



# NISHAT CHUNIAN LTD.

NCL/PSX/2022  
July 20, 2022

PUCAR / Courier

The General Manager,  
Pakistan Stock Exchange Ltd.  
Stock Exchange Building,  
Stock Exchange Road,  
KARACHI

Commissioner (CLD)  
Securities & Exchanges Commission of Pakistan  
NIC Building, Jinnah Avenue, Blue Area  
63-Jinnah Avenue  
Islamabad

Director/HOD,  
Surveillance Supervision and Enforcement Department  
Securities & Exchanges Commission of Pakistan  
NIC Building, Jinnah Avenue, Blue Area  
63-Jinnah Avenue  
Islamabad.

SUB: Disclosure of Material Information

Dear Sir,

In accordance with the applicable provisions of the Securities Act, 2015 and the Rule Book of Pakistan Stock Exchange Limited, Nishat (Chunian) Limited (the 'Company') is pleased to convey the following information:

"The Honorable Lahore High Court has approved the Scheme for Compromises, Arrangements and Reconstruction between Nishat (Chunian) Limited and its subsidiaries. A Certified Copy of the court order is attached herewith.

The principal object of this scheme is:

- the separation of piece of land from Nishat (Chunian) Limited and transferring it to Nishat Chunian Properties (Private) Limited, (a 100% owned subsidiary of Nishat (Chunian) Limited) against the issuance of ordinary shares of NCPropL to NCL.
- Making NCL and Nishat (Chunian) Power Limited totally independent of each other by the transfer amongst the members of NCL of the NCPL Shares.

A disclosure form is attached herewith.

You may please to inform that TRE Certificate Holders of the Exchange accordingly

Thanking you,

Yours truly,

  
Samia Aslam  
Company Secretary





# NISHAT CHUNIAN L T D .

## Disclosure Form (Securities Act, 2015)

Name of the Company	Nishat (Chunian) Limited
Date of Report (Date of earliest event reported if applicable)	20-07-2022
Exact Name of the Company as Specified in its Memorandum	Nishat (Chunian) Limited
Registered address of the Company	31-Q Gulberg III Lahore
Contact Information	Ms. Samina Aslam Company Secretary Tel: 042-35761730-39 Fax: 042-35878696
Disclosure of inside Information in terms of the Securities Act 2015 Rule Book of Pakistan Stock Exchange Limited	<p>"The Honorable Lahore High Court has approved the Scheme for Compromises, Arrangements and Reconstruction between Nishat (Chunian) Limited and its subsidiaries. A Certified Copy of the court order is attached herewith.</p> <p>The principal object of this scheme is:</p> <ul style="list-style-type: none"><li>the separation of piece of land from Nishat (Chunian) Limited and transferring it to Nishat Chunian Properties (Private) Limited, (a 100% owned subsidiary of Nishat (Chunian) Limited against the issuance of ordinary shares of NCPropL to NCL.</li><li>Making NCL and Nishat (Chunian) Power Limited totally independent of each other by the transfer amongst the members of NCL of the NCPL Shares.</li></ul>

  
Samina Aslam  
Company Secretary

Form No:HCJD/C-121  
**ORDER SHEET**  
**IN THE LAHORE HIGH COURT, LAHORE**  
JUDICIAL DEPARTMENT

Case No.

C.O. No.12375/2022

In the matter of.

1. Nishat (Chunian) Limited.
2. Nishat Chunian Properties (Pvt.) Limited

Sr.No. of Order/ Proceeding	Date of Order/ Proceeding	Order with signatures of Judge and that of parties or counsel, where necessary.
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29.06.2022 M/s. Ahmad Pervaiz and Ali Omer, Advocates for the petitioners.  
Mr. Ruman Bilal Advocate for the SECP.

This is a joint petition filed under sections 279 to 282 and 285 of the Companies Act, 2017 (the 'Act') for sanctioning of the Scheme of Compromises, Arrangements and Reconstruction (The Scheme) entered into between petitioner No.1 (NCL) and its wholly owned subsidiary, petitioner No.2(NCP), for the separation of a Property as described in the Scheme from the petitioner No.1 and amalgamation and transfer to, and vesting in petitioner No.2 of the same against the issuance of ordinary shares of petitioner No.2 to petitioner No.1, and to transfer shares of Nishat Chunian Power Limited ('NCPL') owned by the petitioner No.1 amongst the members of petitioner No.1, and the retention of the Retained Undertaking as part of Nishat (Chunian) Limited (hereinafter referred to as the Scheme).

