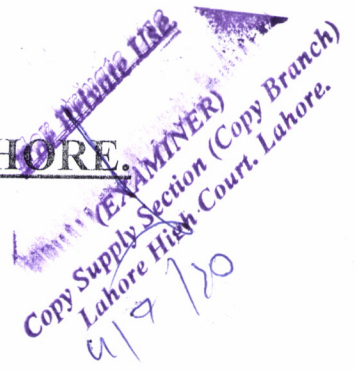


ORDER SHEET
IN THE LAHORE HIGH COURT LAHORE.
JUDICIAL DEPARTMENT

CO No. 9141 of 2020



 (EXAMINER)
 Copy Supply Section (Copy Branch)
 Lahore High Court, Lahore.
 9/9/20

In the matter of Nishat (Chunian) Ltd and another

Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary
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24.06.2020.

Mr. Ahmed Pervaiz and Shahjahan Khan, Advocates for the Petitioners
 Mr. Hafiz Tallaha Yahya, Advocate for Securities and Exchange Commission of Pakistan

This is a petition jointly filed by the petitioner companies under sections 279 to 283 and 285 of the Companies Act, 2017 (the **Act**) for sanctioning of the Scheme of Compromises, Arrangements and Reconstruction (**Scheme of Merger**) entered into between petitioner No. 1 and petitioner No. 2. Under the terms of the Scheme of Merger, petitioner No. 2, which is a wholly owned subsidiary of petitioner No. 1, shall merge into petitioner No.1 through the transfer and vesting in petitioner No.1 of the Undertaking and business of petitioner No. 2 together with all the property, assets, rights, liabilities and obligations of every description of petitioner No. 2 against set-off of the equity investment against issued, subscribed, and paid-up share capital of petitioner No. 2 by petitioner No. 1 and the dissolution of petitioner No. 2 without winding up, without any further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting, assumption and/or dissolution.

2. This Court on 17.02.2020, after preliminary consideration of the petitioners' petition, passed orders for holding the extra ordinary general meetings of the

A

Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary
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shareholders of the petitioner companies to ascertain the wishes of their respective shareholders to the Scheme of Merger and for this purpose appointed M/s Bakhtayar Mehmood Malik and Muhammad Haris Naeem, Advocates as Chairmen to hold and preside over the said meetings and submit their report. In addition to fulfilling other statutory formalities for holding the said extra ordinary general meetings under the law, the petitioner companies were also directed to issue notices for the said meetings through public advertisements in two national newspapers namely daily "Nawa-e-Waqt" and "Dawn" under Rules 55 and 61 of the Companies (Court) Rules, 1997 (the **Rules**).

ATTESTED
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 Lahore High Court, Lahore

3. Pursuant to the above directions of the Court, the Chairmen submitted their report, which is duly supported by the relevant record. According to the report, the extra ordinary general meetings of the petitioner companies were scheduled and notified for 31.03.2020. The copies of the notices dispatched to the shareholders of the petitioner companies, Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, and the notices published in the newspapers are annexed with the report.

4. According to the report, the meetings were convened and held as per the schedule under the supervision of the Chairmen. The attendance sheets of shareholders of the petitioner companies have also been placed on record, which reflect the participation of the shareholders of the petitioner companies in the meetings, personally or through proxy. The Scheme of Merger was unanimously approved by 100% of the shareholders of the petitioner companies participating in

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Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary
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their respective meetings. The Scheme of Merger as approved by the shareholders has been annexed at pages 10-21 of the report submitted by the Chairmen.

5. This Court after submission of the report by the Chairmen on 17.02.2020 passed orders for issuance of notices in the main petition to the Securities and Exchange Commission of Pakistan (SECP), Competition Commission of Pakistan and the Creditors of the petitioner companies as per the list annexed at page 255 of the petition. The notices were issued through proclamation in the newspapers namely "Daily Dawn", "Business Recorder" and "Daily Jang" on 08.04.2020.

6. Pursuant to the notices issued by this Court, only SECP filed its reply to the petition in which it primarily raised the objection that petitioner No. 1 has filed Form-26 dated 02.09.2019 with the concerned Registrar with respect to special resolution passed on 31.08.2019 for purchase (buy-back) of its own shares under section 88 of the Act read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (the **Regulations**) which Form-26 has not been accepted for record. Petitioner No.1 on 23.10.2019 submitted the final report on purchase of its 102,527 ordinary shares of Rs.10 each through tender offer in terms of requirements of regulation 4(5) of the Regulations in which some information/documents, enlisted in the SECP reply, have been missing, which were required for submission by petitioner No.1 through various mails/correspondence. SECP further raised the objections that an inquiry/investigation by National Accountability Bureau (NAB) is under process with respect to petitioner No.1

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Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary
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and that NOCs from secured creditors have not been appended with the petition.

