

# Notice of Annual General Meeting

Notice is hereby given that 34th Annual General Meeting of the Shareholders of Ghandhara Nissan Limited will be held on Wednesday, 19th October 2016 at 11:00 A.M., at F-3, Hub Chauki Road, S.I.T.E., Karachi, to transact the following business:

## Ordinary Business:

- To confirm the minutes of the Extraordinary General Meeting held on 8th June 2016.
- To receive, consider and approve the Audited Accounts of the Company for the year ended 30th June, 2016 together with Directors' and Auditors' Reports thereon.
- To consider and approve the payment of final Cash Dividend. The Board of Directors has recommended payment of final Cash Dividend of Rs.5/- per share (50%) for the year ended 30th June, 2016.
- To appoint Auditors for the year ending 30th June, 2017 and fix their remuneration. The retiring Auditors, M/s. Shinewing Hameed Chaudhri & Co., Chartered Accountants and M/s. Muniff Ziauddin & Co., Chartered Accountants being eligible, offer themselves for reappointment.

## Special Business:

- Alternation in Clause-78 of the Articles of Association of the Company (Qualification of Director) :

The Board of Directors, in their meeting held on 31st August, 2016 have given their consent for amending the Clause-78 of Articles of Association of the Company to be in line with Companies Ordinance 1984, the following special resolution to be approved by the shareholders at the Annual General Meeting:

“Resolved that Clause-78 of the Articles of Association of the Company be amended to be read as “A Director should be a member of the Company” and eliminate the qualification share requirement.”

- Additional investment in Ghandhara DF (Pvt.) Limited a wholly owned subsidiary company of Ghandhara Nissan Limited:

In order to enable Ghandhara DF (Pvt.) Limited to successfully execute its business plan, it is proposed to extend advance upto Rs.800 million subject to regulatory approvals.

The Board of Directors, in their meeting held on 31st August, 2016 have given their consent to seek approval of the shareholders U/S-208 of the Companies Ordinance, 1984 for this propose, and to pass the following special resolution:

“Resolved that shareholders have given their approval for the renewal of existing advance and cash advance limit already granted to Ghandhara DF (Pvt.) Ltd. (GDFPL), for its Working Capital requirements, be extended to Rs.800 million, all other terms remaining unchanged.

Further resolved that the Board of Directors be and is hereby authorized to review the said facility every year during the term of the same.”

A statement U/S 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special Business stated above is annexed to this Notice of the meeting.

- To transact any other business with the permission of the Chair.

