K: Prospectus
- Annexure-L: Project Information in Pursuant to Schedule-III [(Regulation 3(6))] for Generation Facilities
- Annexure-M: Information for Schedule-I of License
- Annexure-N: Information for Schedule-II of License
- Annexure-O: Health and Safety Policy of Project Sponsors

**ANNEXURE-A: COPY OF BOARD RESOLUTION**

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**EXTRACTS OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
M/S HAMZA SUGAR MILLS LIMITED HELD AT A/22, S.I.T.E., KARACHI**

**BOARD RESOLUTION:**

The following resolutions were discussed in detail by the Board and approved unanimously.

**"RESOLVED THAT** Hamza Sugar Mills Limited (a company incorporated under the laws of Pakistan) with its registered office located at A/22, S.I.T.E., Karachi.

(the Company) be and is hereby authorized to file application for the grant of Generation License for submission at National Electric Power Regulatory Authority (NEPRA) in respect of its 15 MW high pressure bagasse based power generation project to be located at Jhetta Butta, Khanpur District Rahim Yar Khan, Province of Punjab, Pakistan, (the Project) and in relation thereto, enter into and execute all required documents, make all filings and pay all applicable fees, in each case, of any nature whatsoever as required."

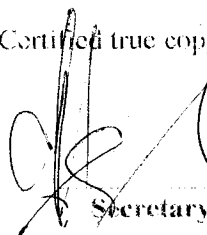
**"FURTHER RESOLVED THAT** in respect of application for the grant of Generation License (including any modification to the application for the Grant of Generation License) for submission to National Electric Power Regulatory Authority, Mr. Imran Rashad S/o Muhammad Akram Rashad as General Manager be and hereby empowered and authorized for and on behalf of the Company to:

- (i) review, execute, submit and deliver the Generation License Application (including any modification to the application for the Grant of Generation License) and related documentation required by National Electric Power Regulatory Authority, including any contracts, documents, power of attorney, affidavits, statements, letters, forms, applications, deeds, guarantees, undertakings, approvals, memoranda, amendments, letters, communications, notices, certificates, requests, statements and any other instruments of any nature whatsoever;
- (ii) sign and execute necessary documentation, pay the necessary fees, appear before the National Electric Power Regulatory Authority as needed, and do all acts necessary for completion and processing of the Generation License Application (modification to the application for the Grant of Generation License);
- (iii) do all such acts, matters and things as may be necessary for carrying out the purposes aforesaid and giving full effect to the above resolutions/resolution".

**"AND FURTHER RESOLVED THAT** Mr. Imran Rashad as General Manager be and is hereby authorized to delegate all or any of the above powers in respect of the foregoing to any other officials of the Company as deemed appropriate."

Karachi  
Dated:- 19-05-2014

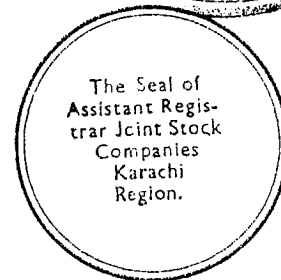
Certified true copy

  
Secretary

**ANNEXURE-B: CERTIFICATE OF INCORPORATION**

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# Certificate of Incorporation



Kar. No. 1310 of 1962-1963

I hereby certify that **HAMZA SUGAR MILLS LIMITED**, is this day incorporated under the Companies' Act, VII of 1913, and that the Company is Limited.

*Given under my hand at Karachi this Seventeenth day of January, One Thousand Nine Hundred and Sixty-Three.*

(Sd) S. IMRAN SHAH

Assistant Registrar of Joint Stock Companies,  
Karachi Region, Karachi.



**ANNEXURE-C: MEMORANDUM & ARTICLES OF ASSOCIATION**



THE COMPANIES ORDINANCE, 1984

(COMPANY LIMITED BY SHARES)

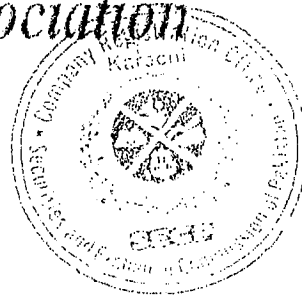
*Memorandum*

*and*

*Articles of Association*

*of*

HAMZA SUGAR MILLS LIMITED



# Certificate for Commencement of Business



Pursuant to section 103 (2) of the Companies Act, 1913,



I hereby certify that the **HAMZA SUGAR MILLS LIMITED**, which was incorporated under the Companies Act, 1913, on the Seventeen day of January 1963, and which has this day filed a duly verified declaration in the prescribed form that the conditions of section 103 (1) (a) to (d) of the said Act, have been complied with is entitled to commence business.

Given under my hand at Karachi this Thirtyfirst day of December, one thousand nine hundred and Sixty-Three.



(Sd) S. IMRAN SHAH  
Assistant Registrar of Joint Stock Companies,  
Karachi Region, Karachi.

## **HAMZA SUGAR MILLS LIMITED**

### **Statement under Section 160 of the Companies' Ordinance 1984.**

Regarding special business as given in Notice of Meeting.

In accordance with the provisions of Section 513 of the Companies' Ordinance, 1984, the existing Memorandum and Articles of Association of the Company have been altered to render them in conformity with the provisions of Companies' Ordinance, 1984.

NISAR AHMED  
Chief Executive



THE COMPANIES ORDINANCE, 1984

COMPANY LIMITED BY SHARES

*Memorandum of Association*

of

**HAMZA SUGAR MILLS LIMITED**

- I. The name of the Company is "HAMZA SUGAR MILLS LIMITED".
- II. The Registered Office of the Company shall be situated in the province of Sind.
- III. The objects for which the Company is established are :-
  - (1) To carry on in Pakistan or in any part of the world all or any of the businesses of Sugar manufacturers and dealers in all their respective branches and in particular without prejudice to the generality of the foregoing words to carry on the business of manufacturing, producing, refining, procuring, preparing, importing, exporting, exchanging, buying, selling, acquiring, distributing and dealing in sugar of any variety or varieties, gur molasses, sugar-candy, jaggery, sugar-cane, sugar-beet and any other vegetable, fruit or corn or any other material from which sugar and allied products could be manufactured, and all products thereof including confectionery, tinned, canned, bottled and preserved fruits and vegetables, syrups, glucose, essences and food products generally and/or by-products thereof, of all kinds, including ethyl alcohol, acetone, carbon dioxide, hydrogen, potash, cane-wax, fertilizers, and food products generally (provided always that the alcohol and spirit shall only be manufactured for industrial consumption and not for human consumption) and in connection therewith to own, acquire, construct, erect, operate and/or plants with all the machinery, equipment, refineries, buildings, mills and other works and supporting facilities necessary or incidental to the above objects or any of them.
  - (2) To grow, plant, cultivate or otherwise acquire sugarcane, sugar-beet, fruits, vegetables and corns of any variety or varieties on Company's own lands or on lands of others, on such terms and conditions as the Company may deem fit from time to time and advance moneys and loans to growers, farmers, landowners and contractors and provide them with seeds, manure, tools, machinery and or other facilities, or such terms and conditions as the Company may deem fit and to consume all or any such grown, owned or acquired sugar-cane, sugar-beet, fruit, vegetable or corn, in Company's own undertakings or to dispose of, supply, export or sell all or any of these commodities to any dealers, distributors, manufacturers, exporters and others on such terms and conditions as the Company may deem proper.



- (3) To carry on the business in all its branches, in Pakistan or in any part of the world, as brokers, commission agents, buyers, sellers and dealers of sugar of any variety or varieties, sugar-beet, fruit, vegetable, corn or any produce or form of such commodities or of advancing of money by way of loan upon the security in respect of the same or upon or against bills of lading, dock warrants or other documents of title representing the same.
- (4) To carry on the business of manufacturers of and dealers in all kinds and classes of pulp including Sugarcane bagasse pulp, sulphate wool pulp, mechanical pulp, and soda pulp and paper of all kinds, including transparent, writing, printing, glazed, absorbent, news-printing, wrapping, tissue, blotting, filter, bank and bond, brown, buff or coloured, cloth-lined, azure laid, cream-laid, grease or waterproof, handmade parchment, drawing, kraft, carbon, envelop, cardboard, box board, veneer board, straw board, mill board, duplex and triplex boards, wall and ceiling papers and all kinds of articles in the manufacture of which pulp, paper or board is used and materials used in the manufacture or treatment of pulp and paper.
- (5) To carry on the business of manufacturers of and dealers in chemical products of any nature and kind whatsoever and as wholesale and retail chemists and druggists, analytical chemists, dyersalters, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tannins, essences, pharmaceutical, photographic sizing, medicinal, chemical, industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, cements, oils, paints, pigments and varnishes, compounds, drugs, dyestuffs, organic or mineral intermediates, paint and colour grinders, makers of and dealers in proprietary articles of all kinds, and of electrical chemical, photographic, - surgical and scientific apparatus and materials.
- (6) To acquire by purchase, lease or otherwise ranches and sheep farms, poultry farms and to carry on the trades or businesses of cattle rearers, sheep farmers and poultry farmers, and to export, import, produce, manufacture, produce, acquire, buy, sell, distribute and deal in wheat, live cattle and sheep, poultry, eggs, hides and skins, fat, tallow, grease, offal and other animal products.
- (7) To carry on all or any of the businesses of farmers, dairymen, milk contractors, dairy farmers, millers, purveyors and vendors of milk, cream, cheese, butter, poultry and provisions of all kinds, growers of and dealers in corn, hay and straw, seedmen and nursery-men, and to buy, sell and trade in any goods usually traded in any on the above businesses, or any other business associated with the farming interest which may be advantageously carried on by the Company.



- (8) To carry on the business of milling all kinds of grains by taking on the lease or in exchange, hiring, purchasing, erecting, getting allotted or otherwise acquiring rice mills, husking mills, flour mills, grinding mills etc., and for that purpose buying ready and forward paddy, wheat, maize, barley, and other grains, advancing money on crop of grains, making and preparing for market grains and by-products of grains in any form.
- (9) To cultivate fruits, vegetables, tea, coffee, rubber, cocoanut, timber, tobacco, spices and other produce of the soil, to carry on and work the business of planters, cultivators, winnowers, buyers and sellers of every kind of fruits, vegetables, minerals or other produce of the soil, to grow, prepare, manufacture and render marketable any such produce, and to buy, sell, export, import dispose of and deal in any such produce, either in its prepared, manufactured or raw state and either by wholesale or retail and to purchase, take on lease or otherwise, acquire, hold and work any lands or plantations suitable for any of such purposes and any concessions, rights, powers and privileges relating thereto.
- (10) To carry on business as timber merchants, saw mill proprietors, and timber growers and to buy, sell, grow, prepare for market, export, import, and deal in timber and wood of all kinds, to buy, sell, clear, plant and work timber estates and to manufacture, sell, buy and deal in articles of all kinds in the manufacture of which timber or wood is used.
- (11) To purchase, take in exchange or otherwise acquire either absolutely or by lease, licence, concession, grant or otherwise from persons or Government, any lands, mines, quarries, mineral rights, easements, rights and privileges and to search for ores, minerals and mines and to grant licences for mining in or on any lands which may be acquired by the Company and to lease out any such lands for building or agricultural use and to sell or otherwise dispose of the lands, mines, quarries and other property of the Company.
- (12) To own, prospect for, explore, acquire by lease, licence, purchase or otherwise, open, work, develop and maintain natural deposit of salt, brine, natron, soda, nitrate and other chemical substances of all kinds, clay and sand pits, slabs, stone, chalk and limestone quarries, coal mines, copper mines, iron mines, mineral oil fields and mines of all kinds and to sell or otherwise dispose of any of the above products, to manufacture, prepare, treat quarriable and mineral substances or products of all kinds obtained as aforesaid for sale or use or for manufacturing, building or any other purpose and to manufacture therefrom any kind of products and to expend such sums of money as may be deemed requisite and advisable in exploration, survey and development for any of the above purposes.



- (13) To carry on the business of manufacturing, procuring, importing, exporting, buying, selling, distributing and dealing in packages and containers made of wood, paper, card-board, jute, tin or of any other suitable metals or materials and to manufacture, import, export, procure, purchase, sell, hire, borrow and lend or otherwise to deal in machinery, apparatus and accessories appertaining to and in connection therewith.
- (14) To carry on the business of cold storage, manufacture of ice, preservation of fruits, vegetables, fish, meat, medicines and food products of all kinds and like commodities.
- (15) To provide fullest possible openings, for the employment of Pakistan Nationals in the administrative and technical departments of the Company; to accept such of them for, and to provide them with necessary training in Pakistan and abroad, as the Company may be able to take into its service; and to establish, provide, subsidise, finance, maintain, and conduct schools, training centre, laboratories, workshops, and research and other institutions, for their education, instruction and training and to give them scholarships, stipends and other monetary help for the purpose.
- (16) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licence, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof.
- (17) To purchase, erect, construct, work, equip, maintain, improve or alter, or assist in the purchase, erection, construction, working, equipment, maintenance, improvement or alteration of any mills, factories, works, plant, machinery, scrapers, cutters, crushers, pressers, and engines, buildings, offices, ware-houses, dwelling houses, labour lines, places of workshop, schools, hospitals, dispensaries, canteens, shops, clubs, recreation rooms, and grounds, gardens, farms, water courses, tanks, wells, reservoirs, aqueducts, canals, telegraphs, roads, railways, tramways, sidings, bridges, skidpiers, slips, gridirons, lorries, cars, wagons, carts, and other works and conveniences which the Company may think directly or indirectly conducive to any of its objects.
- (18) To carry on the business of advertising and publicity agents, advertisement contractors and designers of advertisements, printers, engravers, publishers, book and print sellers, book binders and / of journalists, in all their branches.
- (19) To obtain and or hold the office of and act as brokers, contractors and secretaries of any trading or manufacturing company, Corporation, Board, Committee, or concern whether owned patronised or controlled by any Government, local authority or other person or persons.



- (20) To carry on business as agents, selling agents, buying agents, brokers, commission agents, indentors, indenting agents, canvassers, advertisers, stockists, and distributors for any persons firms and companies (including without prejudice to the said generality and in particular for importers, exporters, buyers, sellers, manufacturers, merchants, tradesmen, builders, property owners and others) and generally to undertake and carry out agencies and agency work of any kind whatsoever and transact all manner of agency, booking commission, canvassing, distributing and advertising business.
- (21) To carry on the business of clearing agents, mucedums, customs, agents, dubashes, stevedores, shipping agents, lighterers etc., and to acquire by purchase or otherwise lands and buildings in Pakistan and elsewhere and to erect and maintain warehouses and other buildings and to carry on and undertake the storage, warehousing, packing, removal, carrying, forwarding, delivery, purchase, sale, exchange, mortgaging, pledging goods and chattels of every description.
- (22) To carry on the business of importing, exporting, purchasing, selling, stocking, supplying, demonstrating, maintaining, hiring, manufacturing and distributing machinery, apparatus, accessories and materials in connection with any of the undertakings of the Company.
- (23) To establish, provide, maintain and conduct, or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments and undertake and carry on all scientific and technical researches, experiments, and tests of all kinds to promote studies and research both scientific and technical investigation and invention by providing, subsidising or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing the remuneration of scientific or technical teachers and by providing for the award of scholarships, prizes, grants and bursaries to students or independent students or otherwise and generally to encourage, promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any other business which the Company is authorised to carry on.
- (24) To establish, organize, conduct and carry on either alone or in partnership with others, the business of mechanical, electrical, civil and general engineers, mechanics, fitters, mill-wrights, foundrymen and generally to act as consulting, planning, research, executive and technical engineers and advisers to all kinds of industrial and commercial undertakings.
- (25) To purchase, build, charter, affright, hire and let out for hire, or for chartering and affreightment, and otherwise to obtain the possession of, and use, operate and dispose of, and employ or turn to account ships, lighters, barges, tugs, launches, boats and vessels of all kinds (including tank vessels), automobiles, lorries, motor trucks and tractors aeroplanes, locomotives, wagons, tank





cars, and other rolling stock, and otherwise to provide for and employ the same in the transport of Sugar, Sugar cane, Sugar beet, gur, Molasses, fruit, vegetable, corn and moveable property and merchandise of all kinds, and the transportation of personnel, employees, customers and visitors, and to purchase or otherwise to acquire any shares or interests in any ships or vessels, aeroplanes, railways, motor transportation, or in any companies, possessed of or interested in any ships, vessels, aeroplanes, railways and motor transportation.

- (26) To apply for, obtain, own, register, renew, purchase, lease or otherwise to acquire, and to use, own, produce, manufacture, operate and introduce, and to sell, assign, grant, licence or otherwise dispose of patents, brevets d'invention, inventions, improvements, formula and processes used in connection with or secured under letter patents of any government or country in the world, including licences, concessions and the like, conferring exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem directly or indirectly calculated to benefit the Company, and to use, exercise, develop, disclaim, alter or modify, grant licences in respect of, or otherwise turn to account the property, rights, and information so acquired, also to acquire, use, register, assign and dispose of trade marks, trade names, registered or other designs, rights of copyright, or other rights or privileges in relation to any business carried on by the Company.
- (27) To borrow or secure the payment of money in such manner as the Company shall think fit and in particular by mortgage or by the issue of any shares, bonds, debentures, obligations or any other securities charged or based upon the undertakings of the Company, or any part of its property both present and future including the rights of the Company or without any such security and upon such terms as to priority or otherwise and generally to borrow money in such manner as the Company shall think it.
- (28) To issue debentures, participation term Certificates and Mudaraba Certificates, part or whole of which could be converted into shares.
- (29) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, for the time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock either perpetual or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.
- (30) To issue any securities which the Company has power to issue, by way of mortgage or otherwise to secure any sum less than the normal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons or corporations



having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly.

- (31) To receive money on loan from members, staff or customers of the Company or others upon such terms as the Company may approve and to give guarantees and indemnities of any description and generally to act as bankers for members, customers and others having dealings with the Company.
- (32) To guarantee or undertake the performance of the obligations of any company, association, firm or person and the payment of dividends and interest on, and the repayment or payment, of capital or other moneys payable in respect of any, shares debentures, debenture stock, securities and obligations of whatsoever nature of any company, association, firm or person in any case in which such loan, undertaking or guarantee may be considered likely, directly or indirectly, to further the objects of this Company or the interest of its members.
- (33) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company and the issue of its capital or which the company shall consider to be in the nature of preliminary expenses including therein the cost of advertising, commissions for under-writing, brokerage, printing and stationery and expenses attendant upon the formation of agencies and local boards and to remunerate or make donations to (by cash or other assets or by the allotment of fully paid share debentures, debenture stock or securities of this or any other company, or in any manner, whether out of the Company's capital or profits or otherwise) any person, firm or company for services rendered or to be rendered in introducing any property or business to the Company or in placing or assisting to place or guaranteeing the subscription of any of shares, debentures, debenture stock or other securities of the Company or for any other reason which the Company may think proper.
- (34) To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependents or connections of such persons, to establish and maintain or concur in establishing and maintaining trust funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid, their dependents or connections, and to support or subscribe to any charitable funds or institutions, the support of which may, in the opinion of the Directors, be calculated directly or indirectly to benefit the Company or its employees, and to institute and maintain any club or other establishment or profit-sharing scheme calculated to advance the interests of the Company or its officers or employees.
- (35) To draw, accept, make, endorse, negotiate, discount, execute, issue, and assign cheques, promissory notes, bills of exchange, railway receipts, bills of lading, warrants, debentures, drafts, hundies and all other negotiable or transferable instruments concerning the business of the Company.



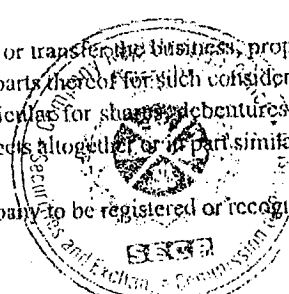
- (36) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined.
- (37) To undertake and execute any trust or trusts which the Company may deem to be desirable, expedient or necessary.
- (38) 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.
- (39) To remunerate the Directors, officials, servants of the Company and others out of or in proportion to the returns or profits of the Company or otherwise as the Company may think proper.
- (40) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.
- (41) To enter into agreement with and/or employ workers, technicians, specialists, experts, consultants and other persons having special knowledge of matters relating to the business of the Company, as may be necessary or expedient for conducting the business of the Company, on such terms conditions and stipulations as the Company may deem proper.
- (42) To depute any of the representatives, Directors, or other employees of the Company to any part of Pakistan or abroad for any of the purposes which may be expected to benefit the Company, directly or indirectly, with such staff as necessary, and incur such expenses of journey or voyage, lodging, boarding, and other expenses as may be necessary for these purposes and to make payment or to give remuneration to such person or persons through whose agency, assistance or mediation or efforts necessary facilities and help are made available to the Company towards one or more objects of the Company.
- (43) To adopt such means of making known or giving publicity to the business of the Company as may seem proper or expedient by advertisement in the press, by outdoor publicity, by showcards, calendars, pamphlets, folders, circulars, posters, or by publication of books, booklets, periodicals, magazines or by any other suitable media of publicity and to grant prizes, rewards and donations which may be expected to make the Company popular and prosperous.
- (44) To pay for any property or rights acquired by the Company, either in cash or fully paid-up shares, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.



- (45) To accept payment for any property or rights sold, or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully paid-up shares of any company or corporation, or in debentures or mortgage debentures or debenture stock, mortgages, or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, or securities so acquired.
- (46) To obtain from any Government, State, Municipal or other public authorities, supreme or otherwise rights, concessions, licences, permits, and the like, periodical or otherwise, for conduct of any of the objects for which the Company is established.
- (47) To issue any shares or securities which the Company has power to issue by way of security or indemnity to any person whom the Company has agreed or is bound to indemnify against any debt, liability, costs, losses or expenses out of the funds of the Company.
- (48) To purchase or otherwise acquire and undertake the whole or any part of business, property, rights, and liabilities of any person, firm, or company, carrying on any business which this company is authorised to carry on or possessing property or rights and privileges suitable for any of the objects of this Company and to purchase, acquire, sell and deal in property, shares, debentures, debenture-stock of any such person, firm or company and to conduct, make or carry into effect any arrangements in regard to the winding up of business of any such person, firm or company.
- (49) To enter into partnership or any joint venture, arrangement or any arrangements for sharing profits, union of interest or cooperation with any company, firm or person and to acquire and hold, sell, deal with or dispose of shares or securities of any such company, and to guarantee the contracts or liabilities of or the payment of the dividends, interest or capital of any shares, or securities of and to subsidise or otherwise assist any such company.
- (50) To insure against losses, damages, risks, accidents and liabilities of all kinds which may affect the Company, whether in respect of its contracts, agreements, advances or securities or in respect of servants or employees of the Company, or in respect of property belonging to or leased to or hired by the Company, either by setting apart funds of the Company or by effecting such insurances, and in the latter case to pay the premium thereon.
- (51) To promote and form any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company.



- (52) To promote, form and to be interested in and to acquire or take by subscription, purchase or otherwise whatsoever and to hold shares in, or securities of any company, association or undertaking in Pakistan or abroad having any objects of like nature or description with any of those of this Company or such as may be deemed by this Company likely to advance either directly or indirectly the interest of this Company or to subsidise or otherwise assist such company or companies if it directly or indirectly benefits this Company.
- (53) To sell, improve, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property or assets for the time being of the Company for such consideration as the Company may think fit.
- (54) To amalgamate with any other company whose objects are or include objects similar to those of this Company, whether by sale or purchase (for fully paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company as aforesaid, with or without winding up or by sale or purchase (for fully paid-up shares or otherwise) of all or a controlling interest in the shares of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.
- (55) To purchase, acquire, own, underwrite or guarantee, the subscription of shares, debentures, debenture stocks, bonds, obligations and securities issued or guaranteed by any company association, Trust, undertaking or body constituted and carrying on business in Pakistan (or elsewhere as may be allowed by law) or issued or guaranteed by any Government, State, Municipality or any other Public Body or Authority in Pakistan (or elsewhere as may be allowed by law) at such times and upon such terms conditions as to remuneration as may be agreed upon and to sell, exchange, transfer, dispose of, deal in and turn to account such shares debentures, debenture stocks, bonds, obligations and securities.
- (56) To sell or dispose of or transfer the business, property or undertaking of the Company or part or parts thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
- (57) To procure the Company to be registered or recognised in any foreign country or any place.
- (58) To enter into contracts giving any persons or company the sole exclusive right to supply the Company with any articles or commodities used or sold by the Company, on such terms and conditions and for such period as may be determined from time to time.