7. Today, during the course of arguments, learned counsel for the petitioner companies has made a statement that even though the objection raised by the SECP regarding buy-back of its shares by the petitioner No. 1 has no bearing on the Scheme of Merger as it shall have no impact on the paid-up capital of the petitioner No.1, the said petitioner undertakes to provide the required documents to SECP within thirty days and the Scheme of Merger be sanctioned subject to submission of the said documents by the petitioner No. 1 to the SECP. Learned counsel present for SECP has no objection to the same. As far as NAB's inquiry/investigation, if any, is concerned, the same will not be affected in anyway by the sanctioning of the Scheme of Merger. The objection regarding the NOC's by the secured creditors is also not tenable in as much as notices were issued to all the secured creditors of the petitioner companies through the process server of this Court and also through proclamations in three leading national newspapers. Not a single secured creditor has come forward to raise any objection on the Scheme of Merger.

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8. Petitioner No. 1 is a listed public company limited by shares and has an authorized share capital of Rs. 3,000,000,000/-, divided into 300,000,000 ordinary shares of Rs. 10/- each. Subject to paragraph 7 above, the petitioner No.1 has an issued, subscribed and paid-up capital of Rs. 2,401,190,290/- divided into 240,119,029/- ordinary shares of Rs.10/- each.

f

Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary
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Petitioner No. 2 is a public company limited by shares and has an authorized share capital of Rs. 1,200,000,000/- divided into 120,000,000/- shares of Rs. 10/- each. The petitioner No.2 has an issued, subscribed and paid-up capital of Rs. 1,200,000,000/- divided into 120,000,000/- ordinary shares of Rs. 10/- each.

9. None of the stakeholders, creditors, shareholders of petitioner No. 1 and petitioner No. 2 and other interested parties have come forward and raised any objection to the Scheme of Merger, hence this petition is **allowed** and the Scheme of Merger annexed at pages 10-21 of the report submitted by the Chairmen (Annexure-B to the said report) is hereby sanctioned, subject to fulfilment of the undertaking given in paragraph 7 above, which Scheme of Merger shall form part of this order as Schedule 'A'. The Scheme of Merger shall take effect in accordance with section 282(3) of the Act. In consequence thereof, it is further ordered in terms of Section 282 of the Act as follows:

- a. With effect from 01.07.2020, the entire Undertaking and business of petitioner No. 2 with all the property, assets, rights, liabilities and obligations of every description be stand merged/amalgamated into petitioner No. 1 against set-off of the equity investment against issued, subscribed and paid-up share capital of petitioner No. 2 by petitioner No. 1 and petitioner No. 2 shall stand dissolved without winding up, without any further act or deed or documents being required to be executed, registered or filed in respect of

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 Lahore High Court, Lahore

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Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties of counsel, where necessary
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such transfer, vesting, assumption and/or dissolution.

- b. Petitioner No. 1 shall within 30 days after the date of issue of a certified copy of this order, cause such certified copy of this order to be delivered to the Registrar of Companies for registration;
- c. Petitioner No. 1 shall deposit the requisite stamp paper in the office within a period of three weeks in lieu of the transfer of the properties of the petitioner No. 2, if any, in terms of the law laid down in judgment reported as In the matter of Fatima Sugar Mills Limited through Company Secretary and others PLD 2015 Lahore 632.

Q. No. 1
29/06/2020

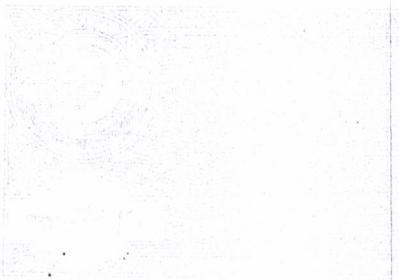
(Shams Mehmood Mirza)
Judge

TRUE COPY
C.O. No. 27/6/20
Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore

Copy Petition No: 134680
Case No. _____
Submission Date: 27/6/20
No of Pages: 6
Fee (Rs. 2/- per page): _____
Urgent Fee (Rs.): 12
Total Fee (Rs.): 417
Date of Completion: _____
Date of Delivery: 20/07/2020

(EXAMINER)
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Authorized under Article 87 of
The Qanun-e-Shahadat Order, 1984.
417

IN THE LAHORE HIGH COURT, LAHORE



Farida Khan, D/O
(EXAMINER)
Copy Supply Section (Copy Branch)
Lahore High Court, Lahore
4/7

C.O. No. 9141/2020

In the matter of:

1. **Nishat (Chunian) Limited**
having its registered office at
31-Q, Gulberg II, Lahore
In the Province of Punjab.

