

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the shareholders of Thatta Cement Company Limited will be held at Beach Luxury Hotel, M. T. Khan Road, Karachi on Tuesday, October 16, 2012 at 3:00 pm to transact the following business:

A. Ordinary Business

1. To confirm the minutes of Annual General Meeting of the shareholders held on October 22, 2011.
2. To receive, consider and adopt Annual Audited Financial Statements of the Company together with the Directors' and the Auditors' reports thereon for the year ended June 30, 2012 together with the Audited Consolidated Financial Statements of the Company and the Auditors' report thereon for the year ended June 30, 2012.
3. To appoint external auditors of the Company for the year ending June 30, 2013 and fix their remuneration. The Board of Directors, on recommendation of the Audit Committee of the Company, has proposed appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants as external auditors, for the year ending June 30, 2013. The retiring auditors M/s. Hyder Bhimji & Co., Chartered Accountants being eligible have offered themselves for re-appointment. A notice under section 253(1) of the Companies Ordinance, 1984 has been received from a shareholder of the Company for the change in auditor.
4. To elect seven (7) Directors of the Company as fixed by the Board for a term of three years commencing from October 17, 2012 in accordance with the provisions of Section 178(1) of the Companies Ordinance, 1984. Retiring Directors are Mr. Muhammad Arif Habib, Mr. Muhammad Fazlullah Shariff, Mr. Nasim Beg, Mr. Shahid Aziz Siddiqui, Mr. Wazir Ali Khoja, Mr. Khawaja Mohammad Salman Younis and Mr. Naveed Rabbani.

The retiring directors are eligible for re-election.

B. Special Business

5. Amendment in the Memorandum and Articles of Association of the Company for the increase in Authorised Share Capital

To consider and approve with or without any amendment the following resolution as special resolution:

RESOLVED that Authorised Share Capital of Thatta Cement Company Limited be and hereby increased to Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into 200,000,000 (Two Hundred Million) Ordinary Shares of Rs. 10/- each from existing Authorized Share Capital of Rs. 1,000,000,000/- (Rupees One Billion Only) divided into 100,000,000 (One Hundred Million) Ordinary Shares of Rs. 10/- each.

FURTHER RESOLVED that Clause 53(iii) of the Memorandum of Association and Clause 7 of Articles of Association, be and is hereby altered and replaced to read as follows:

"The Authorized Share Capital of Thatta Cement Company Limited is Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into 200,000,000 (Two Hundred Million) Ordinary Shares of Rs. 10/- each with powers to increase or reduce the Capital and to divide the Shares for the time being into several classes, and to consolidate or sub-divide the Shares and issue Shares of the higher or lower denomination. However, that rights as between various classes of Ordinary Shares (if any) as to profits, votes and other benefits shall be strictly proportionate to the paid-up value of the Shares."

FURTHER RESOLVED that the Chief Executive and / or Company Secretary, be and hereby authorized to complete all necessary formalities in this regard.

A statement as required under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to the members along with the notice.

6. Investment under section 208 - Cement Grinding & Packing Plant in Sri Lanka

To consider and approve with or without any amendment the following resolution as special resolution:

RESOLVED that the consent and approval be and is hereby accorded under section 208 of the Companies Ordinance, 1984 for investments in associated undertaking subject to the terms and conditions mentioned in the annexed statement under section 160(1)(b) of the Companies Ordinance, 1984.

Name of Company	Proposed amount for Equity Investment
Thatta Cement Company (Pvt.) Limited	USD 3.06 million

FURTHER RESOLVED that the Chief Executive and / or the Company Secretary, be and hereby authorised to take and do and / or cause to be taken or done any / all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolution and to do all acts, matters, deeds, and things which are necessary, incidental and / or consequential to the investment of the Company's funds as above as and when required at the time of investment.

A statement as required under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to the members along with the notice.

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

By Order of the Board

Karachi: September 18, 2012

Muhammad Taha Hamdani
Company Secretary

Notes:

1. The Share Transfer Books of the Company for Ordinary Shares will remain closed from October 9, 2012 to October 16, 2012 (both days inclusive) for determining the entitlement of shareholders to attend the Annual General Meeting.
 - a. Physical transfers and deposit requests under Central Depository System received at the close of business on October 8, 2012 by the Company's Registrar i.e. Noble Computer Services (Pvt.) Limited, Mezzanine Floor, House of Habib Building (Siddiqsons Tower), 3-Jinnah Cooperative Housing Society, Main Shahrah-e-Faisal, Karachi 75350, will be treated as being in time for entitlement to attend the meeting.
 - b. A member of the Company entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her.
 - c. Duly completed forms of proxies must be received at the Head Office of the Company not less than 48 hours before the time of the meeting.
 - d. Beneficial owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd. (CDC) and / or their proxies are required to produce their original Computerized National Identity Card (CNIC) or Passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, address and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or Passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature(s) shall be submitted with the proxy form.
 - e. Every candidate contesting for election as a Director, whether he is a retiring Director or otherwise shall file with the Company not later than fourteen (14) days before the date of Annual General Meeting a notice of his intention to offer himself as a Director alongwith the consent to serve as a Director in the prescribed Form 28, a detailed profile alongwith his/her relevant declarations as required under the Code of Corporate Governance to his appointment as Director of the Company.
 - f. He/she should also confirm that:
 - i) He/she is not ineligible to become a Director of the Company under any applicable laws and regulations (including Listing Regulations of Karachi Stock Exchange).
 - ii) He/she is not serving as a Director in more than seven listed companies.
 - iii) Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor, Director or officer of a corporate brokerage house.
2. SECP has also directed vide SRO No. 831(1)/2012 dated July 05, 2012 to issue dividend warrant only crossed as "A/c Payee only" and should bear the Computerised National Identity Card (CNIC) of the registered member. Members, who have not yet submitted photocopy of their valid CNIC are requested to send the same at the earliest directly to the Company's Share Registrar.
3. As directed by SECP vide Circular No. 18 of 2012 dated June 5, 2012, we give you (the shareholder) the opportunity to authorize the Company to directly credit in your bank account with cash dividend, if any, declared by the Company in future. If you wish that the cash dividend if declared by the Company be directly credited into your bank account, instead of issuing a dividend warrant, please provide the following details:

Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Landline number of Shareholder, if any	

4. Shareholders are requested to notify immediately to Share Registrar of any change in their address.

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

Material facts concerning special business at the Annual General Meeting are given below:

1. Amendment in the Memorandum and Articles of Association of the Company for the increase in Authorised Share Capital

The existing Authorized Share Capital of the Company is Rs. 1,000,000,000/- (Rupees One Billion Only). Company needs additional funds to cater its business growth. Additionally, with great potentials for strategic investments in new and existing projects, the Company would need additional funds. The increase in Authorized Share Capital would be in the interest of the Company and its shareholders, whereas no prejudice will be caused to any shareholder. The interest of the Directors and Chief Executive Officer is only limited to the extent of their being Director and Chief Executive Officer and ordinary shareholders of the Company. It is therefore proposed to increase the Authorized Share Capital so as to enable the Company to increase its paid-up capital by offering right shares and / or bonus shares to members, in future as and when decided by the Board after fulfilling necessary regulatory requirements.

Comparative statement of proposed changes in Memorandum and Articles of Association is as follows:

Existing clause 53(iii) of the Memorandum of Association

The Authorized Capital of the Company is Rs. 1,000,000,000/- (Rupees One Billion Only) divided into 100,000,000 (One Hundred Million) Ordinary shares of Rs. 10/- each with powers to increase or reduce the Capital or to divide the Shares for the time being into several classes, and to consolidate or sub-divide the Shares and issue Shares of the higher or lower denomination.

Clause 53(iii) of the Memorandum of Association after amendment

The Authorized Share Capital of Thatta Cement Company Limited is Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into 200,000,000 (Two Hundred Million) Ordinary Shares of Rs. 10/- each with powers to increase or reduce the Capital and to divide the Shares for the time being into several classes, and to consolidate or sub-divide the Shares and issue Shares of the higher or lower denomination. However, that rights as between various classes of Ordinary Shares (if any) as to profits, votes and other benefits shall be strictly proportionate to the paid-up value of the Shares.

Existing clause 7 of the Articles of Association

The Authorized Capital of the Company is Rs. 1,000,000,000/- (Rupees One Billion Only) divided into 100,000,000 (One Hundred Million) Ordinary shares of Rs. 10/- each with powers to increase or reduce the Capital and to divide the Shares for the time being into several classes provided however, that rights as between various classes of ordinary shares (if any) as to profits, votes and other benefits shall be strictly proportionate to the paid-up value of the shares.