2. This Court on 01.03.2022, after preliminary consideration of the petitioners' petition gave directions for holding the extra ordinary general meetings of the shareholders of the petitioner companies to ascertain the wishes of the shareholders

to the Scheme of Arrangement and for this purpose appointed Mr. Mudassar Ali Hassan Advocate as Chairperson to hold and preside over said meetings and submit report. This Court also ordered for notices to be issued to the public-at-large, SECP and creditors of the companies through proclamation in the newspapers of Daily Dawn, Business Recorder and Jang under Rule 61 of the Companies (Court) Rules, 1997 which proclamations were duly published.

3. Pursuant to Rule 57 of the Companies (Court) Rules, 1997 (the 'Rules'), the Chairperson has submitted his report, which is duly supported by the relevant record. According to the report, the extraordinary general meetings of the respective petitioner companies were scheduled and notified for 11.04.2022. The copies of the dispatched notices to the shareholders of the petitioners are annexed with the report.

4. As per the report, the meetings were convened and held as per the schedule under the supervision of the Chairperson. The attendance sheets of shareholders of the petitioner companies have also been placed on record, which reflect the participation of the shareholders of the petitioners in the meetings, personally or through proxy. The Scheme of Arrangement was unanimously approved by 100% of the shareholders of the petitioner companies present, personally or through proxy, in their respective meetings and the Scheme as approved has been annexed at pages 17 to 28 of the report submitted by the Chairperson.

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Copy of Report  
Lahore High Court, Lahore  
18/4

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5. Pursuant to the notices issued by this Court, only Securities and Exchange Commission of Pakistan (SECP) filed its comments to the Scheme in which it raised various observations which were responded to by the petitioner companies in the reply submitted by them whereby most of the observations/objections of the SECP were addressed and the SECP filed a rejoinder also. During the hearing today the learned counsel for the SECP merely raised the objection that in the existing scheme some portion of the authorised share capital of petitioner No.1 is being transferred to petitioner No.2 which cannot be transferred as authorized share capital is a notional amount that represents only a permission to issue shares up to a certain limit.

6. Learned counsel for the petitioner companies has contended that once the value of authorized share capital is agreed by the shareholders and a fee is paid on it to the SECP it becomes a right of the shareholders to subscribe to the share capital of the company, and that this right to subscribe to share capital of the company is a tangible right which can be transferred, therefore, the objection of SECP is liable to be rejected. Learned counsel for the petitioner companies in support of his arguments has placed reliance on Joint Registrar of Companies, Securities and Exchange Commission of Pakistan vs Omar Iqbal Solvent (Pvt Ltd) & another 2016 CLD 902, and Messrs Omar Iqbal Solvent (Pvt) Ltd & another 2010 CLD 1802. The objection raised by the SECP regarding transfer of authorised share capital through the instant scheme as being a notional amount is not tenable in view of the law laid down by the Division

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Copy of the Court, Lahore  
18/2

2

Bench of this Honourable Court in Omar Iqbal Solvent (Pvt Ltd), relevant para of the judgment is reproduced hereunder for reference:

*"The Respondents applied for sanction of its scheme of arrangement for merger of two companies. Merger or amalgamation is the absorption of one company into another. Sanction of a scheme of arrangement by the Court under section 287 of the Ordinance means that the property of the transferor company transfers in to the transferee company. "Property" as per section 287 of the Ordinance includes rights and powers of every description. Authorized capital represents the total share capital which a company is authorized to maintain. The shareholders have agreed on this upper limit to which their paid up capital can reach. At the time of incorporation a registration fee is paid on the value of the authorized capital of the company which is provided in the Memorandum of Association of the Company To increase the authorized share capital, the company has to pass a special resolution and once approved registration fee is paid to the SECP on the revised value of the authorized share capital. Therefore the authorized share capital is the notional value which represents the ability of the shareholders to invest in the company. This value is approved by the SECP and a fee is paid on it. It is thus the right of a shareholder to subscribe to the share capital of the company. Hence it is not the notional value which is being transferred or merged but the 'right' to subscribe to the share capital of the company. This right to subscribe is covered under section*

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Copy of the Judgment  
Section 287 of the Ordinance  
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*284 read with section 287 of the Ordinance which can be transferred to the transferee company. Furthermore we are of the opinion that for the purposes of section 284 of the Ordinance, an aggregate sum of the authorized capital of both companies is calculated which is reflected in the transferee company's authorized capital. As such there is no increase in the authorized share capital which is liable to fee from the SECP. We are also of the opinion that this fee cannot be charged because it has already been paid by each company and would impose an unnecessary burden on the surviving company."* **Emphasis supplied**

Therefore, in view of the above, the objection raised by the SECP is of no consequence and is hereby rejected.

7. NCL is a public company limited by shares and has an authorized share capital of Rs. 4,200,000,000/-, divided into 400,000,000 ordinary shares of Rs. 10/- each and 20,000,000 preference shares of Rs.10 each out of which ordinary shares of the aggregate nominal value of Rs.2, 401,190,290/-, divided into 240,119,029 ordinary shares of Rs.10/ each are issued and fully paid up and the remainder are unissued shares.

