



NISHAT
CHUNIAN
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Notice of Extra Ordinary General Meeting

To be held on

March 31, 2020 (Tuesday) at 10:30 a.m.

Notice Of Extra Ordinary General Meeting

Notice is hereby given that pursuant to the order of Honourable Lahore High Court, Lahore dated February 17, 2020 passed in C.O. No. 9141 of 2020 an Extra Ordinary General Meeting (hereinafter the 'EOGM') of Nishat (Chunian) Limited (hereinafter the 'Company' or 'NCL') will be held on Tuesday, March 31, 2020 at 10:30 am, at registered office, 31-Q Gulberg II, Lahore to transact following business:

Special Business:

"To consider and if thought fit, to agree, approve and adopt Scheme of Compromises, Arrangements and Reconstruction (the 'Scheme') between Nishat (Chunian) Limited and its Members and its wholly owned subsidiary, NC Electric Company Limited (hereinafter 'NCECL') and its Members by passing or otherwise, the following resolution, with or without modification(s), addition(s) or deletion(s):

RESOLVED THAT subject to sanction by the Honourable Lahore High Court, Lahore the Scheme of Compromises, Arrangement and Reconstruction (the "Scheme") under Sections 279 to 283 and 285 read with other applicable provisions of the Companies Act, 2017 for the amalgamation/merger between Nishat (Chunian) Limited (the 'Company') and NC Electric Company Limited (Wholly owned subsidiary) approved by the Board of Directors and placed before the members of the Company, be and is hereby approved, agreed and adopted subject to any modification(s), addition(s) and deletion(s) as may be required or imposed by the Securities and Exchange Commission of Pakistan and/or the Honorable Lahore High Court, Lahore and subject to fulfillment of all requisite legal requirements.

RESOLVED FURTHER THAT, Mr. Farrukh Ifzal – Director and / or Mr. Babar Ali Khan - CFO of the Company be and is hereby authorized singly / jointly on behalf of Nishat (Chunian) Limited to take or cause to be taken any or all acts, deeds and things as may be considered necessary or appropriate for implementation of the Scheme and all actions necessary for implementation and completion of the Scheme."

Chairpersons of the meeting,

Mr. Bakhtayar Mehmood Malik

Advocate

Amir Alam Khan & Associates

3rd Floor Silver Star House,

Bank Square, The Mall, Lahore

Mr. Muhammad Haris Naeem

Advocate

Naeem Law Associates

Suite No.11-12, Second Floor,

Al-Majeed Centre, 1-Mozang Road, Lahore

Ms. Samina Aslam

Company Secretary

March 10, 2020

Notes:

1. The Statement under Section 281 of Companies Act, 2017 (hereinafter the “Act”) read with the statement of material facts under Section 134(3) of the Act (hereinafter the ‘Statement’) setting forth, inter alia, the terms of compromises, arrangements and reconstruction and explaining its effect, along with a copy of the Scheme of Compromises, Arrangements and Reconstruction (hereinafter the “Scheme”) are being circulated along with the notice of EOGM to the Members and other person(s) entitled to receive notice of EOGM and the supplement Audited Financial Accounts for the period ended December 31, 2019 are available on CD and are attached with this notice.
2. Copies of the Scheme and the Statement can also be obtained, free of charge, from the Registered Office of the Company located at 31-Q, Gulberg II, Lahore during usual business hours by the members and other persons entitled to attend the EOGM by making application addressed to the Company Secretary, Nishat (Chunian) Limited, 31-Q, Gulberg II, Lahore.
3. Copies of the Scheme, the Statement, the latest annual/quarterly Audited Financial Statements of the Company along with all published or otherwise required Financial Statements of all prior periods of the Company along with copies of its Memorandum and Articles of Association and other related information/documents have been kept at the registered office of the Company which can be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the EOGM by the members and other persons entitled to attend the EOGM. In case of any difficulty, the same should be brought immediately to the notice of the mentioned Chairperson.
4. Notice of EOGM along with the Statement, the Scheme and the latest annual / half yearly Audited Financial Statements have also been placed on website of the Company.
5. The Share Transfer Books of the Company will remain closed from March 24, 2020 to March 31, 2020 (both days inclusive). Transfers received in order at the office of Share Registrar at M/s Hameed Majeed Associate (Pvt) Limited, H.M. House, 7-Bank Square, Lahore before the close of business on March 20, 2020 will be treated in time for the purpose of attending and voting at meeting.
6. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received at the registered office of the Company not later than 48 hours before the time for holding the EOGM. Proxy form is being sent to members along with notice of EOGM.
7. Members are requested to notify immediately changes, if any, in their registered address to share registrar.
8. A member, who has deposited his/her shares in Central Depository Company of Pakistan Limited, must bring his/her Participant ID number and account/sub account number along with original CNIC or NICOP or passport at the time of attending meeting. In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of EOGM.