- (59) To create provident fund, reserve fund, depreciation fund, sinking fund, insurance fund, or any other special fund conducive to the interest of the Company.
- (60) The advance money to member of staff or customers of the Company or others having dealings with the Company with or without security and on such terms as the Company may deem expedient.
- (61) To make advances of such sum or sums of money upon or in respect of or for the purchase of raw materials, goods, machinery, stores, or any other property, articles and things, required for the purposes of the Company upon such terms and with or without security, as the Company may deem expedient.
- (62) To act as Trustees of any deeds constituting or securing any debentures, debenture stock, or other securities or obligations and to undertake and execute any other trust and also to undertake the office of executor, administrator, or registrar or to become secretary of any business and to keep for any company. Government authority or body, any register relating to any stocks funds, shares, or securities or to undertake any duties in relation to the registration of transfer, the issue of certificates or otherwise.
- (63) To open an account or accounts with any firm, or company or with any Bank or Banker and to pay into and withdraw money from such account or accounts.
- (64) To accept shares, debentures, mortgage debentures or other security of any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company.
- (65) To capitalise such portion of the profits of the Company as are not distributed among shareholders of the Company in the form of dividends and as the Directors of the Company may think fit and to issue bonus shares, as fully paid up, in favour of the share-holders of the Company.
- (66) To appoint legal and and technical advisers for the Company and to pay the necessary expenses for the same.
- (67) To employ experts to investigate and enquire into the conditions, prospects, value, character, and circumstances of any business, concerns and undertakings and generally of any assets, property or rights.
- (68) To issue any shares of the Company as full paid up, and at par or at a premium.
- (69) To aid pecuniarily or otherwise any association, body or movement having for its object the solution, settlement or surmounting of industrial or labour problems or troubles or the promotion of industry or trade or development of savings and investment thereof.



- (70) To distribute as dividend or bonus among the members or to place to reserve or otherwise to apply as the Company may from time to time think fit any moneys received by way of premium on shares or debentures issued at premium by the Company and any money received in respect of unclaimed dividends.
- (71) To distribute among members of the Company in specie or otherwise any asset of the Company or any proceeds of sale or disposal of any assets of the Company including the shares, debentures or other securities of any other company formed to take over the whole or any part of the assets and liabilities of this Company but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law
- (72) To carry on the business of concessionaries, manufacturers, general merchants exporters, importers, traders or dealers in merchandise, articles and commodities of all descriptions.
- (73) To do all or any of the above things in Pakistan or in any part of the world, and either as principals, agents, trustees, contractors or others, and either alone or in conjunction with others, and either by or through agents, sub-contractor trustees or otherwise.
- (74) To carry on any other business which, in the opinion of the Company, is capable of being conveniently and advantageously carried on by the Company in connection with or as ancillary to the objects specified above or is calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (75) It is hereby undertaken that the Company shall not be engaged in any banking business or the business of any investment or in any unlawful business and that nothing in the object Clause shall be included to entitle it to engage in any such business.
- (76) And generally to do and to perform all such other things and acts as may appear to be incidental or conducive to the attainment of the above objects or any of them.

The objects set forth in any sub-clause of this clause shall not except when the context expressly so requires, be in any way limited or restricted by reference to or inference from the name of any other sub-clause or by the name of the Company. None of such sub-clauses or the objects therein specified or powers thereby conferred shall be deemed subsidiary or auxiliary and the Company shall have full powers to exercise from time to time all or any of the powers conferred by any part of this clause in any part or parts of the world.



- (77) To generate electrical power by conventional, non-conventional methods including Coal, Bagasse, Natural Gas, Steam, Gas lignite, Furnace Oil, Bio-mass, Waste, Thermal, Solar and wind etc and carry on business of generating, purchasing, selling, importing, Exporting by all means, transforming, converting, distributing, supplying and dealing in electricity and all other forms of energy and products or services associated therewith and of promoting the conservation and efficient use of electricity and to the business of electricity generation, transmission, distribution supply, and Sale to Government, Semi Government, Private Enterprises, Independent power project and any other organization intended to purchase the Electric power.
- (78) To locate, establish, construct, equip, operate, use, manage and maintain thermal power plants, Bagasse, Natural Gas, Steam and coal fired power plants, power grid station, transforming, switching, conversion, and transmission facilities, grid stations, cables, overhead lines, sub-stations, switching stations, tunnels, cable bridge, link boxes, heat pumps, plant and equipment for combined heat and power schemes, offices, computer centers, shops, dispensing machines for pre-payment cards and other devices, showrooms, depots, factories, workshops, plants, printing facilities, warehouse and other facilities.
- (79) To carry on all or any of the businesses of wholesalers, retailers, traders, importers, exporters, suppliers, distributors, designers, developers, manufacturers, installer, filters, testers, repairers, maintainers, contractors, constructors, operators, users, inspectors, reconditioners, improves, alterers, protectors, removers, hirers, replacers, importers and exporters of and dealers in, electrical appliances, systems, products and services used for energy conversation equipments, machinery, materials and installations, including but not limited to cables, wires, meters, pylons, tracks, rails, pipelines and any other plant, apparatus equipment, systems and things incidental to the efficient generation, procurement, transformation, supply and distribution of electricity.

IV. The liability of the Member is limited to Rs. 10/-

Part V of Memorandum of Association

The Capital of the company is Rs. 1,000,000,000/- (Rupees One Billion Only) dividend into 100,000,000/- (One Hundred Million Only) shares of Rs.10/- (Rupees Ten) each. The Capital of the company may be increased or reduced and there may be attached thereto respectively any special rights privileges, condition or restrictions in accordance with Articles of Association of the company and subject to the provision of the companies Ordinance, 1984 for the time being.





We, the several persons, whose names and addresses are subscribed, 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 our respective names.

Name of subscribers.	Name, address and Description of the subscribers.	No. of Shares taken by each Subscriber.	Witness.
1. Sd/- Mr. K. M. Basheer	1. Mr. K. M. Basheer 67-68A, Queens Road, Karachi. Industrialist.	Ten	Sd/- (SULTAN ALI GULAM HUSSAIN) Secretary: C/o Gangat & Co., Chartered Accountants, Safe Deposit Chambers, 2nd Floor, Meland Road, Karachi-2
2. Sd/- Mr. K. M. Munceer	2. Mr. K. M. Munceer. 15, Old Clifton, Karachi. Industrialist.	Ten	
3. Sd/- Mr. K. M. Asaf	3. Mr. K. M. Asaf 67-68A, Queens Road, Karachi. Industrialist.	Ten	
4. Sd/- Mr. K. M. Rafi	4. Mr. K. M. Rafi 15, Old Clifton, Karachi. Industrialist.	Ten	
5. Sd/- Mrs. Anwar Jehan Basheer	5. Mrs. Anwar Jehan Basheer. 67-68A, Queens Road, Karachi. Industrialist.	Ten	
6. Sd/- Mrs. Khairat Khanam Munceer	6. Mrs. Khairat Khanam Munceer. 15, Old Clifton, Karachi. Industrialist.	Ten	
7. Sd/- Mrs. Shamim Kanai	7. Mrs. Shamim Kanai 67-68A, Queens Road, Karachi. Industrialist.	Ten	

Dated this 17th day of January 1963

Note: This Company was incorporated on 17th January 1963 under the Companies Act, 1913

S.No. 77078 dt 7/9/12  
 Certified to be True Copy  
 Company Registrar of Companies



THE COMPANIES ORDINANCE, 1984  
COMPANY LIMITED BY SHARES

*Articles of Association*  
of  
**HAMZA SUGAR MILLS LIMITED**

PRELIMINARY

1. (a) The regulations contained in the Table marked 'A' in the First Schedule to the Companies Ordinance, 1984 shall not apply to the Company except so far as the same are repeated contained or expressly made applicable in these Articles or by the Ordinance. The regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by the Ordinance be such as are contained in these Articles.

Company to be  
governed by  
these Articles.

- (b) The business of the Company shall include all or any of the several objects expressed in the Memorandum of Association.

Business of  
the Company.

2. The marginal notes hereto shall not effect the construction hereof and in these presents, unless there be something in the subject or context inconsistent therewith.

Interpretation

"The Company" means the HAMZA SUGAR MILLS LIMITED.

"The Ordinance" means Companies Ordinance, 1984.

"Special Resolution" has the meaning assigned thereto by Section 2(1) (36) of the Companies Ordinance, 1984.

"The Director" means the Director for the time being of the Company.

"The Board" means the Board of Directors for the time being of the Company.

"The Office" means Registered Office for the time being of the Company.

"The Register" means the register of members to be kept pursuant to Section 147 of the Ordinance.

"Dividend" includes bonus.

"Month" means Calendar month according to the English Calendar.

"Proxy" includes Attorney, duly constituted under a Power of Attorney.

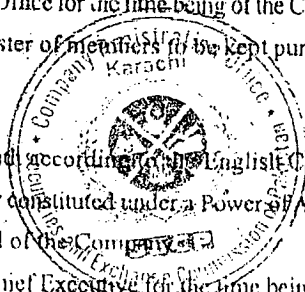
"Seal" means the common seal of the Company.

"Chief Executive" means the Chief Executive for the time being of the Company as defined in Section 2(1) (6) of the Ordinance.

"Executors" include administrators.

"Debenture" and "Debenture holder" include debenture stock and debenture stock holder respectively.

"Modaraba", "Modaraba Company" and "Modaraba Certificate" have



the meaning respectively assigned to them in the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

"PTC" and "TFC" means Participation Term Certificate and Term Finance Certificate respectively.

"Securities" includes Shares, Modaraba Certificates, PTCs, TFCs, and Debenture Certificates.

Words importing the singular number also includes the plural number and vice versa.

Words importing the masculine gender also include the feminine gender.

"In writing" and "written" means and include words printed, lithographed, represented or reproduced in any mode in a visible form. Words importing persons include firms, associations corporations.

### CAPITAL

#### Capital-Clause 3(a) of Articles of Association

Capital

3. (a) The Capital of the company is Rs. 1,000,000,000/- (Rupees One Billion Only) dividend into 100,000,000/- shares of Rs. 10/- each.
- (b) The Company shall offer to Pakistan Industrial Credit and Investment Corporation Limited (hereinafter called PICIC) out of the initial public issue for cash shares in its capital equal in nominal value (or as near thereto as possible) to 20 per cent of the loan which PICIC shall give to the Company pursuant to an Agreement which is being entered into between the Company and the PICIC. The PICIC shall be at liberty either to decline the offer of shares or accept in whole or in part. In the event of its declining the offer or accepting it in part, PICIC's right to take up the shares upto an aggregate of 20 per cent of the loan shall be carried forward to such further issue or issues of shares for cash (not being bonus issues) as may be made by the Company during the subsistence of the loan notwithstanding anything contained in Article 30 of these presents. In the event of PICIC accepting the offer in full or in part, PICIC shall make payment for the shares taken by it in cash at issue price. If the offer is not accepted within a period of one week from the date of offer, it will be deemed to have been declined and the Directors may dispose off the shares offered to PICIC in such manner as they think most beneficial to the Company.
- (c) The Directors of the Company shall guarantee the obligation to offer the said shares to PICIC in the form or substance as may be mutually agreed by and between PICIC and the Directors.
- (d) PICIC shall have the right at any time and from time to time to convert the loan which PICIC shall advance to the company, pursuant to and in terms of an agreement (which is being entered into between the Company and PICIC) into ordinary shares of the Company at par value subject to a maximum of 20 % of the loan. This right is reserved to PICIC during the subsistence of the loan notwithstanding any other provisions in these Articles.
- (e) The Company may offer shares in its capital to any other loan giving organization besides PICIC on terms and conditions similar to those mentioned in sub-clause (b) and (c) above, subject to approval of the Controller of Capital Issues.



4. (a) Subject to the provisions of these Articles the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons on such terms and conditions and at such times as they think fit, and with full power to give to any persons the right to call for the allotment of any shares either at par, or at a premium, for such consideration as the Directors may seem fit, provided that upon the issue of further shares the Directors shall comply with the provisions of Section 86 of the Ordinance unless the company shall in the general meeting decide upon the issue of such shares on other terms.
- Share under the control of Directors.
- (b) Subject to the provisions of the Ordinance and these Articles the Directors may allot and issue shares in the capital of the Company as payment or part payment of any property, sold or transferred, goods or machinery supplied or for services rendered to the company in or about the formation or promotion of the Company or conduct of its business, and any shares which may be so allotted may be issued as fully paid up shares, and, if so issued shall be deemed to be fully paid-up shares.
- Directors may allot fully paid-up shares as payment of property etc.
5. 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 absolute or conditionally) for any shares, debentures or debenture-stock in the Company, but so 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 2-1/2% on the shares, debentures or debenture-stock in each case subscribed or to be subscribed. The Commission may be paid or satisfied, either wholly or in part, in cash or in shares, debentures or debenture-stock.
- Payment of Brokerage and Commission.
6. With the previous authority of the Company in General Meeting and the sanction of the Corporate Law Authority and upon otherwise complying with Section 84 of the Ordinance it shall be lawful for the Directors to issue at a discount shares of a class already issued.
- Shares at a Discount.
7. None of the funds of the Company shall be employed in the purchase of, or lent on the security of, shares of the Company and the Company shall not, except to the extent permitted by Section 95 of the Ordinance give any financial assistance for the purposes of, or in connection with, any purchase of shares in the Company.
- Company not to purchase its own shares.
8. The Company may make any allotment on the terms that the person to whom such allotment is made shall have the right to call for further shares at such time or times and at such price or prices (not below par) as may be thought fit.
- Right to call for further shares.
9. Every Share-holder shall name to the Company a place, in Pakistan, to be registered at his address and such address shall for all purposes be deemed to be his place of residence.
- Address of Share Holders.
10. The company shall not, save as ordered by some Court of Competent Jurisdiction, be bound to recognise any benami, equitable, contingent, future or partial interest in any share, or any other right in respect of a share except an absolute right thereto in the person or persons from time to time being registered as the holder or holders thereof.
- Company not to recognise interest.



Shares may  
be registered  
in the name of.

Return as to  
Allotments

Register of  
members.

How special  
rights of  
shares may  
be varied.

Proceedings  
for Class  
Meetings.

Creation of  
issue of  
further shares.

Certificates.

Renewal of  
Certificate.

11. Shares may be registered in the name of any limited company or corporate body, but not in the name of a minor, save by transmission or by a judicial order, or in the name of any partnership firm, nor shall more than four persons be registered as joint-holders of any share.
12. As regards all allotment from time to time made, the Directors shall duly comply with Section 73 of the Ordinance.
13. The Company shall cause to be kept a Register of Members and an index of Members in accordance with Section 147 to the Ordinance.
14. Whenever the capital of the Company is divided into different classes of shares, the company may by resolution, at a separate General Meeting and subject to the provisions of Section 28 and 108 of the Ordinance vary, extend or abrogate the right or liabilities of members of the different classes. Such rights and liabilities may be so varied or abrogated whilst the company is a going concern or when it is in the process of being wound up.
15. Except as provided in Article 14 hereof, at every such separate General Meeting all the provisions of these Articles relating to the General Meeting of the Company, or the proceedings thereat, shall mutatis mutandis apply.
16. In the event of the creation of issue of shares with special rights attached thereto, such rights shall not, unless otherwise expressly stipulated by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith, but in no respect in priority thereto.

#### CERTIFICATE

17. Every person whose name is entered as a member in the register of members shall be entitled without payment to receive within 90 days after allotment or within 45 days of the application for registration of transfer (or within such other period as the conditions of issues shall provide) one certificate for all his shares of any one class or, upon payment of such sum, not exceeding one rupee for every certificate after the first as the Directors shall from time to time determine to several certificate each for one or more of his shares of any one class. Where a member transfers part only of the shares comprised in a certificate the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge. Every certificate shall be issued under the seal and bear the autographic signatures required by Article 120 hereof, and shall specify the shares or securities to which it relates. In the case of a share held jointly by several persons the Company shall not be bound to issue more than one certificate thereof and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
18. If a share certificate be defaced, worn out, lost or destroyed, it may be renewed on payment of such fee (if any) not exceeding one rupee, and on such terms (if any) as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in investigating evidence, as the Directors think fit.



## TRANSFER OF SHARES

19. The Transfer of shares shall be affected by an instrument in writing in the usual common form, modified so as to suit the circumstances of the parties.

Form of  
Transfer.

The instrument of transfer of a share shall be duly stamped and shall be executed both by the transferor and the transferee whose execution shall be attested by at least one witness who shall add his address and occupation, and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register in respect thereof.

Whenever shares of different classes have been issued a separate instrument of transfer shall be required for each class of shares unless the Directors resolve otherwise.

20. The Directors may decline to recognise any instrument of transfer, unless the instrument of transfer is deposited at the office or such other place as the Directors may appoint, accompanied by the certificate or certificates of shares to which it relates, and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer, and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do.

Deposit of  
Transfer.

21. If the Directors refuse to register a transfer they shall within 30 days after the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal as required by the Ordinance.

Notice of  
Refusal to  
Transfer.

22. The Directors may on giving seven days previous notice by advertisement in some newspaper circulating in the Province in which the office is situated, in the Province in which the stock exchange on which the company is listed is situated, close the transfer books and register of members during such time as the Directors think fit, not exceeding in the whole forty-five days in each year, and not exceeding thirty days at a time.

Closing  
Register.

23. Neither the Company nor its Directors shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may be reason of any fraud or other cause not known to the Company or its Directors, 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 share transferred, or otherwise in defective manner. And in every such case the person registered as transferee, his executors, administrators and assignee 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 thereto.

Indemnity  
against  
wrongful  
transfer.

## TRANSMISSION OF SHARES

24. In the case of the death of a shareholder the survivor where the deceased was a joint holder, and the executors or administrators or nominee under Section 80 of the Ordinance of the deceased where he was a sole or only

Transmission  
on death.



Surviving holder, shall be the only persons recognised by the Company as having any title to his shares but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.

Registration  
of executors  
and assignees  
of insolvents.

25. Any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of a member may, subject as here in after provided, either be registered himself as holder of the share upon giving to the Company notice in writing of such desire, or transfer such share to some other person. All the limitations, restrictions, and provisions of these Articles relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice of transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer was a transfer executed by such member.

Duties of  
personal  
representative  
prior to  
registration.

26. The Company shall not be bound to recognise an executor or administrator unless the shall have obtained probate or letters of administration or other legal representation, as the case may be, valid and having effect in Karachi, provided nevertheless that it shall be lawful for the Directors in their absolute discretion 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 may decide.

Right of  
un-registered  
executors and  
trustees.

27. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or insolvency of a member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, and shall be entitled to attend and vote at any General Meeting as if he were the registered holder of such share, provided that seventy-two hours at least before the time of holding the meeting or adjourned meeting at which he proposes to vote he shall satisfy the Directors as to his rights, or to the Directors shall have previously admitted his rights, to vote at every meeting in respect thereof.

Fee for  
Registration  
of probate  
etc.

28. There shall be paid to the Company in respect of the registration of any probate, letters of administration certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, or for making any entry in the register affecting the title of any shares such fee, not exceeding two rupees, as the Directors may from time to time, require or prescribe.

Directors  
right to  
refuse  
registration on  
transmission.

29. The Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### ALTERATION OF CAPITAL

30. The Company in General Meeting may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the Resolution shall prescribe.

Unless otherwise determined by the Company in General Meeting any original shares for the time being unissued and any new shares from time to time be created shall be offered to the members in proportion, as nearly as may be to the number of shares held by the such offer shall be made by notice specifying the number of shares to which



the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from the member to whom the offer is made that he declines to accept the shares offered, the Directors may, subject to these Articles, dispose off the same in such manner as they think most beneficial to the Company. The Directors may, in like manner, dispose off any such new or original shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in manner herein-before provided.

31. All new shares shall be subject to the provisions of these Articles with reference to transfer, transmission or otherwise.
32. The Company may, by Ordinary Resolution :
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares (subject, nevertheless to the provisions to Section 92 of the Ordinance).
  - (b) 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 and diminish the amount of its capital by the amount of the shares so cancelled, or
  - (c) sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject nevertheless, to the provisions to Section 92 of the Ordinance).
33. The Resolution where by any share is sub-divided may determine that as between the holders resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voting, or otherwise over or as compared with the others or other, subject nevertheless to the provision of Section 92 of the Ordinance.
34. Whenever the capital is divided into different classes of shares all or any of the rights and privileges attached to each class (unless otherwise provided by the terms of issue of the shares of that class) may 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 agreements (i) ratified in writing by the holders of at least three-fourth in nominal value of the issued shares of the class or (ii) confirmed by a special Resolution passed at a separate General Meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meeting shall, mutatis mutandis, apply to every such meeting, except that the quorum thereof shall be members holding or representing proxy one-fifth of the nominal amount of the issued shares of the class and that holder of shares of that class present in person or by proxy may demand a poll. This Article is not by implication to curtail the power of modification which the Company would have if this Article were omitted.
35. Subject to confirmation by the Court, the Company may by Special Resolution reduce its share capital in any manner authorised by the Ordinance.

Rights and  
Liabilities  
attached to  
new shares.

Power to  
consolidate  
shares.

Variation of  
rights on  
sub-division.

Power to  
modify rights.

Power to  
reduce capital.





## GENERAL MEETINGS

Statutory Meeting.

36. The statutory general meeting of the Company shall be held within the period required by Section 157(1) of the Ordinance, 1984.

First General Meeting.

37. An Ordinary General Meeting shall be held within eighteen months of the date of incorporation of the Company at such time and at such place (subject to the provisions of Section 158 of the Ordinance, 1984) as may be determined by the Directors.

General Meeting.

38. A General Meeting shall be held once at least in every calendar year at such time (within a period of not more than six months after the close of its financial year and fifteen months after the holding of the last preceeding General Meeting) and place (subject to the provisions of Section 158 of the Ordinance, 1984) as may be determined by the Directors.

Nomenclature of Meetings.

39. The General Meetings referred to in Articles 37 and 38 shall be called ordinary meetings. All General Meetings other than Ordinary Meetings shall be called Extra-ordinary.

Extra-ordinary meetings.

40. The Directors may whenever they think fit, and shall on requisition by members in accordance with Section 159 of the Ordinance proceed to convene on Extra-ordinary General Meeting.

Notice of General Meeting required.

41. Twenty-one days' notice at the least (exclusive of the day on which it is served or deemed to be served and of the day for which it is given) specifying the place, the day and the hour of meeting, and in the case of special business, a statement setting out all the material facts concerning the business to be transacted at the meeting (and in the case of a meeting convened for passing Special Resolution, the intention to propose such resolution as a Special Resolution shall be specified in the Notice) shall be given alongwith the notice in the manner hereinafter mentioned to such members as are under the provisions herein contained entitled to receive notices from the Company under the Ordinance ; provided that the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any General Meeting.

Persons entitled to notice of General Meetings.

42. Notice of every General Meeting shall be given in the manner herein-before authorised (a) to every member of the Company, (b) to every person entitled to a share in consequence of the death or insolvency of a member, who, but for the death, or insolvency, would be entitled to receive notice of the meeting ; (c) to the auditors of the Company for the time being.

