



**HEAD OFFICE:**

**MATIARI HOUSE, C-48, K.D.A. Scheme-1, Karachi-75350 Pakistan.**  
**Direct Phone: +92-21 34390448-9 PABX No: +92-21 3452138**  
**34529698, 34536614 Fax: +92-21 34541734 E-mail: matol@cyber.**  
**FACTORY: Deh Pannu Nasar Pur Raod, Dist. Matiari Pakistan**

December 28, 2015

The Registrar,  
National Electric Power Regulatory Authority,  
Islamic Republic of Pakistan  
NEPRA Tower, Attaturk Avenue, G-5/1,  
Islamabad

**SUBJECT: APPLICATION FOR GENERATION LICENCE FOR GRANT OF 03 MW**

I, Dost Mohammad Baloch, Resident Director, being duly authorized representative, of Matol (Pvt) Limited by virtue of Board's Resolution dated 23<sup>rd</sup> December, 2015, hereby apply to the National Electric Power Regulatory Authority for grant of a Generation Licence to Matol (Pvt) Limited, Matiari pursuant to Section 15 of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

2. I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the National Electric Power Regulatory Authority Licencing (Application Modification Procedure) Regulations, 1999, and undertake to abide by the terms and provisions of the above said regulations. I further undertake and confirm that the information provided in the attached documents in support is true and correct to the best of my knowledge and belief.

3. A Pay Order # 13291020, dated 28<sup>th</sup> December, 2015 of the sum of Rs. 147,422/= (Rupees One Hundred Forty Seven Thousand Four Hundred Twenty Two only) being the nonrefundable licence application fee calculated in accordance with Schedule II to the National Electric Power Regulatory Authority Licencing (Application and Modification Procedure) Regulations, 1999 is also attached herewith; with request to return, if same is paid in excess.

Yours faithfully,  
For Matol (Pvt) Limited

  
(Dost Mohammad Baloch)  
Resident Director

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN  
GOVERNMENT OF PAKISTAN



Computer Registration  
No. 0046405

CERTIFICATE OF INCORPORATION

(Under section 32 of the Companies Ordinance, 1984 (XLVII of 1984))

Company Registration No. K-09675 OF 2003-2004

I hereby certify that MATOL (PRIVATE) LIMITED

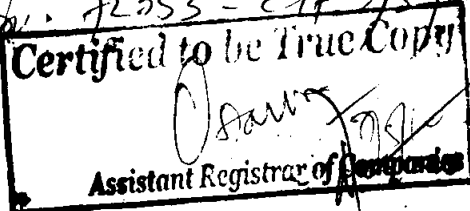
is this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and that  
the company is limited by SHARES AS A PRIVATE COMPANY.

Given under my hand at KARACHI.

this 24TH day of NOVEMBER

~~none thousand nine hundred and xx~~ TWO THOUSAND THREE.

Fee Rs. 390,000/-



CRO-1

(TAHIR MAHMOOD)  
ADDITIONAL  
REGISTRAR  
OF COMPANIES

S. No. 3174. dt 24/11/2003

# THE COMPANIES ORDINANCE, 1984

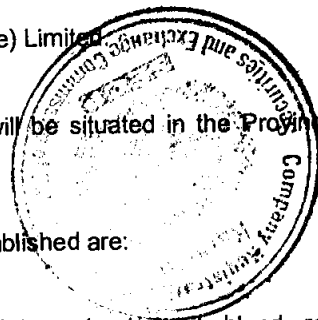
## MEMORANDUM OF ASSOCIATION

OF

### MATOL (PRIVATE) LIMITED

COMPANY LIMITED BY SHARES

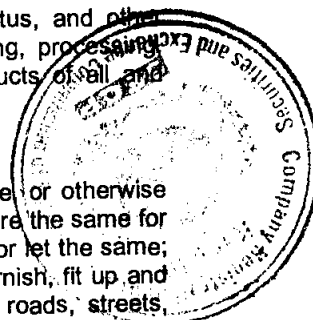
- I. The name of the Company is Matol (Private) Limited.
- II. The Registered Office of the Company will be situated in the Province of Sindh.
- III. The objects for which the Company is established are:
  - (1) To manufacture, produce, formulate, extract, treat, blend, refine, purify, distil, ferment, reduce, dehydrate, rectify, prepare and process all kinds and all grades of ethanol, including without limitation fuel grade ethanol, and other industrial alcohols and methylated spirits and allied products, whether from sugar cane molasses or from other forms of molasses or natural substances or otherwise, and any products compounds, intermediates, derivatives and by-products which may be derived, extracted, refined, distilled, produced, prepared, developed, compounded, made or manufactured therefrom and any substances obtained by mixing any of the foregoing with other substances, and all substances compounds and products manufactured, produced, formulated, extracted, treated, refined, distilled, fermented, reduced, dehydrated, rectified or prepared from any of the foregoing, including without limitation, compost, compost fertilizers, distilled water, treated water, sludge, sludge for use as fuel, acetaldehyde, acetone, acetic anhydride, acetic acid, citric acid, ethyl chloride, ethyl acetate, glycol, and to purchase or otherwise acquire, sell, supply, transport, market, distribute, pump, dispense, exchange or otherwise dispose of, import, export, store, hold, package, transport, use, develop, experiment with, handle, trade and generally deal in any or all of the chemicals, substances and products mentioned in this clause and other allied chemicals, substances and products and the raw other materials ingredients and components required therefor.
  - (2) To carry on business as distillers, compounders, processors and rectifiers of ethanol and other industrial alcohols and methylated spirits and allied products.



- (3) To buy, sell, manufacture, make up, prepare, repair, alter, exchange, hire, import, export and deal in all kinds of substances, articles and things which may be required for the purposes of any of the businesses aforesaid or commonly supplied or dealt in by persons engaged in any such business or which may seem beneficial to, or capable of being profitably dealt with by, the Company.
- (4) To carry on research and development work and experiments in relation to any new material or substance or the application of any chemical or other process to any material or substance and to undertake, establish, provide and conduct scientific technical and industrial research or otherwise sponsor or subsidise such laboratories and experimental workshops or projects for such research on a commercial scale.
- (5) To erect, build, construct, improve, maintain, develop, alter, enlarge, pull down, remove, replace, work, manage and control any buildings, offices, factories, mills, works, workshops, warehouses, showrooms, machinery, engines, roadways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, electric works and other works and conveniences which may seem calculated directly or indirectly to advance the interests of the Company, and to join with any other person or company in doing any of these things for the purposes of the business of the Company as stated in clause 1 of the objects of the Company.
- (6) To set up, run, operate and manage one or more power plants and to generate, sell and supply electricity to industrial and other consumers, through distribution networks established, owned and operated by the Company itself or by any other person, body corporate, autonomous or semi-autonomous corporation or authority or local body, and for that purpose to acquire land, whether freehold or leasehold, machinery and equipment, and construct, install, operate and maintain thereon power houses, civil and mechanical works and structures, grid stations, transmission towers, power lines, buildings, workshops and other facilities as may from time to time be necessary for the attainment of the objects of the Company subject to permission from concerned authorities.
- (7) To clear, manage, farm, cultivate, irrigate and otherwise work or use any lands over which the Company has any rights and to dispose of or otherwise deal with any farm or other products, whether animal or vegetable, of or any such lands, and to lay out sites for and establish temporary or permanent camps, towns and villages on any such lands and to carry on all or any of the business of farmers, dairymen, milk contractors, dairy farmers, millers, seedsmen, nurserymen, dealers in agricultural equipment, growers of and dealers in grain, hay and straw, and purveyors and vendors of dairy products, poultry, animal feeds and provisions of all kinds, and to buy, sell and trade in any goods usually traded in any of the above businesses and to carry on any other businesses which may be advantageously carried on by the Company in connection therewith.
- (8) To own, acquire, construct, establish, install, lay out, improve, maintain, work, manage, operate, carry out, control, or aid in, contribute or subscribe to the construction, erection, maintenance and improvement or working of, any roads, ways, tramways, railways, aerodromes and landing fields, docks, wharves, piers, bridges, jetties, breakwaters, dredging facilities, moorings, harbour abutments, viaducts, aqueducts, canals, water courses, wells, tanks, storage installations, refineries, pipes, pipelines, conveyors, telegraphs, telephone, communication apparatus and systems,

wireless, gas works, steam works, electric lighting and power works, power houses, hydroelectric plants, laboratories, factories, mills, foundries, workshops boilers, machine shops, warehouses, shops, stores, fuel stores, hangers, garages, guard towers, machinery equipment and other appliances, hotels, clubs, restaurants, lodging houses, baths, places of workshop, hospitals, dispensaries, places of amusement, pleasure grounds, parks, gardens, reading rooms, dwelling houses, office and other buildings, works and conveniences which may be calculated, directly or indirectly, to advance the Company's interests and to contribute to, subsidise or otherwise assist or take part in, the construction, improvement, maintenance, working, management, carrying out of control thereof, and to take any lease and enter into any working agreement in respect thereof.

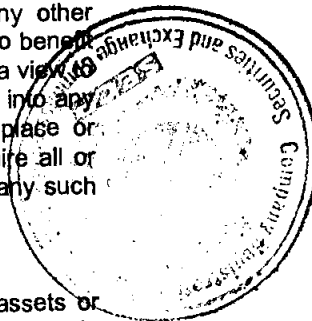
- (9) To purchase, build, charter, affright, hire and let out for hire, or for chartering and affreightment and otherwise to obtain the possession of, and use, operate and dispose of, and employ of turn to account ships, lighters, barges, tugs, launches, boats and vessels of all kinds, automobiles, lorries, motor trucks and tractors, airplanes, helicopters, locomotives, wagons, tank cars, and other forms of transport and rolling stock, and otherwise to provide for and employ the same in the conveyance of property and merchandise of all kinds and the transportation of personnel, employees, customers and visitors and to purchase or otherwise to acquire any ship, lighter, barge, tug, launch, boat or vessel of any kind, automobile, lorry, motor truck or tractor, airplane, helicopter, locomotive, wagon, tank car, and other form of transport.
- (10) To own, purchase, acquire, hire, build, erect, install, establish, operate, use, manage, repair, maintain, and dispose of factories, machinery, plants, laboratories, equipment, apparatus, and other facilities, for the manufacturing, formulating, packing, processing, refining, storage, sale and distribution of the products of all and every kind and description.
- (11) To purchase, take and/or let on hire or in exchange or otherwise acquire, any lands and to lay out, improve and prepare the same for building or commercial purposes; to sell, mortgage, or let the same; to construct, alter, pull down, decorate, maintain, furnish, fit up, and improve buildings, to lay out, construct and pave roads, streets, alleys, paths and walks, to drain, improve and landscape grounds, and enter into contracts and arrangements of all kinds with builders, property owners, tenants and others and to advance money to them.
- (12) To build, construct, alter, maintain, enlarge, pull down, remove or replace, and to work, manage and control any buildings, offices, factories, mills, shops, machinery, engines, roadways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, electric works and other works and conveniences which may seem calculated directly or indirectly to advance the interests of the company, and to join with any other person or company in doing any of these things.
- (13) To carry on business or branch of a business, which the Company is authorised to carry on, by means, or through the agency of any subsidiary company or companies, and to enter into any arrangement with such subsidiary company for taking the profits and bearing the losses of any business or branch as carried on or for financing any such subsidiary company or guaranteeing its liabilities or to make any other arrangement which may seem desirable with reference to any business or branch so carried on, including power



at any time and either temporarily or permanently to close any such branch or business.

- (14) To purchase, acquire, take on lease or tenancy, sell, dispose of, mortgage or let any estate or interest in and to take and acquire options over any property, immovable and movable, or rights of any kind, and to develop, improve, turn on account, mortgage, sell or otherwise dispose of the same in such manner as may be thought expedient.
- (15) To manage, improve, develop, sell, exchange, mortgage, pledge, hypothecate, assign, transfer, or deal with all or any part of the property and assets, immovable and movable, corporeal or incorporeal, tangible or intangible, and any right, title and interest therein of the Company, including rights, licences, privileges, concessions and franchises as may seem expedient.
- (16) To acquire from sovereign state, government or authority in Pakistan or elsewhere, any concessions, grants, decrees, rights, powers and privileges whatsoever, which may seem to the Company capable of being turned to account, and to work, develop, carry out, exercise and turn to account the same.
- (17) To obtain any legislative, judicial, administrative or other acts or authorisations of any government or authority competent in that behalf for enabling the Company to carry any of its objects into effect and for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, to take all necessary or proper steps with the authorities, supreme, national, local, municipal or otherwise, of any place in which the Company may have interests and to carry on any negotiations or operations for the purpose of directly or indirectly carrying out the objects of the Company or furthering the interests of its Member and to oppose any proceedings, applications, actions or steps taken by any Governmental authority or body, or any company, association, firm or person, which may seem calculated, directly or indirectly, to prejudice the interests of the Company or its Members.
- (18) To enter into any arrangements and contracts with any government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any one of them and to obtain from such government or authority any rights, privileges, options, concessions and licences, and to carry out, exercise or comply with any such arrangements, agreements, rights, privileges, concessions and licences, and to procure the Company to be registered or recognised in any part of the world.
- (19) To apply for, purchase, or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, copyrights, trade marks, designs, formulae, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use, or any secret or other information as to any invention, process, matter or thing which may seem capable of being used for any of the purposes of the Company, or the acquisitions of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.