... Petitioner No. 1

2. **NC Electric Company Limited**
having its registered office at
31-Q, Gulberg II, Lahore
In the Province of Punjab.

TRUE COPY
C.O. No. 9141/2020
Examiner: J/S (Commercial Branch)
Lahore High Court, Lahore

... Petitioner No. 2

JOINT PETITION by the Petitioners under Sections 279 to 283 and 285 of the Companies Act, 2017 read with SRO No.840(I)/2017 dated 24.08.2017 and all other enabling provisions of law for sanction of the Scheme of Compromises, Arrangements and Reconstruction

Respectfully sheweth:

1. That this Petition seeks the sanction of this Honourable Court pursuant to Sections 279 to 283 read with Section 285(8) of the Companies Act, 2017 (the "Act") for a Scheme of Compromises, Arrangements and Reconstruction (the "Scheme") between the Petitioner No.1 and its members and the Petitioner No.2 and its members. Further it is sought to obtain certain facilitating orders of this Honourable Court under Section 282 of the Act in connection with the said arrangement.

2. That as per the terms and conditions entailed in the Scheme, the primary purpose thereof is to merge/amalgamate the entire Undertaking and business, *inter alia*, of the Petitioner No. 2 i.e. NC Electric Company Limited (hereinafter "NCECL"), a wholly-owned subsidiary of Petitioner No. 1, along with all of its properties, assets, rights, liabilities into Petitioner No. 1 i.e. Nishat (Chunian) Limited (hereinafter "NCL"). A copy of the Scheme of Compromises, Arrangement and Reconstruction is attached herewith as **Annexure – A**.
3. That the respective Boards of Directors of the Petitioners have considered ways and means of improving the business now carried on by the Petitioners, and have come to the conclusion that it would be advantageous to the Petitioners if the said undertakings are reorganized and reconstructed pursuant to which the Scheme has been prepared and duly approved/adopted by the respective Boards of Directors of the Petitioners. Certified copies of the resolutions of each Board of Directors of the Petitioners are attached herewith as **Annexures – B/1 & B/2** respectively.
4. That by way of background it is submitted that the Petitioner No. 1 is a listed public company limited by shares and has an authorized share capital of Rs. 3,000,000,000/- divided into 300,000,000/- ordinary shares of Rs. 10/- each. The Petitioner No. 1 has an issued, subscribed and paid-up capital of Rs. 2,401,190,290/- divided into 240,119,029/- ordinary shares of Rs. 10/- each. The objects of the Petitioner No. 1 are set out in its Memorandum of Association which is annexed herewith as **Annexure – C**. The present Petition is being filed by the Petitioner No. 1 through its CFO, Mr. Babar Ali Khan who is duly authorized to file the instant petition and is well conversant with the facts and is able to depose to the same.

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 (EXAMINER)
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5. That the assets and liabilities of the Petitioner No. 1 as on 30/06/2019 are detailed in the audited financial statements for the year ended 30/06/2019 reflecting the financial position of the Petitioner No. 1. A copy of the audited financial statements for the year ended 30/06/2019 are attached herewith as **Annexure – D**.
6. That the Petitioner No. 2 is a public company limited by shares and has an authorized share capital of Rs. 1,200,000,000/- divided into 120,000,000/- shares of Rs. 10 /- each. The Petitioner No. 2 has an issued, subscribed and paid-up capital of Rs. 1,200,000,000/- divided into 120,000,000/- ordinary shares of Rs. 10/- each. The objects of the Petitioner No. 2 are set out in its Memorandum of Association which is annexed herewith as **Annexure – E**. The present Petition is being filed by the Petitioner No. 2, through its Director, Mr. Mustaqeem Talish who is duly authorized to file the instant petition and is well conversant with the facts and is able to depose to the same.

That the assets and liabilities of Petitioner No. 2 as on 30/06/2019 are detailed in the audited financial statements for the year ended 30/06/2019 reflecting the financial position of the Petitioner No. 2. A copy of the audited financial statements for the year ended 30/06/2019 is attached herewith as **Annexure – F**.

8. That the *raison d'etre* for moving the instant Petition before this Honourable Court is that the Scheme, upon approval and subsequent implementation thereof, will merge the entire undertaking of the Petitioner No. 2 as per the modality as entailed in the Scheme, into the Petitioner No. 1 on the effective date. The principal object of this Scheme is to effect the merger/amalgamation of Petitioner No. 2, which is a wholly-owned subsidiary of Petitioner No. 1, into Petitioner No. 1 through

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wholly-owned subsidiary of Petitioner No. 1, into Petitioner No. 1 through the transfer and vesting of the entire undertaking and business of Petitioner No. 2 together with all the property, assets, rights, liabilities and obligations of every description of Petitioner No. 2 against set-off of the equity investment against issued, subscribed and paid-up share capital of Petitioner No. 2 by Petitioner No. 1 and the dissolution of Petitioner No. 2 without winding up, without any further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting and/or assumption. The shares of the Petitioner No. 2 will be set off against the investments of Petitioner No. 1; therefore all share certificates of Petitioner No. 2 shall stand cancelled. It is further submitted that under the Scheme, the creditors of the Petitioners will remain duly secured to the same extent as they are at present, in as much as the existing assets of the Petitioner No. 2 will, subsequently to the Scheme, become the property and assets of the Petitioner No. 1 without in any way affecting the security interests and other rights of the creditors of the Petitioners.