Special Business.

43. All business shall be deemed special that is transacted at an Extra-ordinary Meeting, and also all business that is transacted at an Ordinary Meeting with the exception of sanctioning dividends, the reading, consideration and adoption of the Accounts and Balance Sheet and the Reports of the Directors and Auditors and other documents required to be annexed to the Balance Sheet, the election of Directors, the appointment of Auditors and the fixing of their remuneration, and the voting of extra remuneration to the Directors under Article 78 hereof.

## PROCEEDINGS AT GENERAL MEETINGS

Quorum.

44. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Five



members present in person and representing not less than twenty five percent of the total voting power either on their own account or as proxies, shall be a quorum for all purposes.

45. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. 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 holding the meeting, the members present being not less than two shall be a quorum.
46. The Chairman of the Board of Directors or, if he is not present, a Deputy Chairman shall preside as Chairman at every General Meeting of the Company. If at any meeting neither the Chairman nor Deputy Chairman be present or there be neither Chairman or Deputy Chairman within fifteen minutes after the time appointed for holding the meeting, or be unwilling to act as Chairman, the Directors present shall choose one of their member to be the Chairman or if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their member to be the Chairman of the meeting.
47. 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 and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for twenty one days or more, notice of the adjourned meeting shall be given as soon as practicable, but in other respect 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.
48. At any General Meeting a resolution put to the vote of meeting shall be decided on a show of hands unless poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman (being a person entitled to vote) or by at least five members having the right to vote on the resolution and present in person or by proxy holding not less than one tenth of the total voting power in respect of the Resolution or by any member or members present in person or by proxy and holding shares in the company conferring right to vote on the resolution. The demand for a poll may with the consent of the Chairman of the meeting be withdrawn.
49. Unless a poll is demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
50. If a poll be duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
51. In the case of any equality of votes on any resolution, whether on a show of hands or upon a poll, the Chairman shall have a second or casting vote.

Adjournment  
of quorum  
not present.

Election of  
Chairman.

Adjournments

Demand of  
poll.

Declaration  
of Chairman  
conclusive.

Result of  
poll.

casting vote  
of Chairman



When poll is  
to be taken.

52. A poll demanded on the election of Chariman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time being not more than fourteen days from the date of which it was demanded, and place and in such manner as the Chariman directs.

Continuance of  
business after  
demand for  
poll.

53. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

Representatives  
of corporation  
holding shares.

54. Any corporation holding shares conferring the right to vote 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 at any meeting of holders of any class of shares of the company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it had been an individual member of the company.

#### VOTES OF MEMBERS

Voting Rights.

55. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, on a show of hands every person present and entitled to vote shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder.

Voting rights  
of joint  
holders.

56. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

Voting rights  
of lunatic  
members.

57. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by the committee, curator bonis, appointed by such Court, and such committee, curator bonis, or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the office or at such other place as the Directors may appoint not less than seventy-two hours before the time for holding the meeting.

Objections.

58. 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 objections made under the provisions of this Article shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.

Execution of  
proxies.

59. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation either under the common seal or under the hand of an officer or attorney so authorised. Members not resident in Pakistan may appoint and revoke proxies by telegram.

Requirements  
for proxies.

60. No person shall act as a proxy unless either he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy



or he is appointed to act at that meeting as the representative of a corporation pursuant to Article 55.

61. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the office or such other place as the Directors may appoint not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default thereof the instrument of proxy may at the discretion of Directors be treated as invalid. The proxy shall be deemed to include the right to demand or join in demanding a poll, and generally to act at the meeting for the member giving the proxy.
62. Every instrument of proxy shall, as nearly as circumstances will admit, be in the form or to the effect following :-

Deposit of  
proxies.

Form of  
proxy.

#### HAMZA SUGAR MILLS LIMITED

I/We.....of.....  
in the district of.....being a  
Member/Members of HAMZA SUGAR MILLS LIMITED.  
here by appoint.....of.....  
as my/our proxy to vote for me/us and on my/our behalf at the (ordinary  
or extraordinary, as the case may be) General Meeting of the Company  
to be held on the.....day of.....  
and at any adjournment thereof.  
Signed this.....day of.....

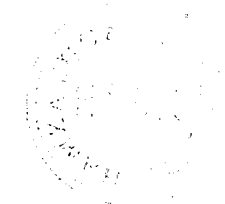
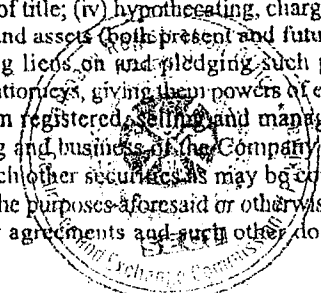
63. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy, or of the authority under which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is issued.

Intervening  
death or  
insanity of  
principal not  
be revoked.

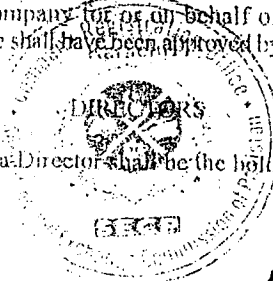
#### BORROWING POWERS

64. (a) The Directors may borrow from Members or other persons and may themselves lend any sums or money for purposes of the Company.
- (b) The Directors may secure payment of money in a manner and on terms and conditions as they think fit and in particular by (i) entering into Mudaraba Contract, (ii) issue of perpetual or redeemable and convertible or nonconvertible, PTCs, TFCs, debentures and their stocks, bonds, promissory notes, bills of exchange, usance bills and such other securities; (iii) furnishing guarantees and undertaking; depositing securities, shares and documents of title; (iv) hypothecating, charging and mortgaging properties and assets (both present and future) of the company and creating liens on and pledging such properties; and (v) appointing attorneys, giving them powers of executing documents having them registered, selling and managing the properties, undertaking and business of the Company and furnishing and creating such other securities as may be considered expedient; and for all the purposes aforesaid or otherwise execute, complete and deliver agreements and such other documents as may be required.

Power to  
Borrow.



- Securities assignable free from equities.
- Issue at discount or with privilege etc
- Register of mortgages.
- Register of PTCs/Debt-inures
- Instrument of transfer of PTCs, TFCs, and debentures.
- Notice of refusal to register transfer.
- Inspection of copies, Register of PTC, TFC and debenture holders, etc.
- Supply copies of debenture holders.
- Right of trustees for PTC, TFC and debenture holders to Balance Sheet.
- No loan or security for members.
- Qualifications of Directors.
65. Modaraba, PTCs, TFCs, Debentures, stocks thereof, bonds and other securities may be made assignable free from any equities between the Company and person to whom the same may be issued.
66. Any securities may be issued at discount, premium, or otherwise, and with privileges as to conversion, redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and such other privileges.
67. The Directors shall cause a proper register to be kept in accordance with Section 125 of the Ordinance, of all mortgages and charges specifically affecting property of the Company and shall comply with requirements of Sections 121 & 122 of the Ordinance, in regard to registration of mortgages and charges therein specified and requirements of Section 130 of the Ordinance, as to keeping a copy of every instrument creating mortgage or charge at the office, and requirements of Section 132 as to giving limitation of payment of Satisfaction of charges or mortgage created by the Company.
68. Registers of holders of PTCs, TFCs, and debentures may be closed for any period not exceeding, in whole, thirty days in any year, subject as aforesaid every such register shall be open to inspection of registered holders of PTCs, TFCs, and debentures and of any member; but the Company may impose any reasonable restriction so that at least two hours in each day, when such register is open, are appointed for inspection.
69. Subject to provisions of Section 76 of the Ordinance, no transfer of PTCs, TFCs, or debentures shall be registered unless a proper instrument of transfer duly stamped and executed by transferor and transferees has been delivered to the Company together with certificate of concerned securities.
70. If the Directors refuse to register transfer to PTCs, TFCs, or debentures, they shall within thirty days from the date on which instrument of transfer was lodged with the Company, send to the transferee and transferor a notice showing the reason of refusal as required under Section 78.
71. The Company shall comply with provisions of Section 136 allowing inspection of copies kept at the Office in pursuance of Section 130 and allowing inspection of Register of PTC, TFC, or debenture holders, in pursuance of Section 136 of the Ordinance.
72. The Company shall comply with provisions of Section 136 for supplying copies of Register of PTC, TFC, and debenture holders or trust deed for securing issue of PTC, TFC or debenture.
73. Trustees for the PTC, TFC and debenture holders shall have the same right to receive and inspect balance sheets and profit and loss accounts of the company and reports of Auditors and other reports as are possessed by holders of ordinary shares in the Company.
74. No loan or guarantee or security for loan shall be made directly or indirectly by the Company for or on behalf of any member of the Company unless same shall have been approved by three-fourth majority of the Directors.
75. The qualification of a Director shall be the holding in his own name



solely, or jointly with another or others and whether beneficially, or as a trustee/nominee for another or others or otherwise howsoever, of shares of the value of Rs. 25,000 (Rupees twenty five thousand only) in the company.

76. Unless and until otherwise determined by the company in General Meeting, the number of Directors shall not be less than seven nor more than twelve excluding Debenture Directors (if any), Institutional Directors (if any) and Technical Directors (if any).

Number of  
Directors.

77. The first Directors of the Company shall be :-

- (1) Mr. K. M. Basheer.
- (2) Mr. K. M. Muneer.
- (3) Mr. K. M. Asaf.
- (4) Mr. K. M. Rafi.

78. (a) The remuneration of a Director shall be Rs. 500 for every meeting of the Directors which he attends or such other sums as may from time to time be determined by the Company on the General Meeting

Reimbursable  
Expenses

- (b) The Company may repay to any Director all such reasonable expenses as he may incur in attending meeting of the Board, or of Committees of the Board, or General Meeting, or which he may otherwise incur in or about the business of the Company

Reimbursable  
Expenses.

- (c) A 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 Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charges as part of the Company's ordinary working expenses.

Extra  
Reimbursable

79. Subject to the provisions of Section 188(1)(c) of the Ordinance, a Director may hold any other office or place of profit under the Company (other than that of Auditor) and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director or such terms as to tenure of office, remuneration and otherwise as the Directors may from time to time determine.

Power of  
Director to  
hold office of  
profit with  
Company.

80. Subject to the provision of Section 196(2) (g) of the Ordinance, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be voided, nor shall any Director so contracting or being 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 relation thereby established, provided that the nature of his interest in such contract or proposed contract or arrangement be declared at the meeting of the Directors at the time specification thereof in Section 214(2) of the Ordinance; No Director shall vote as a Director in respect of any contract or arrangement in which he shall be interested, but this prohibition shall not apply to any contract of indemnity of against loss which he may suffer by reason of becoming a surety for the Company.

Directors may  
contract with  
the Company

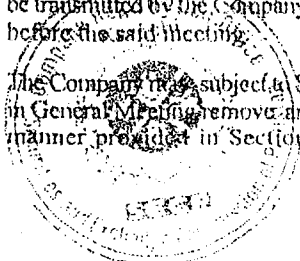
81. A Director may be or become a Director or other office of or otherwise interested in, any company promoted by the company or in which the

Holding of  
concurrent  
office



company may be interested as shareholder or otherwise and unless otherwise agreed shall not be accountable for any remuneration or other benefits received by him as a Director or officer, or by virtue of his interest in such other company.

- |  |  |
|--|--|
| Election of Director.                                  | 82. Subject to the provisions of Article 76 the Directors other than the first Director shall be elected by the members of the Company in General Meeting in the manner laid down in Section 178 of the Ordinance.   |
| Vacation of office of Director.                        | 83. The office of a Director shall be vacated in any of the following events, namely:-   |
| Resignation.   | (a) if he resigns his office by giving written notice to company.  |
| Insolvency.  | (b) If he be adjudged insolvent or a receiving order be made against him or he makes any arrangement or composition with his creditors.  |
| Unsound mind.  | (c) If he be found to be lunatic or becomes of unsound mind.   |
| Absence.   | (d) if 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 Directors.  |
| Request to resign.                                     | (e) if not being a Director as mentioned in Articles 91 and 94 he be requested in writing by all his Co-Directors to resign.   |
|  | (f) if he has been debarred from holding such office under any provision of the Ordinance.   |
| Acceptance of loans or Guarantees.                     | (g) if he or any firm of which he is a partner or any private company of which he is a Director accept a loan or guarantee from the Company in contravention of Section 195 of the Ordinance.  |
| Office of profit without sanction.                     | (h) if, without the sanction of the Company in General Meeting, he or any firm of which he is a partner, or any private company of which he is a Director, accept or hold any office of profit under the company other than that of a Chief Executive, Legal or Technical Advisor or Bankers.  |
| Entering contract without consent.                     | (i) if without the consent of the Directors, he or any firm of which he is a partner, or any partner of such firm or a private company, of which he is a member or a Director, enters into any contract with the Company for the sale, purchase or a supply of goods or materials or   |
| Removal by Resolution.                                 | (j) if he be removed by resolution of the Company in General Meeting pursuant to Article 85 thereof.   |
|  | (k) any other event mentioned in section 188 of the Ordinance.   |
| Notice of intention to stand for election of Director. | 84. No person shall be eligible for election to the office of Director at any General meeting unless not then fourteen or more than twenty one clear days before the day appointed for the meeting there shall have been given to the Secretary, notice in writing, signed by that person of his intention to offer himself for election as Director. All such notices shall be transmitted by the Company to the members not later than seven days before the said meeting. |
| Removal of Directors.                                  | 85. The Company may, subject to Section 181 of the Ordinance by resolution in General Meeting remove any Director of the Company elected in the manner provided in Section 178 or appointed under Section 176  |

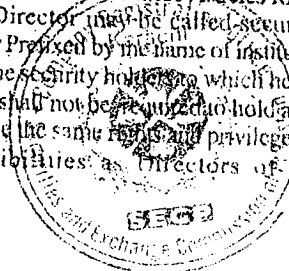


of the Ordinance respectively, before the expiration of his period of office (but so that such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

86. The Directors shall have power at any time, and from time to time, to appoint any person to be a director to fill a casual vacancy. Any Director so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed and shall then be eligible for re-election. Any appointment of a Director may be made in contemplation of the occurrence of a vacancy, such appointment will be effective upon actual occurrence of such a vacancy. Power to fill casual vacancies.
87. The continuing Directors may act notwithstanding any vacancies but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Directors may act for the purpose of filling up vacancies or of summoning General meeting of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a general Meeting for the purpose of appointing Director. Proceedings in case of vacancies.
88. All acts done by any meeting of Directors, or of a Committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the company, notwithstanding that there was some defect in the appointment of any such Director 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 and was qualified and had continued to be a Director and has been entitled to vote. Validity of acts of Directors in spite of some formal defect.
89. At the First Ordinary general Meeting all the Directors shall retire from office. A director elected under section 178 shall hold office for a period of three years unless he earlier resigns and becomes disqualified or otherwise ceases to hold office. Term of office of Directors.
90. A retiring Director shall be eligible for-election. Eligible for re-election.

#### INSTITUTIONAL DIRECTORS

91. (a) The Directors shall have power to co-opt, or agree to co-opt, additional Directors, nominated by any financial institution or banks or any Modaraba or local or foreign collaborators (hereinafter called institution) where such institution shall require appointment of their nominee as a Director under terms of granting loan, subscribing to company's PTC, TFC, Debentures or stocks or making bridging advance, or under stipulations that loan granted shall be converted into shares at the option of either party to contract or otherwise for any other consideration and such Director shall act as a Director so long as the amount of loan etc. is equal to qualification prescribed under these Articles for appointment of a Director. Such Director may be called security Director or Institutional Director. Provided by the name of institution nominating or by the name of the security holder in which he is representing, and such Directors shall not be required to hold any qualification shares and shall have the same rights and privileges and be subject to same responsibilities as Directors of the company. Institutional Director.





The Institution or security holders, as the case may be, nominating a Director may require cancellation or removal of such Director or on resignation or death of such Director, and shall have the right to nominate another person in his stead unless such appointment is otherwise stipulated under the terms of an agreement or contract, in which case the appointment and vacancy shall be regulated by those stipulations.

Modaraba and  
PTC Directors

- (b) The Directors shall have powers to co-opt additional Directors nominated by a modaraba Company or a Modaraba or by any PTC or TFC holders or their trustees or representatives where such appointment is required by financing party and such directors shall act a Director during subsistence of finances under Modaraba or PTC TFC Contracts. Such Director may be called Modaraba or PTC Directors and shall not be required to hold any qualification shares and shall have the same rights and privileges and be subject to same responsibilities as other Directors of the Company.

Alternate  
Director.

92. A Director who is about to leave or is absent from Pakistan may, with the approval of Board, appoint any person including another Director to be an Alternate Director during his absence. Provided that such appointee shall be deemed to be Director and may exercise and perform all such powers, discretions and duties as his appointer could have performed but not including power of appointing a substitute and such appointee while he holds office as Alternate Director shall be entitled to notice of meeting of Directors and to attend and vote thereat accordingly; and shall ipso facto vacate office when his appointer returns or vacates office as a Director or removes the appointee from the office. An appointment or removal under this Article shall be effected by a notice in writing under the hand of a Director making the same.

Additional  
Directors

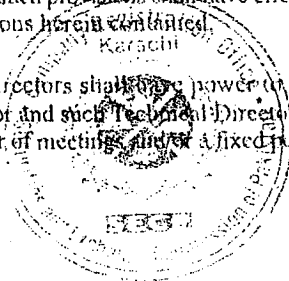
93. The Directors shall have power to appoint or co-opt persons as additional Directors with or without qualification; provided majority of them concur in such appointment. Additional Directors shall retire from the office along with all other Directors when the term of Directors expire and be shall be eligible for re-election.

Debenture  
Director.

94. Any Trust Deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustees thereof or by holders of the debentures or debenture stocks of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stocks from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

Technical  
Directors.

95. The Directors shall have power to appoint a person as a Technical Director and such Technical Director may be appointed only for a fixed number of meetings and/or a fixed period on such special remuneration



etc. 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 the Directors in these Articles.

96. The Company shall keep at its office a register of its directors and officers including the Chief Executive, Secretary, Chief Accountant, Auditors and Legal Advisor containing the particulars as described in Section 205 (1) (a) of the Ordinance and shall file such particulars to the Registrar in accordance with Section 205 (3) of the Ordinance.

Register of  
Director etc.

### POWER OF DIRECTORS

97. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in getting up and registering the Company, and may exercise all such powers of the Company as are not, by the Companies Ordinance or any statutory modification thereof for the time being in force, or by these Articles, required to be exercised by the Company in General Meeting subject nevertheless to any regulation of these Articles, to the provision of the said Ordinance and to such regulation, 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.

General Powers  
of Company  
vested in  
Directors.

98. Without prejudice to the general powers conferred by the last preceding clause, and the other powers conferred by these presents. It is hereby expressly declared that the Directors shall have the following powers, that is to say, power:-

Specific Powers  
given to  
Directors.

99. (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.
- (2) At their discretion, to pay for any property, rights or privileges acquired by, or services rendered to, the Company, either wholly or partially in cash or in shares, bonds, debentures, or other securities of the Company, and any such shares may be issued as fully paid up as may be agreed upon, and any such bonds, debentures, or other securities may be either specifically charged upon all or any part of the property of the Company.
- (3) To secure the fulfilment of any contracts or agreement entered into by the Company, by mortgage or charge of all any of the property of the Company or in such other manner as they think fit.
- (4) To appoint, and their discretion, remove General Managers, Managers, Secretaries, Actuaries, Legal Advisers, Medical Officers, Brokers, surveyors, Clerks, Agents, and Servants for payment, temporary, or special services, as they may from time to time think fit, and determine their powers and duties, and fix their salaries or emolument, and to require security in such instances and to such amount as they think fit, and to grant such superannuation or retiring allowances as they may think proper to such persons.
- (5) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company property belonging

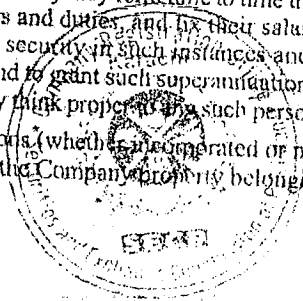
To acquire  
property.

To pay for  
debentures etc.

To secure  
contracts by  
mortgage.

To appoint  
Officers, etc.

To appoint  
trustee.



to the Company, in which it is interested, or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees.

- |   |   |
|---|---|
| To bring and defend legal proceedings etc.                                  | (6) 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.   |
| To refer to arbitration.  | (7) To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards.  |
| To give receipts.   | (8) To make and give receipts, releases and other discharges for money payable to the Company, and for the claims and demands of the company.   |
| To authorities acceptance etc.  | (9) To determine who shall be entitled to sign on the Company's behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts, and documents.  |
| To contribute to associations and funds for benefit of Company's employees. | (10) To establish and support, or aid in the establishment and support of such associations, institutions, trust, funds, or conveniences as they may consider calculated to benefit employees or ex-employees of the Company, or dependants or connections of such employees or ex-employees, and to grant, or agree to grant, or give the right to pension of allowances or other payments to any employees or ex-employees, subject if they think fit to such terms and conditions as they determine. |
| To invest money.  | (11) To invest and deal with any of the moneys of the Company upon securities (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investment.  |
| To give percentages.  | (12) 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 profit shall be treated as part of the working expenses of the Company.   |
| To make bye-laws.   | (13) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.  |
| To make contracts etc.  | (14) 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.   |

#### LOCAL MANAGEMENT

- |                   |   |
|-------------------|---|
| Local Management. | 100. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit, and the provisions contained in the four next following Article shall be without prejudice to the general powers conferred by this Article. |
| Local Boards.     | 101. The Directors from time to time, and at any time, may establish any  |



local board or agency for managing any of the affairs of the Company in any such specified locality, and may appoint any persons to be members of such local board, or managers or agents and may fix their remuneration. And the Directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Directors, other than their power to make calls, and may authorise the members for the time being of any 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 persons so appointed, and may annual or vary any such delegation.

102. The Directors may at any time, and from time to time, by power of Attorney under the Seal of the Company, appoint any person or persons to be the Attorney or 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 presents, 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 the member of 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, or in favour of any fluctuating body of persons, whether nominated directly by the Directors; and such Power of Attorney may contain such provisions for the protection or convenience of persons dealing with such Attorneys as the Directors think fit.

Power of attorney.

103. And 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.

Sub-delegation.

104. The Company may exercise the powers conferred by Section 213 of the Companies Ordinance and such powers shall accordingly be vested in the Directors.

Seal for use abroad.

#### PROCEEDINGS OF DIRECTORS

105. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of meeting of the Directors shall be sent to all directors in Pakistan.

Board Meeting.

106. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; but if no such Chairman be elected, or if at any meeting the Chairman be not present within fifteen minutes after the time appointed for holding the same, the Directors may choose one of their member be chairman of the meeting.

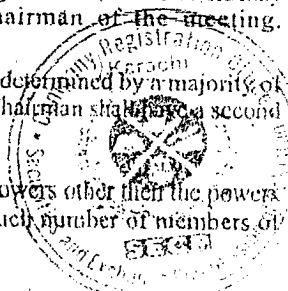
Chairman

107. Questions arising at any meeting shall be determined by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

Casting vote of Chairman.

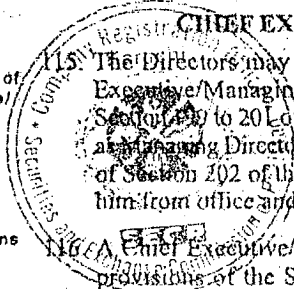
108. The Directors may delegate any of their powers other than the power to borrow to committees consisting of such number of members of

Power to Appoint Committees



their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.

