

**Notice of Extraordinary
General Meeting**



Dawood Lawrencepur Limited
Dawood Center, M.T. Khan Road, Karachi- 75530

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the shareholders of Dawood Lawrencepur Limited (the "Company") will be held on Friday, July 12, 2019 at 10:00 a.m. at The Dawood Foundation Business Hub, Ground Floor, Dawood Centre, M.T. Khan Road, Karachi to transact the following business:

SPECIAL BUSINESS:

1. To consider and if deemed fit, to pass the following resolutions as special resolutions for a second unsecured Subordinated Loan Facility of up to PKR 1 billion for Tenaga Generasi Limited (TGL), a subsidiary company of Dawood Lawrencepur Limited.

"RESOLVED that, the approval of the Members of Dawood Lawrencepur Limited (the Company) be and is hereby granted in terms of Section 199 of the Companies Act, 2017 and all other applicable laws, for a second unsecured Subordinated Loan Facility of up to PKR 1 billion for its subsidiary, Tenaga Generasi Limited (TGL), for a period of one year as per the terms and conditions of the agreement.

FURTHER RESOLVED that, for the purpose of giving effect to this special resolution, any two of the Chief Executive Officer, the Chief Financial Officer, and the Company Secretary of the Company be and are hereby authorized jointly to take all necessary actions and do all acts, deeds and things including execution of documents and agreements for the purposes of implementing the aforesaid resolution."

2. To consider and, if thought appropriate, pass with or without modification, the following resolutions as Special Resolutions in terms of Section 199 of the Companies Act 2017, for issuance of a Corporate Guarantee in favour of Allied Bank Limited, as a security against Running Finance (RF) / Money Market Loan (MML) of Rs. 500,000,000 to be obtained by Tenaga Generasi Limited, a subsidiary company of Dawood Lawrencepur Limited.

"RESOLVED that, approval of members of Dawood Lawrencepur Limited (the "Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 for the issuance of a Corporate Guarantee in favour of Allied Bank Limited, as a security against Running Finance (RF) / Money Market Loan (MML) of Rs. 500,000,000 to be obtained by Tenaga Generasi Limited, subsidiary company of Dawood Lawrencepur Limited.

FURTHER RESOLVED that, any two of the Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company, be and are hereby authorized jointly to do all such things and take any and all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purposes of implementing this resolution including but not limited to the execution of all documents and agreements(s)."

Statements of material facts pursuant to Section 134 (3) of the Companies Act, 2017 are annexed to the notice of meeting sent to the members.

By Order of the Board

Karachi,
Dated: June 13, 2019

Imran Chagani
Company Secretary

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from Saturday, July 6, 2019 to Friday, July 12, 2019 (both days inclusive). Transfers received in order at the office of the Company's Share Registrar, Messrs. Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, by close of business on Friday, July 5, 2019, will be treated as being in time to attend and vote at the meeting.

2. Participation in the Extraordinary General Meeting:

All Members, entitled to attend and vote at the meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy need not be a member of the Company.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Registered Office at least 48 hours before the time of the meeting.

CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan (SECP) in Circular No. 1 of 2000.

A. For Attending the Meeting

- a.** In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- b.** In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

- a.** In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.
- b.** Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- c.** The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- d.** In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- e.** Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

3. Computerized National Identity Card (CNIC) / National Tax Number (NTN):

All those individual members holding physical shares who have not yet recorded their CNIC No. are once again reminded to immediately submit the copy of their CNIC to Company's Share Registrar Messrs. Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400. Members while sending CNIC must quote their respective folio numbers. The corporate members having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to Company's Share Registrar. The corporate members while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

4. Consent for Video Conference Facility

Members can also avail video conference facility under the provision of Section 134(1)(b) of Companies Act, 2017 to participate in the general meeting and consent from members as per following format. The members must hold in aggregate 10% or more shareholding residing in that city and consent of shareholders must reach at the registered address of the Company at least 10 days prior to the general meeting in order to participate in the meeting through video conference. The Company will intimate members regarding venue of video conference facility at least 7 days before the date of Extraordinary General Meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Dawood Lawrencepur Limited, holder of _____ ordinary share (s) as per Register Folio/CDC Account No _____ hereby opt for video conference facility at _____.