Appointment of Proxies:

1. In case of individuals, the account holder or sub-account holder and or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form.
2. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. Attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
4. The proxy shall produce his original CNIC or original passport at the time of EOGM.
5. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier with proxy form to the Company).
6. Pursuant to the provisions of the Act, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in EOGM. The demand for video-link facility shall be received by the Company Secretary at the Registered Office of Nishat (Chunian) Limited, 31-Q, Gulberg II, Lahore at least seven (7) days prior to the date of EOGM on the Standard Request Form which is available on the Company's website.

**Statement to the Members of the Company under SECTIONS 281(1)(a)
And 134(3) of the Companies Act, 2017**

This statement set out the material facts concerning the special business to be transacted at the EOGM and the terms of the Scheme of Compromises, Arrangements and Reconstruction (hereinafter the 'Scheme') and explains its effect including the interests of the Directors / Chief Executive of the Company and the effect of the Scheme on those interests in so far as it is different from the effect on the like interest of other persons and other ancillary information.

In Company Original No. 9141 of 2020 of High Court of Lahore has been petitioned under sections 279 to 283 read with section 285 of Companies Act, 2017 the Honourable Court has directed inter alia the extraordinary meetings of the members of the Nishat (Chunian) Limited and NC Electric Company Limited be convened for presenting the proposed scheme to the shareholders of the companies for approval of the same or otherwise under the supervision of the Chairmen appointed by the Honourable Court.

A copy of Scheme has been enclosed with the Notice of EOGM circulated to the members. A copy of the same can be obtained from the Registered Office of the Company, free of charge during usual business hours. The notice issued and published in the newspapers is for convening the special meeting of the members as directed by the Honourable Court for the purpose of presenting the proposed Scheme to the members and passing inter alia of the resolution approving or otherwise the scheme by a majority representing three-fourth in value of the issued ordinary shares held by the members as are present in person or by proxy and voting at the EOGM.

The Scheme:

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 Liabilities and obligations of every description of NCECL against set-off of the equity investment against issued, subscribed and paid-up share capital of NCECL by NCL and the dissolution of NCECL 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 (the "Amalgamation").

Approval of the Scheme:

The Board of Directors of the Company has approved the Scheme between Nishat (Chunian) Limited and NC Electric Company Limited. The resolution specified in the notice of EOGM has to be passed by majority representing three-fourth in value of the issued shares held by the shareholders present in person or by proxy and voting at the EOGM. Notice of EOGM along with Statement under 281(1)(a) read with section 134(3) of the Act, is being presented to members of the Company for considering, agreeing and approving the Scheme. The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by the Honourable Court after the members have approved the Scheme.

Filing of the Scheme:

A copy of the Scheme has been filed with the registrar, Company Registration office, Securities and Exchange Commission of Pakistan, Lahore.

Proposed Terms of the Scheme:

All the Directors / Chief Executive of Nishat (Chunian) Limited are interested to the extent of their respective shareholdings that are held by them in Nishat (Chunian) Limited and NC Electric Company Limited. The directors who are performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per respective policies of Nishat (Chunian) Limited and NC Electric Company limited.

The effect of the Scheme on the interest of Directors/CEO does not differ from its effect on the like interests of other members except as stated herein or under the Scheme.

Effective date:

The Scheme although operative from the Effective Date i.e. 01 July, 2020 shall take effect finally upon and from the completion date as defined in Article 14 of the Scheme.

Benefits of the Scheme:

The Scheme would allow the business being managed and carried out in a more effective and efficient manner, thus benefiting the members of the Company.