- |   |   |
|---|---|
| Quorum.   | 109. A meeting of the Board for the time being at which quorum is present shall be competent to exercise all powers & discretions for the time being exercisable by the Board. The quorum necessary for the transaction of the Board may be determined by the board but the quorum shall be not less than three Directors.  |
| Proceedings at committee meeting.                 | 110. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meeting and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Director under the last preceding Article.   |
| Resolution in writing.                            | 111. A resolution in writing signed by all the Directors not being less than three Directors for the time being entitled to receive notice of Meetings of Board shall be as valid and effectual as if the same had been passed at a Board Meeting duly convened and held. Provided that such resolution does not relate to the matters specified in Section 196(2) of the Ordinance.  |
| Minutes.  | 112. The Directors shall cause minutes to be made in books to be provided for the purposes:-<br>(a) of all appointments of Officers made by the Directors;<br>(b) of the names of the Directors present at each meeting of Directors and of any committee of Directors;<br>(c) of the names of participants of General Meeting; and<br>(d) of all resolutions and proceedings at all meetings of the Company and of any class of members of the company and of the Directors and of Committee of Directors. |
| Establishment and maintenance of pension scheme.  | 113. The Directors may admit any members of the staff, including any Managing Director or other salaried Director who is in the wholetime employment of the Company or any of its subsidiaries or associated companies notwithstanding that he is a Director, to participate in staff pension under/or life assurance scheme of the Company.  |
| Power to pay retiring allowances.                 | 114. The Directors may, at their discretion, fix and pay pensions or allowance to any retired member of the staff, including any Managing Director or other retired salaried Director who shall have been in the wholetime employment of the Company or any of its subsidiaries or associated Companies for a period of at least five years, and to any dependents of any such members of the staff after his death.  |
| Appointment of Chief Executive/Managing Director. | 115. The Directors may from time to time appoint any person as Chief Executive/Managing Director in accordance with the provisions of Section 187 to 201 of the Ordinance and designate such Chief Executive/Managing Director of the Company and may subject to the provisions of Section 202 of the Ordinance from time to time remove or dismiss him from office and appoint another in his place.   |
| What provisions he will be subject to.            | 116. A Chief Executive/Managing Director shall be subject to the same provisions of the Section 187 of the Ordinance as removal as the  |



other Directors of the Company and if he ceases to hold the office of the Director from any cause he shall ipso facto and immediately cease to be Chief Executive/Managing Director.

117. The remuneration of a Chief Executive/Managing Director shall from time to time be fixed by the Directors.

Remuneration  
of Chief Execu-  
tive/Managing  
Director.

118. The Directors may from time to time entrust to and confer upon a Chief Executive/Managing Director for the time being such of the powers exercisable under these presents 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.

Power and  
duties of  
Chief Executive/  
Managing  
Director.

#### SECRETARY

119. A Secretary may be appointed by the Directors for such terms at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of services between him and the company.

Appointment  
and removal.

#### SEAL

120. The Director shall provide for the safe custody of the seal, which shall only be used by the authority of the Directors or a Committee of the Directors authorised by the Directors in that behalf, and every instrument to which the seal shall be signed by two Directors or by a Directors and some other person appointed by the Directors for the purpose, and in favour of any purchaser or person bonafide dealing with the Company such signature shall be conclusive evidence of the fact that the seal has been properly affixed.

Formalities  
for affixing  
seal.

#### AUTHENTICATION OF DOCUMENTS

121. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolution passed by the Company or the Directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records documents or accounts kept other than the office, the Local Manager or other Officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

Power to  
authenticate  
documents.

122. A document purporting to be a copy of resolution of the Directors or an extract from the minutes of a meeting of the Directors which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors.

Certified  
copies of  
Resolution of  
the Directors.



## ACCOUNTS

Directors to  
keep proper  
accounts.

Inspection  
of books.

Extent of  
inspection.

Submission of  
balance sheet  
and profit and  
loss account.

Provisions  
concerning  
balance sheet  
and Director  
report.

123. The Directors shall cause proper books of accounts to be kept as required by Section 230 of the Ordinance.

124. The books of accounts shall be kept at the office or at such other place as the Directors think fit, and shall be open to the inspection of the Directors during business hours.

125. The Directors shall from time to time determine whether, in any particular case or class of cases, or generally, 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 members, and no member (other than a Director) shall have any right to 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.

126. Once at least in every calendar year the Directors shall lay before the Company in General Meeting a profit and loss account and a balance sheet both made up to a date not more than six months before the meeting. The Directors shall in preparing every such balance sheet and profit and loss account have regard to the provisions of the Ordinance applicable thereto.

127. (a) The balance sheet and profit and loss account of the Company shall be approved by the Directors and shall be signed by the Chief Executive and at least one Director.

(b) When the Chief Executive is for the time being not in Pakistan, then the balance sheet and profit and loss account or income and expenditure account of the company shall be signed by not less than two Directors for the time being in Pakistan but in such a case there shall be subjoined to the balance sheet and profit and loss account or income and expenditure account as statement signed by such Directors explaining the reasons for non-compliance with the provisions of Clause (a) above.

(c) The Directors shall make out and attach to every balance sheet a report with respect to the state of the company's affairs, the amount, if any, which they recommend should be paid by way of dividend and the amount, if any, which they propose to carry to the Reserve Fund, General Reserve or Reserve Account shown specifically in the balance sheet or to a Reserve Fund, General Reserve or Reserve Account to be shown specifically in a subsequent balance sheet.

(d) The Directors' report shall, in addition to the matters specified in Clause (c) above:

(i) disclose any material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of report;

(ii) so far as is material for the appreciation of the state of the Company's affairs by its members, deal with any changes that have occurred during the financial year concerning the nature of the business of the company or in the classes of business in which the company has interest, whether as a member of another company or otherwise, unless



the authority exempts any company from making such disclosure on the ground that such disclosures would be prejudicial to the business of the Company;

- (iii) contain the fullest information and explanation in regard to any reservation, observation, qualification or adverse remarks contained in the auditor's report;
  - (iv) circulate with it information and explanation in regard to any reservation, qualification or holding of the shares in the form prescribed.
  - (c) The Directors shall in all respect comply with the provisions of Section 236, 242 and 243 of the Ordinance or any statutory modifications thereof for the time being in force.
128. (a) The Directors shall send a copy of such balance sheet and profit and loss account so audited together with a copy of the auditor's report and the directors' report to the registered address of every member of the Company at least twenty-one days before the meeting at which it is to be laid before the members of the company, and shall keep a copy at the registered office of the company for the inspection of the members of the company during a period of at least twenty-one days before that meeting.
- (b) The Company shall, simultaneously with the despatch of the balance sheet and profit and loss account together with the requisite reports and five copies each of such balance sheet and profit and loss account and other documents to the Authority, the stock exchange and the Registrar of Joint Stock Companies.
- (c) The Company shall:-
- (i) within two months of the close of the first half of its year of account, prepare and transmit to the members and the stock exchange in which the shares of the company are listed a profit and loss account for, and balance sheet as at the end of that half year, whether audited or otherwise, and
  - (ii) simultaneously with the transmission of the half-yearly profit and loss account and balance sheet to the members and the stock exchange, file with the Registrar and the Authority such number of copies thereof, not being less than five, as may be prescribed.

Copies of Balance Sheet and Report to be posted to persons entitled.

#### AUDIT

129. The Company shall at each Ordinary Meeting appoint as provided by the Ordinance Auditors to hold office until the next ensuing Ordinary Meeting. The Auditor's report shall be read before the Company in General Meeting and shall be open to inspection by any member.
130. No Director or other officer of the Company nor any person who is a partner or in the employment of the Company, nor any corporation, nor any person who is indebted to the Company shall be capable of being appointed Auditor of the Company.

#### DIVIDENDS

130. The Company may by Ordinary Resolution Declare dividends to be paid within 30 days of the said meeting but (without prejudice to the

Payment of Dividends.





powers of the Company to pay interest on shares capital as herein-before provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.

Retention of  
dividends on  
shares pending  
transmission.

132. The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person under the said provisions relating to transmission is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

Payment of  
Interim  
Dividends.

133. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay to the holders of any class of shares interim dividends thereon of such amounts and on such dates as they think fit.

Unclaimed  
Dividends.

134. All dividends unclaimed for one year after having been declared may be invested or otherwise used by the Directors for the benefit of the Company, but the investment or payment of any unclaimed dividend or other money payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend unclaimed after a period of three years from the date of declaration such dividends may be forfeited, and if so shall revert to the Company subject to the Rules of the Stock Exchange as in force for the time being in this regard.

Deduction of  
debts to joint  
holders.

135. The Director may deduct from any dividends or other monies payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company.

Dividends  
due to joint  
holders.

136. If several persons are registered as joint holders of any share, or are entitled to a share in consequence of the death or insolvency of the holder, any one of them may give effectual receipts for any dividend or other monies payable on or in respect of the share.

Notice of  
Dividends.

137. Notice of any dividend that may have been declared shall be given in the manner prescribed by these Articles to the members entitled to share therein.

Dividends not  
to bear  
interest.

138. No dividend or other moneys payable on or in respect of a share shall bear interest as against the company.

To whom  
payable.

139. All dividends shall belong and be paid (subject to the Company's lien) to the members who shall be on the register at the date on which the dividends shall be declared, notwithstanding any subsequent transfer or transmission of shares.



140. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other Company or in any one more of such ways; and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof, and may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.



## RESERVES

141. The Directors may from time to time set aside out of profits of the Company and carry to reserve such sums as they think proper, which, at the discretion of the directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied, and pending such application may either be employed in the business of the company or be invested. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

Power to carry profit to reserve.

Application to reserve.

Division of reserve into funds

Power to carry forward profits.

## CAPITALISATION OF PROFITS &amp; RESERVES

142. The Company may, upon the recommendation of the Directors, by Ordinary Resolution resolve that it is desirable to capitalise any sum standing to the credit or any of the Company's reserve accounts (including any share premium account and any capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution provided that such sum be not required for paying the dividends on any shares and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the members in the proportion in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends, and to apply such sum on their behalf, in paying up in full un-issued shares or debentures of the company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid.

Power to capitalise profits.

143. Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures (if any), and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by payment in cash or otherwise as they think fit in the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the members interested in to an agreement with the Company providing for the allotment to them respectively, credited as fully paid up of any further shares to which they may be entitled upon such capitalisation, and any agreement made under such authority shall be effective and binding on all such members.

Implementation of resolution to capitalise profits.

## NOTICES

144. A notice may be given by the Company to any Member either personally or by sending it by post to him to his registered address, or

How notices to be served on Members.



(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. 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 should be delivered in the ordinary course of post.

Notice where  
no address  
in Pakistan  
registered.

145. If a member has no registered address in Pakistan and has not supplied at the Company an address within Pakistan for the giving of notices to him, a notice addressed to him and advertised in a news paper circulating in the neighbourhood of the office shall be deemed to be duly given to him on the day on which the advertisement appears.

Notice to  
joint holders.

146. 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.

Notice after  
death or  
insolvency.

147. 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 prepared 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 (until such an 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.

Notice of  
General Meeting.

148. Notice of every General Meeting shall be given in some 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 an address within Pakistan for the giving of notices to them, 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 and (c) to the auditors of the Company.

#### RECONSTRUCTION

Reconstruction

149. On any sale of the undertaking of the Company, the Directors or the Liquidator in a windingup may, if authorised by a special Resolution, accept fully paid up 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 winding-up), may distribute such shares, debentures 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, debentures, securities, benefits or property otherwise than in accordance with the strict legal rights of the members or contribution of the company, and for the valuation of any such securities or property at such price and 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) as are incapable of being varied or excluded by these Articles.

### SECRECY

150. Every Director, Manager, Secretary, Auditor, Officer, Servant, Agent or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties or at any other time, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company 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 so to do by the Directors, or by any Meeting, or by a Court of Law, or by the persons to whom such matters relate, and except so far as may be necessary in order to comply with any of the provisions in these Articles contained.

### INDEMNITY

151. Save and except so far as the provisions of this article shall be voided any provisions of the Ordinance, the Directors, Chief Executive, Chief Accountant, Auditors, Secretary and other Officers for the time being of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reasons of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own willful neglect or default respectively and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited or safe custody, or for the insufficiency or deficiency of any security upon which any monies of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except if the same shall happen by or through their own willful neglect or default respectively.

Indemnity of  
Directors  
and Officers

### WINDING UP

152. If the Company shall be wound up, the liquidator may, with the sanction of an Special Resolution of the Company and any other sanction required by law, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

Winding up

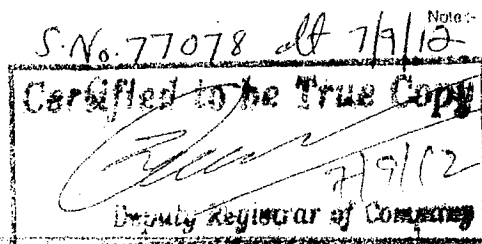


We, the several persons, whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of these Articles of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

Name of subscribers.	Name, address and Description of the subscribers.	No. of Shares taken by each Subscriber.	Witness.
1. Sd/- Mr. K. M. Basheer	1. Mr. K. M. Basheer 67-68A, Queens Road, Karachi. Industrialist.	Ten	Sd/- (SULTAN ALI GULAM HUSSAIN) Secretary C/o Gangai & Co., Chartered Accountants, Safe Deposit Chambers, 2nd Floor, Melroad Road, Karachi-2
2. Sd/- Mr. K. M. Muneer	2. Mr. K. M. Muneer. 15, Old Clifton, Karachi. Industrialist.	Ten	
3. Sd/- Mr. K. M. Asaf	3. Mr. K. M. Asaf 67-68A, Queens Road, Karachi. Industrialist.	Ten	
4. Sd/- Mr. K. M. Rafi	4. Mr. K. M. Rafi 15, Old Clifton, Karachi. Industrialist.	Ten	
5. Sd/- Mrs. Anwar Jehan Basheer	5. Mrs. Anwar Jehan Basheer. 67-68A, Queens Road, Karachi. Industrialist.	Ten	
6. Sd/- Mrs. Khamar Khanam Khanam Muneer	6. Mrs. Khamar Khanam Muneer. 15, Old Clifton, Karachi. Industrialist.	Ten	
7. Sd/- Mrs. Shamim Kamal	7. Mrs. Shamim Kamal, 67-68A, Queens Road, Karachi. Industrialist.	Ten	

Dated this 17th day of January 1963

Note: This Company was incorporated on 17th January 1963 under the Companies Act, 1913.



## THIRD SCHEDULE

(See section 156)

## FORM A - ANNUAL RETURN OF COMPANY HAVING SHARE CAPITAL

1. Registration No. 0001610

2. Name of the Company HAMZA SUGAR MILLS LIMITED

3. Form A made upto (Day/Month/Year) 30/01/2014

4. Date of AGM (Day/Month/Year) 30/01/2014

## PART - A

5. Registered Office Address A/22, S.I.T.E., MAURIPUR ROAD, KARACHI

6. Email Address mezan@cyber.net.pk

7. Office Tel. No. 2581101-4

8. Office Fax No. 2581873

9. Nature of Business SUGAR AND ALLIED

## 10. Authorized Share Capital

Type of Shares	No. of Shares	Amount	Face Value
Ordinary Shares		1,000,000,000.00	

## 11. Paid up Share Capital

Type of Shares	No. of Shares	Amount	Issue Price
Ordinary Shares		748,800,000.00	

## 12. Amount of indebtedness on the date upto which form A is made in respect of all Mortgages/Charges

11,199,299,999.00

## 13. Particulars of the holding company

Name

Registration No. % Shares Held

## 14. Chief Executive

Name MR. SHEIKH NISAR AHMED NIC 4220106042565

Address 85, BANGLORE TOWN, KARACHI

Next Page



Name of Director	Address	Nationality	NIC (Passport No. if Foreigner)
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**20. List of members & debenture holders on the date upto which this Form A is made**

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Joint Registrar of Companies

3/3/20/4

**HAMZA SUGAR MILLS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE  
YEAR ENDED SEPTEMBER 30, 2012**

**IBRAHIM , SHAIKH & CO.**  
CHARTERED ACCOUNTANTS

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of **M/s. Hamza Sugar Mills Limited** as at September 30, 2012 and related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984
- b) In our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanation given to us, the balance sheet, profit & loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2012 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980

*Ibrahim, Shaikh & Co.*  
**IBRAHIM, SHAIKH & CO.**  
CHARTERED ACCOUNTANTS  
SHABBIR AHMED

KARACHI: 29 DECEMBER, 2012.

HAMZA SUGAR MILLS LIMITED  
BALANCE SHEET  
AS AT SEPTEMBER 30, 2012

	Note	2012 Rupees	2011 Rupees
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	1,695,781,629	1,792,971,976
Capital work in progress		1,428,238,225	104,877,201
		3,124,019,854	1,897,849,177
Long Term Deposits		226,730	226,730
<b>Current Assets</b>			
Stores, spare parts and loose tools	4	334,877,411	228,043,965
Stock in trade	5	1,276,595,528	3,906,550
Trade debts		1,263,069,186	-
Advances deposits and prepayments	6	478,490,810	214,720,165
Advance income tax		216,314,009	206,837,582
Short term investment	7	-	1,450,000,000
Cash and bank balances	8	65,155,345	70,577,886
		3,634,502,289	2,174,086,148
		6,758,748,873	4,072,162,055
<b>SHARES CAPITAL AND RESERVES</b>			
Authorized capital			
100,000,000 (2011: 75,000,000) Ordinary		1,000,000,000	750,000,000
Shares of Rs. 10 each.			
Issued, subscribed and paid-up	9	748,800,000	748,800,000
Deposit for issuance of shares		837,850,000	625,623,100
Reserves	10	924,565,385	810,400,914
		2,511,215,385	2,184,824,014
Surplus on revaluation of fixed assets	11	243,777,572	274,249,768
<b>Non-Current Liabilities</b>			
Bank Loans	12	910,294,971	-
Long term loans from Directors	13	1,624,357,687	938,434,645
<b>Current Liabilities</b>			
Short term borrowing	14	317,000,000	269,802,109
Trade and other payables	15	210,833,872	132,532,441
Advance received from customers		641,405,259	
Mark up accrued on loans	16	59,872,431	38,724,060
Provision for taxation	17	239,991,696	233,595,018
		1,469,103,258	674,653,628
<b>Contingencies and Commitments</b>			
	18	-	-
		6,758,748,873	4,072,162,055

The annexed notes form an integral part of these financial statements.

*Abul Kalam*

Chief Executive


*Abul Kalam*

Director

HAMZA SUGAR MILLS LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Note	2012 Rupees	2011 Rupees
Sales	19	12,999,191,469	14,743,918,230
Cost of sales	20	<u>12,195,824,476</u>	<u>13,835,470,717</u>
Gross Profit		803,366,993	908,447,513
Operating Expenses			
Administrative expenses	21	287,698,199	288,875,202
Distribution cost	22	12,769,965	14,379,616
Other operating expenses	23	15,463,340	27,243,397
Other operating income	24	(38,057,022)	(75,543,735)
		<u>277,874,482</u>	<u>254,954,450</u>
Operating Profit		525,492,511	653,493,063
Finance cost	25	<u>316,849,470</u>	<u>285,904,614</u>
Profit before Taxation		208,643,041	367,588,449
Taxation	26	<u>(124,950,766)</u>	<u>(149,240,079)</u>
Profit after Taxation		<u>83,692,275</u>	<u>218,348,370</u>
Earnings per share	27	<u>1.12</u>	<u>2.92</u>

The annexed notes form an integral part of these Financial Statements.


  
 Chief Executive

  
 Director

HAMZA SUGAR MILLS LIMITED  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	2012 Rupees	2011 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	208,643,041	367,588,449
<b>Adjustments for non-cash items:</b>		
Depreciation	187,467,315	201,142,014
Finance cost	316,849,470	285,904,614
Prior year adjustment	(76,098)	-
Profit disposal of fixed assets	-	(16,656,268)
Operating profit before working capital changes	712,883,728	837,973,809
<b>Changes in working capital</b>		
<b>(Increase)/ Decrease in Current Assets</b>		
Stores, spares and loose tools	(106,833,446)	(97,826,427)
Stock-in-trade	(1,272,688,978)	(1,149,363)
Trade debts	(1,263,069,186)	-
Advances, deposits and prepayments	(263,770,645)	(21,267,020)
Short term investment	1,450,000,000	(1,450,000,000)
	(1,456,362,255)	(1,570,242,810)
<b>Increase/ (Decrease) in Current Liabilities</b>		
Trade and other payables	78,301,431	52,818,992
Advances received from customers	641,405,259	-
Short term borrowings	47,197,891	269,802,109
Markup on Loan	21,148,371	-
	788,052,952	322,621,101
<b>Cash generated from operations</b>	44,574,425	(409,642,900)
Finance cost paid	(316,849,470)	(285,904,614)
Taxes paid	(128,030,515)	(155,531,298)
<b>Net cash inflow/(outflow) from operating activities</b>	(400,305,560)	(851,078,812)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(1,414,061,894)	(129,271,637)
Sale proceed of fixed assets	500,000	19,000,000
<b>Net cash inflow/(outflow) from investing activities</b>	(1,413,561,894)	(110,271,637)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings	1,596,218,013	353,406,716
Deposit for shares	212,226,900	(115,977,330)
<b>Net cash inflow/ (outflow) from financing activities</b>	1,808,444,913	237,429,386
<b>Net (decrease)/ increase in cash</b>	(5,422,541)	(723,921,063)
<b>Cash and cash equivalent at the beginning of the year</b>	70,577,886	794,498,949
<b>Cash and cash equivalents at the end of the year</b>	65,155,345	70,577,886

The annexed notes form an integral part of these financial statements.


  
Chief Executive

  
Director

HAMZA SUGAR MILLS LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Share Capital	Deposit Share	Reserve	Accumulated Profit	Total
	----- (R u p e e s) -----				
Balance as at September 30, 2010	720,000,000	-	6,711,550	583,668,798	1,310,380,348
Deposit for shares	-	625,623,100	-	-	625,623,100
Issue of Bonus shares @ 4%	28,800,000	-	-	(28,800,000)	-
Net Profit & loss for the year	-	-	-	218,348,370	218,348,370
Transfer from surplus on revaluation	-	-	-	30,472,196	30,472,196
Balance as at September 30, 2011	748,800,000	625,623,100	6,711,550	803,689,304	2,184,824,014
Deposit for shares	-	212,226,900	-	-	212,226,900
Net profit for the year	-	-	-	83,692,275	83,692,275
Transfer from surplus on revaluation	-	-	-	30,472,196	30,472,196
Balance as at September 30, 2012	748,800,000	837,850,000	6,711,550	917,853,835	2,511,215,385

The annexed notes form an integral part of these Financial Statements.

  
Chief Executive

  
Director



**ANNEXURE-H: DETAILS OF LENDER'S FACILITY AVAILABLE FOR THE  
PROJECT**

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**Not Applicable.** The financing of the Project is by Hamza Sugar Mills Limited itself.

## **PROSPECTUS**

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Hamza Sugar Mills Limited (HSML) got LOI from AEDB under Framework for Power Cogeneration, 2013 (Bagasse/Biomass) in September, 2013.

The Project consists of bagasse co-generation facility that will be constructed adjacent to the existing Hamza Sugar Mills Limited (HSML). The Project facility will generate 15 MW electricity and supply to the national Grid.

The Project is owned by Tayyab Group of Industries which is one of the leading industrial group of Pakistan. This group is combination of five units operating at different locations in the field of yarn sugar and information technology. Hamza Sugar Mill has highest rate of sugar production among all other sugar mills in Pakistan. In 2012-13, HSML produced 313,229 M/Ton sugar from 3031127.258 M/Ton cane.

The Initial Environmental Examination (IEE) of HSML has been completed and submitted to Environment protection Department Punjab. The Grid Interconnection studies has also been completed and submitted to NTDC. The copies of IEE and Grid studies have also been provided with the Generation License Application.