8. NCP is a private company limited by shares and has an authorized share capital of Rs. 100,000/- divided into 10,000/- ordinary shares of Rs. 10/- each of which ordinary shares of the aggregate nominal value of Rs.100,000/-, divided into 10,000 ordinary shares of Rs.10/ each are issued and fully paid up.

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Copy of the decision  
Lahore High Court Lahore

2

9. None of the stakeholders, creditors, shareholders of petitioner companies, and other interested parties have come forward and raised any objection to the Scheme of Arrangement, hence this petition is allowed and the Scheme of Arrangement annexed at pages 17-28 of the report submitted by the Chairman is hereby sanctioned which Scheme shall form part of this Order. The Scheme shall take effect in accordance with section 282(3) of the Companies Act, 2017. Further, in terms of section 282 of the Act, the petitioner companies shall cause the service of certified copy of the order to the Registrar of Companies for compliance. As a result:

- a. With effect from the Effective Date as defined in the Scheme the Property owned by the petitioner No.1 be carved out of petitioner No.1 and stand merged / amalgamated with, transferred to, vested in, petitioner No.2 against the issuance of ordinary shares of petitioner No.2 to petitioner No.1, and also from the said date the shares of Nishat Chunian Power Limited (NCPL) owned by the petitioner No.1 be transferred to the members of petitioner No.1 in accordance with the Scheme. Upon the merger / amalgamation, vesting and transfer of the Property and of the shares as aforementioned the petitioner No.1 shall continue to own and operate the Retained Undertaking. The authorised share capitals of the petitioner companies shall stand altered as mentioned in the Scheme.

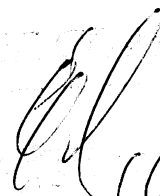


- b. Petitioner No. 2 (NCP) shall proceed to allot any share or other like interest in the company which under the Scheme are to be allotted to or for any person;
- c. All legal proceedings instituted by or against the property which may be pending, shall be continued in accordance with Article 7 of the Scheme.
- d. The Scheme shall take effect from the Effective date as defined in the Scheme and the Completion Date in terms of Article 16 thereof.
- e. Petitioner No.1 and petitioner No.2 shall deposit the requisite stamp papers in the office if any required.
10. The applicants shall be at liberty to approach this Court for seeking any further directions/modifications in the Scheme as may be considered necessary for its proper working, as required under Section 280 of the companies, Act 2017.

Examiner Copy Supply Section  
Authorized Under Article 87 of  
Constitution of Sindh Order 1991  
18/7

10/07/07  
Abdul Waheed

  
(SHAHID KARIM)  
JUDGE

  
16/7/2

Copy Petition No: 191203  
Case No: 29-06-22  
Submission Date: 7  
No of Pages: 7  
Fee (Rs. ) per Pages: 18-07-22  
Urgent Fee (if any):  
Total Fee (Rs.):  
Date of Comm:  
Date of Deliv:

19/7

1  
IN THE LAHORE HIGH COURT, LAHORE

For Private Use  
Copy of the order of the Section  
Lahore High Court, Lahore  
18/7/22  
PAKISTAN

C.O. No. 12375/2022

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

... Petitioner No. 2

✓  
S.F.C.P.  
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.

16/7/22  
Divisional DE (Company Branch)  
Lahore High Court, Lahore

2. That as per the terms and conditions entailed in the Scheme, the primary purpose thereof is to carve out and merge/amalgamate, transfer to, vest in, the land comprising Plot No. 35 measuring 04Kanals-03Marlas-93Sq.Ft. and Plot No. 36 measuring 04Kanals-04Marlas-62Sq.Ft., total measuring 08Kanals-07Marlas-155Sq.Ft. situated at Block-K, Gulberg-II, Lahore (hereinafter "**Property**") owned by the Petitioner No. 1 i.e. Nishat (Chunian) Ltd. (hereinafter "**NCL**") with and into and to be assumed by the Petitioner No. 2 i.e. Nishat Chunian Properties (Private) Ltd. (hereinafter "**NCPropL**"), as at the Effective Date, against issuance of shares by the Petitioner No. 2 in favour of the Petitioner No. 1 in accordance with the Scheme and to transfer 187,585,820 ordinary shares having the face value of Rs.10/- each of Nishat Chunian Power Ltd. (hereinafter "**NCPL Shares**") owned by the Petitioner No. 1 amongst the members of the Petitioner No. 1, as allowed under the Memorandum of Association of the Petitioner No. 1. 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 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. **ATTACHED** **COPY SENT**
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. 4,200,000,000/- (Rupees Four Billion Two Hundred Million Only) divided into 400,000,000 ordinary shares of Rs. 10/- each and 20,000,000 preference shares of Rs. 10/- each out of which, ordinary shares of the aggregate nominal value of Rs. 2,401,190,290/- (Rupees Two Billion Four Hundred One Million One Hundred Ninety Thousand Two Hundred and Ninety Only), divided into 240,119,029

ordinary shares of Rs. 10/- each are issued and fully paid up and the remainder are unissued shares. 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 Chief Financial Officer, 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.