- (20) To enter into partnership or any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concessions, or otherwise with any company, association, firm or person carrying on or engaged in, or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to guarantee the contracts of, or otherwise assist any such company, association firm or person, and to purchase, take, or otherwise acquire, shares and securities of any such company or association, firm or person, and to sell, hold, reissue, with guarantee, or otherwise deal with the same.
- (21) To amalgamate with any other company having objects altogether or in part similar to those of the Company.
- (22) To acquire and undertake the whole or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of the Company, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- (23) To establish or promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company, to amalgamate or consolidate or merge with a view to effecting union of interest either in whole or in part, with or into any other companies, association, firms or persons, and to place or guarantee the placing of, subscribe for or otherwise acquire all or any part of the shares, debentures or other securities of any such other companies, associations, firms or persons.
- (24) To sell, mortgage or otherwise dispose of the property, assets or undertaking of the Company or any part thereof for shares, stock, debentures, or other securities or obligations of any institution, corporate or governmental body, person or company, whether or not having objects altogether or in part similar to those of the Company, or for any other consideration.
- (25) To invest and deal with the money of the Company not immediately required in such manner as may from time to time be thought fit.
- (26) To give credit to such persons or companies and on such terms as may seem expedient.
- (27) To receive money on loan and to borrow money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed or owing, by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), and also by a similar mortgage charge to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be for the purpose of or in connection with the business of the Company.



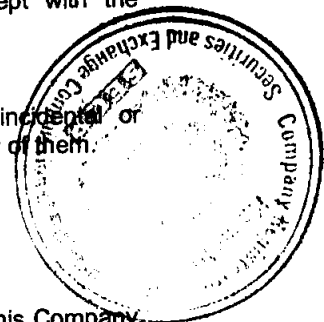
- (28) To draw, make, accept, indorse, negotiate, buy, sell, deal in, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments in connection with the businesses and affairs of the Company.
- (29) To pay, satisfy, or compromise any claims made against the Company which it may seem expedient to pay, satisfy or compromise, notwithstanding that the same may not be valid in law.
- (30) To remunerate Directors, officials, agents, employees and servants of the Company and others and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences, calculated to benefit employees or ex-employees of the Company, or the dependants or connections of such persons, and to grant pensions, gratuities and allowances, and to provide houses, amenities and conveniences of all kinds and to make payments towards issuance and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any public, general or useful purpose and for the purpose of this paragraph the words "employees" and "ex-employees" shall include, respectively, present and former directors and other officers, agents, employees, trainees and servants.
- (31) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation, promotion and registration of the Company or the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
- (32) To pay for any rights or property acquired by the Company and to remunerate any person or company whether by cash payment or by the allotment of shares, debentures or other securities of the Company credited as paid up in full.
- (33) To adopt such means of making known the services and products of the Company as may seem expedient and in particular by undertaking educational, training and demonstration programmes and by advertising in the press, by circulars and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (34) To get insured against loss or damage on land or in the air or at sea or otherwise and insurable property of the Company and to insure against or in respect of any liability on the part of the Company, to pay compensation to any workers imposed by any act of legislature and to insure any servants of the company against or in respect of fidelity or otherwise in the course of their employment by the Company and to effect insurance for the purpose of indemnifying the Company in respect of claims by reason of any such risks or fidelity insurances and to pay premiums on any insurance.
- (35) To join or become members of any association company or society formed or to be formed for the protection or advancement of the interests of the Company or its employees or otherwise engaged in any trade or business and to promote subscribe to or subsidise any association, company or society.



- (36) To make a gift of any movable or immovable property belonging to the Company of whatsoever kind or where so ever situated to any person, persons, corporation or corporations to achieve the objects of the Company but so that no gift involving reduction of capital shall be made except with the sanction (if any) for the time being required by law.
- (37) To accept gifts of cash or of any movable or immovable property of whatsoever nature from any person, persons, corporation or corporations for the purposes of the Company.
- (38) To act as agents except managing agents, brokers, commission agents representatives or consultants of and to provide services to any business or concern that the Company may find convenient or advantageous.
- (39) To undertake, assist and participate in commercial and industrial operations and undertakings in any part of the world, and both singly and in connection with other persons, firms, associations and companies and corporations.
- (40) to carry out all or any of the objects of the Company and do all or any of the above things in any part of the world and either as principals, agents, contractors, or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors or otherwise.
- (41) To distribute among the Members in specie any property of the Company in the event of winding up , or any proceeds of sale or disposal of any property of the 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.
- (42) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

AND IT IS HEREBY DECLARED THAT

- (i) the word "Company" save when used in reference to this Company, in this clause shall be deemed to include any syndicate, partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the country of the Company's incorporation or otherwise.
- (ii) the Company shall not engage in any other business including the business of banking as defined in the Banking Companies Ordinance 1962 or the business of insurance as defined in the Insurance Act 1938 or the business of an investment finance company or the business of leasing or the business of managing agent or commercial builder and developer and in any event the Company shall not engage in any unlawful business.
- (iii) notwithstanding anything stated in any object clause, the Company shall obtain such other approval or licence from the competent authority, as may be required under any law for the time being in force, to undertake a particular business.



IV. The liability of the Members is limited.

V. The authorised capital of the Company is Rs. 250,000,000 divided into 25,000,000 ordinary shares of Rs. 10 each with power to increase the capital and to divide the shares in the capital for the time being into several classes, and to attach thereto any preferential, deferred, qualified or special rights, privileges or conditions.

We, the several persons whose names and addresses are hereto 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 Ordinary Shares in the capital of the Company set opposite our respective names.

Name and Surname (present and former) in full (in Block) letters	Father's/ Husband's Name in full	Nationality with any former Nationality	Occupation	Residential address in full	Number of shares taken by each subscriber	Signature
SYED SHAFQAT ALI SHAH	Syed Muhammad Ali Shah Jamote	Pakistani	Agriculturist/ Industrialist	33-B, Circular Street, Phase II, D.H.A., Karachi	1 (One)	
SYED ZULFIQAR ALI SHAH JAMOTE	Syed Muhammad Ali Shah Jamote	Pakistani	Agriculturist/ Industrialist	17, Civil Lines, Hyderabad	1 (One)	
MR. HAMEEDULLAH KHAN PARACHA	K.B. Habibullah Paracha	Pakistani	Industrialist	5, Defence Colony, Hyderabad	1 (One)	
MR. MASOOD AHMED	K.B. Chaudhri, Ghulam Hussain	Pakistani	Technocrat	29-A, South Central Avenue, D.H.A., Phase-II, Karachi	1 (One)	
MR. FERAZ F. GOLWALLA	Fakirjee P. Golwalla	Pakistani	Businessman	24, Parsi Colony, Karachi	1 (One)	
			Total		5 (Five)	

Dated this 30<sup>th</sup> day of October 2003.

Witness to the above Signatures:-

Full Name (in Block Letters)	Father's Name	Occupation	Full Address	Nationality	Signature
MARGHOOB AHMED SIDDIQUI	(Late) Noor Ahmed	Operations Director	C-48, K.D.A., Scheme No. 1, Karachi	Pakistani	

S. 72353 of 9/5/02  
 Certified  
 (Signature)  
 Assistant Secretary  
 Company

# THE COMPANIES ORDINANCE, 1984

## ARTICLES OF ASSOCIATION

OF

## MATOL (PRIVATE) LIMITED

COMPANY LIMITED BY SHARES

### PRELIMINARY

Table 'A' not to  
apply

1. The Regulations in Table A in the First Schedule to the Companies Ordinance 1984, shall not apply to the Company except in so far as they are repeated or contained in these Articles.

Private Company

accordingly:

(a) The Company is a Private Company and

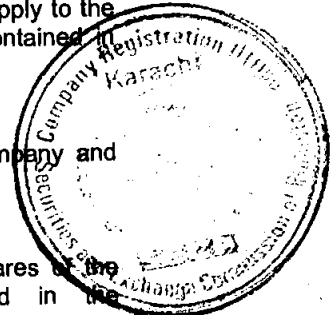
(i) the right to transfer shares of the Company is restricted in the manner hereinafter appearing;

(ii) the number of Members for the time being of the Company (not including persons who are for the time being in the employment of the Company) shall not exceed fifty; but where two or more persons hold one or more shares in the Company jointly, they shall for the purposes of this paragraph be treated as a single Member; and

(iii) no invitation shall be issued to the public to subscribe for any shares, debentures-stock of the Company.

Interpretation.

2. In these Articles, unless there be something in the subject or context inconsistent therewith: -



"in writing" and "written" includes printing, lithography, and other modes of representing or reproducing words in a visible form.

"Member" means a person whose name is for the time being entered in the Register of Members by virtue of his being a subscriber to the Memorandum of Association of the Company or of his holding by allotment or otherwise any share, scrip or other security which gives him a voting right in the Company.

"Month" means calendar month.

"Proxy" includes an attorney duly constituted under a power of attorney

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

"the Chief Executive" means the Chief Executive for the time being of the Company.

"the Company" means Matol (Private) Limited

"the Directors" means the Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present.

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

"the Ordinance" means the Companies Ordinance 1984.

"the Register" means the Register of Members to be kept pursuant to Section 147 of the Ordinance.

"the Seal" means the Common Seal for the time being of the Company.

"the Secretary" means the Secretary for the time being of the Company.

"these Articles" means these Articles of Association as originally framed or as from time to time altered by Special Resolution.

Words importing the singular number include the plural number and vice versa.

Words importing the masculine gender include the feminine gender.

Words importing persons include corporations.

The marginal notes are inserted for convenience and shall not affect the construction of these Articles.

## REGISTERED OFFICE

The Office

3. The Office shall be at such place as the Directors shall from time to time appoint.

## BUSINESS

Directors may undertake or discontinue any business

4. Any branch or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance whether such branch or kind of business may have been actually commenced or not so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

## SHARES

Power to issue shares of different classes

5. Subject to Section 90 of the Ordinance and any rules in that regard made under the Ordinance, and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such rights and restrictions as may from time to time be determined by the Company in General Meeting or by the Directors.

Redeemable shares and securities

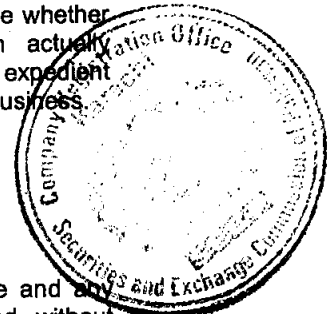
6. Subject to Section 95(4)(a) of the Ordinance and any rules in that regard made under the Ordinance, the Company may subject to the approval of the Members in General Meeting issue shares which are to be redeemed or any other redeemable security, on such terms and in such manner as may be provided in the said section and rules.

No partly paid shares to be issued

7. The Company shall not issue partly paid shares. In the case of an issue of shares for cash, the amount payable on application shall be the full nominal amount of the share, except where shares are issued at a discount.

Issue of shares at discount

8. With the previous authority of the Company in General Meeting and the sanction of the Securities and Exchange Commission of Pakistan and upon otherwise complying with the provisions of Section 84 of the Ordinance, it shall be lawful for the



Directors to issue shares in the capital of the Company at a discount.

**Issue of shares**

9. Subject to any special rights or privileges for the time being attached to any issued shares, the shares in the capital of the Company for the time being remaining unissued, including any new shares resulting from an increase in the authorized share capital, shall be at the disposal of the Directors who may allot or otherwise dispose of the same to such persons (subject to the provisions of Article 34), on such terms and conditions, and with such rights and privileges annexed thereto as the resolution creating the same shall direct, and if no such direction be given, as the Directors shall determine, either at par or at a premium or subject to Article 8 at a discount, with power to the Directors to give any person the right to call for and be allotted shares of any class of the Company at par or at a premium or, subject as aforesaid, at a discount, such option being exercisable at such time, and for such consideration as the Directors think fit and at such times, and in such manner as the Directors think fit.