**ANNEXURE-L: PROJECT INFORMATION IN PURSUANT TO  
SCHEDULE III [(REGULATION 3(6))] FOR GENERATION FACILITIES**

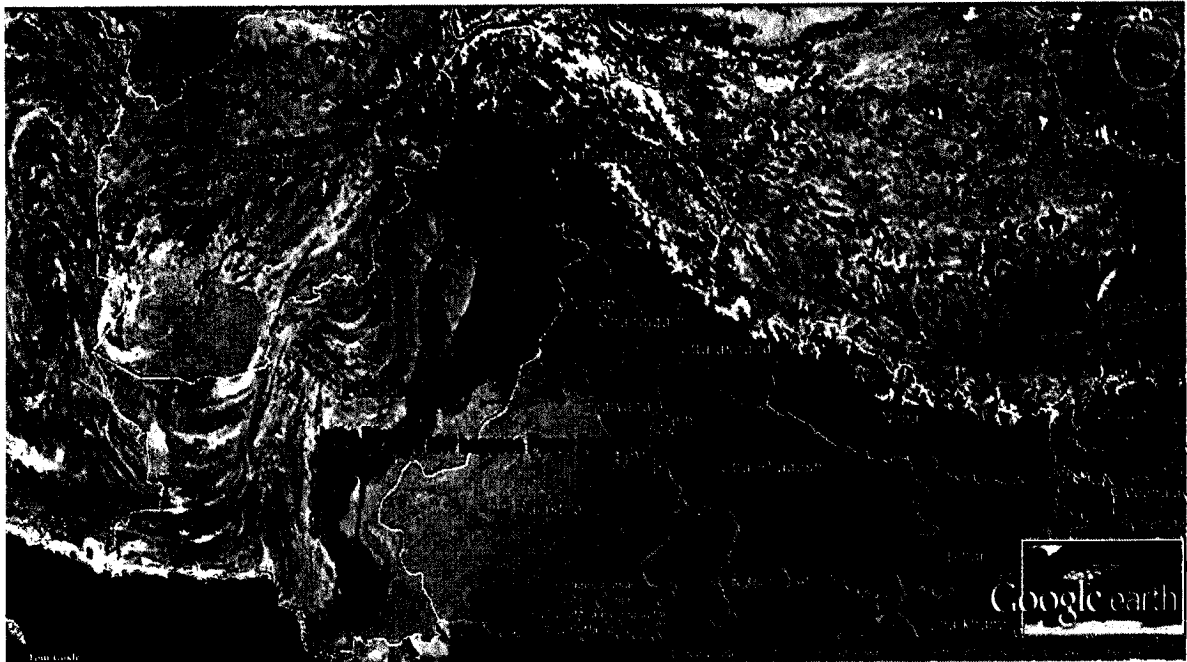
## **1 PROJECT LOCATION AND SITE MAP**

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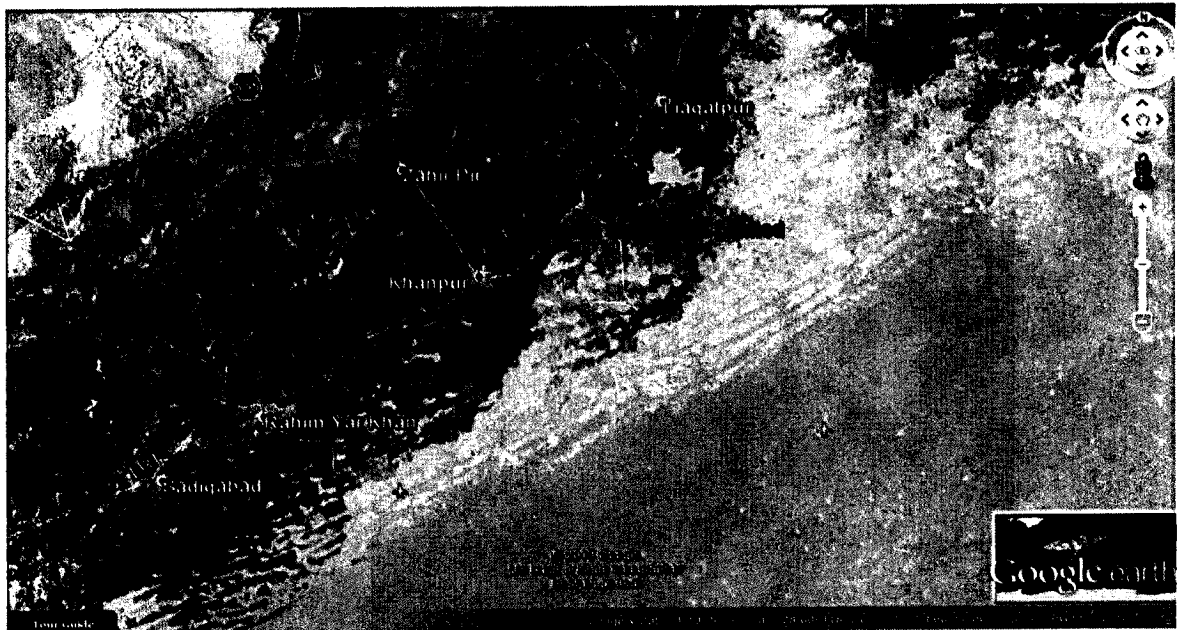
The Project of Hamza Sugar Mills is located in Jhetta Bhutta, Tehsil Kahnpur District Rahim Yar Khan. The Project consists of high pressure bagasse based co-generation facility that will be constructed adjacent to the existing Hamza Sugar Mills limited.

The Project site is located around 55 km from Rahim Yar Khan Airport and around 220 km from Multan.

The location of Project is shown in **Figure 1.1** and **Figure 1.2**.



**Figure 1.1: Project Site of 15 MW Bagasse Project Site**



**Figure 1.2: Location of HSML Project Tehsil Khanpur, District Rahim Yar Khan**

## **2 LOCATION OF GRID**

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The Nearest interconnection facility is the 132 Kv SUBSTATION OF Khanpur, 132 Kv single circuit line from Khanpur to Liaquatpur lies at about 1.3 km from the site of Hamza Sugar Mills Ltd.

The Grid Interconnection studies of the Project has been submitted to NTDC and copy of the same report is provided to NEPRA along with this Generation License Application.

### 3 PLANT DETAILS

#### 3.1 General Information

Name of Applicant/Company	Hamza Sugar Mills Limited
Registered Head Office	A/22, S.I.T.E., Mirpur road, Karachi-75730 <u>Tel:+92-21-32561101-5</u> Fax:+92-21-32561873
Plant Location	Jetha Bhutta Khanpur(Distt.Rahimyar Khan) <u>Tel:+92-68-5582256-60</u> Fax:92-68-5582043 Email:hamza_sugar@yahoo.com
Type of Generation Facility	Bagasse Cogeneration Power Plant

#### 3.2 Plant System Description

For the additional generation of 15 MW by HSML, two turbines 15 MW (Back Pressure) and 15 MW Turbine (Condensing/Extraction) shall be installed. The specifications of the turbines are given below;

Table 3.1: Technical Specifications of Turbine

A ) 15 MW Turbine (Back Pressure) and 15 MW Generator	
Extraction Back Pressure Turbine No 1	
Type	B15-628/0.2
Related Power	15000KW
Inlet steam Pressure	6.28MPa
Extraction Pressure	1.00MPa
Exhaust Steam Pressure	0.245MPa
Rated Speed	6000RPM
Inlet Steam Temperature	495C
Extraction Flow	5.00 T/Hr
No of Production	232
Date of Production	6-2011
Generator No 1 (15MW 11KV)	
Three Phase Synchronous Generator	--
Type	QFW-16.5-4
Production STD No	GB/T7064-2008

Rated Frequency	50Hz
Rated Capacity	20-625MVA
Rated Output	16500Kw
Rated Speed	1500RPM
Rated Power Factor	0.80
Rated Stator Volt	11000V
Rated Stator Current	1082.5 Amp
Rated Exciting Current	426.2A
Connection	Y
Insulation Class	F/F
Serial #	J9A1003-1
Weight	50000Kg
Date	11-2011
<b>AC Exciter</b>	
Output	110KVA
Volt	195V
Exciting Volt	125V
Current	328Amp
Exciting Current	8.4A
Frequency	125HZ
Armature Connection	Y
Pole	10
<b>Cooler</b>	
Type	KCWQ 560-8X22-2420
Rated Output	560KW
Air Flow	16M3/S
Rated Temperature of Cooling Water	≤ 30C
Water Consumption	125M <sup>3</sup> /Hr
Water Pressure Drop	70000PA
Maximum Operating Pressure	0.4 MPa
Air pressure Drop	330PA
<b>Space Heater</b>	
Type	--
Output	2.4KW
Volt	240V
Frequency	50Hz
Current	Amp
Phase	1
<b>PMG</b>	
PMG AUX	Exciter
Type	YFT 4.5-16/200
Capacity	4.5KVA, 173V, 15A
RPM	1500
Insulation Class	F/F
Frequency	200Hz
Phase	3
Conn	Δ
IP	44



<b>B ) 15 MW Turbine (Condensing/Extraction) and 15 MW Generator</b>	
<b>Extraction Condensing Turbine No 2</b>	
Type	B15-6.5/0.25/430
Related Power	15000KW
Inlet steam Pressure	6.5MPa
Extraction Pressure	0.25MPa
Exhaust Steam Pressure	0.0102 Pa
Rated Speed	6000RPM
Inlet Steam Temperature	490 C
Cooling water Temperature	34 C
Extraction Flow	98.7 T/Hr
No of Production	328
Date of Production	7-2012
<b>Generator No 2 (15MW 11KV)</b>	
Three Phase Synchronous Generator	--
Type	QFW-15-4
Production STD No	GB/T7064-2008
Rated Frequency	50Hz
Rated Capacity	78.75MVA
Rated Output Power	15000Kw
Rated Speed	1500RPM
Rated Power Factor	0.80
Rated Stator Volt	11000V
Rated Stator Current	984.1 Amp
Rated Exciting Current	361.2 A
Connection	Y
Insulation Class	F/F
Serial #	12A10002B-1
Weight	50000Kg
Date	--
<b>AC Exciter</b>	
Output	100KVA
Volt	245V
Exciting Volt	85V
Current	408Amp
Exciting Current	7.48A
Frequency	125HZ
Armature Connection	Y
Pole	10
<b>Cooler</b>	
Type	KCWQ 560-8X22-2420
Rated Output	560KW
Air Flow	16M3/S
Rated Temperature of Cooling Water	≤ 33C
Water Consumption	125M³/Hr
Water Pressure Drop	70000PA

Maximum Operating Pressure	0.4 MPa
Air pressure Drop	330PA
Space Heater	
Type	--
Output	2.4KW
Volt	230V
Frequency	50Hz

### 3.3 Project Commissioning Date (Anticipated)

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Project commissioning date (Anticipated)	October, 2014
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### 3.4 Expected Life of the Project

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Expected Life of the Project from COD	30 Years
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### 3.5 Plant Characteristics (at Interconnection Point)

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Voltage (kV)	± 5%, Normal Operating Conditions ±10% Contingency Conditions
Frequency	50HZ Nominal 49.8 Hz to 50.2 Hz variation in steady state 49.4 – 50.5 Hz, Min/Max Contingency Freq, Band
Power Factor	0.8 Lagging;0.9 Leading

#### **4 EXECUTIVE SUMMARY OF ELECTRICAL AND GRID INTERCONNECTION**

Executive summary of Electrical and Grid Interconnection Study is attached here for reference. Complete Electrical and Grid Interconnection study is provided to NEPRA along with Generation License Application.

## **Executive Summary**

- ❖ The Final Report of Hamza Sugar Mills Ltd. Power Plant is submitted herewith.
- ❖ Hamza Sugar Mills Ltd. is Planning to export 15 MW from its bagasse based co-generation plant after its planned COD in October 2014. Its second phase of 15 MW is expected to achieve its COD by October 2016 and its third phase of 30 MW is expected to achieve COD by 2019. It is for this purpose that the grid interconnection study has been carried out.
- ❖ The study objective, approach and methodology have been described and the plant's data received from the Client is validated.
- ❖ The system data of NTDC has been used as per permission granted by NTDC vide their letter No. GMPP/CEMP/TRP-333/Co-gen/753-57 dated 19/02/2014.
- ❖ The nearest interconnection facilities is the 132 kV substation of Khanpur, and the 132 kV single circuit line from Khanpur to Liaquatpur lies at about 1.3 km from the site of Hamza Sugar Mills Ltd.
- ❖ Due to the location of Hamza Sugar Mills, the most feasible interconnection scheme would be by looping in-out the existing 132 kV circuit between Khanpur to Liaquatpur at Hamza Sugar Mills PP, as shown in Sketch-2 in Appendix-A. The distance of the plant from the looping point is about 1.3 km. The conductor used will be 132 kV Lynx conductor.
- ❖ The proposed scheme will require two breaker bays of 132 kV at Hamza Sugar Mills PP to connect with the 132 kV circuits each from Khanpur and Liaquatpur respectively.
- ❖ In view of planned COD of the Hamza Sugar Mills PP in October 2014, the above proposed interconnection scheme has been tested for steady state conditions through detailed load flow studies for the peak conditions of January 2015 for maximum thermal power dispatches in the grid during winter which is the crushing season.
- ❖ Steady state analysis by load flow reveals that proposed scheme is adequate to export 15 MW power of the plant under normal and contingency conditions.



- ❖ According to the data given by the client, Hamza Sugar Mills will extend its generation capacity to a total of 60 MW by 2019. Therefore we have also studied the future scenario of June 2020 to assess the impact of the plant in the extended term of 5 years after its installation as per NTDC requirement. The system conditions of normal and N-1 contingency have been studied for all scenarios to meet the reliability criteria with the proposed additional 132 kV S/C from Bahwalpur-New to Ahmedpur-East.
- ❖ The short circuit analysis has been carried out to calculate maximum fault levels at Hamza Sugar Mills PP and the substations of 132 kV in its vicinity. We find that the fault currents for the proposed scheme are much less than the rated short circuit capacities of switchgear installed at these substations. There are no violations of exceeding the rating of the equipment due to contribution of fault current from Hamza Sugar Mills PP.
- ❖ The maximum short circuit levels of Hamza Sugar Mills PP 132 kV have been evaluated for the peak case of 2015 and 2020 to evaluate the maximum fault currents on Hamza Sugar Mills PP and the 132 kV Substations in its vicinity in the future scenario. The maximum short circuit level of the Hamza-PP 132 kV is 8.02 kA and 6.99 kA for 3-phase and 1-phase faults respectively in the year 2020. Therefore industry standard switchgear of the short circuit rating of 40 kA would be fine to be installed at 132 kV switchyard of Hamza-PP as per NTDC requirement taking care of any future generation additions and system reinforcements in its electrical vicinity. For 11 kV the maximum short circuit levels of Hamza-Mills PP with the operation arrangement of operating with the 11 kV Bus Sectionalizer normally open, as shown in SLD-1, are 27.56 kA and 27.18 kA for 3-phase and 1-phase faults respectively. This arrangement is necessary to keep the short circuit levels under 40kA. Therefore with this arrangement the industry standard switchgear of the short circuit rating of 40 kA would be fine to be installed at the 11 kV switchroom of Hamza-PP taking care of any future generation additions and system reinforcements in its electrical vicinity.



- ❖ The dynamic stability analysis of proposed scheme of interconnection has been carried out. The stability check for the worst case of three phase fault right on the 132 kV bus bar of Hamza Sugar Mills PP substation followed by the final trip of 132 kV circuits emanating from this substation, has been performed for fault clearing of 5 cycles (100 ms) as understood to be the normal fault clearing time of 132 kV protection system. Also the extreme worst case of stuck breaker (breaker failure) has been studied where the fault clearing time is assumed 9 cycles i.e. 180 ms. In all events, the system is found strong enough to stay stable and recovered with fast damping. The stability of system for far end faults of 3-phase occurring at Khanpur 132 kV bus bar has also been checked. The proposed scheme successfully passed the dynamic stability checks for near and far faults even for the most stringent cases.
- ❖ The proposed scheme of interconnection has been evaluated for the year of 2015 and for 2020 to evaluate the future scenario. The proposed interconnection scheme causes no technical constraints or problems and is therefore recommended to be adopted.



## **5 EXECUTIVE SUMMARY OF ENVIRONMENTAL IMPACT ASSESSMENT**

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### **Study Methodology:**

The study was conducted using standard methodology prescribes by national and international agencies to facilitate the review of identified environmental issues, an understanding and description of the environment within which the activities will occur or potentially have influence on social and biological environment. The IEE study comprises of baseline data on existing conditions on physical and biological environment, and social environment together with the anticipated environmental impacts and proposed mitigation measures.

### **Baseline Survey**

The detailed baseline survey was conducted by Mr. Salman Nazir of Renewable Resources Pvt. Ltd. The survey was conducted on 8<sup>th</sup> November, 2013. The purpose of the survey was to assess the baseline information on the environment and socio-economic features of the area. The information on environmental baseline conditions was assessed by visual observation, information from local stakeholders and available literature on the project area. Detailed assessment of the social and biological environment of the area was conducted through field survey for the distance up to 10 km radius of the project site, however the influence zone of the environmental impacts is considered as 5 km.

Data was also collected through secondary sources such as published literature and internet to support the findings of the field survey.

The socio-economic features of the area were assessed through door to door personal interviews with the local community.

The surveyors conducted these interviews in their local language and also gave a brief overview of the project. During interviews, the surveyors assessed the socio-economic conditions of the community including their occupational patterns, culture, education and health facilities. The local community was also given a brief overview of the project and its benefits to the local community during interviews. Hamza Sugar Mills is running from many years in the area and the current 15 MW project is located in the same premises therefore; the local habitants have no concerns with the development of new project in the same area.

The present document reports the finding of Initial Environmental Examination (IEE) carried out to identify potential environmental issues associates with the project and ensures appropriate mitigation measures to cope with those issues.



An IEE is a complete process that begins at the earliest stage of the project development planning and continues throughout the life of the project. Following are the listed stages of an Initial Environmental examination study:

- ❖ Describing the project and details of Project Proponents
- ❖ Review of applicable Statutory Requirements and compliances
- ❖ Establishing environmental baseline conditions through survey, secondary sources and consultation with the local stakeholders
- ❖ Scoping the issues and establishing the boundaries of the assessment
- ❖ Review of Project Alternatives
- ❖ Assessing the potential environmental effects of the project, including residual and cumulative effects
- ❖ Identifying mitigation measures to eliminate or minimize the potential adverse environmental impacts
- ❖ Environmental Management & Monitoring Plan and follow up programs

**Statutory Requirements:**

The report fulfils the following regulatory requirements

- ❖ Pakistan Environmental Protection Agency (Review of IEE and EIA) Regulations, 2000 with reference to Pakistan Environmental Protection Act, 1997
- ❖ Asian Development Bank Policies and Guidelines
- ❖ General EHS guidelines of IFC and World Bank Group
- ❖ Performance Standards of IFC and World Bank group
- ❖ The best practices followed at international level.

The details of statutory requirements fulfilled by this IEE report are given in **Section-2** of the report.

**Project Overview:**

The 15 MW High pressure bagasse based cogeneration power project is located in Jhetha Bhutta, Khanpur District Rahim Yar Khan. The project is located within the boundary of Hamza Sugar Mills Limited which is running from many years in the same area. The electricity produced by the Project shall be exported to the national grid of MEPCO. In HSML, around 26000 M/Ton of cane is crushed daily to produce sugar. Bagasse from HSML will be used as a fuel for 365 days of the year to generate 15 MW electricity.

**Section-3** of this report provides a comprehensive overview and description of the Project.

**Description of Environment:**

A data collection survey that included geology, meteorology, hydrology, ambient air quality, water quality, soil characteristics, noise levels, flora and fauna, land use pattern, and socioeconomic conditions was undertaken, based on available secondary information or data collected in the field. Primary data was collected to establish baseline conditions for the soil, water (surface and ground) quality, flora and fauna, and noise. Secondary data was collected for land, ecology, climate, and socioeconomic factors.

As per the physical survey done by Mr. Salman Nazir, the residential area of HSML workers are located within the boundary of HSML site. Outside the boundary of HSML, there are different villages/communities which are located within the range of 5 km from the Project site. The villages/communities namely Chak No.1/P, Chak No.2/P Chak No.3/P, Dhoop Sarhi, Basti Dakwala, Basti Chachran and Basti Bhand Blochan were visited during the survey. All these villages are located within the 5 km radius of Project site. The nearest village is Dakwala which is located at around 200 meters from Project site.

The total number of population of these villages/communities is 4000-5000 approximately. The area is well developed with all the basic facilities including electricity, water, transport and telecommunication available in the area. Sui-gas facility is not available in these villages. The area is agricultural area with number of agricultural fields located all around in the area.

The area around the project site is green agricultural fields. The housing area of workers of HSML is located within the boundary of Hamza Sugar Mill. The area is sound in terms of air and noise quality and there is no major source of air pollution of noise.

Satisfactory health and education facilities are available in the area. Most of the population is related to agricultural production. Both underground water and supply water is used for drinking purpose. The area is fertile with major crops including sugarcane, maize and cotton.

The details of Environment and Social baseline conditions of the area are given in **Section-4** of this report.

**Review of Alternatives:**

The alternatives considered for the Project are explained in **Section-5** of the IEE report.

**Impact Assessment and Mitigation:**

During the IEE, the project potential social and environmental impacts were identified and mitigation measures are given in **Section-6** of the IEE report. Each identified impact was then characterized with respect to its nature, reversibility, geographical extent, consequence-severity and likelihood. Based upon this characterization, the impacts were then assessed to be of high, medium or low significance. The key potential environmental and social issues identified during the study included contamination of soil and water, safety hazards, damage to infrastructure, air quality deterioration, noise emissions, threat to wildlife and habitat modification. Similar impacts during the plant operation were identified; these included soil and water contamination, safety hazards habitat modification, noise and vibration. The IEE has recommended appropriate mitigation measures to address the above concerns, and to keep the residual impacts within acceptable limits.

**Environmental Management Plan:**

An Environmental Management Plan (EMP) has been developed in **Section-7** to provide an implementation mechanism for the mitigation measures mentioned above and has been updated in the light of the EPA decision circumstances. The EMP provides the organizational structure for the environmental and social management system during the project, and defines the roles and responsibilities of project players. The EMP includes a mitigation plan, a monitoring plan, the communication and documentation requirements, and training needs, in the context of the environmental and social management of the project. A detailed EMP plan is attached as **Annexure-I** of the IEE report.

**Stakeholder Consultation:**

Stakeholder consultation was carried out as part of IEE study and details provided in Section-8. The main objectives of the consultations were to apprise the stakeholders about the proposed Project activities; obtain their views, concerns and recommendations; and address / incorporate them in the project design - thus enhancing the environmental and social performance of the project. The environment and social survey forms are attached as **Annexure-VI** of the IEE report.

**Finding and Recommendations:**

Bagasse power Project is a green energy project and, therefore, there is no major long lasting impact of the project on the environment of the site. Air quality of the area may be disturbed only during construction phase of the project. There is no damage foreseen to the surface water and ground water conditions of the area. As there is no separate land acquired for the proposed Project, therefore resettlement or disturbance to local residents are not anticipated. Hamza Sugar Mills is running from many years in the same premises of proposed Project land. Number of locals employed in the HSM from many years. During consultation, there is neither

any reservation nor any negative response received from the local communities regarding the existing Hamza Sugar Mill and with the new development in the same land premises. There is no archeological site present in the location of project. There is no direct or indirect impact on the fauna and flora of the area. The environmental disturbance normally associated with construction activities will be minimized through an Environment Management Plan (EMP), implementation of which will continue during project operation and which includes monitoring arrangements. The project has no carbon, sulfur, nitrogen emissions; nor their oxides, thus not a threat to the environment.