That the aforesaid Scheme, after fulfilment of statutory requirements, has to be laid before the respective shareholders of aforesaid Petitioners in an Extra Ordinary General Meeting; to be conducted under supervision of this Honourable Court. The Scheme contains the entire modalities viz the proposed arrangement.

10. That after fulfilment of all relevant and applicable statutory requirements, the entire undertaking of Petitioner No. 2 along with all paraphernalia as per the terms and conditions of the Scheme, is to be merged/amalgamated/vested in Petitioner No. 1, subject to sanction by this Honourable Court.

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11. That except for changes in the ordinary course of business, the financial position of the Petitioners has not materially changed, since the respective dates stated in the financial statements annexed hereto.

12. That there are no investigation proceedings pending in relation to the Petitioners under the provisions of the Companies Act, 2017 or under the previous Companies Ordinance, 1984.

13. That the amalgamation and reorganization as per the Scheme, would be beneficial, *inter alia*, for the following reasons:

(a) That the merger will result in a better, efficient and economical management, control and running of the businesses; it will further develop and grow the businesses of the Petitioner Companies.

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(EXAMINER)

(b) That the merger and vesting of the undertaking of Petitioner No. 2 into Petitioner No. 1, *inter alia*, with effect from the effective date is in the interest of the shareholders, creditors, employees and all concerned.

(c) That as a consequence of the merger, there will be a viable unit of Petitioner No. 1, the administrative/overhead cost will be less and thus the operations will be more profitable. There will also be an increase in personnel efficiency by way of concordant control. The consequential improvement in the operations, manufacturing and production of the Petitioner Companies will eventually result to the benefit of the shareholders, employees, consumers and others in general.

- (d) That as a consequence of an amalgamation of the Petitioner Companies, the credit arrangements will be streamlined and multiple arrangements for obtaining loans and other credit facilities will be made; hence, a better application of loans and credit facilities would be available, thereby reducing the financial cost.
- (e) That in the context of the aforesaid, the business of the Petitioners will be integrated so as to achieve an optimum level of utilization of their inherent potential. This would make the new entity more result-oriented and marketable. This in itself will ensure due performance of creditor obligations and will obtain a better creditor response.
- (f) That upon sanction of the Scheme by this Honourable Court, an amalgamation and reorganization of the Petitioner Companies will provide better opportunities for improving and modernizing their business operations; in furtherance thereto, there will also be a high probability of diversification.
- (g) That upon an amalgamation and reorganization, the administrative costs incurred by each of the Petitioners, separately, will be reduced considerably for the following, amongst other, reasons:
- i. Corporate record keeping like sets of books of account and records, register of shareholders required to be maintained, forms etc., required to be filed with the various governmental departments including the Registrar of Companies will be reduced.
 - ii. Inter-company transfer taxation including *inter alia* the adverse impact of different taxes, will be eliminated.

EXAMINER
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Copy Supply Section (Copy Branch)
Lahore High Court, Lahore

iii. The number of AGMs required to be held and the sets of annual/half yearly accounts to be printed and circulated by the Petitioners will be reduced.

iv. The number of Board of Directors required to administer the Petitioners will be reduced.

v. All tax obligations and discharge thereof would be simplified.

vi. The possibilities of availing new tax incentives will be simplified for the new composite enterprise.

(h) That the transfer and reorganization of capital and amalgamation of Petitioner No. 2 into Petitioner No. 1 will result in an improvement in administration and personnel affairs of the Petitioner Companies, since administration and staff regulating policies will be streamlined and simpler to administer.

14. That there does not exist any investigation against the Petitioners under the provisions of the Act of 2017, before any forum or court.

15. That in furtherance thereto, under the Act of 2017 in order to seek information and/or any objection/observation/comment with reference to the Scheme, this Honourable Court may issue notices to:

a. The Registrar of Companies, the Securities & Exchange Commission of Pakistan, Lahore;

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 Lahore High Court, Lahore

b. The secured creditors of the Petitioners, as per the list attached herewith; and

c. The public at large.