**Allotment of shares**

10. As regards any allotment of shares, the Directors shall duly comply with the directions of the Company in General Meeting, and with the conditions, if any, specified in that behalf by the Securities and Exchange Commission of Pakistan, and with such of the provisions of Sections 68 to 73 of the Ordinance as may be applicable thereto.

**Shares may be issued for consideration other than cash**

11. The Directors may subject to the approval of the Members in General Meeting allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, or for services rendered, to the Company in the ordinary course of its business, and shares so allotted shall be issued as and shall be deemed to be fully paid shares.

**Commission for placing shares etc**

12. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures of the Company. In case any commission shall be paid the Company shall comply with the provisions of Section 82 of the Ordinance. The Company may also pay such brokerage as may be lawful on any issue of shares or debentures.

**Company may purchase its share if listed**

13. Subject to Section 95A of the Ordinance and any rules in that regard made under the Ordinance, the Company if it is a listed company may purchase its own shares on such terms and in such manner as may be provided in the said section and rules. Except as aforesaid no part of the funds of the Company shall be employed in the purchase of its own shares.

**Trust not recognised**

14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided or under an order of a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Who may be  
registered as  
shareholders

15. Shares may be registered in the name of any limited company or other corporate body but not in the name of a minor. Not more than four persons shall be registered as joint-holders of any shares.

Joint shareholders

16. If any shares stand in the name of two or more persons, the person first named in the Register shall, as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company except voting at the meeting and the transfer of shares, be deemed the sole holder.

Death of joint  
shareholders

17. In the case of the death of any one or more of the persons named in the Register as the joint-holders of any share, the survivor or survivors shall be the only person or persons recognised by the Company as having any title to or interest in such share.

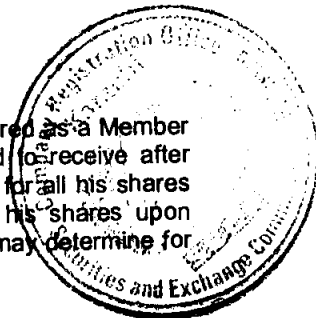
No loans or  
security for  
purchase of  
Company's shares

18. Except as permitted by Section 95 and Section 95A of the Ordinance and any rules in that regard made under the Ordinance, the Company shall not purchase or otherwise acquire any of its shares or the shares of its holding company (if any), and the Company shall not except as permitted by Section 95(2) of the Ordinance give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of any shares of the Company or its holding company (if any) or give any loan upon the security of any shares of the Company or those of its holding company (if any).

## CERTIFICATES

Member's right to  
certificate

19. Every person whose name is entered as a Member in the Register shall without payment be entitled to receive after allotment or registration of transfer one certificate for all his shares or several certificates each for one or more of his shares upon payment of such charge, if any, as the Directors may determine for every certificate after the first.



Issue of Certificate

20. The Certificate of title to shares shall be issued under the Seal of the Company.

Certificates in the  
case of joint-  
holders.

21. The Company shall not be bound to issue more than one certificate in respect of a share or shares held jointly by two or more persons and delivery of a certificate for a share to any one of joint holders shall be sufficient delivery to all.

Time for issue of  
Certificates

22. Unless the conditions of issue of any shares, debentures or debenture stock of the Company otherwise provide, the Company shall within ninety days after the allotment and within forty-five days after receipt by the Company of the application for transfer of any such shares, debentures or debenture stock complete and have ready for delivery the certificate of all shares, the debentures and the certificate of all debenture stock allotted or transferred, and unless sent by post or delivered to the person entitled thereto within the period aforesaid the Company shall immediately thereafter give notice to that person in the manner prescribed in these Articles for the giving of notices to Members that the certificate is ready for delivery.

Certificates lost,  
defaced etc.

23. If a certificate of shares, debenture or debenture stock is proved to the satisfaction of the Company to have been lost or destroyed or, being defaced or mutilated or torn, is surrendered to the Company, and the Company is requested to issue a new certificate in replacement thereof, the Company shall, after making such enquiry as it may deem fit, advise the applicant within thirty days from the date of application the terms and conditions (as to indemnity and otherwise and as to payment of the actual expenses incurred on such enquiry and of a fee not exceeding one rupee) on which the Company is prepared to issue a new certificate and a time for compliance therewith or of the reasons why the Company is unable to issue a new certificate, as the case may be, and in the former case if the applicant shall within the time allowed comply with the terms and conditions specified the Company shall issue a new certificate to the applicant within forty-five days from the date of application.

## TRANSFER OF SHARES

Execution of  
transfer

24. The instrument of transfer of any share in the Company shall be duly stamped and executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register in respect thereof.

Form of transfer

25. The instrument of transfer of any share shall be in writing in the following form or in any usual or common form which the Directors shall approve.

"I, A.B., of ..... in consideration of the sum of Rs. .... paid to me by C.D., of ..... (hereinafter called "the said transferee"), do hereby transfer to the said transferee share (or shares) numbered ..... to ..... inclusive, in the undertaking called Matol (Private) Limited to hold unto the said transferee his legal personal representatives and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the said transferee, do hereby agree to take the said share (or shares) subject to the condition aforesaid. As witness our hands the ..... day of ..... Witness to the signature of, etc".

When Directors  
may decline to  
register transfers

26. The Directors shall not refuse to register any transfer of fully paid shares unless the instrument of transfer is defective or invalid or is not accompanied by the certificate of the shares to which it relates. The Directors may also decline to recognise any instrument of transfer unless:

- (a) a fee not exceeding two rupees is paid to the Company in respect thereof; and
- (b) the instrument of transfer is accompanied, in addition to the certificate of the shares to which it relates, by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.



If the Directors refuse to register a transfer of any shares they shall, within thirty (30) days after the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal indicating the reason for such refusal; provided that if the Directors refuse to register a transfer of shares on account of a defect in or the invalidity of the instrument of transfer, the transferee shall be entitled, after removal of such defect or invalidity, to re-lodge the instrument of transfer with the Company.

Register may be closed

27. On giving seven days previous notice by advertisement in some newspaper circulating in the areas specified in Section 151 of the Ordinance the Register of Transfers may be suspended and the transfer books and the Register may be closed during such time as the Directors think fit, not exceeding in the whole forty-five days in each year but not exceeding thirty days at a time.

## TRANSMISSION OF SHARES

Nomination

28. Any Member may make and deposit with the Company a nomination in writing specifying one or more eligible persons who or each of whom, in the event of the death of the Member, may be entered in the Register as the holder of such number of shares specified in the nomination for such nominee or each such nominee of which the Member remains the registered holder at the date of his death. A person shall be eligible for nomination for the purposes of this Article only if he is a spouse, parent, brother, sister or child of the Member nominating him and the applicable relationship shall be specified in the nomination in respect of each nominee. A Member may at any time by notice in writing cancel, or by making and depositing with the Company another nomination before his death vary, any nomination already made by him pursuant to this Article. In the event of the death of a Member any person nominated by him in accordance with this Article may, on written application accompanied by the relative share certificates and evidence establishing the death of the Member, request the Company to register himself in place of the deceased Member as the holder of the number of shares for which the nomination in his favour had been made and deposited with the Company, and if it shall appear to the Directors that it is proper so to do, the Directors may register the nominee as the holder of those shares in place of the deceased Member.

Person entitled on death of Member

29. In the case of the death of a Member who was a joint-holder of shares the survivor or survivors shall be the only persons recognised by the Company as having any title to his interest in the shares. If the deceased Member was a sole holder of shares, the nominee or nominees of the deceased where a nomination under Article 28 is effective, and the legal personal representatives of the deceased where no such nomination has been made and deposited with the Company, shall be the only persons recognised by the Company as having any title to his interest in the shares.

Person entitled on death or insolvency may elect to be registered or to transfer

30. Any person becoming entitled to a share in consequence of the death or insolvency of a Member may upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as the holder of the share or instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a

transfer of the share by that Member before his death or insolvency as the case may be.

**Effect of election**

31. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

**Rights of person entitled by transmission**

32. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share except that he shall not before being registered as a Member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

## ALTERATION OF CAPITAL

**Power to alter capital increase, consolidation, sub-division and cancellation**

33. The Company may by Ordinary Resolution and subject to compliance with the requirements of Section 92 of the Ordinance:-

- (a) increase the authorized share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- (b) consolidate and divide its share capital into shares of larger amount than its existing shares;
- (c) by sub-division of its existing shares or any of them, divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

**When shares to be offered to existing Members**

34. The Directors may from time to time increase the issued share capital by such sum as they think fit. In respect of any intended issue of shares, the Directors shall be entitled to seek the directions of the Company in General Meeting as to the persons or class of persons to whom the shares may be offered or as to any other matter relating to the issue and may offer the shares in accordance with those directions. Subject to any direction to the contrary that may be given by the Company in General Meeting, all shares intended to be issued by the Directors shall, before issue, be offered to the Members strictly in proportion to the amount of the issued shares held by each Member (irrespective of class); provided that fractional shares shall not be offered and all fractions less than a share shall be consolidated and disposed of by the Company and

the proceeds from such disposition shall be paid to such of the entitled Members as may have accepted such offer. Such offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of the same in such manner as they think fit. In respect of each such offer of shares the Directors shall comply with the provisions of Section 86 of the Ordinance and in particular with the provisions of sub-sections (3), (4) and (5) thereof. Any difficulty in the apportionment of shares amongst the Members, shall, in the absence of any directions given by the Company in General Meeting, be resolved by the Directors.

How far new  
shares to rank with  
shares in original  
capital

35. Except so far as otherwise provided by the conditions of issue, or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to transfer and transmission, and otherwise.

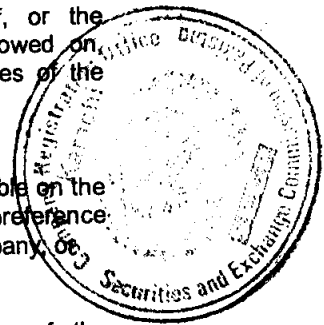
Reduction of  
capital

36. The Company may, by Special Resolution, reduce its share capital in any manner and with, and subject to, any incident authorised, and consent required, by law.

Share Premium  
Account

37. The share premium account maintained pursuant to Section 83(1) may, be applied by the Company:

- (a) in writing off the preliminary expenses of the Company;
- (b) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company;
- (c) in providing for the premium payable on the redemption of any redeemable preference shares or debentures of the Company;
- (d) in paying up un-issued shares of the Company to be issued as fully paid bonus shares.



## GENERAL MEETING

Annual General  
Meeting

38. Except as may be allowed under Section 158(1) of the Ordinance, the Company shall hold a General Meeting, designated as the Annual General Meeting, within four months following the close of each financial year of the Company, but so that an Annual General Meeting is held in every calendar year and not more than fifteen months elapse between any two consecutive Annual General Meetings, and subject as aforesaid each such Annual General Meeting shall be held at such time as may be determined by the Directors.

Other meetings

39. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Extraordinary  
General Meeting

40. The Directors may, whenever they think fit, call an Extraordinary General Meeting, and Extraordinary General Meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as provided by Section 159 of the Ordinance.

## NOTICE OF GENERAL MEETINGS

Notice of Meetings

41. (1) Notice of a General Meeting shall be sent in the manner hereinafter mentioned at least twenty-one days before the date on which the meeting is to be convened to all such persons as are under these Articles or the Ordinance entitled to receive such notices from the Company and shall specify the place and the day and hour of the meeting and the nature of the business to be transacted thereat.

(2) In the case of an emergency affecting the business of the Company, an Extraordinary General Meeting may be convened by such shorter notice than that specified in Article 41(1) as the Registrar of Companies may authorise.

(3) Where any special business, that is to say business other than consideration of the accounts, balance-sheet and the reports of the Directors and Auditors, the declaration of dividend, the appointment and fixation of the remuneration of Auditors and the election of Directors (all such matters being herein referred to as ordinary business) is to be transacted at a General Meeting, there shall be annexed to the notice of such meeting a statement setting out all such facts as may be material for the consideration of such business including the nature and extent of the interest (whether direct or indirect) of any Director, and where the item of business involves approval of any document, the time and place appointed for inspection thereof, and to the extent applicable such a statement shall be annexed to the notice also in the case of ordinary business to be transacted at the meeting.

(4) Where a resolution is intended to be proposed for consideration at a General Meeting in some special or particular form, a copy thereof shall be annexed to the notice convening such meeting.

(5) If a Special Resolution is intended to be passed at a General Meeting, the notice convening that meeting shall specify the intention to propose the resolution as a Special Resolution.

(6) A notice for a General Meeting convened for the election of Directors shall state the number of Directors to be elected at that meeting and the names of the retiring Directors.