Clause 7 of the Articles of Association after amendment

The Authorized Share Capital of Thatta Cement Company Limited is Rs. 2,000,000,000/- (Rupees Two Billion Only) divided into 200,000,000 (Two Hundred Million) Ordinary Shares of Rs. 10/- each with powers to increase or reduce the Capital and to divide the Shares for the time being into several classes, and to consolidate or sub-divide the Shares and issue Shares of the higher or lower denomination. However, that rights as between various classes of Ordinary Shares (if any) as to profits, votes and other benefits shall be strictly proportionate to the paid-up value of the Shares.

2. Investment under section 208 - Cement Grinding & Packing Plant in Sri Lanka

2.1 The Board of Directors of Thatta Cement Company Limited has proposed the limits for equity investment along with other particulars for investment in its associated company subject to the consent of members under section 208 of the Companies Ordinance, 1984. The principle purpose of this special resolution is to obtain consent of shareholders to expand the business and increase its revenue through business venture in Sri Lanka to avail the business opportunities that exists in the overseas market.

2.2 A cement grinding and packing plant having a capacity of 1,000,000 tons per annum will be established in Sri Lanka near the port of Hambantota and a new entity will be formed and registered in Sri Lanka for this purpose under the name and style of Thatta Cement Company (Private) Limited. Total project cost is estimated to be USD 20 million which will be finance in a debt to equity ratio of 70:30. The project will be a joint venture between Thatta Cement Company Limited and an International business group and the former will be investing 51% (USD 3.06 million) equity in the project.

2.3 At present, the process for registration of Thatta Cement Company (Private) Limited has been initiated and Articles

of Association has been submitted with the Registrar of Companies in Sri Lanka. Also the Business Venture Agreement (BVA) has been submitted with the Sri Lanka Ports Authority (SLPA) which is under their consideration.

- 2.4 Further, the tenure of the project is 25 years. The construction / commissioning of the project will be completed within 24 months of signing of BVA with SLPA. This project will open new horizons of success for the Company and will result in wealth maximization of the shareholders by appreciation in market capitalization as well as in the form of regular stream of dividends.

Equity Investment

S.No.	Description	Information
1.	Name of associated company or undertaking along with criteria based on which the associated relationship is established.	Thatta Cement Company (Private) Limited, a company to be registered in Sri Lanka.
2.	Purpose, Benefits and period of investment.	To setup the cement grinding, storing and packing facility in Sri Lanka at the port of Hambantota for the benefit of the Company and to earn better returns in the long run on strategic investment by capturing the opportunities at the right time.
3.	Maximum amount of investment.	An aggregate limit of equity investment of USD 3.06 million.
4.	Maximum price at which securities will be acquired.	At par.
5.	Maximum number of securities to be acquired.	Please refer the paragraph no 2.1 to 2.4 above.
6.	Number of securities and percentage thereof held before and after the proposed investment.	Please refer the paragraph no 2.1 to 2.4 above.
7.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not applicable.
8.	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1).	Not applicable.
9.	Break-up value of securities intended to be acquired on the basis of latest audited financial statements.	Not applicable.
10.	Earnings per share of the associated company or undertaking for last three years.	Not applicable.
11.	Sources of funds from which securities will be acquired.	Company intends to offer right shares after approval from Board of Directors as well as necessary regulatory approvals.
12.	Where the securities are intended to be acquired using borrowed funds: i) Justification for investment through borrowings ; and ii) Detail of guarantees and assets pledged for obtaining such funds.	Not applicable.
13.	Salient features of agreements if any entered into with its associated company with regard to proposed investment.	Not applicable.
14.	Direct and indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated undertaking or the transaction under consideration.	None, except to the extent to their shareholding in the company.
15.	Any other important details necessary for the members to understand the transaction.	None.

S.No.	Description	Information
16.	In case of investment in securities of a project of an associated undertaking that has not commenced operations. In addition to above, the following further information is required:	
i)	description of project and its history since its conceptualization;	Please refer the paragraph no. 2.1 to 2.4 above.
ii)	starting and expected date of completion of work;	Please refer the paragraph no. 2.1 to 2.4 above.
iii)	Time by which such project shall become commercially operational;	Please refer the paragraph no. 2.1 to 2.4 above.
iv)	expected time by which the project shall start paying return on investment; and	After the start of commercial operation date.
v)	funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts.	Please refer the paragraph no. 2.1 to 2.4 above.

The Directors have no additional interest except to the extent of their shareholding in the Company.

UNDERTAKING:

The Directors of the Company hereby undertake that before presenting the aforesaid special resolution for making investments in the above referred new entity that will be formed and registered in the name and style of Thatta Cement Company (Private) Limited under the laws of Sri Lanka, that they have carried out necessary due diligence for the proposed investment.