It is concluded that the project will be a positive development in the area and improve the socio-economic conditions of area through generation of new employment opportunities and opening of ways for the development of this area. There are no negative environmental impacts of the project, rather it is a green energy project and contribute in environmental sustainability of the area.

In view of the above mentioned rationales, it is concluded that development of 15 MW bagasse power project of HSML will have no significant adverse environmental impact and the project can be regarded as **Environmental Friendly Green Project**.

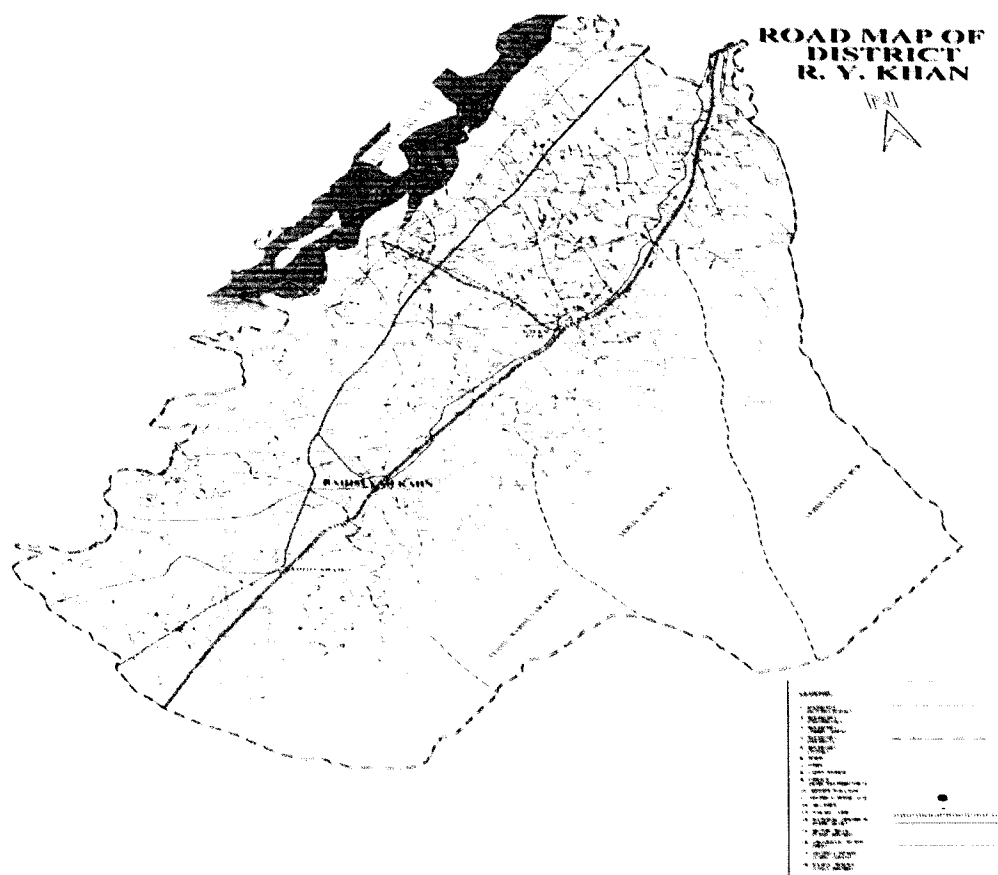
Following annexure are attached to supplement the information in the IEE report;

- Annexure-I: Environment management Plan
- Annexure-II: Environment Protection Agency (Review of EIA/IEE Regulations 2000)
- Annexure-III: National Environmental Quality Standards (NEQs)
- Annexure-IV: Fauna of Project Area
- Annexure-V: Flora of Project Area
- Annexure-VI:-Environment and Social Survey Forms
- Annexure-VII:-Snapshots taken during the Site Survey
- Annexure-VIII-Proposed Plant Layout Options

## 6 INFRASTRUCTURE: ROADS, RAIL, COLONY AND AMENITIES

### Communication Network

The district has a total metalled road-length of 4023.69 Kilometres. The district is linked with Bahawalpur, Sukkhar and Muzaffargarh Districts through metalled road. The road map of district Rahim Yar Khan is given in Figure 4.7.



**Figure 6.1: Road Map of District Rahim Yar Khan**

The main Peshawar-Karachi railway line passes through R.Y.Khan District. The district is linked with Bahawalpur and Sukkhar through railway network.

There are total of 20 railway station in the district, 05 of these are in Tehsil Khanpur.

### **Telecommunication Facilities**

There are 61 telephone exchanges operating in the district, ranging in capacities from 200 lines to 20,150 lines. Cellular phone services are available in the district.

### **Basic Infrastructure Facilities**

All the basic infrastructure like roads; transport; water; repair and maintenance workshops and technicians; communication facilities like telephone, fax and email; utilities required to run the plant smoothly, office buildings, hostel, medical facilities, security etc., already exists on Project site.

### **Local Settlement Pattern and Population**

According to Punjab Development Statistics 2011, total population of Rahim Yar Khan District is 4,279,000 thousand persons out of which 2,225,000 thousand are males and 20,54,000 thousand are females. Density of population in the district is 360 persons per square kilometer. Percentage break-up of the Rural and Urban population is 80.37 and 19.63 respectively.

There are 324 patwar circles and 1150 Mouzas (Revenue Villages) in the district. One thousand and forty nine of the mouzas are rural while only 23 mouzas are declared urban. Sixty Two mouzas are partly urban and only 7 mouzas comprise of forests. Liaquat Pur and Khanpur talukas have equal number of Patwar circles/tapas i.e. 75 each.

In Tehsil Khanpur, the urban population is estimated at 204,000 and rural population is estimated at 707,000.

The area where the Project of HSML is located is surrounded by many small rural inhabitations. The major inhabitations located with the radius of 5 km are Dhoop Sarhi, Chak No 1/P, Chak NO.2/P, Chak No.3/P, Basti Balochan.



## 7 PROJECT COST

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The project cost of 14.4 million USD. The project is financed by Hamza Sugar Mills Limited itself.



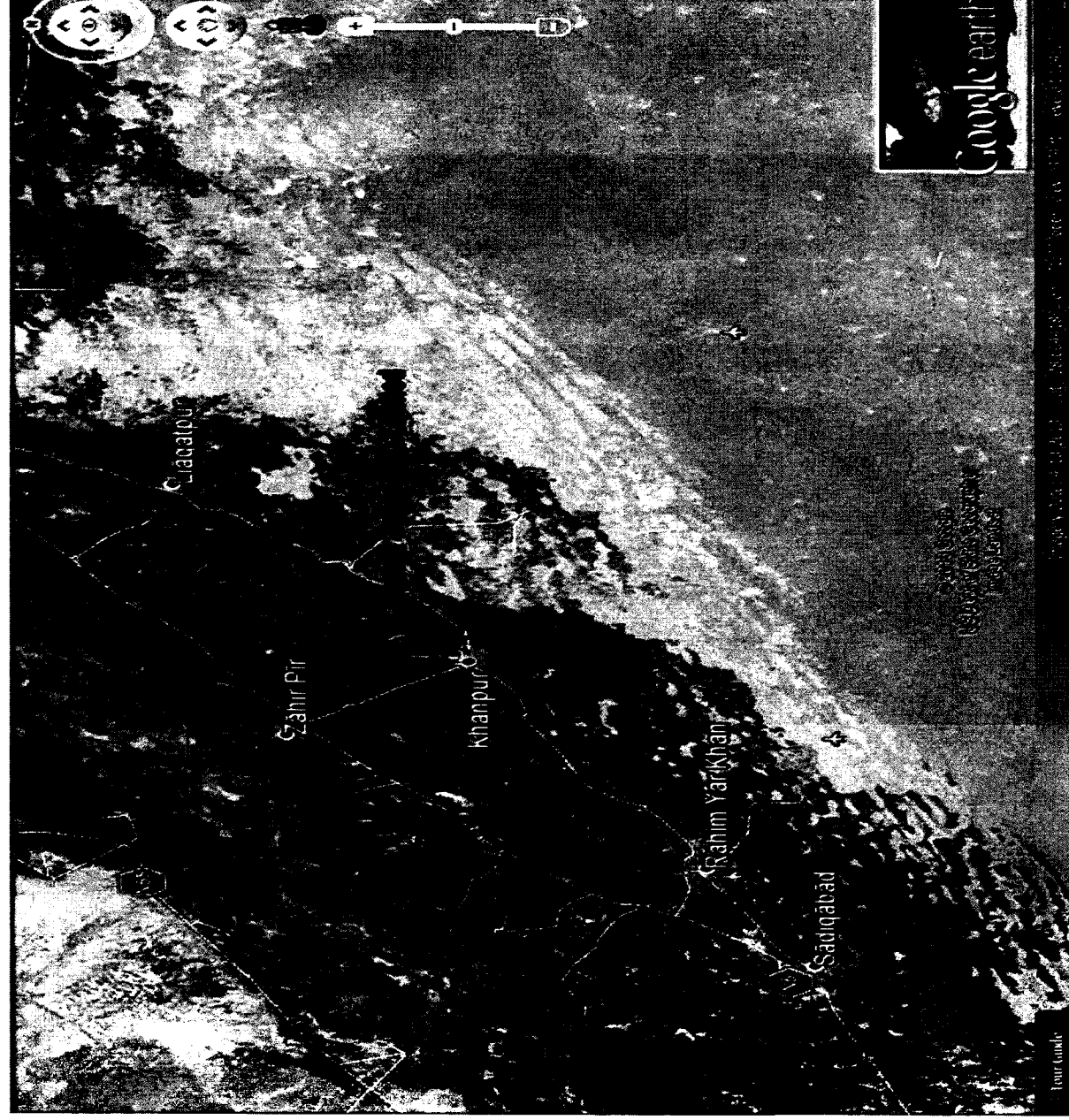
## 8 PROJECT COMMENCEMENT AND COMPLETION PLAN

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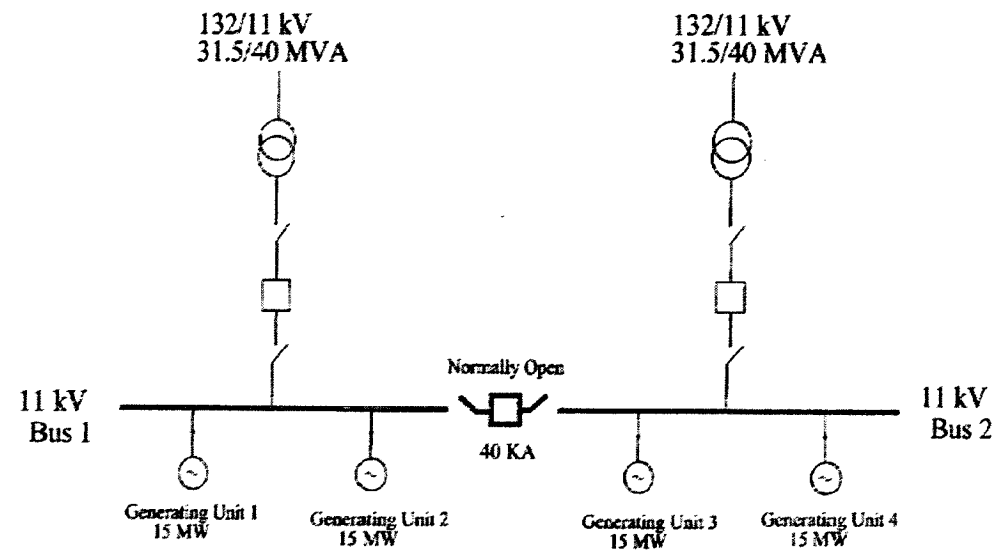
Activity / Milestone	2013		2014			
	4THQTR		1STQTR	2NDQTR	3RDQTR	4THQTR
LOI awarded						
Generation License						
Tariff Application						
Signing of EPA / IA						
Financial Close						
Project Construction						
Project COD						

**ANNEXURE-M: INFORMATION FOR SCHEDULE-I OF LICENSE**

## Project Location Map



### Single Line Diagram of 11 kV Busbars At Hamza Sugar Mills PP



Single Line Diagram

SLD-1			
PREPARED BY: <i>Power Planners International</i>			
Power Planners International			
DATE	REV	FILE NO.	FILE
2014	1	SLD 11KV.DWG	

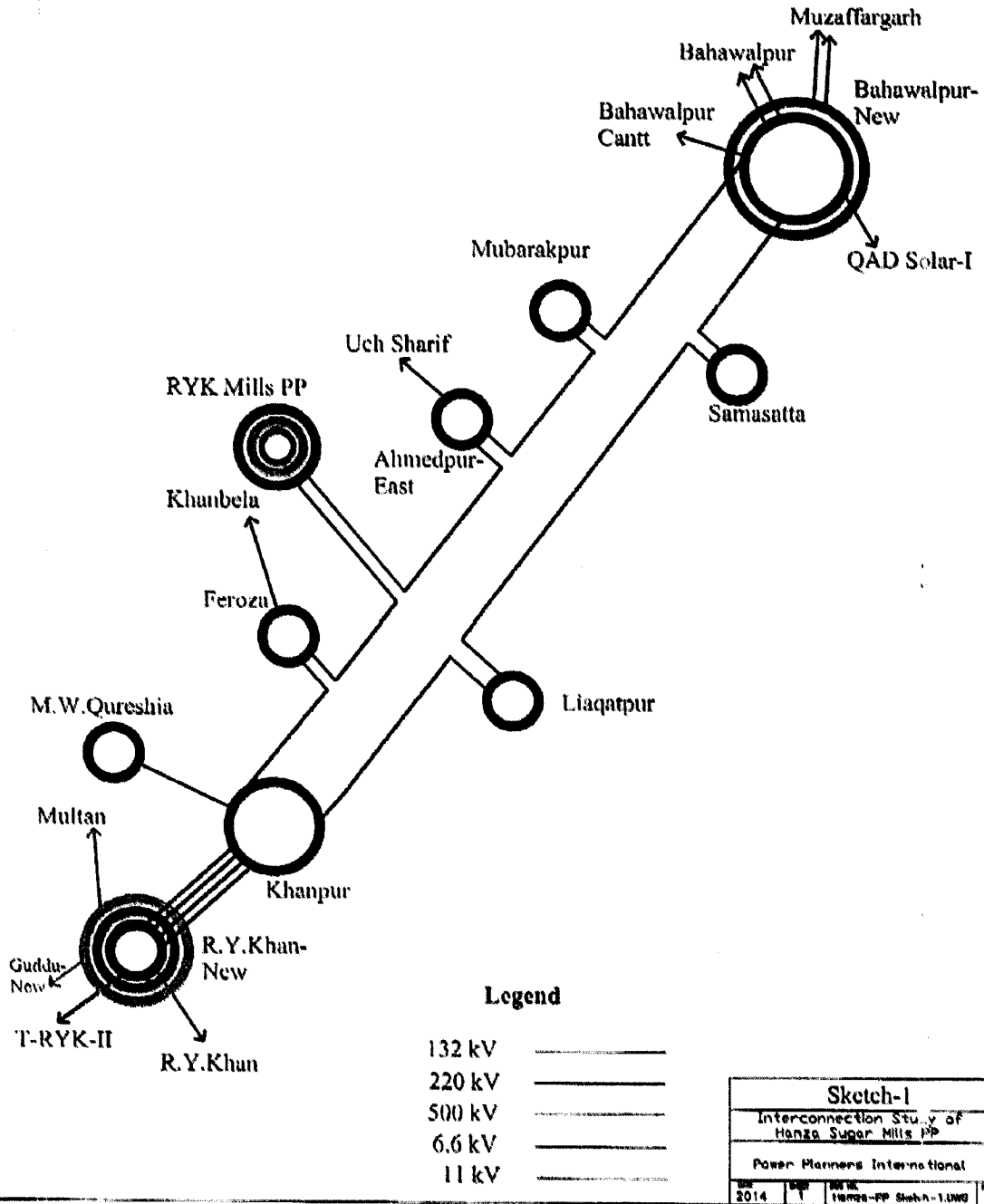
**INTERCONNECTION**  
**ARRANGEMENT FOR DISPERSAL OF POWER FROM THE**  
**PROJECT**

The Nearest interconnection facility is the 132 Kv SUBSTATION OF Khanpur, 132 kV single circuit line from Khanpur to Liaquatpur lies at about 1.3 km from the site of Hamza Sugar Mills Ltd.

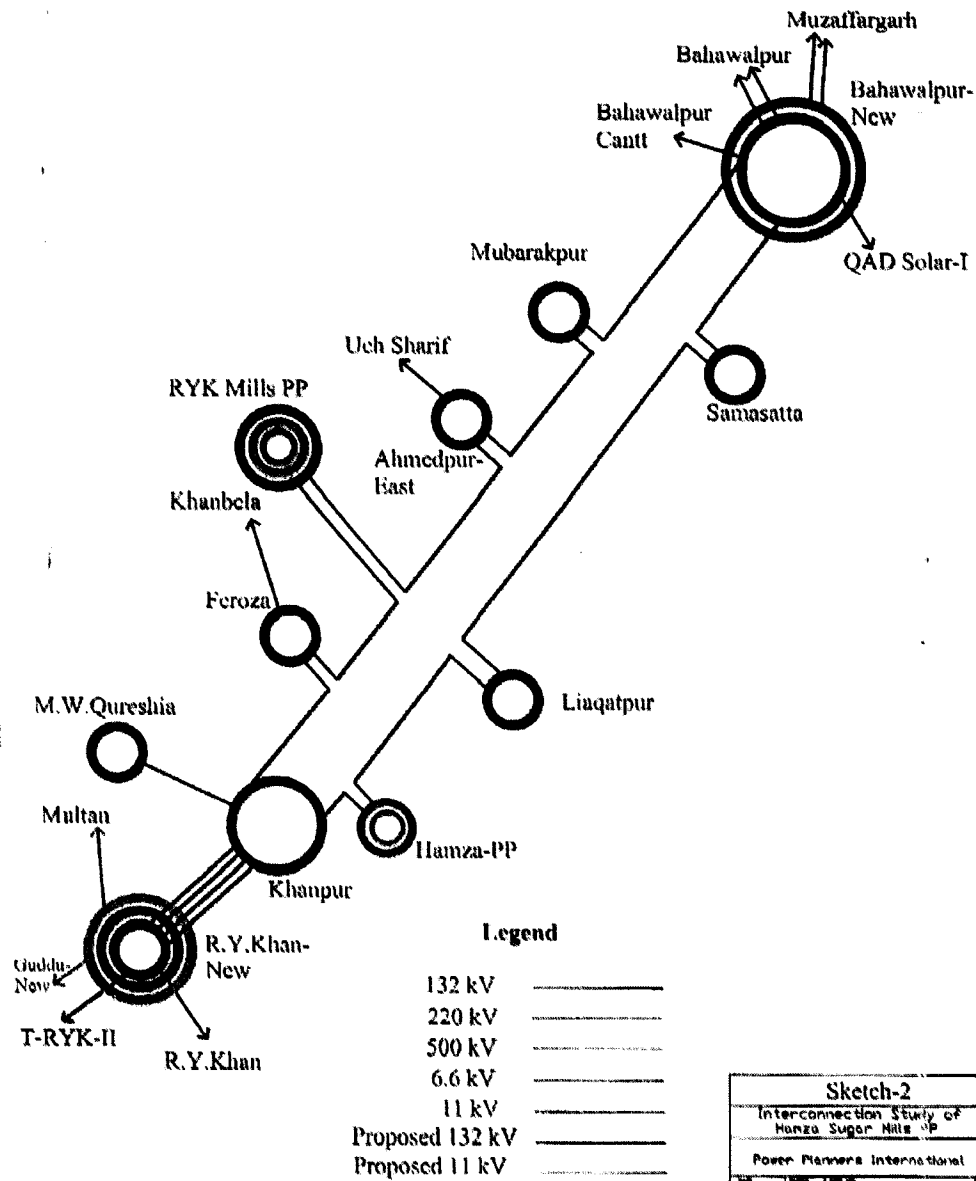
The Grid Interconnection studies of the Project has been submitted to NTDC and copy of the same report is provided to NEPRA along with this Generation License Application.

**Schematic Diagram**  
**For Interconnection/Transmission Arrangement for Dispersal**  
**of Power from Hamza Sugar Mills Limited**

**Network Around Proposed Site of Hamza Mills Ltd. PP  
(without Hamza Mills-PP, Year 2015)**



# **Network Around Proposed Site of Hamza Mills Ltd. PP** **(with Hamza Mills-PP, Year 2015)**





## **Project Details**

### **(A). General Information**

(i)	Name of Applicant/Company	Hamza Sugar Mills Ltd
(ii)	Registered Office	4 <sup>th</sup> Floor, Bahria Complex 1, M.T.Khan Road Karachi-Pakistan Tel: +92-21-35611194 Fax: +92-21-35610754
(iii)	Plant Location	Jhimpir, District Thatta, Sindh
(iv)	Type of Generation Facility	Bagasse

### **(B). Capacity & Configuration**

(i)	Plant Size (MW)	15 MW
-----	-----------------	-------

### **(C). Turbine Details**

#### **Technical Specifications of Turbine**

<b>A ) 15 MW Turbine (Back Pressure) and 15 MW Generator</b>	
<b>Extraction Back Pressure Turbine No 1</b>	
Type	B15-628/0.2
Related Power	15000KW
Inlet steam Pressure	6.28MPa
Extraction Pressure	1.00MPa
Exhaust Steam Pressure	0.245MPa
Rated Speed	6000RPM
Inlet Steam Temperature	495C
Extraction Flow	5.00 T/Hr
No of Production	232
Date of Production	6-2011
<b>Generator No 1 (15MW 11KV)</b>	
Three Phase Synchronous Generator	--
Type	QFW-16.5-4
Production STD No	GB/T7064-2008
Rated Frequency	50Hz

Rated Capacity	20-625MVA
Rated Output	16500Kw
Rated Speed	1500RPM
Rated Power Factor	0.80
Rated Stator Volt	11000V
Rated Stator Current	1082.5 Amp
Rated Exciting Current	426.2A
Connection	Y
Insulation Class	F/F
Serial #	J9A1003-1
Weight	50000Kg
Date	11-2011
AC Exciter	
Output	110KVA
Volt	195V
Exciting Volt	125V
Current	328Amp
Exciting Current	8.4A
Frequency	125HZ
Armature Connection	Y
Pole	10
Cooler	
Type	KCWQ 560-8X22-2420
Rated Output	560KW
Air Flow	16M3/S
Rated Temperature of Cooling Water	≤ 30C
Water Consumption	125M <sup>3</sup> /Hr
Water Pressure Drop	70000PA
Maximum Operating Pressure	0.4 MPa
Air pressure Drop	330PA
Space Heater	
Type	--
Output	2.4KW
Volt	240V
Frequency	50Hz
Current	Amp
Phase	1
PMG	
PMG AUX	Exciter
Type	YFT 4.5-16/200
Capacity	4.5KVA, 173V, 15A
RPM	1500
Insulation Class	F/F
Frequency	200Hz
Phase	3
Conn	Δ
IP	44

<b>15 MW Turbine (Condensing/Extraction) and 15 MW Generator</b>	
<b>Extraction Condensing Turbine No 2</b>	
Type	B15-6.5/0.25/430
Related Power	15000KW
Inlet steam Pressure	6.5MPa
Extraction Pressure	0.25MPa
Exhaust Steam Pressure	0.0102 Pa
Rated Speed	6000RPM
Inlet Steam Temperature	490 C
Cooling water Temperature	34 C
Extraction Flow	98.7 T/Hr
No of Production	328
Date of Production	7-2012
<b>Generator No 2 (15MW 11KV)</b>	
Three Phase Synchronous Generator	--
Type	QFW-15-4
Production STD No	GB/T7064-2008
Rated Frequency	50Hz
Rated Capacity	78.75MVA
Rated Output Power	15000Kw
Rated Speed	1500RPM
Rated Power Factor	0.80
Rated Stator Volt	11000V
Rated Stator Current	984.1 Amp
Rated Exciting Current	361.2 A
Connection	Y
Insulation Class	F/F
Serial #	12A10002B-1
Weight	50000Kg
Date	--
<b>AC Exciter</b>	
Output	100KVA
Volt	245V
Exciting Volt	85V
Current	408Amp
Exciting Current	7.48A
Frequency	125HZ
Armature Connection	Y
Pole	10
<b>Cooler</b>	
Type	KCWQ 560-8X22-2420
Rated Output	560KW
Air Flow	16M3/S
Rated Temperature of Cooling Water	≤ 33C
Water Consumption	125M³/Hr
Water Pressure Drop	70000PA

Maximum Operating Pressure	0.4 MPa
Air pressure Drop	330PA
<b>Space Heater</b>	
Type	--
Output	2.4KW
Volt	230V
Frequency	50Hz

(D). Other Details

(i).	Project Commissioning date (Anticipated)	October, 2014
(ii).	Expected Life of the Project from Commercial Operation date (COD)	30 Years

**ANNEXURE-O: HEALTH AND SAFETY POLICY OF PROJECT SPONSOR**

TITLE	HEALTH AND SAFETY
POLICY	
ISSUE DATE	
LOCAL LAW REFERENCE	
❖ Factories Act 1934	

## ➤ POLICY

**HAMZA SUGAR MILLS Limited** utilizes all available resources to provide a healthy and safe working environment for all its workers and to eliminate all potential hazards that are capable of causing work related accident.