(7) The notice of every General Meeting shall prominently specify that a proxy may be appointed who shall have the right to attend, demand and join in demanding a poll and vote on a poll and speak at the meeting in the place of the Member

appointing him and shall be accompanied by a form of proxy acceptable to the Company.

Omission to give notice

42. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

Quorum

43. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business; save as herein otherwise provided Members present in person or by proxy representing twenty-five per cent of the voting power shall be a quorum provided that at least two such Members are present in person.

When, if quorum not present, meeting to be dissolved and when to be adjourned

44. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon 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 the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present personally or by proxy, being not less than two persons, shall be a quorum.

Chairman of Meeting

45. The Chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting, or if unwilling to act, any one of the Directors present may be elected to be chairman of the meeting, 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 number to be chairman of the meeting.

While chair remains vacant

46. No business shall be discussed at any General Meeting except the election of a chairman so long as the chair is vacant.

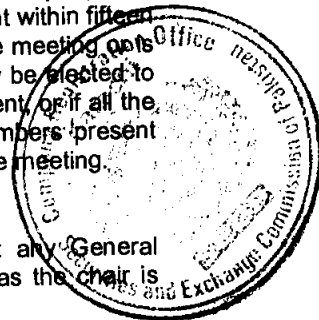
Adjournments

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, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned 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.

How questions to be decided

48. At a General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the show of hands) demanded:-

(a) by the chairman of the meeting; or



- (b) by at least five Members present in person or by proxy; or
- (c) by any Member or Members present in person or by proxy holding not less than one-tenth of the issued capital which carries voting rights.

Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been, carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

#### Poll how taken.

49. If a poll is demanded, it shall be taken in such manner as the chairman of the meeting directs. The votes given on a poll shall be scrutinized by the chairman or a scrutineer nominated by him and, where Members or proxies have demanded the poll also by a scrutineer nominated by them. The result of the poll shall be announced by the chairman and shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

#### Casting of vote

50. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

#### When poll taken

51. A poll demanded on the election of chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other questions shall be taken at such time, not being more than fourteen days from the day on which the poll is demanded, as the chairman of the meeting directs. The demand of a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which a poll has been demanded.

## VOTES OF MEMBERS

52. On a show of hands every Member present in person shall have one vote. On a poll every Member present in person or by proxy shall have one vote in respect of each share held by him. Provided always that in the case of an election or removal of a Director, the provisions of Articles 69 and 70 respectively shall apply.

53. On a poll a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

54. In the case of joint holders, the vote of the senior present, 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 their names stand in the Register.

#### Right to vote

#### Voting shares in different ways.

#### Joint holders.

Member of  
unsound mind.

55. 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 his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

Objections to  
votes.

56. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

Votes by proxy.

57. On a poll votes may be given either personally (including without limitation a representative of a company or corporation authorised under Article 63) or by proxy.

Proxy to be in  
writing.

58. 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 seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the Company.

Instrument  
appointing proxy  
to be deposited.

59. 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 that power or authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Form of proxy.

60. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:-

"Matol (Private) Limited

I, ..... of .....  
in the district of ..... being a Member of Matol  
(Private) Limited, hereby appoint .....  
of ..... as my proxy to vote for me and on  
my behalf at the (annual or extraordinary, as the  
case may be) General Meeting of the Company to  
be held on the ..... day of ..... and at any  
adjournment thereof.

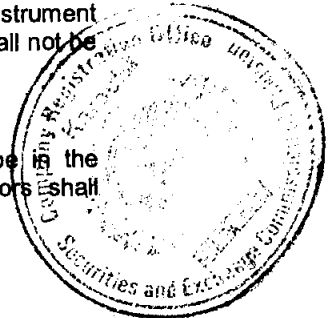
Signed this ..... day of ....."

Proxy may demand  
poll.

61. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

Revocation of  
authority

62. 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 was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.



Corporation acting  
by representative

63. Any company or other corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the company or corporation which he represents as that company or corporation could exercise if it were an individual Member of the Company, present in person. The production before or at the meeting of a copy of such resolution purporting to be signed by a director or the secretary of such company or corporation and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the validity of the appointment of such representative.

## DIRECTORS

Directors to be  
elected

64. Subject to the provisions of these Articles and the Ordinance the Directors shall all be elected by the Members in General Meeting.

Number of  
Directors

65. (1) The Company shall have at least two Directors. Subject to the said minimum, the Directors shall themselves determine from time to time in the manner provided in this Article the number of Directors that the Company shall have. Before every General Meeting at which Directors are to be elected, and not later than thirty-five days preceding the date of such meeting, the Directors shall fix the number of Directors that the Company shall have from the effective date of the election at such meeting and the number of such Directors who shall be elected Directors. Except with the prior approval of the Company in General Meeting, the number of Directors so fixed shall not be increased or reduced by the Directors so as to have effect before the effective date of election at the next such General Meeting at which Directors are to be elected.

(2) The following are the first Directors:

1. Syed Shafqat Ali Shah
2. Syed Zulfiqar Ali Shah Jamote
3. Mr. Hameedullah Khan Paracha
4. Mr. Masood Ahmed
5. Mr. Feroz F. Golwalla

Each of the first Directors named in this Article shall hold office until the dissolution of the first Annual General Meeting unless he earlier resigns, becomes disqualified or otherwise ceases to hold office. At the first Annual General Meeting there shall be an election of Directors and the Directors elected at that meeting shall assume office on the dissolution of the meeting.

Period of office of  
elected Directors.

66. A Director elected by the Members in General Meeting shall hold office for a period of three years following the date from which his election is effective unless he earlier resigns, becomes disqualified from being a Director or otherwise ceases to hold office.



Directors may fill up casual vacancies.

67. Any casual vacancy occurring among the elected Directors may be filled up by the Directors, but a person so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed.

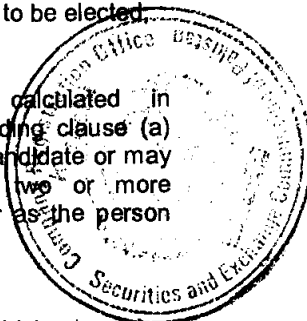
Eligibility for election as Director

68. The Members in General Meeting shall elect the Directors from amongst persons who, not being ineligible in accordance with Section 187 of the Ordinance, offer themselves for election as Directors in accordance with this Article. Any person claiming to be eligible who desires to offer himself for election shall, whether he is a retiring Director or not, file with the Company not later than fourteen days before the date of the General Meeting at which Directors are to be elected, a notice that he, being eligible, intends to offer himself for election as a Director at that meeting and that he consents to act as a Director if elected. A person offering himself for election as a Director may withdraw his candidature at any time before the holding of the election and may do so by withdrawing the notice in which he offered himself for election. Not later than seven days before the date of the meeting the Company will notify the Members of the persons offering themselves for election as Directors at such meeting and shall so notify the in the manner hereinafter mentioned.

Procedure for election of Directors

69. The provisions of this Article shall apply for the election of Directors by the Members in General Meeting from amongst the candidates eligible for election, namely:-

- (a) every Member present in person or by proxy shall have such number of votes as is equal to the product of the number of shares carrying the right to vote held by him and the number of Directors to be elected;
- (b) the number of votes calculated in accordance with the preceding clause (a) may be given to a single candidate or may be divided between any two or more candidates in such manner as the person voting may choose; and
- (c) the candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of Directors to be elected has been so elected.



Removal of Directors

70. The Company in General Meeting may remove a Director from office by a resolution passed with the requisite number of votes determined in accordance with the provisions of Section 181 of the Ordinance.

Qualification of Directors

71. The qualification of an elected Director, in addition to his being a Member, where required, shall be his holding shares of the nominal value of Rs. 5,000 at least in his own name, but a Director representing the interests of a Member or Members holding shares of the nominal value of Rs. 5,000 at least shall require no such share qualification. A Director shall not be qualified as representing the interests of a Member or Members holding shares of the requisite value unless he is appointed as such representative

by the Member or Members concerned by notice in writing addressed to the Company specifying the shares of the requisite value appropriated for qualifying such Director. Shares thus appropriated for qualifying a Director shall not, while he continues to be such representative, be appropriated for qualifying any other Director. A Director shall acquire his share qualification within two months from the effective date of his appointment.

**Remuneration of Directors**

72. The remuneration of a Director for attending meetings of the Board shall from time to time be determined by the Directors. A Director may also be paid all traveling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Directors or any committee of Directors or General Meetings of the Company or in connection with the business of the Company.

**Special Remuneration**

73. Any Director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration as the Directors may determine.

## ALTERNATE DIRECTORS

**Alternate Directors**

74. A Director who is about to leave or is absent for a period of three months or more from Pakistan may with the approval of the Directors appoint any person who is eligible under Section 187 of the Ordinance for appointment as a Director to be an Alternate Director during his absence from Pakistan and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to exercise in place of his appointer all the functions of his appointer as a Director of the Company but he shall ipso facto vacate office as and when his appointer returns to Pakistan or vacates office as a Director or removes the appointee from office. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same. Such Alternate Director may be one of the Directors of the Company. In such case he shall be entitled to act in both capacities. An Alternate Director need not hold any share qualification.

## BORROWING POWERS

**Borrowing powers**

75. (1) The Directors may exercise all the powers of the Company to raise money otherwise than by the issue of shares and to mortgage or charge its undertaking or property or any part thereof and to issue debentures and other securities whether outright or as security for any obligation or liability or debt of the Company or of any third party.

(2) In exercising the powers of the Company aforesaid the Directors may, from time to time and on such terms and conditions as they think fit, raise money from banks and financial institutions and from other persons under any permitted system of financing, whether providing for payment of interest or some other form of return, and in particular the Directors may raise money on the basis of mark-up on price, musharika, mudaraba or any other permitted mode of financing, and without prejudice to the generality of the foregoing the Directors may exercise all or any of

the powers of the Company arising under Section 19(2) of the Ordinance.

(3) Subject to the provisions of Article 76(1), in regard to the issue of securities the Directors may exercise all or any of the powers of the Company arising under Sections 19(2), 87 and 120 of the Ordinance and in particular the Directors may issue any security as defined in Section 2(1)(34) of the Ordinance or may issue any instrument or certificate representing redeemable capital as defined in Section 2(1)(30A) of the Ordinance or participatory redeemable capital as defined in Section 2(1)(25) of the Ordinance.

## POWERS AND DUTIES OF DIRECTORS

General powers of  
Company vested in  
Directors

76. (1) The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Ordinance or any statutory modification thereof for the time being in force or by these Articles or by a Special Resolution required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the Ordinance, and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

(2) A resolution at a meeting of the Directors duly convened and held shall be necessary for exercising the powers of the Company specified in Section 196(2) of the Ordinance.

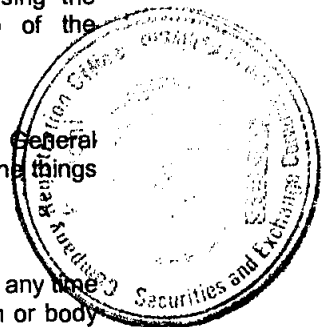
(3) The consent of the Company in General Meeting shall be necessary for the Directors to do any of the things specified in Section 196(3) of the Ordinance.

Power of Attorney

77. The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly (including any Director or officer of the Company) by the Directors, 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 Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him; and without prejudice to the generality of the foregoing any such power of attorney may authorise the attorney to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company, whether generally or in any particular case.

Official seal for use  
abroad

78. The Company may exercise the powers conferred by Section 213 of the Ordinance with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.



Conditions on  
which Directors  
may hold office of  
profit

79. A Director of the Company or a firm of which such Director is a partner or a private company of which such Director is a director may with the consent of the Company in General Meeting hold any office of profit under the Company provided that no such consent is required where the office held is that of Chief Executive or legal or technical adviser or banker.

Making of loans,  
etc.

80. In the matters of granting loans, giving guarantees and providing securities, the company shall have due regard to the prohibitions and restrictions contained in Section 195 of the Ordinance.

Directors may  
contract with  
Company

81. Subject to authorisation being given by the Directors in accordance with Article 76(2) and Section 196(2) of the Ordinance, a Director shall not be disqualified from contracting with Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any Director of the Company shall be a member or otherwise interested be avoided nor shall any such Director so contracting or being such member or so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

Directors to  
disclose interest

82. A Director who, or whose spouse or minor child, is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of such concern or interest at a meeting of the Directors in accordance with Section 214 of the Ordinance.

Where Director's  
interest lies in  
appointment of  
Chief Executive etc.

