

**NOTICE OF
EXTRA ORDINARY GENERAL MEETING**



NISHAT MILLS LIMITED

**NISHAT MILLS LIMITED
NOTICE OF EXTRA ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

Notice is hereby given that an Extra Ordinary General Meeting (“**EOGM**”) of Nishat Mills Limited (the “**Company**”) will be held on Wednesday, April 17, 2019 at 1:00 p.m. at the Nishat Hotel (Emporium Mall), Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore to transact the following special business:

Special Business:

To consider and if deemed fit, to pass the following resolutions as Special Resolutions, with or without modification, addition(s) or deletion(s):

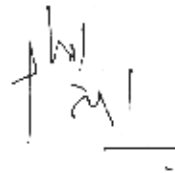
“Resolved that approval of the members of Nishat Mills Limited (the “**Company**”) be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017, and the Company be and is hereby authorized to further invest up to PKR 200 Million (Rupees Two Hundred Million Only) from time to time in Nishat Hotels and Properties Limited (“**NHPL**”), an associated company, for subscribing at Par, fully paid up 20,000,000 ordinary shares of PKR 10 each of NHPL as may be offered to the Company by NHPL pursuant to further issue of capital.”

“Resolved Further that this resolution shall be valid for a period of three (3) years starting from the date of approval by members and the Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities as may be necessary or incidental expedient for the purpose of implementing the aforesaid resolutions.”

“Resolved Further that the Company be and is hereby authorized to dispose of through any mode, a part or all of equity investments made by the Company from time to time and to dispose of and / or decline a part or all of its entitlement of right shares as and when offered by the investee companies in which the Company has made equity investment and the Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary be and are hereby authorized singly to take the decision of divestment and / or declining of right shares entitlement as and when they deemed it appropriate and necessary in the best interest of the Company and its Shareholders.”

Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to the notice of meeting circulated to the members of the Company.

BY ORDER OF THE BOARD



KHALID MAHMOOD CHOCHAN
Company Secretary

Lahore: February 26, 2019

NOTES:

1. Book Closure:

The Ordinary Shares Transfer Books of the Company will remain closed from **11-04-2019 to 17-04-2019 (both days inclusive)** for attending and voting at Extraordinary General Meeting. Physical transfers / CDS Transactions IDs received in order in all respect up to 1:00 p.m. on 10-04-2019 at Share Registrar, THK Associates (Private) Limited, **Karachi Office**, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400, **Lahore Office**, 1st Floor, DYL Motorcycles Limited Office, 147-Q Block, Behind Emporium Mall, Johar Town, Lahore, will be considered in time for attending of meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his / her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the Company.
3. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's 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 holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
 - e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
5. Members are requested to timely notify any change in their addresses.
6. Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 07 days prior to the date of the meeting on the Standard Form which can be downloaded from the company's website: www.nishatmillsltd.com

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017.

This statement sets out the material facts pertaining to the special business to be transacted at the Extra Ordinary General Meeting of the Company to be held on April 17, 2019.

Nishat Hotels and Properties Limited (NHPL) was incorporated on 04 October 2007 as a public company limited by shares. Its authorized share capital is Rs. 10,000,000,000/- (Rupees Ten Billion Only) divided into 1,000,000,000 (One Billion) ordinary shares of PKR 10 each. The principal activity of the company is to own, manage, establish and operate a shopping mall, hotels and banquet halls. For the intended purpose, NHPL has acquired Hotel site of 119 Kanals, 6 Marlas and 73 SFT of Commercial Land situated at Trade and Finance Block, Johar Town, Lahore, from Lahore Development Authority (LDA) – Urban Development Wing and constructed Emporium Mall which is fully operational since July 2016. Hotel has been opened since May 2017 and 198 rooms are fully operational. The Building has a covered area of 2.742 Million Square Feet comprising the following building components:

- 4 star hotel having 198 fully equipped rooms
- Banquet halls
- Shopping Mall with following features:
 - Retail outlets
 - Food courts
 - Cineplex
 - Hyper Star
 - Fun Factory
 - Two basements with parking bays for cars and motorcycles.

Since NHPL is now fully operational, equity investment is mainly needed by NHPL to repay the long term finances obtained from financial institutions and to meet other working capital requirements.