The management of **HAMZA SUGAR MILLS Limited**. Provides safe & healthy working environment by:

- Providing fire-fighting equipment at the hazardous points & evacuation plans;
- Providing first aid & fire fighting training to the workers;
- Educating the workers to use personal protective equipment at site for the health & safety;
- Providing clean water & clean bathrooms;
- Providing health checkups for the workers.

## ➤ PROCEDURE

- To assist in providing a healthy and safe working environment for employees, customers, and visitors, which is a top priority for HAMZA SUGAR MILLS LIMITED.
- Health & Safety are formed to induce workers to take active part in the work place safety programs.
- Members of Health & Safety Team are:

The health and safety committee comprises of following team:

### HEALTH AND SAFETY OFFICER

CORDON TEAM	FIRE FIGHTING TEAM	EVACUATION TEAM	FIRST AID TEAM
MUHAMMAD ASMAT ULLAH	GHULAM RASOOL	MUHAMMAD AFZAL SHAH	IMDAD ALI
SAJID ALI	KHAN ZADA	AURANG ZAIB	KHAYAL MUHAMMAD
FAQEER HUSSAIN	HAQ NAWAZ	ASIF MEHMOOD	BAHADAR MUNIR
SHER ZAMAN KAHN	MUHAMMAD ISMAIL	PEER MUHAMMAD KHAN	SHARIFULLAH

- The minutes of meeting of the Health & Safety Committee are to be recorded and distributed among the members.
- Company makes sure that fire extinguishers are all available and all the employees are well trained to use them.
- Company keeps fire-extinguishers location list in a file, which contains location, identification number of fire extinguisher, refilling date and expiry date. This list is frequently updated as any fire extinguisher is removed from the dedicated location either for refilling or due to any other reason.
- Regular fire drills and training are conducted, involving every department on six monthly basis.
- Committee will ensure that all workers are provided with personal protective equipments, where necessary and provided basic training for usage of such equipments;
- First Aid facility is provided to workers. In case of any injury, trained first aid personnel provide first aid to employees.
- **HAMZA SUGAR MILLS LIMITED.** has all permanent employees completely insured as required under local laws.
- Each employee is expected to obey safety rules and to exercise caution in all work activities.
- Employees must immediately report any unsafe condition to the supervisor. Employees who violate safety standard, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.
- Emergency procedure is developed and training is given to all workers.

## **FIRE PROTECTION EQUIPMENT**

- Portable and fixed fire protection equipments are provided for entire factory areas. It consists of fire extinguishers and fire buckets, which are available for use before the fire fighting team arrives (provided the associate have been trained in fire fighting operation).
- The Fire Fighting team and Health & Safety Officer are responsible for monthly inspection, maintenance and required record keeping of all portable fire extinguishers and fire trolleys. Any used or damaged extinguisher or trolleys should be reported to the Fire Fighting Team Leader.

#### **FIRE EXTINGUISHERS (PORTABLE)**

Properly marked 6 kg dry powder and water fire extinguishers are provided in sample quantity for all the production areas.

#### **FIRE BUCKETS**

Properly marked fire buckets are provided to all the main production areas.

#### **FIRE ALARM**

Fire Alarms are available in all departments of the factory.

#### **EMERGENCY LIGHT**

The Safety & Health rule requires emergency lighting within facilities at the following areas:

- Emergency lighting is installed in areas where exits would be hazardous during a power failure such as stairs and normal exits and emergency exits.

#### **EXIT SIGNS**

Exit Signs are provided in specific location in building to designate the means of exits from the building in native language.

### **➤ RESPONSIBLE PERSON**

**Health and safety Officer & CR are responsible for:**

- Providing healthy and safe work environment to the workers.
- Detecting potential risks and hazards associated with the job or present in the work environment, which could cause harm/ injury to the workers.
- Proper communication of company's policy on Health and Safety.
- Organizing meetings and training programs to ensure that the policy is properly communicated and understood, the minutes of the meeting are then recorded and circulated to all the participants as per distribution record list.



## **HAMZA SUGAR MILLS LIMITED.**

### **PROCEDURE FOR SERIOUS INJURIES**

**Scope:** This procedure is applied to serious injuries that occur in the facility.

**Procedures:**

- Whenever any incident happens related to serious injuries, the departmental incharge is informed the incharge access the situation and in case of serious injury, he reports to the health and safety officer and affectee is protected from the danger and shifted to safe area for possible medical attention by the First Aid.
- The health and safety officer immediately informs the nearest hospital or some other hospital as per situation. A list of emergency telephone number is maintained at main gate, reception, and notice board and in the room of health and safety officer.
- Ambulance & stretchers are available for 24 hours to cope such situations.
- The injured worker/employee is carried safely through ambulance to hospital.
- At hospital, the Health & Safety Officer get done the arrangements as per communications with the hospital management.
- Health & Safety Officer takes cares of all matters related to medical treatment and feedback is given to executives of the facility.

# Procedure for Health & Safety

## Purpose:

To identify, avoid or respond to potential and existing threats to provide healthy working environment.

To minimize the impact of emergencies on employees, the public and the environment to turn the business back into operation in a safe, quick and cost effective way.

## Scope:

This procedure is applicable to **HAMZA SUGAR MILLS LIMITED**.

### **Applicable Laws and Regulations:**

**Law and regulations source:** Labor Code of Pakistan 15<sup>th</sup> Edition. Bureau of Labor Publication Karachi. Pervaiz Shafi

### **Law or Regulation section Number:**

**Factory Act 13, 15,18,19,20,21,25,26 and 33.**

**Effective date of law and regulation:** 1<sup>st</sup> January 1935/August 1994.

## **Procedure:**

1. Health & Safety Officer is responsible for health and safety of employees.
2. The company has developed and documented a plan of fire safety.
3. First aid boxes are placed at each floor including medicine recommended by qualified doctor.
4. Fresh drinkable water is available for employees with in the facility.
5. The company ensures proper lighting, Ventilation, sanitary, toilet facilities and clean building facilities.
6. Emergency evacuation plans in native language are displayed.
7. All doors are kept unlocked from inside during working hours.
8. The company has developed and implemented machinery & equipment safety policy.
  - Personal protection equipment is available and employees use these when required.
  - Safety signs are displayed at appropriate locations.

9. Maintenance schedule is developed and documented to ensure a safety feature of machine's proper functioning.

10. Semi-annual fire drills are conducted and records are available.

11. The company has adequate number of emergency exits, located throughout the facility is clearly marked and accessible.

12. The company mounts fire extinguishers in a visible and accessible area to workers and management personnel.

13. Health & Safety Officer is responsible for communicating, deploying and monitoring the facility, machinery, equipment and fire safety policies.

14. The Health & Safety Officer / Manager P&A keeps all the training records for health and safety requirements.

**15. Hazards Identifications**

Potential hazards are identified in potential Hazards form, in case a new hazard is found/observed it is communicated to Health & Safety Officer for updating according to procedure for emergency preparedness and response.

**16. Hazards Prevention**

16.1 The company has provided measures for prevention of the potential threats to health and safety as:

- Emergency exits are clearly marked and accessible.
- Adequate first aid supplies and trained first aid personnel are available on site.
- In case hospital treatment is required, the company arranges accordingly.
- Fire extinguishers adequacy/ expiry are monitored during security visits.
- Fire drills are conducted twice a year.
- Fire alarm is installed.
- Generator is used for electricity to Emergency lights.
- Protective health and safety equipments are available for use.
- Ventilation, lighting, safety signs, temperature monitoring/ control are adequate.
- Policies, relevant posters, work instructions, internal and external emergency telephone number are displayed at the relevant locations.

- Evacuation plans are available at the relevant locations; these plans show the closest emergency exit, indication of reader's positions, first aid kit and fire extinguishers.
- Accidents records are updated and reviewed by management, actions are taken to prevent the reoccurrence, are recorded.
- During the tests and real emergencies, handicapped employees are assisted to evacuate from area if any.

#### **16.2 Health and Safety Training**

Health and safety is scheduled twice a year; however, it can be re-arranged whenever needed for existing and new employees.

#### **16.3 Activities during Emergency**

In case of any emergency, the following activities are carried out.

##### **16.3.1 Notification/Communication**

- Any body that sees an emergency can call/ inform to security staff, information to all concerned is communicated through telephone or in person.
- For formal communication regarding health and safety, interoffice communication is used.
- Incident/accident record is maintained by CSO.

##### **16.3.2 Evacuation**

- Security/ Fire fighting team with existing available staff will transfer employees out of effected area. All employees are guided to gather in assembly areas.

##### **16.3.3 Contacting outside agencies**

- Security or any other staff member will call external agencies for tackling the emergency situations.
- External agencies contacts are available at the main gate/ security office.

##### **16.3.4 Shut down of certain utilities and services**

- Considering the nature of emergency, all utilities and services e.g. machines, boiler or electric supply etc. are shut downed.

##### **16.3.5 Handling of Emergency**

- The Health & safety Officer / Evacuation team will ensure that all employees are found, they will be carefully transferred out of the concern area by fire fighting/ security team staff wearing proper protection equipments.
- The assessment is then made about the actual cause of an emergency and reported to the concern.
- Critical data including computer generated as well as manual will be backed up and stored off-site where possible.
- In case phone system goes down during emergency, mobile phones are available.

### ➤ **Important Fire Fighting Hints**

#### **No Panic**

In case of fire, persons dealing with the fire must use common sense. They should not get panic.

#### **Observe Discipline**

Observe good discipline, displayspirit of co-operation, assistance and help

#### **Switch Off**

Switch off electricity of the affected area immediately.

#### **Crawl**

Crawl in thick smokes and do not walk.

#### **Attack from Close**

Attack fire at the closest possible range.

#### **Rehearsals**

Will be carried out regularly under the arrangements of Health & safety officer.

### ➤ **Escape During Out Break of Fire**

#### **Escape of Persons**

In case of fire and any other emergency, following escape routes will be used:-

**Move Quickly**

All persons except fire crew and guards on duty will go to their respective assembly areas already known to all concerned.

**No blocking**

Stairs will not be blocked under any circumstances.

**Make 'Q'**

Make 'Q' and move with patience to the ground floor.

**Clear Escape Route**

Do not stop at reception & gates. Make the route of escape clear.

**Do Not: Make HASTE**

Wait patiently for your turn. Do not make haste.

**Injured Get Preference**

Give Preference to the injured person first.

**Ladies First**

After injured persons give priority to the ladies ( if ever employed) to escape through the stairs

### Emergencies due to Heavy Rain and Dust Storm

Thunderstorms with or without heavy rainfall are frequent may occur in Khanpur and are not serious enough to cause any emergencies. However, emergencies due to heavy rain or dust some necessary actions must be taken to prevent loss.

- All doors and windows of the building to be shut.
- If the water begins to collect with in the factory are and level rises to one and half feet, all electric connections to be switched off except for the factory passage lights.
- All valuable material equipment and records should be placed at as high point as possible.
- After the storm is over, the departmental heads should be asked to evaluate any damages caused and submit reports to CEO.
- The electrical/mechanical engineers survey the equipment and wirings before they are switched on.

## Authorities and Responsibilities for Fire and Safety

➤ CEO is responsible to:-

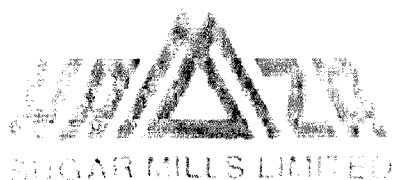
1. Act as the over all Incharge of health & safety measures in the company.
2. Provide all the resources to the health & safety groups.
3. Ensure the conduct of training relating to fire and occupational safety and handling of incidental/accidental emergencies.
4. Ensure proficiency for safety operations through safety inspection program.

➤ Health & Safety Officer is responsible to:-

1. Implement the policy on fire and occupational safety and handling of incidental/accidental emergencies.
2. Ensure and evaluate from time to time the training of fire fighting, Evacuation and cordon parties, first aid staff and departmental heads for occupational hazards.
3. Will maintain list of designated staff for these parties.
4. Work out the detail of fire fighting equipment as per **Factories Act 1934**.
5. Periodically carry out fire fighting drills as per the program.
6. Will carry out risk assessment for occupational hazards and personal safety from identified agents.
7. Will adopt measures to mitigate the occupational hazards as per the National Environmental Quality Standards



**ORIGINAL**

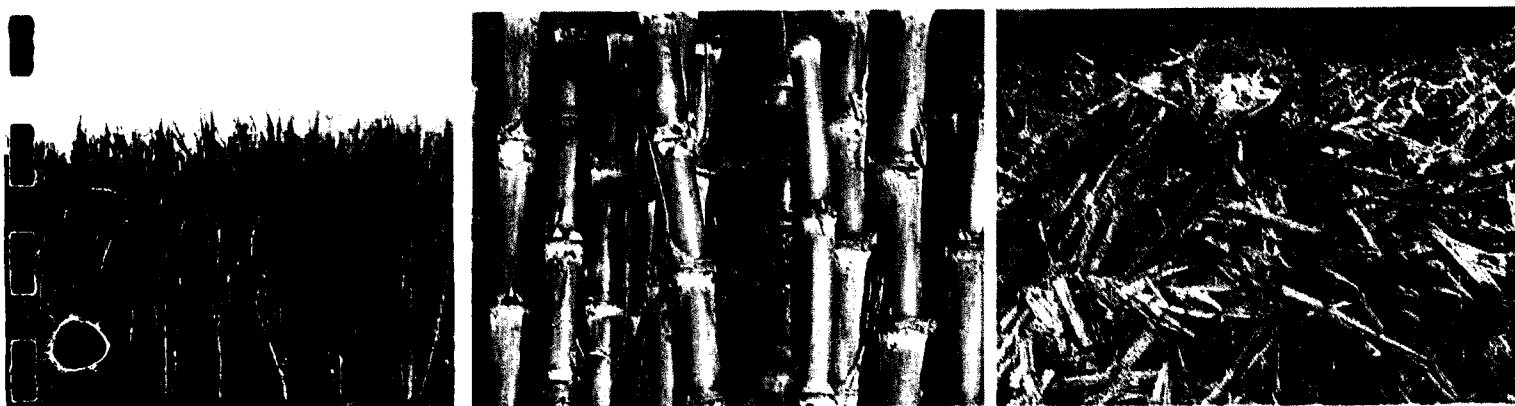


# **INITIAL ENVIRONMENTAL EXAMINATION REPORT**

**OF**

## **15 MW HIGH PRESSURE BAGASSE BASED COGENERATION POWER PLANT**

**A PROJECT OF HAMZA SUGAR MILLS LIMITED**



**PREPARED BY:**

**RENEWABLE RESOURCES PVT. LTD**

**NO.7, Street No.48, Sector F-7/4,  
Islamabad-Pakistan**

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## Disclaimer Notice

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Initial Environmental Examination (IEE) of 15 MW High Pressure Bagasse Based Cogeneration Power Plant	Project Sponsor: Hamza Sugar Mills Limited	Document Issue: 01	Page: 2

## **APPROVAL SHEET**


**TITLE** : Initial Environmental Examination of 15 MW High Pressure Bagasse Based Cogeneration Power Plant

**DOCUMENT NUMBER** : RE2-131-143-001 Issue: 01


**CLASSIFICATION** : UN CLASSIFIED


**SYNOPSIS** : This document is a report on Initial Environmental Examination of 15 MW High Pressure Bagasse based cogeneration power project of Hamza Sugar Mill Limited. The report is prepared by Renewable Resources Pvt Ltd.

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## EXECUTIVE SUMMARY

### Introduction:

This document is Initial Environmental Examination (IEE) report of 15 MW High Pressure Bagasse Based Cogeneration Power Plant of Hamza Sugar Mills Limited (HSML) located in Jhetta Bhutta, Khanpur, District Rahim Yar Khan.

The Project consists of bagasse co-generation facility that will be constructed adjacent to the existing Hamza Sugar Mills Limited (HSML). The Project facility will generate 15 MW electricity and supply to the national Grid of Multan Electric Power Company (MEPCO).

This Initial Environmental Examination (IEE) report is prepared to fulfill the obligation given in Pakistan Environmental Protection Agency (Review of IEE and EIA) Regulations, 2000 (attached as **Annexure-II**) made by Pakistan Environmental Protection Agency in exercise of power by section 33 of Pakistan Environmental Protection Act, 1997. According to these regulations, projects falling in any category listed in Schedule-I of the regulations shall require IEE and the projects listed in Schedule-II of the regulations shall require EIA and provision of section 12 of the regulations shall apply to such projects

The project of Hamza Sugar Mills Limited falls under category of Schedule-I requiring Initial Environmental Examination (IEE), therefore, conducted to comply with the requirement of PEPA, 1997.

### Proponent's Introduction:

Tayyab Group of Industries is one of the leading industrial group of Pakistan. This group is a combination of five units operating at different locations in the field of yarn, sugar and information technology. The first of which was incorporated in the year 1990 in the name & style of "Tayyab Textile Mills Ltd". The group comprises the following units.

- Hamza Sugar Mills Ltd.
- Tayyab Textile Mills Ltd.
- Sarfraz Textile Mills (Pvt) Ltd.
- Tahir Rafique Textile Mills (Pvt) Ltd.
- BrainLogix (PVT) Ltd

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Hamza Sugar Mills Limited (HSML) was incorporated as a Public Limited Company in 1963 under the Companies Ordinance, 1984 and was delisted on September 06, 2004. Now the Company stands as Unquoted Public Limited Company. The Company is engaged in production of Sugar. The Company has its registered office in Karachi and Mill site is located at Jetha Bhutta Khanpur, District Rahim Yar Khan.

Hamza Sugar Mill has highest rate of sugar production among all other sugar mills in Pakistan. In 2012-13, HSML produced 313229 M/Ton sugar from 3031127.258 M/Ton cane.

#### Consultant's Introduction:

Renewable Resources is the project consultant engaged for conducting Initial Environmental Examination (IEE) of the Project.

The contact details of consultant are given below;

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**Renewable Resources (Pvt.) Ltd**, is a private consultancy specialized in Renewable Energy (RE), Energy Efficiency (EE) and Environmental (Env) projects. The company is owned by group of professionals who have remained involved in the renewable energy program of Pakistan and hold solid grip on project development, feasibility studies, policy negotiations, requisite approvals, security documents etc.

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RE2 is capable of conducting full feasibility package mainly featuring power production estimates, grid interconnection and tariff model. RE2 also has the expertise to deal with the legal documents of power projects. The professional team of RE2 is well acquainted with the policies, regulations, methodologies and standards of RE power projects and work output meets international standards. RE2 is presently a consultant for various power projects in Pakistan sponsored by local and international investors.

RE2 has gained a significant experience in conducting Environmental and Social Impact Assessments (ESIA), Initial Environmental Examination (IEE) of renewable energy projects in accordance to national and international laws. The study covers all the baseline environmental conditions and anticipated environmental impacts of the project and comprehensive Environmental Management Plans.

So far, RE2 has conducted more than fifteen Environmental studies of renewable energy projects which have been approved from the concerned Environmental Protection Agencies.

#### **Study Methodology:**

The study was conducted using standard methodology prescribes by national and international agencies to facilitate the review of identified environmental issues, an understanding and description of the environment within which the activities will occur or potentially have influence on social and biological environment. The IEE study comprises of baseline data on existing conditions on physical and biological environment, and social environment together with the anticipated environmental impacts and proposed mitigation measures.

#### **Baseline Survey**

The detailed baseline survey was conducted by Mr. Salman Nazir of Renewable Resources Pvt. Ltd. The survey was conducted on 8<sup>th</sup> November, 2013. The purpose of the survey was to assess the baseline information on the environment and socio-economic features of the area. The information on environmental baseline conditions was assessed by visual observation, information from local stakeholders and available literature on the project area. Detailed assessment of the social and biological environment of the area was conducted through field survey for the distance up to 10 km radius of the project site, however the influence zone of the environmental impacts is considered as 5 km.

Data was also collected through secondary sources such as published literature and internet to support the findings of the field survey.

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The socio-economic features of the area were assessed through door to door personal interviews with the local community.

The surveyors conducted these interviews in their local language and also gave a brief overview of the project. During interviews, the surveyors assessed the socio-economic conditions of the community including their occupational patterns, culture, education and health facilities. The local community was also given a brief overview of the project and its benefits to the local community during interviews. Hamza Sugar Mills is running from many years in the area and the current 15 MW project is located in the same premises therefore; the local habitants have no concerns with the development of new project in the same area.

The present document reports the finding of Initial Environmental Examination (IEE) carried out to identify potential environmental issues associates with the project and ensures appropriate mitigation measures to cope with those issues.

An IEE is a complete process that begins at the earliest stage of the project development planning and continues throughout the life of the project. Following are the listed stages of an Initial Environmental examination study:

- ❖ Describing the project and details of Project Proponents
- ❖ Review of applicable Statutory Requirements and compliances
- ❖ Establishing environmental baseline conditions through survey, secondary sources and consultation with the local stakeholders
- ❖ Scoping the issues and establishing the boundaries of the assessment
- ❖ Review of Project Alternatives
- ❖ Assessing the potential environmental effects of the project, including residual and cumulative effects
- ❖ Identifying mitigation measures to eliminate or minimize the potential adverse environmental impacts
- ❖ Environmental Management & Monitoring Plan and follow up programs

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### **Statutory Requirements:**

The report fulfils the following regulatory requirements

- ❖ Pakistan Environmental Protection Agency (Review of IEE and EIA) Regulations, 2000 with reference to Pakistan Environmental Protection Act, 1997
- ❖ Asian Development Bank Policies and Guidelines
- ❖ General EHS guidelines of IFC and World Bank Group
- ❖ Performance Standards of IFC and World Bank group
- ❖ The best practices followed at international level.

The details of statutory requirements fulfilled by this IEE report are given in **Section-2** of the report.

### **Project Overview:**

The 15 MW High pressure bagasse based cogeneration power project is located in Jhetha Bhutta, Khanpur District Rahim Yar Khan. The project is located within the boundary of Hamza Sugar Mills Limited which is running from many years in the same area. The electricity produced by the Project shall be exported to the national grid of MEPCO. In HSML, around 26000 M/Ton of cane is crushed daily to produce sugar. Bagasse from HSML will be used as a fuel for 365 days of the year to generate 15 MW electricity.