83. Where by any contract or resolution of the Directors an appointment or a variation in the terms of an existing appointment is made (whether effective immediately or in the future) of a Chief Executive, whole-time Director or Secretary of the Company, in which appointment any Director of the Company is, or after the contract or resolution becomes, in any way, whether directly or indirectly, concerned or interested, the Company shall inform the Members of such appointment or variation in the manner required by Section 218 of the Ordinance and shall comply with the requirements of that Section in regard to the maintaining of such contracts and resolutions open for inspection by Members at the Office, the provision of certified copies thereof and extracts therefrom and otherwise.

Prohibition of  
voting by  
interested  
Directors

84. Except as provided in Section 216 of the Ordinance, a Director shall not vote in respect of any contract or arrangement in which he is either directly or indirectly concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of any such vote; and if he does so vote, his vote shall not be counted.

Register of  
contracts  
arrangements and  
appointments

85. The Company shall comply with the provisions of Section 219 of the Ordinance in regard to the keeping of a register and the entry therein of the particulars of all contracts and arrangements or appointments of the kind referred to in Sections 214, 215, 216 or 218 of the Ordinance separately for each Section, and in regard to the maintaining of such register open for inspection by Members at the Office, the provision of certified copies thereof and extracts therefrom and otherwise.

Director holding office with companies in which the Company is interested

86. A Director of the Company may be or become a director of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a director or member of such other company.

Signing of cheques etc.

87. All cheques, promissory notes, drafts, bills of exchange and other negotiable Instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine.

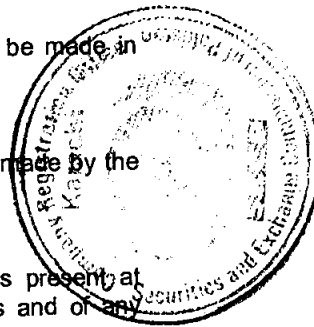
Directors to comply with the provisions of the Ordinance

88. The Directors shall duly comply with the provisions of the Ordinance or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors and Officers of the Company (including the Chief Executive, Secretary, chief accountant, auditors and legal adviser), and to sending to the Registrar an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital or any sub-division or cancellation of shares and copies of Special Resolutions and a copy of the register of the Directors and Officers of the Company and notifications of any changes therein. The Directors shall further comply with such general or special orders of the Securities and Exchange Commission of Pakistan issued from time to time under Section 246 of the Ordinance as may be applicable to the Company in regard to the submission of periodical statements of accounts, information and other reports as specified in such orders.

Minutes

89. The Directors shall cause minutes to be made in books provided for the purpose and kept at the Office:-

- (a) of all appointments of officers made by the Directors;
- (b) of the names of the Directors present at each meeting of the Directors and of any committee of Directors;
- (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of the committee of Directors;



and the Directors present at any meeting of Directors or committee of Directors and all Members and proxies of Members present at any General Meeting shall sign their names in books to be kept for that purpose; and any such minute of such a meeting if purporting to be signed by the chairman thereof, or by the chairman of the next succeeding meeting of the same body, shall be sufficient evidence without any further proof of the facts therein stated.

Payments of pensions etc., to Directors

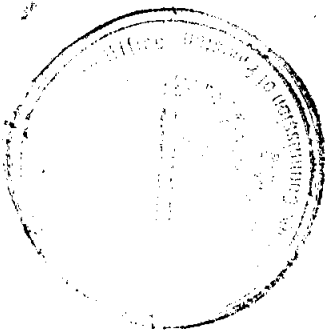
90. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make

contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## DISQUALIFICATION OF DIRECTORS

### Disqualification of Directors

91. A Director shall ipso facto cease to hold office if:-
- (a) he becomes ineligible to be appointed as a Director on any one or more of the grounds specified in Section 187 of the Ordinance, or
  - (b) 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, or
  - (c) he or any firm of which he is a partner or any private company of which he is a director without the sanction of the Company in General Meeting accepts or holds any office of profit under the Company other than that of a Chief Executive or a legal or technical adviser or a banker, or
  - (d) he or any firm of which he is a partner or any private company of which he is a director accepts a loan or guarantee from the Company in contravention of Section 195 of the Ordinance, or
  - (e) he fails to obtain within two months from the effective date of his appointment or at any time thereafter ceases to hold, the share qualification necessary for his appointment, or
  - (f) he does not hold shares of the nominal value of Rs. 5,000 in his own name and the Member or Members who appointed him as a representative under Article 71 or any of them revoke his appointment by notice in writing to the Company or for any reason cease to hold any of the shares appropriated for qualifying him.



## PROCEEDINGS OF DIRECTORS

### Meetings of Directors

92. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit; provided that the Directors shall meet at least once in each quarter of a year. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and

the Secretary on the requisition of a Director shall, at any time, summon a meeting of Directors. A copy of the minutes of Directors' meetings shall be furnished to each Director within fourteen days of such meeting.

**Quorum of Directors**

93. No quorum shall be deemed to have been constituted for any meeting of the Directors unless at least three Directors are present at the meeting. An Alternate Director whose appointment is effective shall be counted in a quorum.

**Directors may act notwithstanding vacancy**

94. The continuing Directors may act notwithstanding any vacancy in their body so long as their number is not reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors.

**Reference to General Meeting where no quorum**

95. If as a consequence of the Directors or some of them being concerned or interested in any contract or arrangement a quorum is not available for the transaction of any business relating thereto on account of the provisions of Section 216 of the Ordinance, such business shall be referred to the Company in General Meeting whose decision shall be carried into effect.

**Chairman**

96. The Directors shall elect a Chairman of the Board of Directors from among the Directors and determine the period for which he is to hold office. The Chairman or in his absence the Chief Executive shall preside at all meetings of the Board of Directors, but if at any meeting neither the Chairman nor the Chief Executive is present within half an hour of the time appointed for holding the same, the Directors then present may choose one of their number to be Chairman of the meeting.

**Powers of quorum**

97. A meeting of the Directors at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Directors Generally.

**Power to delegate**

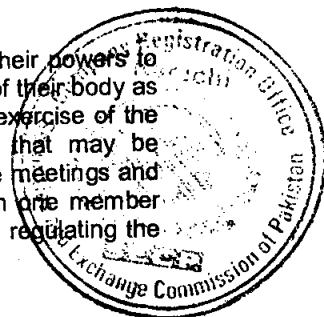
98. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Save as aforesaid the meetings and proceedings of a committee consisting of more than one member shall be governed by the provisions of these Articles regulating the proceedings and meetings of the Directors.

**When acts of Directors or committee valid**

99. All acts done at any meeting of the Directors, or of a committee of Directors, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment or continuance in office of any such Directors or person acting as aforesaid, or that they or any of them were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director and had been entitled to vote.

**Resolution in writing**

100. Subject to the provisions of Article 76(2), a resolution in writing signed by the Directors (or in their absence their Alternate Directors) for the time being in Pakistan (not being less than the requisite quorum of Directors) or by all the members of a committee for the time being in Pakistan shall be as valid and



effectual as a resolution duly passed at a meeting of the Directors called and held in accordance with the provisions of the Articles and may consist of several documents each signed by one or more of the Directors. A cable or telex message or facsimile transmission sent by a Director shall be deemed to be a document signed by him for the purposes of this Article.

## CHIEF EXECUTIVE

### Appointment of Chief Executive

101. The Company shall have an office of Chief Executive which shall be filled from time to time by the Directors who shall appoint one of the Directors or (subject to Section 201 of the Ordinance) any other person to be the Chief Executive of the Company for a period not exceeding three years and on such terms and conditions as the Directors may think fit, and such appointment shall be made within fourteen days from the date on which the office of Chief Executive falls vacant. As required by Section 184 of the Ordinance, the Company shall prior to each such appointment secure the consent of the person concerned to act as the Chief Executive of the Company if appointed and within fourteen days of such appointment file such consent with the Registrar of Companies. If the Chief Executive at any time is not already a Director he shall be deemed to be a Director of the Company notwithstanding that the number of Directors for the time being fixed in accordance with Article 65 shall thereby be increased. The Chief Executive may be removed from office in accordance with the provisions of Section 202 of the Ordinance. The Chief Executive in addition to or in substitution of such designation shall also be entitled to use the designation of Managing Director.

### Remuneration of Chief Executive

102. A Chief Executive shall receive, such remuneration as the Directors may determine and it may be made a term of his appointment that he be paid a pension or gratuity on retirement from his office.

### Powers of Chief Executive

103. The Directors may entrust to and confer upon the Chief Executive any of the powers exercisable by them, except those required by Article 76(2) to be exercised only by a meeting of the Directors, upon such terms and conditions and with such restrictions as they may think fit and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## SECRETARY

### Appointment

104. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit; and any Secretary so appointed may be removed by them. Where there is no Secretary capable of acting the Directors may appoint an assistant or deputy secretary or any other officer of the Company to perform the duties of Secretary.

## THE SEAL

### Common Seal

105. The Directors shall provide for the safe custody of the seal which shall only be used by the authority of the Directors or of a committee of the Directors authorized by the Directors in that behalf; and every instrument to which the seal shall be affixed shall either be signed by one Director and countersigned by the



Secretary or by a second Director or by some other person appointed by the Directors for the purpose or be signed by the Chief Executive alone, but so that the Directors may by resolution determine, either generally or in any particular case, that the signature of the Chief Executive, any Director and/or Secretary may be affixed by some mechanical means to be specified in such resolution including without limitation by printing, lithography or stamping.

## DIVIDENDS AND RESERVES

### Declaration of dividend

106. The Company in General Meeting may declare dividends, but no dividends shall exceed the amount recommended by the Directors.

### Interim dividends

107. The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company.

### Dividends payable out of profits

108. No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits and in the determination of the profits available for dividends the Directors shall have regard to the provisions of the Ordinance and in particular to the provisions of Sections 83, 235 and 248 of the Ordinance.

### Reserved fund

109. (1) The Directors may, before recommending any dividend set aside out of the profits of the Company such sums as they think proper as a reserve or, reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application, at the like discretion, either be employed in the business of the Company or be invested, subject to the provisions of the Ordinance, in such investments (other than shares of the Company) as the Directors may from time to time think fit.

(2) The Directors may also carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

### Right to dividends and apportionment

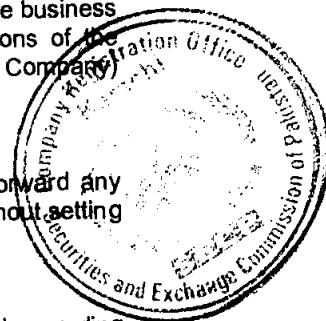
110. All dividends shall be declared and paid according to the amounts paid on the shares. All dividends shall be apportioned and paid proportionally to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

### Effect of transfer

111. A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.

### Payment by post

112. The dividend in respect of any shares shall be paid to the registered holder of such share or to his banker or to a financial institution (as defined in Section 2(1)(15A) of the Ordinance) nominated by him for the purpose. Unless otherwise instructed in writing by the registered holder of a share, any dividend payable in cash in respect of such share may be paid by cheque or



warrant sent through the post by registered mail to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register or to such banker or financial institution as may have been nominated by the registered holder. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends payable in respect of the shares held by them as joint holders.

Time for payment  
of dividend

113. All dividends shall be paid within the periods specified in Section 251 of the Ordinance.

Dividend not to  
bear interest

114. No dividend payable in respect of a share shall bear interest against the Company.

Unclaimed  
Dividends

115. All dividends unclaimed for one year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, and the Company shall not be constituted a trustee in respect thereof.

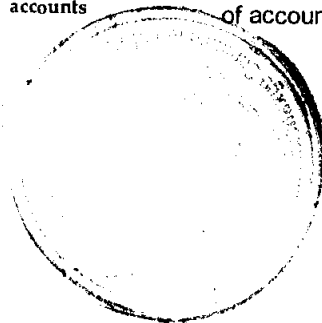
Payment of  
dividends in specie

116. With the sanction of a General Meeting any dividend may be paid wholly 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 or more of such ways. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all Members, and may vest any such specific assets in trustees upon trust for the Members entitled to the dividend as may seem expedient to the Directors.

## ACCOUNTS

Directors to keep  
accounts

117. The Directors shall cause to be kept proper books of account with respect to:-



- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditures take place;
- (b) all sales and purchases of goods by the Company;
- (c) all assets of the Company;
- (d) all liabilities of the Company; and
- (e) where the provisions of Section 230(1)(e) of the Ordinance are applicable, such particulars relating to utilisation of material or labour or to other inputs or items of cost as may be prescribed.

Where accounts to  
be kept

118. The books of account shall be kept at the Office or at such other place in Pakistan as the Directors may decide and shall be open to inspection by the Directors during business hours. If the Directors decide to keep the books of account at a place other than the Office they shall comply with the directions contained in the proviso to Section 230(1) of the Ordinance.