5. That the assets and liabilities of the Petitioner No. 1 as on 31.12.2021 are detailed in the Unconsolidated Condensed Interim Statement of Financial Position for the period ended 31.12.2021 reflecting the financial position of the Petitioner No. 1. A copy of the Unconsolidated Condensed Interim Statement of Financial Position for the period ended 31.12.2021 are attached herewith as **Annexure – D**.
6. That the Petitioner No. 2 is a private limited company and has an authorized share capital of Rs. 100,000/- (Rupees One Hundred Thousand only) divided into 10,000 ordinary shares of Rs. 10/- each, of which ordinary shares of the aggregate nominal value of Rs. 100,000/- (Rupees One Hundred Thousand only), divided into 10,000 ordinary shares of Rs. 10/- each are issued and fully paid up. Petitioner No. 2 is a wholly owned subsidiary of the Petitioner No.1 and all its issued and paid up shares are held by Petitioner No. 1. 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. Farrukh Ifzal who is duly authorized to file the instant petition and is well conversant with the facts and is able to depose to the same.
7. That the Petitioner No. 2 was incorporated on January 31, 2022 and hence, no audited financial statements are available as not having become due yet.
8. That the *raison d'être* for moving the instant Petition before this Honourable Court is that the Scheme, upon approval and subsequent implementation thereof is to

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 Lahore High Court  
 Sindh Division

provide for and give effect to the separation of the Property from the Petitioner No. 1 and the amalgamation and transfer to, and vesting in the Petitioner No. 2 of the same against the issuance of 49,920,500 fully paid up Ordinary Shares of Rs. 10/- each to Petitioner No.1 at Par on the Effective Date. Furthermore, as per the Scheme the shares held by the Petitioner No. 1 in Nishat Chunian Power Limited are also to be transferred amongst the members of the Petitioner No. 1 making Petitioner No. 1 and Nishat Chunian Power Limited independent of each other. The aforementioned shares are to be transferred in the ratio of 0.78 shares of Nishat Chunian Power Limited for one fully paid up share of the Petitioner No. 1, partial shares; if any, will be rounded up if more than 0.5 shares or rounded down if less than or equal to 0.5 shares. Pursuant to the transfer of the NCPL Shares amongst the members of the Petitioner No. 1, the investment amount lying in the books of the Petitioner No. 1 shall be reduced with a corresponding decrease in the reserves of the Petitioner No. 1 by the same amount in its books. It is further submitted that under the Scheme, the creditors of the Petitioner No. 1 will remain duly secured to the same extent as they are at present. The Petitioner No. 2 has no creditors.

9. That the aforesaid Scheme, after fulfilment of statutory requirements, has to be laid before the respective shareholders of aforesaid Petitioners in an Extraordinary 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 Property of the Petitioner No. 1 would stand merged/amalgamated with, transferred to, vested in and be assumed by the Petitioner No. 2, against the issuance of shares by the Petitioner No. 2 in favour of the Petitioner No. 1, and the NCPL Shares owned by the Petitioner No. 1 shall be transferred amongst the members of the Petitioner No. 1, subject to sanction by this Honourable Court.

**ATTACHED**  
 Examiner  
 Copy Submitted Section  
 Lahore High Court, Lahore

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 arrangement, compromise and reorganization as per the Scheme, would be beneficial, *inter alia*, for the following reasons:
  - (a) That the transfer of the Property and of the NCPL Shares 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.
  - (b) That the transfer of the Property and of the NCPL Shares will, *inter alia*, with effect from the Effective Date, be in the interest of the shareholders, creditors, employees and all concerned.
  - (c) That as a consequence of transfer of the Property against issuance of shares, the Petitioners would be better able to utilize the Property for better protecting the interest of its members and for profit maximization.
  - (d) That as consequence of the transferring of the NCPL Shares by the Petitioner No. 1 amongst its members, it would help the Petitioner No. 1 focus on its core textile business and the members of the Petitioner No. 1 will have direct control over the NCPL Shares rather than an indirect control through the Petitioner No. 1. Further, the chronic issue of outstanding receivables of the power sector will not affect the Petitioner No. 1.

Copy of the Petition  
Before the Court  
Lahore

(e) That as a consequence of the aforementioned arrangement, compromise and reconstruction all the tax obligations and requirements thereof would be simplified.