Signature of Members

5. Payment of Cash Dividend Electronically

Under second proviso to Section 242 of the Companies Act, 2017, listed companies are required to pay declared cash dividends only through electronic mode directly into the bank accounts designated by the entitled shareholders.

Accordingly, the shareholders of the Company are requested to provide the following information for payment of cash dividend to be declared by the Company through electronic mode directly in the bank account designated by you.

Title of Bank Account	
Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	

The shareholders are also required to intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur. In case of shares held electronically, then the above electronic credit mandate form must be submitted directly to shareholder(s)' broker/participant/CDC account services.

Statements of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the Special Business referred to the Notice above

This Statement sets out the material facts concerning the following Special Businesses to be transacted at the Extraordinary General Meeting of Shareholders of Dawood Lawrencepur Limited to be held on July 12, 2019.

The directors have certified that they have carried out necessary due diligence for the proposed investment before making recommendation for approval of the Members, that the investment is being made as financial health of the associated company is such that it has the ability to repay the financing as per agreement. A duly signed recommendation of the due diligence report shall be made available for inspection of Members in the general meeting along with latest audit annual and interim financial statements of associated company.

Item 1 of the Agenda:

The Company is seeking approval of its Members by passing special resolutions proposed herein for a second unsecured Subordinated Loan Facility of up to PKR 1 billion for Tenaga Generasi Limited (TGL), a subsidiary of the Company.

Sr. No.	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS) REGULATIONS, 2017	RELEVANT INFORMATION						
a)	Disclosure for all types of investments (A) Regarding associated company or associated undertaking: -							
	(i) Name of associated company or associated undertaking (ii) Basis of relationship (iii) Earnings per share for the last three years (PKR) (iv) Break-up value per share, based on the latest audited financial statements (v) Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Tenaga Generasi Limited (TGL). By virtue of shareholding (75%) and common directorship. <table border="0" data-bbox="525 1241 762 1286"> <tr> <td>2016</td> <td>2017</td> <td>2018</td> </tr> <tr> <td>(0.81)</td> <td>1.46</td> <td>1.61</td> </tr> </table> PKR 3,677,089,575 / 302,703,484 = 12.1 per share. Financial Position as of and for the year ended December 31, 2018.	2016	2017	2018	(0.81)	1.46	1.61
2016	2017	2018						
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		<p>Main items of Balance Sheet:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Rs. in million)</td> </tr> <tr> <td>Non-current Assets</td> <td style="text-align: right;">12,192</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">1,739</td> </tr> <tr> <td>Total Equity</td> <td style="text-align: right;">3,677</td> </tr> <tr> <td>Non-current Liabilities</td> <td style="text-align: right;">8,889</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">1,364</td> </tr> </table> <p>Main items of Profit and Loss Account:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Rs. in million)</td> </tr> <tr> <td>Sales-net</td> <td style="text-align: right;">2,295</td> </tr> <tr> <td>Profit from operations</td> <td style="text-align: right;">1,272</td> </tr> <tr> <td>Profit before taxation</td> <td style="text-align: right;">488</td> </tr> <tr> <td>Profit for the year</td> <td style="text-align: right;">488</td> </tr> </table>		(Rs. in million)	Non-current Assets	12,192	Current Assets	1,739	Total Equity	3,677	Non-current Liabilities	8,889	Current Liabilities	1,364		(Rs. in million)	Sales-net	2,295	Profit from operations	1,272	Profit before taxation	488	Profit for the year	488
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	<p>(vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:</p> <ul style="list-style-type: none"> (I) description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts. 	Not applicable																						