**Section-3** of this report provides a comprehensive overview and description of the Project.

### **Description of Environment:**

A data collection survey that included geology, meteorology, hydrology, ambient air quality, water quality, soil characteristics, noise levels, flora and fauna, land use pattern, and socioeconomic conditions was undertaken, based on available secondary information or data collected in the field. Primary data was collected to establish baseline conditions for the soil, water (surface and ground) quality, flora and fauna, and noise. Secondary data was collected for land, ecology, climate, and socioeconomic factors.

As per the physical survey done by Mr. Salman Nazir, the residential area of HSML workers are located within the boundary of HSML site. Outside the boundary of HSML, there are different villages/communities which are located within the range of 5 km from the Project site. The villages/communities namely Chak No.1/P, Chak No.2/P Chak No.3/P, Dhoop Sarhi, Basti Dakwala, Basti Chachran and Basti Bhand Blochan were visited during the survey. All these

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villages are located within the 5 km radius of Project site. The nearest village is Dakwala which is located at around 200 meters from Project site.

The total number of population of these villages/communities is 4000-5000 approximately. The area is well developed with all the basic facilities including electricity, water, transport and telecommunication available in the area. Sui-gas facility is not available in these villages. The area is agricultural area with number of agricultural fields located all around in the area.

The area around the project site is green agricultural fields. The housing area of workers of HSML is located within the boundary of Hamza Sugar Mill. The area is sound in terms of air and noise quality and there is no major source of air pollution of noise.

Satisfactory health and education facilities are available in the area. Most of the population is related to agricultural production. Both underground water and supply water is used for drinking purpose. The area is fertile with major crops including sugarcane, maize and cotton.

The details of Environment and Social baseline conditions of the area are given in **Section-4** of this report.

#### **Review of Alternatives:**

The alternatives considered for the Project are explained in **Section-5** of the IEE report.

#### **Impact Assessment and Mitigation:**

During the IEE, the project potential social and environmental impacts were identified and mitigation measures are given in **Section-6** of the IEE report. Each identified impact was then characterized with respect to its nature, reversibility, geographical extent, consequence-severity and likelihood. Based upon this characterization, the impacts were then assessed to be of high, medium or low significance. The key potential environmental and social issues identified during the study included contamination of soil and water, safety hazards, damage to infrastructure, air quality deterioration, noise emissions, threat to wildlife and habitat modification. Similar impacts during the plant operation were identified; these included soil and water contamination, safety hazards habitat modification, noise and vibration. The IEE has recommended appropriate mitigation measures to address the above concerns, and to keep the residual impacts within acceptable limits.

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**Environmental Management Plan:**

An Environmental Management Plan (EMP) has been developed in **Section-7** to provide an implementation mechanism for the mitigation measures mentioned above and has been updated in the light of the EPA decision circumstances. The EMP provides the organizational structure for the environmental and social management system during the project, and defines the roles and responsibilities of project players. The EMP includes a mitigation plan, a monitoring plan, the communication and documentation requirements, and training needs, in the context of the environmental and social management of the project. A detailed EMP plan is attached as **Annexure-I** of the IEE report.

**Stakeholder Consultation:**

Stakeholder consultation was carried out as part of IEE study and details provided in Section-8. The main objectives of the consultations were to apprise the stakeholders about the proposed Project activities; obtain their views, concerns and recommendations; and address / incorporate them in the project design - thus enhancing the environmental and social performance of the project. The environment and social survey forms are attached as **Annexure-VI** of the IEE report.

**Finding and Recommendations:**

Bagasse power Project is a green energy project and, therefore, there is no major long lasting impact of the project on the environment of the site. Air quality of the area may be disturbed only during construction phase of the project. There is no damage foreseen to the surface water and ground water conditions of the area. As there is no separate land acquired for the proposed Project, therefore resettlement or disturbance to local residents are not anticipated. Hamza Sugar Mills is running from many years in the same premises of proposed Project land. Number of locals employed in the HSM from many years. During consultation, there is neither any reservation nor any negative response received from the local communities regarding the existing Hamza Sugar Mill and with the new development in the same land premises. There is no archeological site present in the location of project. There is no direct or indirect impact on the fauna and flora of the area. The environmental disturbance normally associated with construction activities will be minimized through an Environment Management Plan (EMP), implementation of which will continue during project operation and which includes monitoring arrangements. The project has no carbon, sulfur, nitrogen emissions; nor their oxides, thus not a threat to the environment.

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It is concluded that the project will be a positive development in the area and improve the socio-economic conditions of area through generation of new employment opportunities and opening of ways for the development of this area. There are no negative environmental impacts of the project, rather it is a green energy project and contribute in environmental sustainability of the area.

In view of the above mentioned rationales, it is concluded that development of 15 MW bagasse power project of HSML will have no significant adverse environmental impact and the project can be regarded as **Environmental Friendly Green Project**.

Following annexure are attached to supplement the information in the IEE report;

Annexure-I: Environment management Plan

Annexure-II: Environment Protection Agency (Review of EIA/IEE Regulations 2000)

Annexure-III: National Environmental Quality Standards (NEQs)

Annexure-IV: Fauna of Project Area

Annexure-V: Flora of Project Area

Annexure-VI:-Environment and Social Survey Forms

Annexure-VII:-Snapshots taken during the Site Survey

Annexure-VIII-Proposed Plant Layout Options

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## SECTION 1

### INTRODUCTION AND PURPOSE OF STUDY

#### 1 INTRODUCTION AND PURPOSE OF STUDY

##### 1.1 PROJECT PROPONENT

Tayyab Group of Industries is one of the leading industrial groups of Pakistan. This group is a combination of five units operating at different locations in the field of yarn, sugar and Information Technology. The first of which was incorporated in the year 1990 in the name & style of "Tayyab Textile Mills Ltd". The group comprises the following units.

- Hamza Sugar Mills Ltd.
- Tayyab Textile Mills Ltd.
- +Sarfraz Textile Mills (Pvt) Ltd.
- Tahir Rafique Textile Mills (Pvt) Ltd.
- BrainLogix (PVT) Ltd

Hamza Sugar Mills Limited (HSML) was incorporated as a Public Limited Company in 1963 under the Companies Ordinance, 1984 and was delisted on September 06, 2004. Now the Company stands as Unquoted Public Limited Company. The Company is engaged in production of Sugar. The Company has its registered office in Karachi and Mill site is located at Jetha Bhutta Khanpur, District Rahim Yar Khan.

Hamza Sugar Mill has highest rate of sugar production throughout Pakistan. In 2012-13, HSML produced 313229 M/Ton sugar from 3031127.258 M/Ton cane. Present capacity of Hamza Sugar Mills, is 26000 M/Ton daily. Normally cane crushing operations are carried out 120 days in a year. The contact details of HSML are given below;

Head Office	A/22, S.I.T.E, Mirpur Road Karachi-75730 Tel: +92-21-32561101-4 Fax: +92-21-32561873
Mill Site	Jhetta Bhutta, Tehsil Khanpur, District Rahim Yar Khan
Contact Person	Mr. Imran Arshad, GM Finance
Email	<a href="mailto:imran.rashad@tayyabgroup.com">imran.rashad@tayyabgroup.com</a>

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## 1.2 PROJECT BACKGROUND AND JUSTIFICATION

Pakistan's major electricity sources are thermal and hydro generation, meeting approximately 70% and 28% (respectively) of the country's annual electricity demand. The primary thermal generation fuels employed are furnace oil and gas. While both are produced domestically, demand already outstrips supply by a considerable amount resulting in severe energy crises in Pakistan. Oil import is a significant burden on the national exchequer and the increasing import bill continues to exert further pressure on the foreign exchange reserves.

Import of gas could be seen as a viable option to overcome the depleting domestic reserves, but gas import has significant issues, mainly the need for substantial capital investment in infrastructure, security difficulties and physical terrain concerns. Moreover, it would increase Pakistan's reliance on imported fuels with associated foreign exchange effects. This must be considered in the context of rising fuel costs for gas and oil-based fuels as a result of uncertainty over future supply. High fuel cost for thermal power generation, continued high losses in transmission and distribution, inefficiencies of generation, below cost tariffs and non-payment of electricity dues by the public and private consumers have resulted in a huge circular debt. The energy sector debt is threatening the entire supply chain from oil refineries, oil marketing companies (OMCs) to power producers. This problem needs to be resolved to ensure the survival of the power sector, attract investments and to enable the power sector to contribute towards the development of the economy.

The present energy scenario suggests that an affordable and sustainable energy road map for the country is essential to capitalize on the use of indigenous resources in our energy mix. Development of indigenous energy resources such as coal, hydro and alternative/ renewable sources is critical for our country's economic growth.

With increasingly more disparity between energy supply and demand, and keener attention of the Government to environmental protection, use of non-conventional energy resources such as bagasse as primary fuel for power generation has been favored in government's policies. The GOP has recently announced a Co-Gen Power Policy for sugar mills to generate power using bagasse more efficiently. Bagasse is currently being used in the sugar industry in an uneconomical way for producing heat and power in low-pressure boilers. The Government of Pakistan has recognized that bagasse-based cogeneration power plants can play a significant role in augmenting the country's power generation capacity.

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Accordingly, the "National Policy for Power cogeneration by Sugar Industry" was promulgated in January, 2008. It is estimated that Pakistan has a potential of generating more than 3000 MW of electricity through Cogeneration from its existing sugar industry.

At present, Hamza Sugar Mill has highest rate of sugar production throughout Pakistan. In 2012-13, HSML produced 313229 M/Ton sugar from 3031127.258 M/Ton cane. Present capacity of Hamza Sugar Mills, is 26000 M/Ton daily. Normally cane crushing operations are carried out 120 days in a year. Ample amount of bagasse through this activity is available that will be used as a primary fuel for the cogeneration power plant in order to fulfill the electricity and steam energy requirements. It is estimated that the bagasse available can generate upto 60 MW electricity throughout the year. Initially HSML has planned to initiate the Project from 15 MW capacity and then expanded up to 60 MW in future.

### 1.3 PROJECT OBJECTIVES

The main objective of the proposed Project is to generate cleaner, economical and reliable energy from indigenous biomass fuel which will not only provide a better alternate source of energy but also boost to agriculture sector and save millions of dollars which is wasted to import expensive oil to be used as fuel for producing electricity. It will also reduce environmental hazards caused by burning furnace oil as fuel for producing electricity.

The proposed Project brings in multifold advantages. Not only does it produce clean, pollution free energy, it also has the capacity to provide employment to the people living around the area.

The overall objectives of the project are;

- i. To generate cleaner, economical and reliable energy from indigenous biomass fuel.
- ii. By using indigenous renewable resources of power generation, avoid depletion of natural resources for future generation and environmental stability.
- iii. Contribute to improved electricity supply service delivery to a limited extent specifically having a wide rural outreach.
- iv. Reduce greenhouse gas emissions from power generation and contribute to negligible emission, effluent, and solid waste intensity of power generation in the system.
- v. Develop the local economy and create employment, particularly in surrounding rural areas

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## 1.4 NEED AND OBJECTIVES OF IEE STUDY

Pakistan Environmental Protection Act 1997 (PEPA 1997) requires the proponents of every development project in the country to submit either an Initial Environmental Examination or Environmental Impact Assessment to the concerned environmental protection agency.

The Environment Protection Agency Review of IEE/EIA Regulations 2000 issued under PEPA 1997 provides separate lists for the projects requiring IEE or EIA. Since the total power generation capacity of proposed Project is less than 50 MW, therefore IEE study is conducted.

The document has also been made to comply with the requirements of ADB's safeguard policy statement, 2009 as well as local and national standards. To comply with other lender's requirement, the IEE report also addresses IFC's and World bank group performance standards, 2012 which will be met by the project.

In the context of the scope of the project, the IEE report has addresses the following objectives, where applicable;

The purpose of Initial Environmental Examination (IEE) is to identify the reasonably foreseeable environmental effects of the activities that are anticipated under this project;

- ❖ Category of the project consistent with Pakistan Environmental Protection Act, 1997
- ❖ Highlight baseline environmental and social conditions of the project area along with identification of environmentally sensitive area and concerned stakeholders
- ❖ Relevant host country laws, regulations, applicable treaties and agreements
- ❖ Protection of human health, cultural properties and biodiversity including endangered species and sensitive ecosystems
- ❖ Major hazards; Occupational health and safety; Fire prevention and life safety
- ❖ Socio-economic impacts; Land use; Land acquisition; Involuntary resettlement
- ❖ Impacts on indigenous peoples and communities; if applicable
- ❖ Cumulative impacts of existing, proposed and anticipated future projects
- ❖ Efficient production, delivery and use of energy; and Pollution prevention and waste minimization, pollution controls (liquid effluent and air emissions) and solid and chemical waste management
- ❖ GHG reduction potential

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## 1.5 APPROACH AND METHODOLOGY

The IEE comprises of baseline data on existing conditions on physical and biological environment, and social environment together with the anticipated environmental impacts and proposed mitigation measures. Detailed assessment of the social and biological environment of the area was conducted through field survey for the distance up to 10 km radius of the project site, however the influence zone of the environmental impacts is considered as 5 km.

Data was also collected through secondary sources such as published literature and internet to support the findings of the field survey.

The overall methodology and main phases of the IEE are briefly given below;.

### 1.5.1 Scoping

The key activities of this phase included:

**Project Data Compilation:** A generic description of the proposed activities relevant to environmental assessment was compiled. A list of potential environmental well as social issues was developed. A stakeholder analysis was carried out for the consultation carried out subsequently.

**Published Literature Review:** Secondary data on weather, soil, water resources, wildlife, and vegetation were collected from internet, published literature and books. The data was then reviewed and compiled.

**Legislative Review:** Information on relevant legislation, regulations, guidelines, and standards was reviewed and compiled.

**Identification of Potential Impacts:** The information collected in the previous steps was reviewed and potential environmental and social issues identified.

**Baseline Data Collection:** A considerable amount of baseline information on the project area was available from existing literature and other studies conducted close to the project area. A field visit was conducted to verify and collect primary data on the site alternatives.

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A questionnaire was developed and views of local inhabitants were taken about the bagasse power project.

### 1.5.2 Impact Assessment

The environmental, socioeconomic, and project information collected was used to assess the potential impacts of the proposed activities. The issues studied included potential project impacts on:

- ❖ Geomorphology
- ❖ Groundwater and surface water quality, with particular reference to the coast
- ❖ Ambient air quality and ambient noise levels
- ❖ Ecology of area, including flora and fauna
- ❖ Local communities
- ❖ Noise impact
- ❖ Soil
- ❖ Seismology

Wherever possible and applicable, the discussion covers the following aspects:

- ❖ The present baseline conditions
- ❖ The potential change in environmental parameters likely to be effected by project related activities
- ❖ The identification of potential impacts
- ❖ The evaluation of the likelihood and significance of potential impacts
- ❖ The defining of mitigation measures to reduce impacts to as low as practicable
- ❖ The prediction of any residual impacts, including all long-term and short-term; direct and indirect; beneficial and adverse impacts
- ❖ The monitoring of residual impacts
- ❖ An Environment Management Plan (EMP) for the mitigation measures identified during the project

### 1.5.3 Documentation

This report documenting the IEE process and results is prepared according to the relevant guidelines set by the Pakistan Environment Protection Agency (Pak-EPA).

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## SECTION 2

### STATUTORY REQUIREMENTS OF IEE

#### 2 STATUTORY REQUIREMENTS OF IEE

This chapter discusses the national and international policies, legal and administrative framework as well as institutional setup relevant to environmental and social assessment of the proposed Project.

##### 2.1 NATIONAL ENVIRONMENTAL LAWS

A number of laws exist in Pakistan pertaining to environmental protection. However, the enactment of comprehensive legislation on the environment, in form of an act of parliament, is a relatively new phenomenon. Most of the existing laws on environmental and social issues have been enforced over an extended period of time, and are context specific. The laws relevant to the developmental projects are briefly reviewed below.

##### 2.2 POLICY GUIDELINES ([www.epa.gov.pk](http://www.epa.gov.pk))

The National Conservation Strategy (NCS) is the primary document addressing environmental issues of the country. NCS is duly recognized as the National Environmental Action Plan. The document identifies 14 core areas in which policy intervention is considered crucial for the preservation of Pakistan's natural environment. The areas include restoration of rangelands, pollution prevention and abatement, and preservation of cultural heritage etc.

The Pakistan Environment Protection Act, 1997 is the key legislation empowering the government to frame regulations for the protection of the environment. Detailed rules, regulations and guidelines required to enforce the Environment Protection Act are still in various stages of development.

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2 vii:

Plant characteristics (generation voltage, frequency, power factor, automatic generation control, ramping rate, alternative fuel, auxiliary consumption, time(s) required to synchronize the grid) as required pursuant to Regulation 3(6)(A)(a)(13) of the Regulations

Generator data	
Installed Capacity	15 MW
Generation Voltage	
11kV	
Transformer Rating	
31.50/40MVA	
Frequency	
At point of interconnection	50 Hz Nominal
Power Factor	
At point of interconnection	0.9 lead – 0.80 lag
Lump sum MVA capacity	
1 x 18.75 MVA =18.75 MVA	
Inertia Constant	
1.7 MW-sec/MVA	
Automatic Generation Control	
<ul style="list-style-type: none"><li>Connected from generator to grid via full scale power converter. Generation control as per requirement of grid code.</li></ul>	
Ramping Rate	
<ul style="list-style-type: none"><li>As per requirement in grid code</li></ul>	
Alternate Fuel	
<ul style="list-style-type: none"><li>Not applicable</li></ul>	
Steady State	
Voltage	±5% Normal Operating Condition ±10% Contingency Operating Condition

2 viii:

Information regarding control, metering, instrumentation and protection as required pursuant to Regulation 3(6)(A)(a)(14) of the Regulation

<b>Metering</b>
<ul style="list-style-type: none"><li>• Main and Backup meters to be installed in tamper proof, NTDC approved and sealed panels, placed in air conditioned rooms</li><li>• Main meter to be (i.) provided by NTDC, or (ii.) procured by Project Company as per NTDC requirements</li><li>• Switchyard to include dedicated metering instrumentation transformers (CT/VT).</li><li>• CT/VT Accuracy class: 0.2S</li><li>• CT Burden: As per LESCO specifications</li></ul>
<b>HV Protection</b>
<b>Line Bays</b>
<ul style="list-style-type: none"><li>• Line distance protection on feeder(s) &gt;10 km</li><li>• Line differential protection on feeder(s) &lt;10 km</li><li>• Overcurrent/Earth Fault protection</li><li>• Built in check synchronism function</li></ul>
<b>Switchgear</b>
<ul style="list-style-type: none"><li>• Bus Bar Differential protection</li><li>• Breaker Failure protection</li></ul>
<b>Transformer</b>
<ul style="list-style-type: none"><li>• Transformer differential protection</li><li>• Restricted Earth Fault protection</li><li>• Overcurrent/Earth Fault Protection</li></ul>
<b>Capacitor Bank</b>
<ul style="list-style-type: none"><li>• Overcurrent/Earth Fault protection</li><li>• Synchronization to be performed through check sync relay with inputs from HV protection CT/VT</li></ul>
<ul style="list-style-type: none"><li>• All protection instrumentation shall be approved by Power Purchaser prior to procurement</li></ul>

## 1 Training Guidelines

### 1.1 Policy Statement

Our employees are the primary source of Hamza Sugar Mills Limited's (HSML) business success, creativity and innovation. HSML is committed to excellence in people development in order to maintain and enhance its position as a world class spectrum manager. We aim to create a culture of learning throughout where individuals take responsibility in partnership with the HSML for their development. The Company recognises the need to develop its people so that they are fully equipped to deliver the Company's business objectives; both now and however they may change in the future.

### 1.2 Scope

The scope of this policy extends to learning and development in HSML. It includes strategic people development planning, design, development, delivery, assessment, evaluation, training budget and spend for organizational and individual learning. This applies to all employees in HSML.

### 1.3 Individual and organizational learning needs identification

Each employee's learning needs will be identified using a number of interconnected interventions, starting with the development needs identified in the annual performance appraisal process and compiled and submitted in the individual learning agreement.

Organizational learning needs will also be identified in support of the business strategy and through the talent process.

### 1.4 Definition of Training

'Training' refers to all activities leading to the acquisition of knowledge, skills, and competencies. This will include but not limited to all pre-approved or mandated courses, seminars (that run for one whole work day or more), that are held '**Offsite or Onsite**', and which HSML employees should/are required to attend in the interest of business development, safety and career development. Training can be delivered by many channels including but not limited to formal courses, on job training, coaching, e-learning and education assistance.

- All types of training requires a structured training plan, clear objectives and assessment criteria

#### 1.4.1 Formal training

This type of training can be referred to as 'off the job training' as it requires employees to take time off work to attend training courses. These training courses could run locally or could require traveling.

Off the job training can offer many advantages such as:

- Use of specialist trainers and accommodation
- Employee can focus on the training - and not be distracted by regular work commitments
- Opportunity to mix with employees from other teams or other functions.

#### **1.4.2 On the job training**

On the job training involves employees training at their place or work. The most common methods of on the job training are:

- Job rotation - where the employee is given several jobs in succession, to gain experience of a wide range of activities
- Projects - employees join a project team - which gives them exposure to other parts of the business and allow them to take part in new activities. Most successful project teams are "multi-disciplinary"

#### **1.4.3 Advantages of on the job training include:**

- Training an employee in their own working environment, with equipment they are familiar with and people they know can help they gain direct experience to a standard approved by the employer
- Managers or supervisors can assess improvement and progress over a period of time and this makes it easier to identify a problem intervene and resolve problems quickly
- On the job training is also productive, as the employee is still working as they are learning
- As training progresses and the employee begins to feel more confident, this confidence would allow them to work at a higher standard and ultimately be more productive

#### **1.4.4 Coaching and Mentoring**

A more intensive method of training that involves a close working relationship between an experienced employee and the new comers or junior employees. This one-on-one arrangement pays dividends for both parties. It enhances trust with the coaches and mentors, and it improves team building among employees who work closely with a more experienced person in the organization.

### **1.5 Training Plan**

A company training plan will be established from the training needs highlighted in the appraisal process and various other processes and Line management will arrange trainings with the support of the HR department for collating and finalizing. The training plan should be finalized and approved before budgetary cycle so as to include the cost of approved training plan in the budget.

HR will be responsible for collation of all Training plans into one consolidated Master Training Plan for the company, which will be approved by the Directors.

### **1.6 Evaluation**

Training and development will be systematically evaluated to assess employee advancement and improve further effectiveness. Employees have the responsibility to ensure that they utilize the training they receive in a constructive manner, and to evaluate the training received and provide feedback to their immediate supervisor.

## **2 Policy update**

The HSML Policies and Procedures will be reviewed as and when required and will be updated accordingly by the policy owner.

## **3 Exceptions**

Exceptions to the policy must be approved by the board of Directors.

## **4 Effective Date**

April 30, 2013

## **5 Related Documents / Forms**

Training nomination form

Appendix A

**Appendix A:**

**TRAINING NOMINATION FORM FOR EXTERNAL TRAININGS**

**RETURN TO HUMAN RESOURCES DEPARTMENT ON COMPLETION**  
(Please 'save as' word document and print for line manger approval)

Attendees Name .....

Department  
.....

Designation/ Title  
.....

Employee Number..... Charge Code .....

Attendee's Team Leader's Name.....

Course Name .....

Location .....Course Date .....

Course Fee .....  
(Attach all relevant documents)

**TO BE COMPLETED IN CONSULTATION WITH ATTENDEE'S TEAM LEADER**  
Have you discussed the benefits of attending the Course with the attendee?

How will the business & personal performance be enhances / productivity improved?

As a result of attending the course, what do you want the attendee to be able to do differently?

**Team Leader Signature**

**Attendee signature**