Report adopted by the Board of Directors as to effect of compromise on each class of members:

The Company has only one class of members. The effect of the Scheme on the interests of Directors/CEO of the Company does not differ from the effect on the like interest of other members except as stated herein and under the Scheme and that the directors of Nishat (Chunian) Limited (the 'Company') and NC Electric Company Limited and the directors/Chief Executive performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per respective policies of Nishat (Chunian) Limited (the 'Company') and NC Electric Company Limited, therefore, they may be regarded as interested to that extent in the Scheme concerning the said Companies.

Financial Statements:

Audited Financial Statements of the Company for the period ended 31 December 2019 are attached herewith. Copy of the same and previous audited / interim unaudited/reviewed Financial statements of the Company will be available at Registered Office, 31-Q, Gulberg II, Lahore during normal business hours.

Interest of directors/Chief Executive:

All the directors of the Company are interested to the extent of their respective shareholdings (as mentioned herein) and shareholding(s) of associated companies/related parties that are held by them in Nishat (Chunian) Limited (the 'Company') and NC Electric Company Limited and the directors/Chief Executive performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per respective policies of Nishat (Chunian) Limited (the 'Company') and NC Electric Company Limited.

Shareholding of Directors:

| Nishat (Chunian) Limited | | |
|---------------------------------|-------------------------|---------------------|
| Sr. No. | Name of Director | Shareholding |
| 1 | Mrs. Farhat Saleem | 2.46% |
| 2 | Mr. Shahzad Saleem | 22.85% |
| 3 | Mr. Zain Shahzad | 0.43% |
| 4 | Mr. Aftab Ahmad Khan | - |
| 5 | Mr. Muhammad Zahid Khan | - |
| 6 | Mr. Farrukh Ifzal | 0.00% |
| 7 | Mr. Muhammad Ali Zeb | - |
| 8 | Mr. Shoaib Ahmad Khan | - |

| NC Electric Company Limited | | |
|------------------------------------|-------------------------|---------------------|
| Sr. No. | Name of Director | Shareholding |
| 1 | Mr. Farrukh Ifzal | Nominee |
| 2 | Mr. Muhammad Ashraf | Nominee |
| 3 | Mr. Mustaqeem Talish | Nominee |

**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

NC ELECTRIC COMPANY LIMITED AND ITS MEMBERS

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;

"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.

“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

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

| | | |
|----------------------|---|--------------------------|
| 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

Liabilities and obligations of every description of NCECL against set-off of the equity investment against issued, subscribed and paid-up share capital of NCECL by NCL and the dissolution of NCECL 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 (the "**Amalgamation**").

ARTICLE 5 AMALGAMATION

- a. The Undertaking of NCECL as of the Completion Date and with effect from the Effective Date shall without any further act, instrument or deed, stand transferred to and be vested or deemed to have been transferred to or vested in NCL.
- b. The transfer/vesting as aforesaid shall be subject to the existing charges/hypothecation/mortgages/Securities, if any, as may be subsisting and agreed to be created over or in respect of the said Assets or any part thereof, provided however, any reference in any security documents or arrangements to which NCECL is a party wherein the assets of NCECL have been or are offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the Assets pertaining to the undertaking of NCECL and are vested in NCL by virtue of this Scheme to the end and intent that such Securities, mortgages and charges shall not extend or be deemed to extend to any of the assets of NCL, unless specially agreed to by NCL and any Customer of NCECL may only raise a Claim against such assets of NCECL that have been vested in NCL by virtue of this Scheme, PROVIDED ALWAYS that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to NCECL which shall vest in NCL on approval of this Scheme by the Court and that NCL shall not be obliged to create any further or additional security therefore after the approval of this Scheme as aforesaid or otherwise.
- c. In respect of such assets of NCECL as are movable in nature or are otherwise capable of transfer by manual/physical delivery or by endorsement and delivery, the same shall be so vested in NCL as the latter's integral part. The amount lying with the Banks to the credit of NCECL, shall become the property of NCL.
- d. All the liabilities of NCECL as of the Completion Date and with effect from the Effective Date shall without any further act, instrument or deed, stand transferred to and be vested in NCL so as to become the debts, liabilities,

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

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.

- 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

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

- 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



Director / 

CFO



Director

Dated: 27-01-2020