(f) That upon sanction of the Scheme by this Honourable Court, an arrangement, compromise and restructuring of the Petitioner Companies will provide better opportunities for improving and modernizing their business operations.

14. That in furtherance thereto, under the Companies Act, 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;
- b. The secured creditors of the Petitioner No. 1, as per the list attached herewith;
- c. The Private Power & Infrastructure Board, Ground & 2<sup>nd</sup> Floor Emigration Tower, Sector G-8/1, Islamabad; and
- d. The public at large.

15. 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.

16. 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

*[Handwritten signature and stamp]*  
 24/08/2017  
 Section 279-283 and 285 of the Act



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.

17. 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 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 Financial 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 merger/amalgamation, vesting and transfer of the Property to the Petitioner No. 2

ATTACHED

Registrar  
Company  
Petitioner

against the issuance of ordinary shares by Petitioner No. 2 in favour of Petitioner No. 1 and also for the transfer of the NCPL shares amongst the members of the Petitioner No. 1 and the retention of the Retained Undertaking as part of Petitioner No. 1;

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.



Petitioner No. 1

through

Petitioner No. 2



**Barrister Ahmed Pervaiz**  
Advocate Supreme Court

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

Examiner Copy Supply Section  
Authorizing Number 14 of 17 of  
Qanun-e-Shahadat Order 1994

**Certificate:**

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

Advocate

16/7/2

Copy Portion No: 191203  
Case No: 29-06-22  
Submission Date: 8  
No of Pages: 24  
Fee (Rs. - Super Page): 18-07-22  
Urgent Fee (if any):  
Total Fee (Rs.):  
Date of Copy:  
Date of Delivery:

1/20/12 A (Pages - 17 to 28)  
Judge  
29-06-2012

17  
FOR FILING IN USE  
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Copy of the document  
Lahore High Court, Lahore  
18/7/12

**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION**

**(UNDER SECTION 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017)**

**AMONGST**

**NISHAT (CHUNIAN) LIMITED AND ITS MEMBERS**

**AND**

**NISHAT CHUNIAN PROPERTIES (PRIVATE) LIMITED AND ITS MEMBERS**



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*Handwritten signature and text.*

**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION  
UNDER SECTION 279 TO 283 AND 285 READ WITH OTHER ENABLING  
PROVISIONS OF THE COMPANIES ACT, 2017.**

**RECITALS**

WHEREAS, by this Scheme of Compromises, Arrangement and Reconstruction (the "Scheme"), it is, *inter alia*, proposed that:

1. The Property comprising freehold land owned by Nishat (Chunian) Limited is to be carved out and stand merged / amalgamated with, transferred to, vested in, and be assumed by Nishat Chunian Properties (Private) Limited as at the Effective Date (as defined here below), against issuance of shares by Nishat Chunian Properties (Private) Limited to Nishat (Chunian) Limited in accordance with the Scheme.
2. The NCPL Shares owned by Nishat (Chunian) Limited shall stand transferred to the members of Nishat (Chunian) Limited as also allowed under the Memorandum of Association of NCL.
3. Upon the amalgamation, vesting and transfer of the Property and the transfer of the NCPL Shares, as mentioned above in the manner prescribed under this Scheme, Nishat (Chunian) Limited shall continue to own and operate the Retained Undertaking.
4. The transfer of the Property and the NCPL Shares will result in the business of NCL being managed and carried out in a more effective, efficient and beneficial manner, thus benefitting the members of Nishat (Chunian) Limited.
5. This Scheme, if approved by the respective members of Nishat (Chunian) Limited and Nishat Chunian Properties (Private) Limited through a resolution to be passed with requisite majority and sanctioned by the honorable Court by an order passed in this respect, shall be binding on above companies along with all their members, creditors (including Banks and Financial Institutions), employees, customers, contracting parties, tax authorities, Bankers, Federal and Provincial Governments and their bodies, institutions and authorities and any other regulatory/statutory bodies of or with respect to above companies (as applicable) respectively.



*[Handwritten signature]*

**ATTACHED**  
Every copy of this document  
shall be submitted to the  
Registrar of Companies, Lahore

6. Now, Therefore, the Scheme is presented as follows:

## ARTICLE 1 DEFINITIONS

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

“Act”	means the Companies Act, 2017 and any amendment thereof.
“Assets”	means 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,



*[Signature]*

*[Signature]*

Copy to be submitted to  
Registrar of Companies

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;

**“Court”**

means the Lahore High Court, Lahore;

**“Effective Date”**

means: for the purposes of issuance of shares by Nishat Chunian Properties (Private) Limited to Nishat (Chunian) Limited in accordance with the Scheme, the date of the order of the Court sanctioning this Scheme; and the commencement date of book closure to be announced by Nishat (Chunian) Limited in accordance with Pakistan Stock Exchange Limited Regulations after the date of the order of the Court sanctioning this Scheme for transfer of NCPL Shares owned by Nishat (Chunian) Limited amongst the members of Nishat (Chunian) Limited and / or if the Court modifies the Effective Date to such other date, then the same shall be the Effective Date for the purposes of this Scheme;

**“Encumbrances”**

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

**“Filing Date”**

means the date on which the certified copy of the order of the Court sanctioning this Scheme is filed with the relevant Registrar of Companies at the SECP, Lahore;



*Signature*



Copy of the order of the Court sanctioning this Scheme is filed with the Registrar of Companies at the SECP, Lahore.