Nishat Mills Limited ("the Company) already had equity investment of 71,062,000 shares of Rs. 10/- each and expects significant dividends in future which will eventually enhance the return on investment of the shareholders of the Company, therefore the Directors of the Company have proposed to invest further Rs. 200,000,000 by subscribing at Par, fully paid up 20,000,000 ordinary shares of PKR 10 each of NHPL as and when offered by NHPL.

The Directors of the Company certify / undertake that the proposed investment is being recommended after due diligence. The duly signed recommendation of the due diligence report and Directors undertaking / certificate shall be made available to the members for inspection at the meeting.

NHPL is not a member of the Company. Its Sponsors / Directors are Directors / Members of the Company. They have no interest except their directorship and to the extent of their shareholding in the Company which is as follows:

Name	% of Shareholding
Mian Raza Mansha	8.41
Mian Umer Mansha	12.60
Mian Hassan Mansha	12.62

Information under Regulation 3 of The Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

Equity Investment:

(a) Disclosure for all types of investments:												
(A) Disclosure regarding associated company												
(i)	Name of Associated Company or Associated Undertaking	Nishat Hotels and Properties Limited ("NHPL")										
(ii)	Basis of Relationship	Common Directorship										
(iii)	Earnings / (Loss) per share for the last three years	<table border="1"> <thead> <tr> <th>30-Jun-18</th> <th>30-Jun-17</th> <th>30-Jun-16</th> </tr> </thead> <tbody> <tr> <td>(0.96)</td> <td>(0.23)</td> <td>(0.11)</td> </tr> </tbody> </table>	30-Jun-18	30-Jun-17	30-Jun-16	(0.96)	(0.23)	(0.11)				
		30-Jun-18	30-Jun-17	30-Jun-16								
(0.96)	(0.23)	(0.11)										
(iv)	Break-up value per share, based on last audited financial statements	Rs 8.64 as per audited financial statements of 30th June, 2018.										
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table border="1"> <thead> <tr> <th colspan="2">31-Dec-18 (Rupees)</th> </tr> </thead> <tbody> <tr> <td>Total asset</td> <td>27,317,220,647</td> </tr> <tr> <td>Total liabilities</td> <td>19,397,420,016</td> </tr> <tr> <td>Total equity</td> <td>7,919,800,631</td> </tr> <tr> <td>Net profit/(loss)</td> <td>(370,773,072)</td> </tr> </tbody> </table>	31-Dec-18 (Rupees)		Total asset	27,317,220,647	Total liabilities	19,397,420,016	Total equity	7,919,800,631	Net profit/(loss)	(370,773,072)
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Total liabilities	19,397,420,016											
Total equity	7,919,800,631											
Net profit/(loss)	(370,773,072)											
(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	N/A										
	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										
	V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts										