16. That prejudice shall not be caused to anyone if the Scheme is sanctioned, as the sanction of the Scheme will benefit and is in the interest of the Petitioners, their shareholders, employees and the general public.

17. That this Hon'ble Court has the jurisdiction to adjudicate upon this matter, as the registered offices of the companies are situated in the province of Punjab. Further, under a Notification dated 24.08.2017 the powers of the Respondent No. 1 conferred by Sections 279-283 and 285 of the Act in respect of public interest companies, large sized companies and medium sized companies classified under the Third Schedule to the Act are to be exercised by the Company Bench of the respective Hon'ble High Court having jurisdiction under the said Act.

18. That it would be just and equitable in the circumstances if the Scheme is sanctioned by this Honourable Court and orders passed as prayed.

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

- A. to direct the convening of a separate and/or joint meeting of the members of the Petitioners at such time and place as may be ordered;
- B. to direct that notices through publication or otherwise, of the said meeting(s) be given to the members of the Petitioners, the Registrar as

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Lahore High Court, Lahore
(EXAMINER)
4/7

required under Section 283 of the Companies Act, 2017 and to the secured creditors and the general public at large;

- C. to give directions, if deemed fit, that the Chief Executive Officer of Petitioner No. 1 or such other person as this Honorable Court may be pleased to appoint, be appointed as Chairman of the said meeting(s) and to direct the said Chairman to submit reports to this Honourable Court of the due convening and resolutions passed at such meeting(s) by such date as may be fixed, and that the quorum requisite for the conduct of business at each such meeting shall be that specified in the articles of association of each of the Petitioner;
- D. to approve and sanction the Scheme as set forth in Annexure – A;
- E. to pass all requisite vesting orders for giving effect to the Scheme, including vesting orders pursuant to Section 282 of the Companies Act, 2017 and relating to the transfer of and vesting in the Petitioner No. 1 of the whole of the undertaking of the Petitioner No. 2 including all assets, properties, rights, privileges, benefits of Government consents, sanctions, authorizations, licenses and obligations of the Petitioner No. 2 pertaining thereto;
- F. to order that the costs and incidental expenses to this application be paid by the Petitioner No. 1;
- G. to pass such further order or orders and to issue all consequential and necessary directions as this Honorable Court may deem fit and proper in the circumstances.

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COPY SUPPLY SECTION (EXAMINER)
LAHORE HIGH COURT, LAHORE

[Signature]

Petitioner No. 1



[Signature]

Petitioner No. 2



through

[Signature]
Barrister Ahmed Pervaiz
Advocate Supreme Court

Ahmed & Pansota
Advocate & Legal Consultants
20-Sir Ganga Ram Mansions,
The Mall, Lahore

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C.O. No. *2-7-22*

Examiner: JIS (Commercial Branch)
Lahore Petition Court Lahore

Certificate:

As per instructions it is the duty of the Examiner under Sections 279 to 283 of the Companies Act, 2017 to effect merger between the Petitioners.

[Signature]
Advocate

(EXAMINER)
Copy Supply Section (Copy Branch)
Authorized under Article 87 of
The Qanun-e-Shahadat Order, 1984.
4/12

Copy Petition No: 136680
Case No. _____
Submission Date: 27/6/20
No of Pages: 10
Fee (Rs. 2/- per page): _____
Urgent Fee (Rs.): 20
Total Fee (Rs.): 417
Date of Completion: _____
Date of Delivery: 20/6/2020

~~Hasibul Haq~~
Munir (EXAMINER)
Copy Supply Section (Copy Branch)
Lahore High Court, Lahore.

M/N

"B"

Schedule 'A'

JUDGE
24-06-2020

SCHEME FOR COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION
UNDER SECTIONS 279 TO 283 READ WITH SECTION 285 OF THE
COMPANIES ACT, 2017 FOR AMALGAMATION/MERGER BETWEEN

NISHAT (CHUNIAN) LIMITED AND ITS MEMBERS

AND
C.O. No. 27/M
TRUE COPY
Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore

NC ELECTRIC COMPANY LIMITED AND ITS MEMBERS

Schedule A
Amir
TJSE
24-06-2020

ARTICLE 1 DEFINITIONS

In this Scheme unless the subject or context otherwise requires the following expressions shall bear the meanings specified against them as are mentioned herein below:

“Act” shall mean the Companies Act, 2017.

“Amalgamation” shall have the same meaning as prescribed thereto in Article 4 of this Scheme;

“Assets” mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, tax exemptions, sanctions and authorizations, including all registrations, licences, no objection certificates / letters, permits, entitlements, sanctions, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, licences, liberties, secret processes, know-how, good-will and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and licences, motor vehicles, office equipment, appliances, and accessories, spare parts and tools; (iii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (iv) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company (including related deposits); and (v) the Contingent Claims, tax credits and refunds / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims;

“Claim” means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

ATTORNEY
(EXAMINER)
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Lahore High Court, Lahore
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Schedule A
Summary
TUSSE
24 Feb 2020

"Commission" shall mean the Securities and Exchange Commission of Pakistan as constituted under the Securities and Exchange Commission of Pakistan Act, 1997.