Period for  
maintaining books  
of account

119. The Company shall preserve in good order the books of account of the Company in respect of any financial year for a period of ten years following the close of that year.

Inspection by  
Members

120. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or books or papers of the Company except as conferred by the Ordinance or authorised by the Directors or by the Company in General Meeting.

Annual Accounts  
and Reports

121. (1) The Directors shall arrange to place before the Annual General Meeting of the Company in every year a duly audited balance sheet and profit and loss account, conforming to the requirements of Sections 234, 237, 238 and 240 of the Ordinance and made up to a date not more than four months before the date of such meeting and having the auditor's report attached thereto, and a report of the Directors, conforming to the requirements of Section 236 of the Ordinance.

(2) As required by Section 241 of the Ordinance the balance sheet and profit and loss account shall first be approved by the Directors and when so approved shall be signed by the Chief Executive and at least one Director, but if on account of his absence from Pakistan or other reason the signature of the Chief Executive cannot be obtained, the balance sheet and profit and loss account shall be signed by at least two Directors for the time being in Pakistan, and in every such case a statement signed by those two Directors shall be subjoined to the balance sheet and profit and loss account stating the reason why the signature of the Chief Executive was not obtained.

(3) The Directors may authorize the Chairman or the Chief Executive to sign the report of the Directors which may then be signed accordingly, but in the absence of any such authority the report of the Directors shall be signed as required by Section 236(3) of the Ordinance in the same manner as the balance sheet and profit and loss account.

Copies of Annual  
Accounts and  
Reports to be  
provided

122. A copy of the balance sheet, profit and loss account and the reports of the Directors and auditors shall be sent not less than twenty-one days before the date of the Annual General Meeting to the Members and other persons entitled, to receive notices of General Meetings in the manner in which notices are to be given hereunder and a copy thereof shall be kept for a period of at least twenty-one days before the meeting at the Office for inspection by Members.

Directors to comply  
with the Ordinance

123. The Directors shall in all respects comply with the provisions of Section 230 to 247 of the Ordinance, or any statutory modification thereof for the time being in force.

## CAPITALIZATION OF PROFITS

### Power to capitalize

124. The Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the Members who would be entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.

### Effect of Resolution to capitalize

125. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized 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 the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

## AUDIT

### Audit

126. Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255 of the Ordinance, or any statutory modifications thereof for the time being in force.

## NOTICES

### Notices to Member

127. (1) 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 (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 them.

(2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.

When notice may  
be given by  
advertisement

128. If a Member has no registered address in Pakistan and has not supplied to the Company an address within Pakistan for the giving of notices to him, a notice addressed to him or to Members generally and advertised in a newspaper 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

129. 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 to legal  
representative

130. A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be so entitled, or (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 to Foreign  
Shareholder

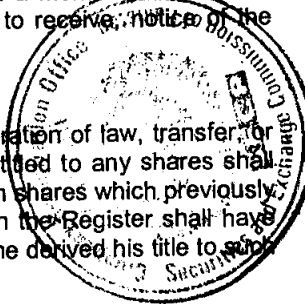
131. Notwithstanding anything hereinabove to the contrary, in addition to any other notice it or he shall be entitled to receive, a Member which is a foreign corporation or company or individual shall be given notice by telex and/or facsimile transmission addressed to such Member at its telex and/or facsimile number supplied by it or him to the Company.

Persons entitled to  
receive notices of  
General Meetings

132. Notice of every General Meeting shall be given in some manner hereinbefore authorised to (a) every Member 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, (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) auditors of the Company.

Transferees, etc.,  
bound by prior  
notices

133. Every person who, by operation of law, transfer or other means whatsoever shall become entitled to any shares shall be bound by every notice in respect of such shares which previously to his name and address being entered on the Register shall have been duly given to the person from whom he derived his title to such shares.



## WINDING - UP

Distribution of  
assets in specie

134. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Ordinance, 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 much 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 Members or any of them 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.

## SECRECY

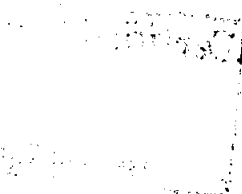
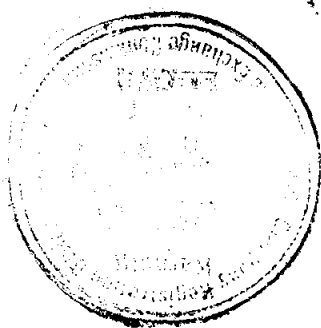
No shareholder to  
enter the premises  
of the Company  
without permission

135. Save as otherwise provided in the Ordinance no Member or other person (not being a Director) shall be entitled to visit and inspect any of the Company's premises or properties of the Company without the permission of the Directors of the Company for the time being or any person authorised in this behalf by the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

## INDEMNITY

Indemnity of  
Directors, etc.

136. Every Director or officer of the Company and every person employed by the Company as auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, officer or auditor in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under Section 488 of the Ordinance in which relief is granted to him by the Court.



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

Name and Surname (present and former) in full (in Block) letters	Father's/ Husband's Name in full	Nationality with any former Nationality	Occupation	Residential address in full	Number of shares taken by each subscriber	Signature
SYED SHAFQAT ALI SHAH	Syed Muhammad Ali Shah Jamote	Pakistani	Agriculturist/ Industrialist	33-B, Circular Street, Phase II, D.H.A., Karachi	1 (One)	
SYED ZULFIQAR ALI SHAH JAMOTE	Syed Muhammad Ali Shah Jamote	Pakistani	Agriculturist/ Industrialist	17, Civil Lines, Hyderabad	1 (One)	
MR. HAMEEDULLAH KHAN PARACHA	K.B. Habibullah Paracha	Pakistani	Industrialist	5, Defence Colony, Hyderabad	1 (One)	
MR. MASOOD AHMED	K.B. Chaudhri, Ghulam Hussain	Pakistani	Technocrat	29-A, South Central Avenue, D.H.A., Phase-II, Karachi	1 (One)	
MR. FERAZ F. GOLWALLA	Fakirjee P. Golwalla	Pakistani	Businessman	24, Parsi Colony, Karachi	1 (One)	
Total					5 (Five)	

Dated this 30<sup>th</sup> day of October 2003.

Witness to the above Signatures:-

Full Name (in Block Letters)	Father's Name	Occupation	Full Address	Nationality	Signature
MARGHOOB AHMED SIDDIQUI	(Late) Noor Ahmed	Operations Director	C-48, K.D.A., Scheme No. 1, Karachi	Pakistani	

72353- dt 8/5/02  
**Certified to be True Copy**  
*[Signature]*  
 Assistant Registrar of Companies



Rahman Sarfarz Rahim Iqbal Rafiq  
Chartered Accountants

## **Matol (Private) Limited**

**Audited Financial Statements**  
For the year ended  
June 30, 2015





**Rahman Sarfaraz Rahim Iqbal Rafiq**

CHARTERED ACCOUNTANTS

Plot No. 180, Block-A, S.M.C.H.S.  
Karachi-74400, PAKISTAN.  
Tel. No. : (021) 34549345-9  
Fax No. : (021) 34548210  
E-Mail : info@rsrir.com  
Website: www.rsrir.com  
Other Offices at  
Lahore - Islamabad

### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of MATOL (PRIVATE) LIMITED ("the Company") as at **June 30, 2015**, the related profit & loss account, statement of comprehensive income, statement of changes in equity and cash flow statement 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 purpose of our audit.

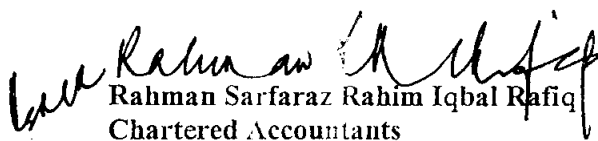
It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an 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 misstatement. An audit includes examining, on a test basis, evidence 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 explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, 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 **June 30, 2015**, of the profit, its comprehensive income, its changes in equity and cash flows for the year then ended; and
- d) in our opinion, zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the central zakat fund established under section 7 of that Ordinance.

Karachi.

Date: 10 OCT 2015

  
Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants  
Engagement partner: Muhammad Waseem

**MATOL PRIVATE LIMITED**

**OVER VIEW**


	UNIT	Audited June, 2015	Audited June, 2014
<b><u>STANDARD CAPACITY OF THE PLANT- YEARLY</u></b>			
<b>SUPER FINE</b>	<b>LTR</b>	<b>96,000</b>	<b>96,000</b>
<b>B-GRADE</b>	<b>LTR</b>	<b>4,000</b>	<b>4,000</b>
<b>TOTAL PER DAY</b>	<b>LTR</b>	<b>100,000</b>	<b>100,000</b>
<b>PRODUCTION PER DAY</b>	<b>MT</b>	<b>80</b>	<b>80</b>
<b>PER YEAR ON THE BASIS OF 360 DAYS</b>	<b>MT</b>	<b>28,800</b>	<b>28,800</b>
<b><u>PRODUCTION</u></b>			
-SUPER FINE -	<b>MT</b>	<b>23,845.04</b>	<b>23,825.85</b>
-B-GRADE	<b>MT</b>	<b>1,312.52</b>	<b>1,192.94</b>
		<b>25,157.56</b>	<b>25,018.79</b>
<b><u>EXPORT QUANTITY SALES</u></b>			
-SUPER FINE	<b>MT</b>	<b>27,223.65</b>	<b>21,596.447</b>
-B-GRADE	<b>MT</b>	<b>1,340.560</b>	<b>512.208</b>
		<b>28,564.210</b>	<b>22,108.655</b>
<b><u>LOCAL QUANTITY SALES</u></b>			
B GRADE	<b>MT</b>	<b>91.740</b>	<b>800.605</b>
<b><u>AVERAGE SELLING PRICE OF EXPORT</u></b>			
-SUPER FINE - PER MT	<b>US Dollar</b>	<b>716.32</b>	<b>818.65</b>
-B-GRADE - PER MT	<b>US Dollar</b>	<b>453.45</b>	<b>552.95</b>
<b>Average Conversion Rate</b>	<b>PKR</b>	<b>100.99</b>	<b>101.63</b>
-SUPER FINE - PER MT	<b>PKR</b>	<b>72,204</b>	<b>83,171</b>
-B-GRADE - PER MT	<b>PKR</b>	<b>48,444</b>	<b>56,678</b>
<b>AVERAGE YEILD, PER MT OF MOLASSES</b>	<b>LTR</b>	<b>224.89</b>	<b>224.17</b>
<b>MOLASSES CONSUMED</b>	<b>MT</b>	<b>140,338</b>	<b>140,096</b>
<b>AVERAGE RATE OF MOLASSES CONSUMED PER MT</b>	<b>PKR</b>	<b>10,109</b>	<b>10,921</b>
<b><u>% To Sales</u></b>			
	<b>%</b>	<b>100</b>	<b>100</b>
Cost of sales	<b>%</b>	<b>91.32</b>	<b>82.64</b>
Gross profit	<b>%</b>	<b>8.68</b>	<b>17.36</b>
Distribution cost	<b>%</b>	<b>3.26</b>	<b>3.38</b>
Administrative expenses	<b>%</b>	<b>0.87</b>	<b>0.61</b>
Finance cost	<b>%</b>	<b>1.76</b>	<b>1.55</b>
Other opreating expenses	<b>%</b>	<b>0.21</b>	<b>0.68</b>
Other income	<b>%</b>	<b>(0.08)</b>	<b>(0.04)</b>
Profit before taxation	<b>%</b>	<b>2.50</b>	<b>11.10</b>
Taxation Current	<b>%</b>	<b>1.01</b>	<b>1.00</b>
Net profit after taxation	<b>%</b>	<b>1.49</b>	<b>10.10</b>
<b>Earnings Per Shares</b>	<b>PKR</b>	<b>1.53</b>	<b>8.71</b>
<b>Current Ratios</b>		<b>1.05</b>	<b>1.18</b>

**Matol (Private) Limited**  
**Balance Sheet**  
**As at June 30, 2015**

	Note	2015	2014
		Rupees	
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Property, plant and equipment	4	651,437,573	646,519,940
Intangible assets	5	2,178	3,253
		<u>651,439,751</u>	<u>646,523,193</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	6	19,843,445	19,214,053
Stock-in-trade	7	205,561,209	661,772,348
Trade debtors	8	222,456,942	481,251
Advances deposits, prepayments and other receivables	9	45,956,407	11,146,307
Short Term Investment - held to maturity	10	7,000,000	-
Tax refunds due from Government		22,402,712	13,309,720
Due from holding company		82,369,108	-
Cash and bank balances	11	9,212,602	11,302,255
		<u>614,802,425</u>	<u>717,225,934</u>
		<u>1,266,242,176</u>	<u>1,363,749,127</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized Capital			
25,000,000 ordinary shares of Rs 10/= each		<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and paid up capital	12	218,585,600	218,585,600
Accumulated profit		<u>104,332,931</u>	<u>143,770,550</u>
		<u>322,918,531</u>	<u>362,356,150</u>
Surplus on revaluation of property, plant & equipment	13	355,625,248	391,953,965
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	72,408,535	202,382,070
Accrued mark-up	15	5,289,862	2,038,641
Short-term borrowing	16	510,000,000	383,000,000
Due to holding company		-	22,018,301
		<u>587,698,397</u>	<u>609,439,012</u>
Contingencies and commitments	17		
		<u>1,266,242,176</u>	<u>1,363,749,127</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
**Chief Executive**