“NCL”

means Nishat (Chunian) Limited, a public limited listed company incorporated in Pakistan, having its registered office at 31-Q, Gulberg-II, Lahore, Pakistan;

“NCPropL”

means Nishat Chunian Properties (Private) Limited, a private limited company incorporated in Pakistan, having its registered office at 31-Q, Gulberg-II, Lahore, Pakistan;

“NCPL Shares”

mean 187,585,820 ordinary shares having the face value of Rs.10/- each of Nishat Chunian Power Limited, a public limited listed company incorporated in Pakistan, having its registered office at 31-Q, Gulberg-II, Lahore, Pakistan owed by NCL alongwith all rights, titles, dividend, privileges;

“Property”

means the land comprising Plot No. 35 measuring 04Kanals-03Marlas-93Sq.Ft. and Plot No. 36 measuring 04Kanals-04Marlas-62Sq.Ft., total measuring 08Kanals-07Marlas-155Sq.Ft. situated at Block-K, Gulberg-II, Lahore having acquired the same through a registered Sale Deed dated 17.05.2013 duly registered as Document No. 1431, Book No. 1, Volume No. 455 on 07.06.2013 with the Sub-Registrar, Lahore with all rights, titles, privileges, powers, license, permissions, claims, and interests including but not limited to all petitions, suits, applications or appeals, filed before or pending with any court, authority, tribunal or regulatory body, whether in its original jurisdiction or appellate jurisdiction pertaining to this land;

“Retained undertaking”

means all Assets (with all existing Encumbrances thereon, if any) and Liabilities of NCL immediately preceding the Effective Date that shall not be distributed amongst and transferred to, amalgamated or vest in NCPropL and/or the members of NCL pursuant to the Scheme;



*[Handwritten signatures]*



**“Rights and Liabilities”** 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”** means this Scheme of Compromises, Arrangement and Reconstruction in its present form with any modification of thereof or addition thereto as may be required by the Court;

**“SECP”** means Securities and Exchange Commission of Pakistan;

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

## ARTICLE 2

### NISHAT (CHUNIAN) LIMITED

NCL was incorporated as a public limited company under the repealed Companies Ordinance 1984 on February 14, 1990. It has an authorized share capital of Rs. 4,200,000,000/- (Rupees Four Billion Two Hundred Million Only) divided into 400,000,000 ordinary shares of Rs.10/- each and 20,000,000 preference shares of Rs. 10/- each out of which ordinary shares of the aggregate nominal value of Rs. 2,401,190,290/- (Rupees Two Billion Four Hundred One Million One Hundred Ninety Thousand Two Hundred and Ninety Only), divided into 240,119,029 ordinary shares of Rs.10/- each are issued and fully paid up and the remainder are unissued shares.

## ARTICLE 3

### NISHAT CHUNIAN PROPERTIES (PRIVATE) LIMITED

NCPPL was incorporated as a private limited company under the Act on January 31, 2022. It has an authorized share capital of Rs. 100,000/- (Rupees One Hundred Thousand Only)



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divided into 10,000 ordinary shares of Rs.10/- each of which ordinary shares of the aggregate nominal value of Rs. 100,000/- (Rupees One Hundred Thousand only), divided into 10,000 ordinary shares of Rs.10/- each are issued and fully paid up. NCPropL is a wholly owned subsidiary of NCL and all its issued and paid up shares are held by NCL.

#### ARTICLE 4 OBJECT OF THE SCHEME

The principal object of this Scheme is to provide for and give effect to:

- (i) the separation of the Property from NCL and the amalgamation and transfer to, and vesting in NCPropL of the same against the issuance of ordinary shares of NCPropL to NCL;
- (ii) making NCL and Nishat Chunian Power Limited totally independent of each other by the transfer amongst the members of NCL of the NCPL Shares; and
- (iii) The retention of the Retained Undertaking as part of NCL;

#### ARTICLE 5 EFFECTIVENESS OF THE SCHEME

- 5.1 This Scheme shall take effect by operations of law as of the Effective Date.
- 5.2 The transfer and vesting of the Property in NCPropL shall occur or be deemed to occur on the Effective Date in terms fully set forth in this Scheme.
- 5.3 The distribution, transfer and vesting of the NCPL Shares amongst and to the members of NCL shall occur or be deemed to occur on the Effective Date in terms fully set forth in this Scheme.
- 5.4 Until the Effective Date there is no restriction on the conduct of the business of NCL, in particular in relation to the Property and/or the NCPL Shares.