"Companies" shall mean Nishat (Chunian) Limited and NC Electric Company Limited.

"Completion Date" shall mean the day on which the Undertaking and whole Assets and liabilities along with all paraphernalia of NCECL are merged and consequently are vested into NCL by way of the order pursuant to sections 279 to 283 read with section 285(8) of the Act or any date thereafter as may be mutually agreed by and between the Companies.

"Contingent Claims" means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

"Contract" means any contracts, agreements, deeds, instruments, letters or undertakings of every description, creating any obligations enforceable against the parties, including any finance agreements;

"Court" refers to the Forum which is exercising powers pursuant to sections 279 to 283 read with section 285 of the Act along with SRO No. 840(I)/2017 dated 24.08.2017; presently the Honourable Lahore High Court, Lahore.

"Customer" means any person having entered into a transaction, arrangement or other dealing with a company;

"Effective Date" shall mean the date on which this Scheme of Compromises, Arrangements and Reconstruction shall become operative i.e. 1st July, 2020, or such other date approved/sanctioned by (i) the members of the Companies or (ii) the Honourable Court.

"Encumbrances" shall mean any and all liens, charges, mortgages, pledges, hypothecations, assignments by way of security, security interests, claims and other encumbrances of whatever nature.

"existing" means existing, outstanding or in force immediately prior to the Effective Date;

"Order Date" shall mean the date whereby this Scheme of Compromises, Arrangements and Reconstruction is sanctioned by the Honourable Court.

ATTENDED
(EXAMINER)
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Lahore High Court, Lahore
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Schedule A
T.M.M.M.
T.M.M.M.E
24-06-2020

"NCL" shall mean Nishat (Chunian) Limited, a company incorporated in Pakistan having its registered office at 31-Q, Gulberg-II, Lahore.

"NCECL" shall mean NC Electric Company Limited, a company incorporated in Pakistan, having its registered office at 31-Q, Gulberg-II, Lahore.

"Rights and Liabilities" shall mean all rights and liabilities, interest and/or duties and benefits or obligations of every kind, actual and contingent whether arising or payable under any agreement, statute, law or otherwise and whether pertaining to any Assets or otherwise and all Encumbrances and the term "Rights" and "Liabilities" are used interchangeably and / or in conjunction with each other;

"Scheme" shall mean this Scheme in its present form and/or with any modifications thereof or additions thereto as approved by the Members of the Companies and/or the Honourable Court.

"Security" or "Securities" means interest, right or title in and to any and all mortgages or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations;

"Tax" shall mean all present and future taxes, including income tax, sales tax, stamp duties, octroi, customs or excise duty, registration charges, levies, deductions, imposts, and any other charges and withholdings whatsoever, together with any interest, mark-up or penalties payable in connection with any failure to pay or delay in paying any of the above.

"Undertaking" of NCECL shall mean the entire undertakings of NCECL as at the Effective Date including all Assets, properties, rights, privileges, powers, bank accounts, leave and licenses including but not limited to Generation Licence No.SGC/115/2016 issued by the National Electric Power Regulatory Authority and all or any other assets, properties, rights, privileges, powers, contracts etc. of NCECL.

Without prejudice to the generality of the above and any overlap with the definition of Assets as defined above, Undertaking of NCECL shall include all rights, powers, authorities, privileges, contracts, benefits of Government consents, sanctions and authorizations, licenses, liberties and all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated, including in particular land, building, plant and machinery, furniture and fixture, tools and equipment, electric and gas

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installation, assets subject to finance lease, intangible fixed assets, investments, security deposit, advances, deposits, other receivables including tax credits and refunds, cash in hand, bank balances, stores and spares, stock in trade, telephones, emails, faxes, trade debts, unappropriated profit/loss and all other authorities, business operation, rights or interests in or arising out of such property as may belong to or be in the possession or claim of NCECL on the Effective Date and all books of account and documents relating thereto and shall be deemed to include all debts, finance lease, liabilities, credits, accrued and other liabilities, actual or potential third party claims against NCECL, if any, taxation and loans, duties and obligations of NCECL of whatever kind, including liabilities for payment of gratuity, provident fund or compensation in the event of retrenchment.