  
**Director**

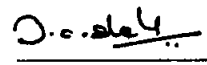


Matol (Private) Limited  
Profit and Loss Account  
For the year ended June 30, 2015

	Note	2015 Rupees	2014
Sales-net	18	2,035,036,079	1,870,614,776
Cost of sales	19	(1,858,340,001)	(1,545,933,568)
Gross profit		176,696,078	324,681,208
Administrative expenses	20	17,732,488	11,432,877
Distribution cost	21	66,436,881	63,163,688
Finance cost	22	35,818,132	29,045,342
Other operating expenses	23	4,371,414	12,645,571
Other income	24	(1,710,736)	(665,370)
		(122,648,179)	(115,622,108)
Profit before taxation		54,047,899	209,059,100
Taxation	25	(20,521,435)	(18,772,685)
Net profit after taxation		33,526,464	190,286,415
Earnings per share- basic & diluted	29	1.53	8.71

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
Chief Executive


  
Director

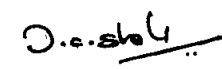


Matol (Private) Limited  
Statement of Comprehensive Income  
For the year ended June 30, 2015

	2015	2014
	Rupees	
Profit after taxation	33,526,464	190,286,415
Other comprehensive income for the year		
- Transfer of revaluation surplus	36,328,717	40,270,058
Total comprehensive income for the year	<u>69,855,181</u>	<u>230,556,473</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Executive


  
\_\_\_\_\_  
Director




Matol (Private) Limited  
Statement of Changes in Equity  
For the year ended June 30, 2015

	Share Capital	Accumulated Profit	Total
	Rupees		
Balance as at July 01, 2013	218,585,600	22,506,877	241,092,477
Total comprehensive income for the year ended June 30, 2014	-	230,556,473	230,556,473
Dividend paid 50%	-	(109,292,800)	(109,292,800)
Balance as at June 30, 2014	<u>218,585,600</u>	<u>143,770,550</u>	<u>362,356,150</u>
Total comprehensive income for the year ended June 30, 2015	-	69,855,181	69,855,181
Dividend paid 50%	-	(109,292,800)	(109,292,800)
Balance as at June 30, 2015	<u>218,585,600</u>	<u>104,332,931</u>	<u>322,918,531</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
Chief Executive

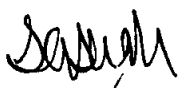
  
Director

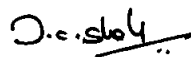


**Matol (Private) Limited**  
**Statement of Cash Flows**  
**For the year ended June 30, 2015**

	Note	2015	2014
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flow from operations	25	96,582,833	197,633,822
Finance cost paid		(32,566,911)	(33,810,171)
Taxes paid		(20,521,435)	(18,772,685)
Net cash generated from / (used in) operating activities		43,494,487	145,050,966
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale proceed from disposal		-	-
Fixed capital expenditure		(63,291,340)	(21,780,652)
Net cash (used in) investing activities		(63,291,340)	(21,780,652)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term finances		-	(87,401,414)
Dividend paid		(109,292,800)	(109,292,800)
Net cash (used in) financing activities		(109,292,800)	(196,694,214)
Net (Decrease) in cash and cash equivalents during the year		(129,089,653)	(73,423,900)
Cash and cash equivalents at the beginning of the year		(371,697,745)	(298,273,845)
Cash and cash equivalents at the end of the year	26	(500,787,398)	(371,697,745)

The annexed notes from 1 to 34 form an integral part of these financial statements.

  
 Chief Executive

  
 Director



**Matol (Private) Limited**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2015**

**1 STATUS AND NATURE OF BUSINESS**

- 1.1** The Company was incorporated in Pakistan on November 24, 2003 as a private limited company under the Companies Ordinance, 1984. The principal business of the Company is to manufacture and sell industrial alcohol. The Company is a subsidiary of Matari Sugar Mills Limited which holds 66% shares of the company.

The registered office of the Company is situated at Matari house, Plot No.C-48, K.D.A Scheme No 1, Karachi, Pakistan.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with requirements of Companies Ordinance, 1984 and approved accounting standards, as applicable in Pakistan. Approved accounting standards comprise of Accounting and Financial Reporting Standards for Medium Sized Entities (MSEs) issued by Institute of Chartered Accountants of Pakistan and provisions of and directors issued under of the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

**2.2 Basis of measurement**

These financial statements have been prepared on the historical cost basis, except as otherwise disclosed.

**2.3 Functional and presentation currency**

The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

**2.4 Use of estimates and judgments**

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to an accounting estimate are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.





Areas where various assumptions and estimates are significant to the company's financial statements or where judgments was exercised in application of accounting policy are as follows:

a) Residual values and useful lives of items of Property, plant and equipment	3.1
b) Provision for obsolete inventory	3.3
c) Provision for taxation	3.7
d) Provision for doubtful debts	3.11

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Property, plant and equipment**

##### **Operating fixed assets**

Items of property, plant and equipment are stated at revalued amount less accumulated depreciation and impairment losses except for Office equipment, Furnitures and Fixtures and Vehicles. Historical cost includes expenditure that is directly attributable to the acquisition of the asset including borrowing costs.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

##### **Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. Cost incurred to replace a component of an item of property, plant and equipment is capitalised and the asset so replaced is retired from use. Normal repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

##### **Depreciation**

Depreciation is charged to profit and loss account using reducing balance method whereby the cost of the asset less its estimated residual value is written off over the estimated useful life at rates given in note 4. Depreciation is charged from the month of additions, while no depreciation is charged in the month of disposal.

Surplus on revaluation of property, plant and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets the related surplus on revaluation of property, plant and equipment (net of deferred tax) is transferred directly to unappropriated profit.

##### **Impairment**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceed their recoverable amount, an impairment loss is recognized in the profit and loss account.



### **3.2 Intangible Assets**

An intangible asset is recognised if it is probable that future economic benefits attributable to the asset will flow to the enterprise and the cost of such asset can be measured reliably. Costs directly associated with identifiable software that will have probable economic benefits exceeding costs beyond one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and other directly attributable costs of preparing the software for its intended use.

Computer software acquisition or development cost is stated at cost less accumulated amortisation and impairment losses, if any, and is amortised on a straight-line basis over its estimated useful life.

### **3.3 Stores, spares and loose tools**

Stores and spares are stated at cost determined using moving average method. Provision is made for slow moving and obsolete items, if any. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

### **3.4 Stock-in-trade**

These are valued at lower of cost and net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined as follows.

- a) Raw materials first in first out basis.
- b) Work-in-process and finished goods at weighted average cost comprising direct cost of raw material, labour and other manufacturing overheads.

Net realizable value signifies the estimated selling prices in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

### **3.5 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and cheques in hand, balances with banks on current and savings accounts, and running finance under mark-up arrangements.

### **3.6 Foreign currency transactions**

Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into Pak Rupee at the exchange rate prevailing at that date. Foreign currency differences, if any, arising on retranslation are recognised in profit and loss account.

### **3.7 Taxation**

Income tax expense represents current tax expense. Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

Company is in presumptive tax regime (PTR) in accordance with section 154 of Income Tax Ordinance, 2001 due to which no deferred tax arises on company's assets or liabilities.



### **3.8 Borrowing and their costs**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

### **3.9 Trade and other payables**

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

### **3.10 Provisions**

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

### **3.11 Trade debts and other receivables**

Trade debts and other receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment, if any. A provision is established when there is an objective evidence that the Company will not be able to collect all the amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

### **3.12 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria has been met for each of the Company's activities as described below:

#### **- Sale of goods & services**

Sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to the customer;

#### **- Interest / mark up income**

Return on PLS savings account is accounted for on accrual basis.

### **3.13 Financial assets and liabilities**

The Company recognises financial asset or a financial liability when it becomes a party to the contractual provision of the instrument. Financial assets and liabilities are recognised initially at cost, which is the fair value of the consideration given or received as appropriate, plus any directly attributable transaction costs. These financial assets and liabilities are subsequently measured at fair value or amortised cost using the effective interest rate method, as the case may be.



Financial assets are derecognised when the contractual right to cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the financial asset are transferred. Financial liability is derecognised when its contractual obligations are discharged, cancelled or expired. Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset.

### 3.14 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

### 3.15 Share capital

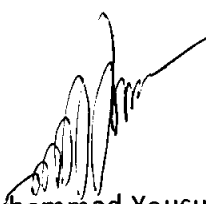
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, if any, are recognized as deduction from equity.

	Note	2015	2014
		Rupees	
<b>4</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Capital Work in Progress	4.1	46,392,740	-
Operating assets - tangible	4.2	605,044,833	646,519,940
		<u>651,437,573</u>	<u>646,519,940</u>
<b>4.1</b>	<b>Capital work in progress</b>		
Balance as at July 1		-	-
Additions during the year		46,392,740	-
Transfer to property, plant and equipment during the year		-	-
Balance as at June 30		<u>46,392,740</u>	<u>-</u>

*Handwritten signature*

Resident Director

#	Description	Detail
1	Type of Technology	Steam Back Pressure Turbine
2	Number of Units (No) Size (MW)	One 5.5 MW Two 2 MW
3	Year Make / Model. Operation date & Expected remaining life	1. 1989 Bush 01-12-90 10 Years 2. 1989 Siemens 01-12-90 10 Years 3. 2011 Toyo Denkey 21-01-2011 25 Years
4	Installed Capacity, de-rated capacity, Auxiliary Consumption, Net Capacity	1. 9.7 MW 2. 9.1 MW 3. Nil 4. 9.1 MW
5	Fuel (Oil/Gas): type, imported/indigenous, supplier, logistics, pipeline etc. in case of Gas fuel, a Gas Sale Agreement (GSA) signed between the applicant and Gas supplier	Bagasse Produced in factory by cane milling
6	Plant characteristics: generation voltage, frequency, power factor, automatic generation control, ramping rate, alternative fuel time (s) required to synchronize to grid.	5.5 KV, 50 Hz, 0.85 Automatic Generation Control 30 to 180 Sec
7	Provision of Metering, Instrumentation, Protection and Control management.	Will be provided.



Muhammad Yousuf Khan  
General Manager

**HEAD OFFICE:**

**MATIARI HOUSE, C-48, K.D.A. Scheme-1, Karachi-75350 Pakistan.**  
**Direct Phone: +92-21 34390448-9 PABX No: +92-21 3452138**  
**34529698, 34536614 Fax: +92-21 34541734 E-mail: atol@cyber.**  
**FACTORY: Deh Pannu Nasar Pur Road, Dist. Matiari Pakistan**

**February 24, 2016**

**Mr. Iftikhar Ali Khan,  
Deputy Registrar,  
National Electric Power Regulation Authority,  
Islamic Republic of Pakistan,  
NEPRA Tower, G-5/1,  
Near MNA Hostel,  
Islamabad**

**SUBJECT: APPLICATION FOR GRANT OF 6,200 KW GENERATION LICENSE**

**Dear Sir**

Reference your letter # NEPRA/R/LAG-30/2209, dated 15<sup>th</sup> February, 2016 on the subject.