*(Signature)*



**ATTACHED**  
Copy of the Scheme  
Nishat Chunian Power Limited

- 5.5 Until the Effective Date all costs, charges and expenses incurred by NCL in relation to the Property and the NCPL Shares shall for all purposes be treated as the costs, charges and expenses of NCL and all rights, titles, assets, privileges, powers, licenses, permissions, claims, interests, liabilities and obligations of NCL which arise or accrue on or after the Effective Date relating to the Property and/or the NCPL Shares shall be deemed to be the rights, titles, assets, privileges, powers, licenses, permissions, claims, interests, liabilities and obligations of NCPropL and the members of NCL, as the case may be.

## ARTICLE 6

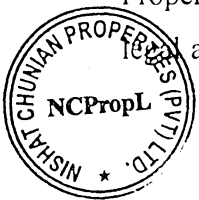
### TRANSFER OF PROPERTY AND NCPL SHARES

- 6.1 On the Effective Date:
- (a) The Property shall be transferred to and vested in or be deemed to be transferred to and vested in NCPropL pursuant to the sanction of the Scheme by the Court.
  - (b) NCPL Shares shall stand transferred to and vested in or be deemed to be transferred to and vested in the members of NCL pursuant to the sanction of the Scheme by the Court.
- 6.2 There are no encumbrances and, therefore, the Property and the NCPL Shares, shall be deemed to have been transferred without any Encumbrances.

## ARTICLE 7

### LEGAL PROCEEDINGS

All legal actions, legal proceedings, suits, appeals, petitions, revisions or other judicial, quasi-judicial and/or administrative proceedings of whatever nature by or against NCL in relation to the Property and/or the NCPL Shares which are pending immediately prior to the Effective Date before any Court, forum, regulatory body, authority, Commission, tribunal, shall not abate, be discontinued or be in anyway prejudicially affected by reason of the transfer of the Property or the distribution of the NCPL Shares or anything contained in this Scheme. Such legal action or legal proceedings (or both, if applicable) shall, as from the Effective Date, be



*[Handwritten signature]*



**ATTACHED**  
Copy of the document  
for the Court

continued, prosecuted or enforced by or against NCPropL and/or the members of NCL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against NCL if this Scheme had not been made.

## ARTICLE 8

### LICENSES/PERMITS/APPROVALS

All rights, dividends, permissions, concessions, privileges, sanctions, approvals, licenses, registrations, and entitlement in relation to the Property and the NCPL Shares to the benefits of which NCL may be eligible shall stand vested in and transferred to NCPropL or the members of NCL, as the case may be, without any further act or deed and be appropriately mutated by the relevant authorities/institutions in favor of NCPropL and the members of NCL. NCPropL and NCL must lodge a copy of this Scheme and a certified copy of the order of the Court sanctioning the Scheme, with the relevant authorities / institutions / LDA / PPIB / SECP / Tax Authorities / CDC / PSX / NCCPL / Share Registrars who shall give effect thereto.

## ARTICLE 9

### CONSIDERATION FOR ARRANGEMENT / ISSUE OF SHARES

In consideration for the transfer and vesting of the Property by NCL to NCPropL and the distribution by NCL of the NCPL Shares amongst its members:

- (a) NCPropL shall issue and allot its 49,920,500 fully paid up Ordinary Shares of Rs.10/- each to NCL at Par. The Ordinary Shares issued pursuant to this Article shall rank *pari passu* with the existing ordinary shares of NCPropL, in all respects. (From the existing authorized share capital (ordinary shares) of NCL, Rs. 500,000,000/- (Rupees Five Hundred Million) divided into 50,000,000 ordinary shares each of Rs. 10/- each shall be allocated and stand transferred to NCPropL, resultingly increasing the authorized share capital (ordinary shares) of NCPropL on and after the Effective Date to Rs. 500,100,000 (Rupee Five Hundred Million and One Hundred Thousand Only) divided into 50,010,000 ordinary shares of Rs. 10/- each and reducing the authorized share capital (ordinary shares) of NCL on and after the Effective Date to Rs. 3,500,000,000/- (Rupees Three Billion and Five Hundred Million Only) divided into 350,000,000 ordinary shares of Rs. 10/- each.)



*[Signature]* 2/2/9

ATTESTED

Examiner  
Copy of the document  
Date 2/2/9

Whereas the authorized share capital of NCL for preference shares shall remain unchanged.