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

ARTICLE 2 CORPORATE INFORMATION

a. NISHAT (CHUNIAN) LIMITED

Board of Directors

Mr. Shahzad Saleem	:	Director / Chief Executive Officer
Mrs. Farhat Saleem	:	Director
Mr. Zain Shahzad	:	Director
Mr. Aftab Ahmad Khan	:	Director
Mr. Muhammad Zahid Khan	:	Director
Mr. Farrukh Ifzal	:	Director
Mr. Muhammad Ali Zeb	:	Director
Mr. Shoaib Ahmad Khan	:	Director

Ms. Samina Aslam : Company Secretary

Mr. Babar Ali Khan : Chief Financial Officer

Registered Office : 31-Q, Gulberg-II, Lahore

b. NC ELECTRIC COMPANY LIMITED

Board of Directors

Mr. Farrukh Ifzal : Director / Chief Executive Officer

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Mr. Muhammad Ashraf : Director
Mr. Mustaqeem Talish : Director

Mr. Ahmad Bilal : Company Secretary

Mr. Babar Ali Khan : Chief Financial Officer

Registered Office : 31-Q, Gulberg-II, Lahore

- c. The directors of NCL are expected to continue as the directors after the Amalgamation/Completion Date, subject to compliance with the applicable laws and/or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created.
- d. The directors of NCECL shall cease to hold office as directors without any rights to any compensation for loss of office upon the dissolution of NCECL in accordance with the provisions of this Scheme.
- e. All the directors of NCL and NCECL have interest in the Amalgamation to the extent of their respective directorships and shareholdings in the said companies (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of each company.

ARTICLE 3 SHARE CAPITAL

- a. The authorized share capital of NCL is Rs. 3,000,000,000/- divided into 300,000,000/- ordinary shares of Rs. 10/- each and its paid-up capital is Rs. 2,401,190,290/- divided into 240,119,029/- ordinary shares of Rs. 10/- each.
- b. The authorized share capital of NCECL is Rs. 1,200,000,000/- divided into 120,000,000/- ordinary shares of Rs. 10/- each and its paid-up capital is Rs. 1,200,000,000/- divided into 120,000,000/- ordinary shares of Rs. 10/- each.

ARTICLE 4 OBJECT OF THIS SCHEME

- a. The principal object of this Scheme is to ensure and effect the merger/amalgamation of NCECL (wholly-owned subsidiary of NCL) into NCL through the transfer and vesting in NCL of the Undertaking and business of NCECL together with all the property, Assets, Rights and

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duties and obligations of NCL and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen, in order to give effect to the provisions of this clause.

- e. The transfer and vesting of the Undertaking of NCECL under this Article and the continuance of legal proceedings by NCL hereof shall not affect any transactions or proceedings already concluded by NCECL in the ordinary course of business and after the Effective Date and upon the passing / approval of this Scheme and subject to the terms hereof the Sales Tax Registration of NCECL shall stand cancelled.
- f. The execution of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in NCL and / or NCECL.
- g. Upon the passing / approval of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on NCL and NCECL, and also on all the respective shareholders of NCL and NCECL, Government authorities and functionaries, the Customers of each of NCL and NCECL, the creditors of the companies and on any other person having any right or liability in relation to either of them.

ARTICLE 6 CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- a. As of the Completion Date (but with effect from the Effective Date), NCL shall undertake, pay, satisfy, discharge, perform and fulfill all debts, liabilities, contracts, engagements and obligations whatsoever of NCECL and all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and all other instruments of whatever kind subsisting or having effect immediately before the Effective Date to which NCECL may be a party or which shall be in favour of NCECL as they were before the Effective Date may be enforced or acted upon as fully and effectively as if instead of NCECL, NCL had been a party thereto or as if the same had been issued by or in favour of NCL, PROVIDED ALWAYS that the existing creditors of NCL and NCECL respectively having charges over the land, building, machinery and other fixed assets of the Companies shall continue to

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retain their security interests over the land, building, machinery and other fixed assets respectively charged in their favour.

- b. All agreements entered into by NCECL with its respective bankers, agents etc. if any, shall continue to be in full force and effect and may be enforced by or against NCL.

**ARTICLE 7
LEGAL PROCEEDINGS**

- a. All causes, suits, appeals, petitions/revisions or other judicial, quasi-judicial and/or administrative proceedings of whatever nature by or against NCECL which shall be pending on the Effective Date in or before any court, tribunal forum or other authority will be continued, prosecuted and enforced in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against NCECL as if this Scheme had not been made, by or against NCL; the same shall not abate, be discontinued or be in any way prejudiced or affected by the provisions of this Scheme.
- b. Where by virtue of this Scheme any right, Claim or Liability of NCECL becomes a right, Claim or Liability of NCL as of the Completion Date but with effect from the Effective Date, NCL shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of NCL.
- c. Any judgment or award obtained by or against NCECL, and not fully satisfied before the Effective Date / Completion Date shall at that time, to the extent to which it is enforceable by or against NCECL, become enforceable by or against NCL.