In response to your letter and after understanding your full requirement as a result of our telephonic conversation with Mr. Wahid Kazmi on 19<sup>th</sup> February, 2016, we would like to state as follows:

1. Your application may be considered for a 6,200 KW Generation license.
2. The number of Generators installed and their corresponding installed capacities are as follows:
  - i) Unit # I : 1,200 KW
  - ii) Unit # II : 2,000 KW
  - iii) Unit # III : 3,000 KW
3. De-rated total capacity, auxiliary consumption and net capacity of all units is given below:

	<u>Unit #</u>	<u>Installed capacity</u>	<u>De-rated capacity</u>
a)	I	1,200 KW	1,000 KW
b)	II	2,000 KW	1,600 KW
c)	III	3,000 KW	3,000 KW
<b>Total De-rated capacity of the installation</b>			<b>5,600 KW</b>
<b>Auxiliary consumption</b>			<b>150 KW</b>
<b>Net capacity</b>			<b>5,450 KW</b>




HEAD OFFICE  
MATIARI HOUSE, C-48, K.D.A. Scheme-I, Karachi-75350 Pakistan.  
Direct Phone: +92-21-34390448-9 PABX No: +92-21-34521382,  
34529698, 34536614 Fax: +92-21-34541734 E-mail: matol@cyber.net.pk  
FACTORY: Deh Pannu Nasar Pur Road, Dist. Matiari Pakistan

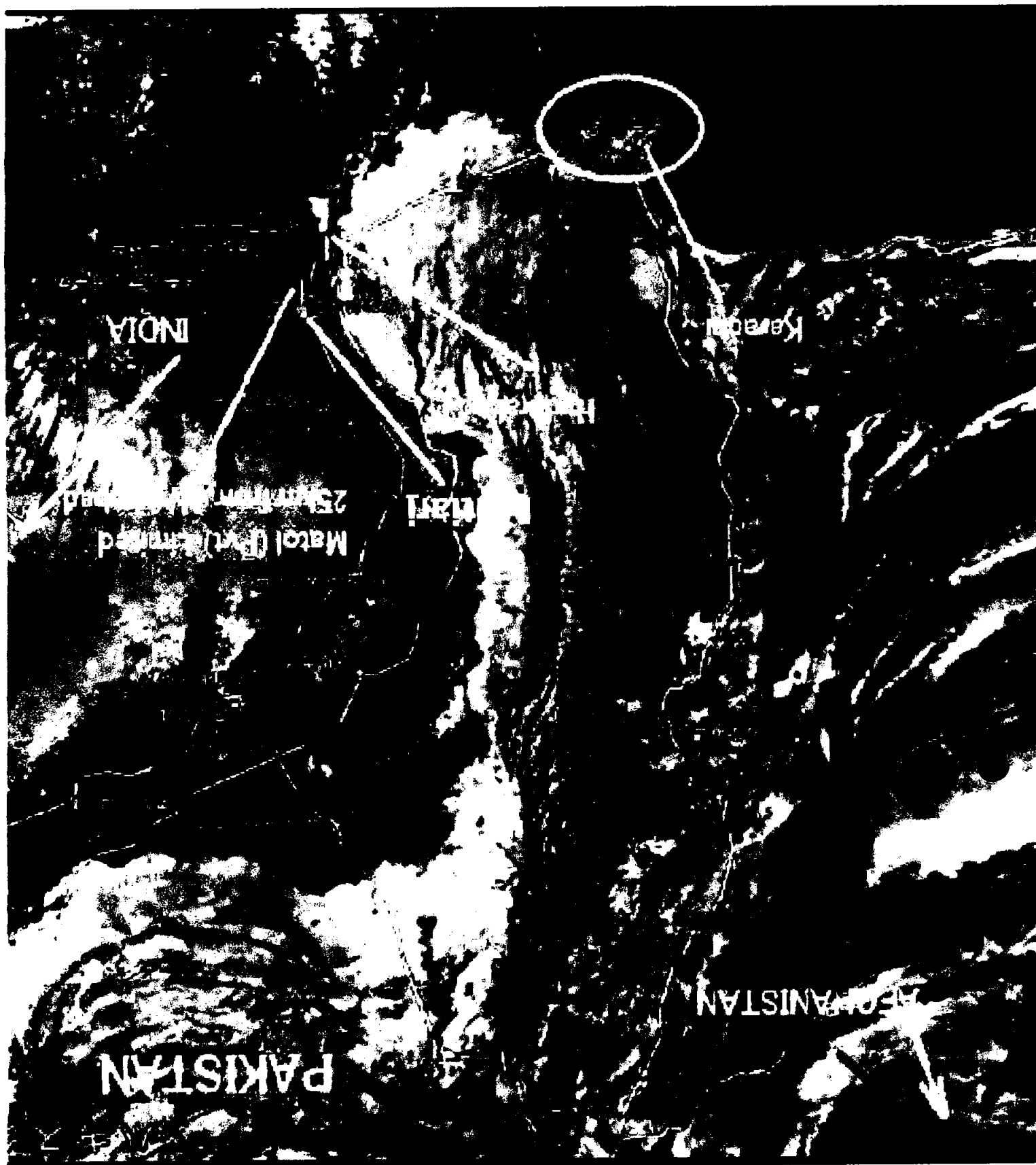
4. Our supply voltage will be 11 KV.
5. Matol Private Limited will supply Electricity to a Hospital located in Matiari Town at a distance of 8 kilometres. This Hospital is a sister organization and is a part of our CSR programme.

We suppose that we have submitted all information required by you. We would still be pleased to respond to any further queries raised by you in the way of scrutiny of our application

Thanks

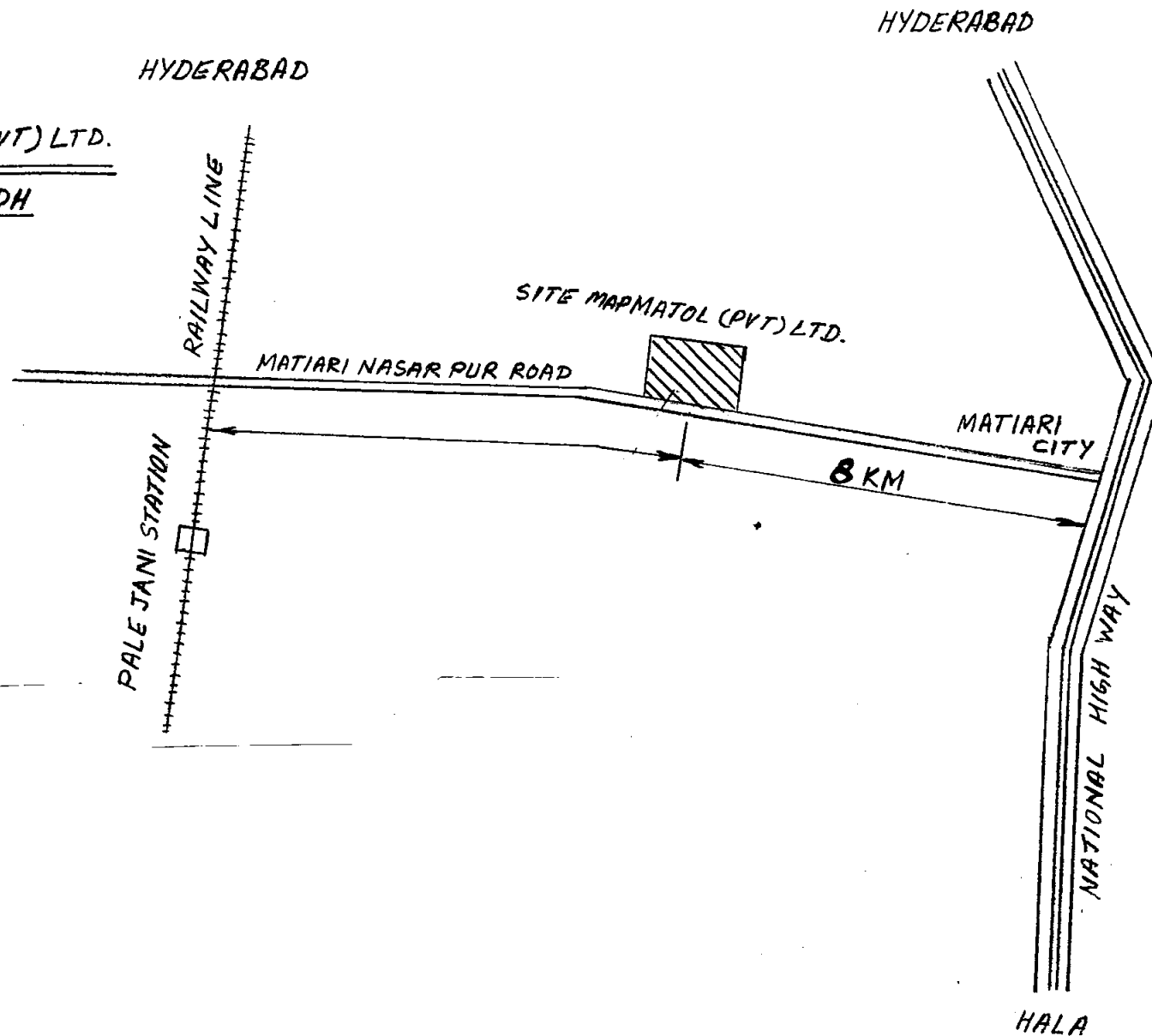
Your faithfully,  
For Matol (Pvt) Limited

  
(Dost Mohammad Baloch)  
Resident Director





LOCATION OF MATOL (PVT) LTD.  
DISTRICT MATIARI SINDH

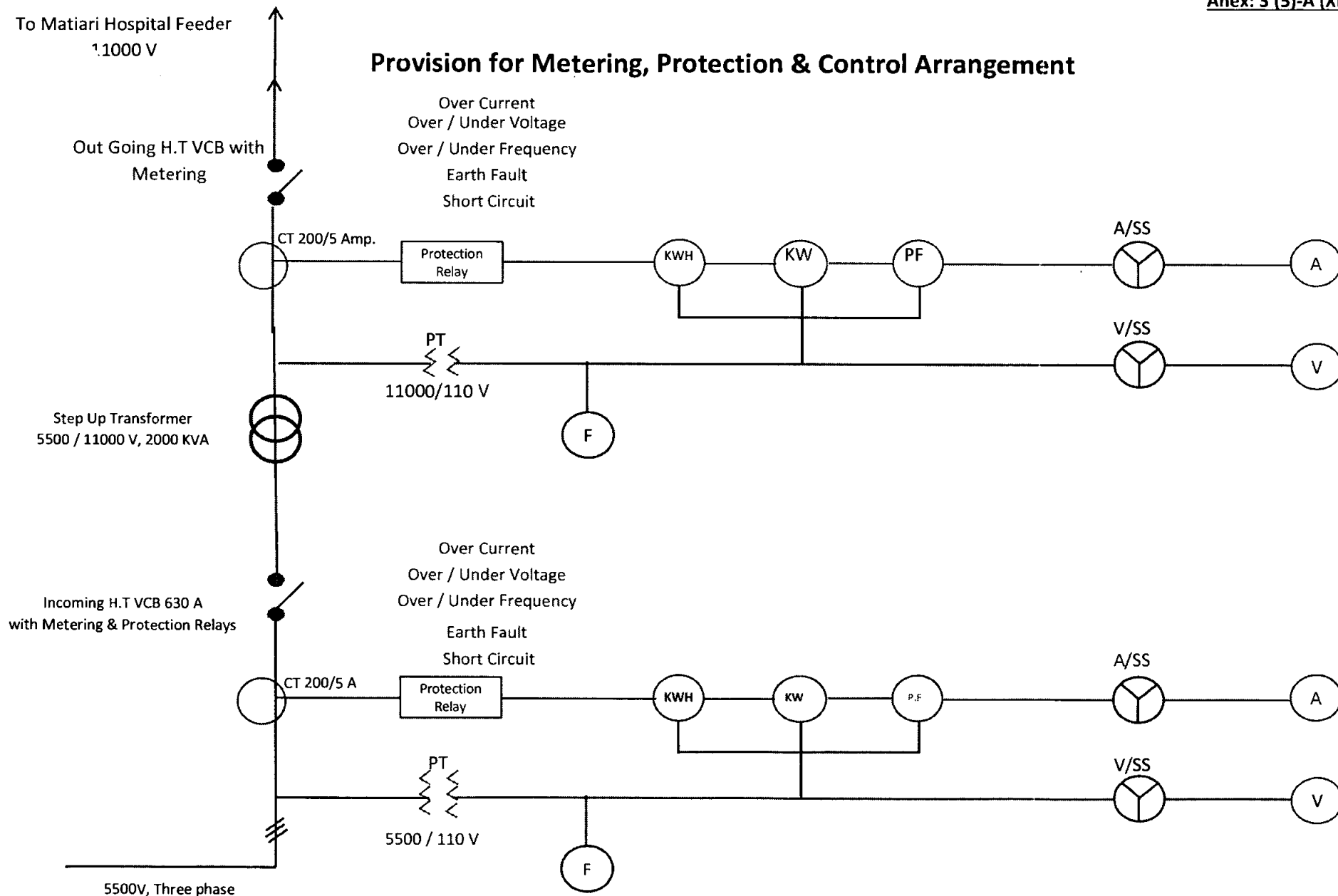


29-Jan-16

Anex: 3 (5)-A (XII)

# Matol (Pvt) Ltd.

## Provision for Metering, Protection & Control Arrangement



Matol (Pvt) Ltd.

29-Jan-16

# Single Line Diagram 6.2 MW Power House