- (b) NCL shall transfer to its members the NCPL Shares owned by it in the ratio of 0.78 shares of Nishat Chunian Power Limited for one fully paid up share of NCL, partial shares; if any, will be rounded up if more than 0.5 shares or rounded down if less than or equal to 0.5 shares. Pursuant to this distribution amongst and transfer to the members of NCL of the NCPL Shares, the investment amount lying in the books of NCL shall be reduced with a corresponding decrease in the reserves of NCL by the same amount in its books of account.

#### ARTICLE 10

#### DETERMINATION OF THE VALUE OF THE PROPERTY AND THE NCPL SHARES

- 10.1 The value of the Property has been determined as Rs. 499,205,000/- on the basis of valuation conducted by M/s Etimad Associates (Pvt.) Limited one of the approved valuers in the list of Pakistan Bank's Association vide its Evaluation Report issued on January 28, 2022.
- 10.2 The Investment amount lying in the books of NCL against its investment in NCPL Shares is Rs. 1,875,858,200/- (187,585,820 fully paid ordinary shares of Rupees 10 each).

#### ARTICLE 11

#### SCHEME'S EFFECT

The terms of this Scheme shall be binding by operation of law on NCL, NCPropL and also on all the members and creditors (including Banks and Financial Institutions), employees, customers, contracting parties, tax authorities, Federal and Provincial Governments, their bodies and institutions, authorities, Lahore Development Authority, Private Power Infrastructure Board, CDC, PSX, NCCPL, Share Registrars and any other regulatory/statutory bodies of or with respect to NCL, NCPropL, and the members of NCL (as applicable) respectively and on any other person having any right or liabilities in relation to either of them.

ATTACHED  
Examined  
Copy Submitted to  
Lahore High Court, Lahore



*[Handwritten signature]*



If this Scheme is sanctioned by the Court, it will override the Memorandum and Articles of Association/constitution of NCL and NCPropL, to the extent of any inconsistency. As soon as the Scheme is sanctioned by the Court, the relevant authorities/institutions including those mentioned herein shall all also comply with the Scheme sanctioned by the Court without any further act, deed or instrument.

## ARTICLE 12 RETAINED UNDERTAKING

The Assets and Liabilities forming part of the Retained Undertaking shall, on and from the Effective Date, remain the Assets and Liabilities of NCL and shall continue to be dealt with by NCL as its own business and undertaking.

## ARTICLE 13 MISCELLANEOUS

This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification of it or addition to it as the Court may approve. If the Court requires NCL and NCPropL to consent to any modification to the Scheme, such consent may be given on behalf of NCL and NCPropL by their respective Chief Executives.

## ARTICLE 14 EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses in relation to or in connection with this Scheme and of carrying out and implementing / completing the terms and provisions of this Scheme and / or incidental to the completion of the objects of the Scheme shall be borne and paid by NCL.

## ARTICLE 15 EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event this Scheme is not sanctioned by the Court for any reason or if for any other reason this Scheme cannot be implemented by or before 30 June, 2023 or within such further period or periods as may be agreed upon amongst NCL and NCPropL through their respective Board

*[Handwritten signature]*



ATTESTED  
 Copy of the Scheme  
 to be submitted to the Court

of Directors, this Scheme shall become null and void and in that event no rights or liabilities shall accrue to or be incurred *inter se* by the parties in terms of this Scheme.

## ARTICLE 16

### COMPLETION DATE OF THE SCHEME

16.1 The Completion Date for the purposes of this Scheme shall be the date on which a certified copy of the Court Order sanctioning the Scheme is issued to NCL.

16.2 Within 90 days of the Completion Date:

- (a) NCPropL shall allot and issue 49,920,500 Ordinary shares of PKR 10 each at Par value to NCL;
- (b) NCPropL shall file respective returns of allotments with the relevant Registrar, SECP; and
- (c) NCL shall announce book closure date in accordance with Pakistan Stock Exchange Limited Regulations for transfer of NCPL Shares owned by NCL amongst the members of NCL.

## ARTICLE 17

### APPLICATION TO THE COURT

NCL and NCPropL shall make a joint application to the Court for sanctioning of this Scheme.

Date: [•]  
Lahore.

Petitioner No. 1



For NCL  
(Authorised Signatory)

Examiner Copy Supply Section  
Authorised Signatory  
12/7/2017

Petitioner No. 2



For NCPropL  
(Authorised Signatory)

16/7/17  
Court, Lahore

Copy Petition No. 191203  
Case No. 29-06-22  
Submission Date: 12  
No. of Pages: 36  
Fee (Rs. 12 per Page): 432  
Urgent Fee (if any): 18  
Total Fee (Rs.): 450  
Date of Completion: 22-07-22  
Date of Delivery: 22-07-22

CPA/7