**ARTICLE 8
CONDUCT OF BUSINESS BY NCL AND NCECL TILL COMPLETION DATE**

- a. With effect from the Effective Date and up till the Completion Date NCECL shall carry on and be deemed to carry on all its business and activities and stand possessed of its properties and assets for and on account of and in trust for NCL and all the profits accruing to NCECL or losses arising or incurred by it shall, for all purposes be treated as the profits or losses of NCL.

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- b. NCECL hereby undertakes to carry on its business until the Completion Date with reasonable diligence, business prudence and shall not except in the ordinary course of business or without the prior written consent of NCL, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its Undertaking or any part thereof.

**ARTICLE 9
TRANSFER OF STAFF, WORKMEN AND EMPLOYEES**

- a. On and from the Completion Date (but with effect from the Effective Date), every officer, workman or other employee of NCECL shall become an officer, workman or employee as the case may be of NCL on the basis that his services have not been interrupted by the vesting of the Undertaking of NCECL into NCL under this Scheme and on the same remunerations and other conditions of service, rights and privileges as to provident fund and gratuity, if any, and other matters as were applicable to him before the Effective Date.

**ARTICLE 10
BASIS OF AMALGAMATION AND RECONSTRUCTION**

- a. As NCECL is the wholly-owned subsidiary of NCL the issued, subscribed and paid-up share capital appearing in the books of NCECL will be set off against the respective investments appearing in the books of NCL. Each of the assets and liabilities of NCECL as per the accounts as on the Effective Date, will form the assets and/or liabilities of corresponding nature in the books of NCL. Likewise, the unappropriated profits/losses of NCECL as on the Effective Date shall constitute as reserves of a corresponding nature of NCL. As the shares of NCECL will be set off against the investments of NCL, therefore all share certificates of NCECL shall stand cancelled.
- b. All members whose names shall appear in the Register of Members of NCECL upon the occurrence of the Completion Date, and as of the Effective Date, shall surrender their share certificates in view of cancellation thereof to NCL.

**ARTICLE 11
MODIFICATIONS / AMENDMENTS TO THE SCHEME**

- a. NCL and NCECL by their respective Directors may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Court and/or any other authorities under the law may deem fit to direct to impose or which may otherwise be considered necessary


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or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

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

ARTICLE 12
EXPENSES CONNECTED WITH THE SCHEME

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

ARTICLE 13
SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

- a. The Scheme is conditional on and subject to:
- i. Approval of the Scheme by the requisite majority of the respective members of such classes of persons of NCECL and NCL as may be directed by the Honourable Court.
 - ii. Requisite resolution(s) under the applicable provisions of the Act, being passed by the shareholders of NCECL and NCL for any of the matters provided for or relating to the Scheme as may be necessary or desirable.
 - iii. Any other sanctions or approvals of the appropriate authorities concerned, as may be necessary and appropriate by the respective board of directors of NCECL and NCL, being obtained and granted in respect of and of the matters for which such sanction or approval is required.

ARTICLE 14
COMPLETION DATE OF SCHEME

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- a. The Scheme although operative from the Effective Date shall take effect finally upon and from the date on which the last of the aforesaid sanctions or approvals or orders shall have been obtained and such date shall be the Completion Date for the purpose of the Scheme.

ARTICLE 15
DISSOLUTION OF NCECL

- a. Subject to an order being made by the Court under the relevant provisions of the Act, NCECL shall without-winding-up stand dissolved from the date on which all assets and liabilities of NCECL are appropriated and the issued, subscribed and paid-up share capital of NCECL shall stand cancelled as referred afore.

ARTICLE 16
EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

- a. In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the Court and/or the order(s) not being passed as aforesaid on or before 31-12-2020 or within such further period or periods as may be agreed upon between NCECL and NCL through their respective board of directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

ARTICLE 17
APPLICATION TO THE COURT

NCL and NCECL shall with all reasonable dispatch make applications to the Court for sanctioning the Scheme.

For Nishat (Chunian) Limited

For NC Electric Company Limited

[Signature]
Director

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C.O. No. *[Signature]*
Examiner: JIS (Commercial Branch)
Lahore High Court, Lahore
2-7-2020
Director

Dated: 27-01-2020

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Authorized under Article 87 of
The Qanun-e-Shahadat Order, 1984.
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Copy Petition No: 134680
Case No. 134680
Submission Date: 27/6/20
No of Pages: 12
Fee (Rs. 2/- Per Page): 12
Urgent Fee (Rs.): 24
Total Fee (Rs.): 48
Date of Completion: 27/6/20
Date of Delivery: 27/6/20

206/07/20