Karachi: 26th September, 2016

**By Order of the Board**

**M. SHEHARYAR ASLAM  
(COMPANY SECRETARY)**

## NOTES:

1. The Share Transfer Books of the Company will remain closed from 13th October, 2016 to 19th October, 2016 (both days inclusive). Transfers in good order, received at the office of Company's Share Registrar M/s. THK Associates (Pvt.) Ltd., 2nd Floor, State Life Bldg. No.3, Dr. Ziauddin Ahmed Road, Karachi by the close of business on 12th October, 2016 will be treated in time for the purpose of payment of Final Dividend to the transferees.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to cast his/her vote by proxy. Proxies must be deposited at the Company's Registered Office at F-3, Hub Chauki Road, S.I.T.E., Karachi at least 48 hours before the time of the meeting.
3. Individual beneficial owners of CDC entitled to attend and vote at this meeting must bring their participant ID and account/sub-account numbers along with original CNIC or passport to verify his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signature of the nominees shall be produced (unless submitted earlier) at the time of meeting.
4. For appointing proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement alongwith participant ID and account / sub-account number together with attested copy of their CNIC or passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of Attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.
5. Members should quote their Folio Number in all correspondence and at the time of attending the Meeting.
6. Securities and Exchange Commission of Pakistan (SECP) vide notifications dated August 18, 2011 and July 05, 2012 made it mandatory that dividend warrants should bear CNIC number of the registered members, therefore, members who have not yet submitted photocopy of their valid Computerized National Identity Cards to the Company are requested to send the same at the earliest directly to M/s. THK Associates (Pvt.) Ltd., 2nd Floor, State Life Bldg. No.3, Dr. Ziauddin Ahmed Road, Karachi. Failure to provide the same would constrain the Company to withhold dispatch of dividend warrants.
7. As directed by SECP vide Circular No. 18 of 2012 dated August 18, 2012, we have already given opportunity to shareholders to authorize the Company to directly credit in his/their bank account with cash dividend, if any, declared by the Company in future. If you still wish that the cash dividend, if declared by the Company be directly credited into your bank account, instead of issuing a dividend warrant, please submit the prescribed Dividend Mandate details to Share Registrar of the Company.
8. Shareholders are informed that Income Tax Ordinance, as amended by Finance Act, 2015, has prescribed 20% withholding tax on dividend payment to non-filers while filers of income tax returns will be liable to withholding tax @12.5%. Shareholders are advised to provide their NTN to Share Registrars of the Company for availing the benefit of withholding tax rate applicable to filers.
9. To enable to make tax deduction on the amount of cash dividend @12.5% instead of 20% all the members whose names are not entered in the active tax payers list (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact the they are filers, are advised to make sure that their names are entered into ATL by October 12, 2016 otherwise tax on their cash dividend will be deducted @20% instead of 12.5%.
10. Members are requested to notify any change in their address, immediately to our Share Registrar's Office – M/s. THK Associates (Pvt.) Ltd., 2nd Floor, State Life Bldg. No.3, Dr. Ziauddin Ahmed Road, Karachi.

### **Statement U/S-160 (1)(b) of the Companies Ordinance, 1984 Investment in Ghandhara DF (Pvt.) Limited**

Ghandhara Nissan Limited has invested in a 100% owned subsidiary by the name of Ghandhara DF (Pvt.) Limited herein after referred to as GDFPL.

The principal activity of GDFPL is the assembly/progressive manufacture of Dongfeng heavy and light duty commercial vehicles in Pakistan from the CKD kits imported from Dongfeng Commercial Vehicle Company and Dongfeng Automobile Company Limited.

In order to enable GDFPL to carry out sustainable operations it is proposed to extend advance upto Rs.800 million charging interest @KIBOR+3%.

The Board is therefore pleased to share the following information with its members:-



- The purpose of investment is to enable GDFPL to import CKD kits and sell the vehicles in the commercial market that are assembled under contract Assembly agreement with GNL. This will also enable GDFPL to carry on business smoothly. Profit derived from the operations of GDFPL will accrue to GNL which may be received in the form of Dividend.
- The information required under S.R.O. 27(1)/2012 is provided below:

S.No.	Description	Information Required
i	Name of associated company or associated undertaking alongwith criteria based on which the associated relationship is established	Ghandhara DF (Private) Limited, a 100% owned subsidiary of Ghandhara Nissan Limited
ii	Amount of loans or advances	Advance to increase from previously approved Rs 500 Million to Rs 800 Million
iii	Purpose of loans and advances and benefits likely to accrue to the investing company and its members from such loans or advances.	To supplement the working capital requirements. The benefit of this arrangement is to increase revenue and in turn profits for all stakeholders of GNL.
iv	In case any loan has already been granted to the associated company or associated undertaking, the complete details thereof	Rs.500 million already granted
v	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	Please refer Annexure 1
vi	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	6 M KIBOR + 2.5%
vii	Rate of interest, mark up, profit, fees of commission, etc. to be charged	The advance will carry profit @ 6 M KIBOR + 3%
viii	Source of funds from where loans or advances will be given	Retained Earning
ix	Where loans or advances are being granted using borrowed funds: a. Justification for granting loan or advance out of borrowed funds b. Detail of guarantees / assets pledged for obtaining such funds, if any c. Repayment schedules of borrowing of the investing company	Not applicable
x	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	Not applicable
xi	If the loans or advance carry conversion feature, i.e. it is convertible to securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion maybe exercisable	Not applicable
xii	Repayment schedule and terms of loans or advances to be given to the investee company	The advance will be for a period of three years from the date of first such payment of GNL. GDFPL can repay the advance or any part thereof. Markup shall be paid by GDFPL to GNL quarterly in arrears.