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	<p>(B) General Disclosure: -</p> <p>(I) maximum amount of investment to be made;</p> <p>(II) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</p> <p>(III) sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p> <p>(IV) salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</p> <p>(V) 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;</p>	<p>Subordinated Loan not exceeding PKR 1 billion for a period of one year.</p> <p>To assist TGL for meeting its working capital requirements. DLL will earn markup income from TGL on the Subordinated Loan. Period of loan is one year.</p> <p>TGL has commenced its operations in October 2016 and is not seized with sufficient free cash to meet its working capital requirements. Being the sponsor, DLL has an obligation to support Tenaga Generasi Limited for its working capital funding requirements.</p> <p>The funds to be borrowed shall be secured against a Corporate Guarantee or pledge of shares of Dawood Hercules Corporation Limited held by the Company, as per the requirement of the lender.</p> <p>Subordinated Loan will be provided from the borrowed fund for which markup shall be charged above average borrowing cost of the Company which will improve the profitability of the Company.</p> <p>The Subordinated Loan will be unsecured.</p> <p>None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed transaction, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration.</p> <p>Further, TGL is a subsidiary of DLL and 4 out of 5 directors of TGL are shareholders of DLL as follows:</p> <p>Mr. Shahid Hamid Pracha: 1,000 shares Mr. Shafiq Ahmed: 1,154 shares Mr. Mujtaba Haider Khan: 1,150 shares Mr. Inam ur Rahman: 13,234 shares</p>

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	<p>(VI) in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write off; and</p> <p>(VII) any other important details necessary for the members to understand the transaction;</p>	<p>DLL currently holds 75% of shareholding in TGL and during FY 2018, profit attributable to DLL amounted to PKR 366 million. DLL has also approved a subordinated loan facility amounting to PKR 300 million for Tenaga Generasi Limited. No impairment on investment in TGL has been recognized by DLL.</p> <p>None</p>
b)	<p>In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made: -</p>	
	<p>(I) category-wise amount of investment;</p> <p>(II) average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and</p> <p>(III) rate of return for unfunded facilities, as the case may be, for the relevant period;</p> <p>(IV) rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;</p> <p>(V) particulars of collateral or security to be obtained in relation to the proposed investment;</p> <p>(VI) if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and</p>	<p>Subordinated Loan not to exceed PKR 1 billion.</p> <p>The borrowings of the company are at rates ranging from 3 months KIBOR + 0.9% to 1.5%.</p> <p>Not applicable.</p> <p>3 months Kibor + 2.5%.</p> <p>The facility is unsecured as the Company has full oversight and is very well versed with the operations and plans of the borrowing company.</p> <p>No conversion feature.</p>

	(VII)repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	TGL to repay the loan with the accrued Profit from time to time (in full or parts thereof) within thirty (30) days of it receiving money in its Rupee Distribution Account in accordance with its Financing Agreements.
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Except to the extent as mentioned in B(v) above, the Directors of the Company have no direct or indirect interest in the above said special business except to the extent of their shareholding in the Company.

Item 2 of the Agenda:

The Company is seeking approval of its Members by passing special resolutions proposed herein to enable it to renew issuance of a Corporate Guarantee in favour of Allied Bank Limited, as a security against Running Finance (RF) / Money Market Loan (MML) of Rs. 500,000,000 to be obtained by Tenaga Generasi Limited, subsidiary company of Dawood Lawrencepur Limited.

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	<ul style="list-style-type: none"> (I) maximum amount of investment to be made; (II) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; 	<p>Corporate Guarantee in favor of financial institution on behalf of its subsidiary company to cover financial obligations under the financing agreement.</p> <p>To assist TGL for meeting its working capital requirements. Since this is a corporate guarantee, there is no cost to DLL, however DLL will recover all allied charges in connection with the issuance of the Corporate Guarantee from TGL.</p>										

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Except to the extent as mentioned in B(v) above, the Directors of the Company have no direct or indirect interest in the above said special business except to the extent of their shareholding in the Company.