

THAR POWER COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of Thar Power Company Limited will be held at 4th Floor, the Harbor Front Building, HC #3, Block 4, Marine Drive, Clifton, Karachi, on March 3, 2015 at 11 a.m.

A. ORDINARY BUSINESS

1. To receive and consider Audited Accounts for the year ended December 31, 2014 and the Directors and Auditors' Reports thereon.
2. To appoint Auditors and fix their remuneration.

B. SPECIAL BUSINESS

1. To consider, and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED that the consent of the Company (lending company) be and is hereby accorded to grant a subordinated short term loan facility up to PKR 100 million to Sindh Engro Coal Mining Company (borrowing company) till March 31, 2016 with the option to renew the facility on an annual basis at the rate which is weighted average rate of the Company's investment in savings accounts, term deposit receipts and money market mutual funds, on the day of the funds transfer, to be reset at the beginning of each quarter plus a margin of 0.5%

A statement under Section 160 of the Companies Ordinance, 1984 setting forth all material facts concerning the matter contained in the Notice is annexed to this Notice of Meeting sent to Members.

BY ORDER OF THE BOARD

MUNEEZA IFTIKAR
Company Secretary

Karachi,
Dated: 06-02-2015

N.B

- (1) The share transfer books of the Company will be closed and no transfers of shares will be accepted for registration from February 24, 2014. Transfers received in order at the Registered Office of the Company upto the close of business (5:00 p.m.) on February 23, 2014 will be in time for the purpose of the entitlements and to attend the meeting.

- (2) A member entitled to attend and vote at this Meeting shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. A proxy need not be a member of the Company.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

This Statement is being annexed to the Notice of the Annual General Meeting of Thar Power Company Limited to be held on March 3, 2015 at which certain business is to be transacted. The purpose of this Statement is to set forth, the material facts concerning such special business.

ITEM (1) OF THE AGENDA

The agenda is to approve the investment to an associate company to meet its operational requirements to ensure smooth and economical operations

The information required under SRO 27(1)/2012 is provided below:

- i) Name of Investee Company or associated undertaking along with criteria based on which the associated relationship is established:

Sindh Engro Coal Mining Company and the Company are under common management and Thar Power Company Limited is a 100% subsidiary of Sindh Engro Coal Mining Company

- ii) Amount of Loans or Advances:

Short term loan of up to PKR 100 million.

- iii) Purpose of Loans or Advances and benefits likely to accrue to the investing Company and its members from such loans or advances:

To meet the short term working capital needs of Sindh Engro Coal Mining Company Limited.

- iv) In case any Loan has already been granted to the said associate company or associated undertaking, the complete details thereof:

N/A

- 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:

Audited accounts for the year ended December 31, 2014 showed:

	<u>Rs. in Millions</u>
<u>Assets</u>	
Development Properties	1,392
Property, plant and equipment	506
Long-term investments	206
Other assets	<u>1,571</u>

Total Assets	3,675
<u>Liabilities</u>	
Borrowings	—
Other liabilities	140
<u>Equity</u>	
Total Liabilities + Equity	3,535
<u>Profit & Loss</u>	
Income	93
Operating profit	53
Profit after tax	52

vi) Average borrowing cost of the investing company

N/A

vii) Rate of interest, mark up, profit, fees or commission etc to be charged:

Weighted average rate of the Company's investment in savings accounts, term deposit receipts and money market mutual funds, on the day of the funds transfer, to be reset at the beginning of each quarter plus a margin of 0.5%.

viii) Sources of funds from where loans or advances will be given:

Surplus cash available with the Company

ix) Where loans or advances are being granted using borrowed funds; justification for granting loan or advance out of borrowed funds; detail of guarantees/assets pledged for obtaining such funds, if any; and repayment schedules of borrowing of the investing company:

N/A

x) Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any:

N/A

xi) If the loans or advances carry conversion feature:

N/A

xii) Repayment schedule and terms of loans or advances to be given to the investee company

Repayment of the short term subordinated loan shall be done within one year and the payment of markup will be on an annual basis.

xiii) Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to the proposed investment

As detailed above.

xiv) Direct or indirect interest of Directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration:

Few directors hold one share each being nominee directors.

xv) Any other important details necessary for the members to understand the transaction:

N/A

xvi) In case of investment in a project of an associated company or associated undertaking that has not commenced operations:

N/A

BY ORDER OF THE BOARD

MUNEEZA IFTIKHAR
Company Secretary

Karachi,
Dated: February 6, 2015