xiii	Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	<p>a. GNL shall advance to GDFPL any amount as requested by GDFPL to meet its working capital requirements and to satisfy both, its obligations and operational expenses; provided that the outstanding amount at any point in time shall not exceed Rs 800 Million.</p> <p>b. GDFPL shall pay the mark-up due to GNL quarterly in arrears.</p>
xiv	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	GNL, being the parent company of GDFPL, will receive dividend. There is no direct interest of the Directors of GNL in GDFPL, except that they are nominated by GNL.
xv	Any other important detail necessary for the members to understand the transaction	<p>GDFPL, being a wholly owned subsidiary of GNL, has been engaged in CKD operations of Dongfeng vehicles during the financial year 2015-16.</p> <p>The proposed mechanism will not only augment the commercial operations of GDFPL but will also provide synergy to the stakeholder.</p> <p>In the current year revenue has increased substantially as compared to last year and is expected to increase further in the year ahead.</p>
xvi	<p>In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information is required, namely:</p> <p>a. A description of the project and its history since conceptualization</p> <p>b. Starting date and expected date of completion</p> <p>c. Time by which such project shall become commercially operational</p> <p>d. Expected return on total capital employed in the project</p> <p>e. Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts.</p>	Not applicable

### Annexure 1

#### FINANCIAL POSITION – GDFPL EXTRACTS FROM FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

(Rs.in million)

Total Assets	Rs.1,076
Total Liabilities	Rs.866
Equity	Rs.210
Revenue – Net	Rs.774
Gross Profit	Rs.103
Operating Profit	Rs.95
Net Profit After tax	Rs.50



## **ADDENDUM TO NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given to shareholders that Ghandhara Nissan Limited (“Company”) encloses an addendum (“Addendum”) to the Notice of Annual General Meeting dated 26th September, 2016 for the Company’s Annual General Meeting scheduled to be held at 11:00 A.M on 19th October, 2016.

The Company confirms that there have been no other changes to the notice of AGM dated 26th September, 2016 previously dispatched to the shareholders.

By order of the Board

**M. Shehaya Aslam**  
Company Secretary

Dated: 28th September, 2016

## **Special Business:**

Alterations in the Articles of Association of the Company:

The Board of Directors, in their meeting held on 31st August, 2016 have given their consent for incorporating the Clause-64A in Articles of Association of the Company to be in line with SECP SRO 43(1)/2016, the following special resolution to be approved by the shareholders at the Annual General Meeting to be held on October 19th, 2016:

“Resolved that, for the purpose of incorporating the facility of E-Voting in the Articles of Association of the company it is proposed to incorporate a new clause 64A in the Articles of Association which is as follows:

“The provisions and requirements for E-Voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein.””

A statement of material facts under Section 160(1)(b) of the Companies Ordinance, 1984 covering above mentioned special business is annexed with this notice of the general meeting.

## **Statement under section 160(1)(b) of the Companies Ordinance, 1984**

This statement is annexed to the Notice of the 34th Annual General Meeting of Ghandhara Nissan Limited to be held on October 19th, 2016 at which certain business are to be transacted. The purpose of this statement is to set forth the material facts concerning such special business.

SECP has issued The Companies (E-Voting) Regulations, 2016 through SRO 43(1)/2016. These regulations provide members with a right to vote at general meetings through electronic means, subject to satisfaction of certain conditions, including the amendment of Articles of Association so as to stipulate that in case of E-Voting both members and non-members can be appointed as proxy.

By order of the Board

**M. Shehayer Aslam**  
Company Secretary



GHANDHARA NISSAN LIMITED

F-3, Hub Chowki Road, S.I.T.E., Karachi-75730  
Tel: 021-32556901-10 UAN: 111-190-190 Fax: 021-32556911-12  
Email: info@ghandhara.com.pk Web: www.ghandhara.com.pk