(B) General Disclosures:																										
(i)	Maximum amount of investment to be made	Rs. 200,000,000 (Rupees Two Hundred Million Only)																								
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To earn dividend income and / or capital gains which will enhance the profitability of Nishat Mills Limited and add to the shareholders' value of the members of the investing Company. The investment in NHPL will be for long term.																								
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	The investment will be made from Company's available funds.																								
	I Justification for investment through borrowings	NA																								
	II Detail of Collateral, guarantees provided and assets pledged for obtaining such funds	NA																								
	III Cost of benefit analysis	NA																								
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	NA																								
(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>The interest, direct or indirect in the associated company and the transaction under consideration is detailed as under:</p> <p>The directors of Nishat Mills Limited (NML), their relatives and associated companies holding shares of Nishat Hotels and Properties Limited (NHPL) are interested to the extent of their shareholding as under:</p> <table border="0"> <thead> <tr> <th><u>Directors:</u></th> <th><u>% of Shareholding</u></th> </tr> </thead> <tbody> <tr> <td>Mian Umer Mansha</td> <td>21.72</td> </tr> <tr> <td>Mian Hassan Mansha (Common Director)</td> <td>21.72</td> </tr> </tbody> </table> <table border="0"> <thead> <tr> <th><u>Relatives:</u></th> <th></th> </tr> </thead> <tbody> <tr> <td>Mian Raza Mansha (Brother of Mian Umer Mansha & Mian Hassan Mansha)</td> <td>21.70</td> </tr> <tr> <td>Mrs. Iqraa Hassan Mansha (13,902 Shares) (Spouse of Mian Hassan Mansha)</td> <td>0.00</td> </tr> </tbody> </table> <table border="0"> <thead> <tr> <th><u>Associated Companies</u></th> <th></th> </tr> </thead> <tbody> <tr> <td>D.G. Khan Cement Company Limited</td> <td>10.42</td> </tr> </tbody> </table> <p>The directors of NHPL are interested in NML to the extent of their shareholding as under:</p> <table border="0"> <thead> <tr> <th><u>Name</u></th> <th><u>% of Shareholding</u></th> </tr> </thead> <tbody> <tr> <td>Mian Raza Mansha</td> <td>8.27</td> </tr> <tr> <td>Mian Umer Mansha</td> <td>12.60</td> </tr> <tr> <td>Mian Hassan Mansha</td> <td>12.62</td> </tr> </tbody> </table>	<u>Directors:</u>	<u>% of Shareholding</u>	Mian Umer Mansha	21.72	Mian Hassan Mansha (Common Director)	21.72	<u>Relatives:</u>		Mian Raza Mansha (Brother of Mian Umer Mansha & Mian Hassan Mansha)	21.70	Mrs. Iqraa Hassan Mansha (13,902 Shares) (Spouse of Mian Hassan Mansha)	0.00	<u>Associated Companies</u>		D.G. Khan Cement Company Limited	10.42	<u>Name</u>	<u>% of Shareholding</u>	Mian Raza Mansha	8.27	Mian Umer Mansha	12.60	Mian Hassan Mansha	12.62
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		The associated Companies holding shares of NHPL are interested in Nishat Mills Limited to the extent of their shareholding as follows:									
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D. G. Khan Cement Company Limited	8.61										
(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 offs	The Company has invested in 71.062 million shares of Rs.10/- per share face value in NHPL. Since NHPL's ordinary shares are not listed, an independent valuer engaged by the company has estimated a fair value of Rs. 14.47 per ordinary share as at December 31, 2018 through a valuation technique based on discounted cash flow analysis of NHPL.									
(vii)	Any other important details necessary for the members to understand the transaction	None									
(b) Additional disclosure regarding Equity Investment											
(i)	Maximum price at which securities will be acquired	Par value of Rs. 10/- per Share									
(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	NA									
(iii)	Maximum number of securities to be acquired	20,000,000 Shares of Rs. 10/- each.									
(iv)	Number of securities and percentage thereof held before and after the proposed investment	<table border="0"> <thead> <tr> <th></th> <th style="text-align: center;">No. of Shares</th> <th style="text-align: center;">%age</th> </tr> </thead> <tbody> <tr> <td>Before</td> <td style="text-align: center;">71,062,000</td> <td style="text-align: center;">7.40</td> </tr> <tr> <td>After</td> <td style="text-align: center;">91,062,000</td> <td style="text-align: center;">7.40</td> </tr> </tbody> </table>		No. of Shares	%age	Before	71,062,000	7.40	After	91,062,000	7.40
	No. of Shares	%age									
Before	71,062,000	7.40									
After	91,062,000	7.40									
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A									
(vi)	Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities	The fair value of the share determined in terms of Regulation 5(1) is Rs. 14.47 per share based on discounted cash flows using "Free Cash Flow to the Company" at discount rate of 12.54% with 4% terminal growth rate. (Copy of fair valuation report issued by HBL Ijaz Tabussam & Co., Chartered Accountants, is available at Registered Office of the Company and can be inspected in working hours up to April 16, 2019).									

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	MCB Bank Limited	Hyundai Nishat Motor (Pvt) Limited (HNMP)		Nishat Power Limited
Total Investment Approved:	Equity investment up to Rupees 1.213 billion was approved by members in EOGM held on March 31, 2017 for the period of three (3) years.	Equity investment up to Rupees 960 million was approved by members in EOGM held on March 28, 2018.	Guarantee / continuing Stand by Letter(s) of Credit (SBLC) for an amount of up to PKR 1,200 Million for a tenure of 7.5 years	Investment up to Rupees 1,500 million by way of loans and advances was approved by members in AGM held on October 27, 2018 for the period of one (1) year.
Amount of Investment Made to date:	Investment of Rupees 503.086 million has been made against this approval to date.	Investment of Rupees 480 million has been made against this approval to date.	Nil	Nil
Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:	Partial investment has been made in investee company. Further investment will be made depending on market conditions at appropriate time.	Partial investment has been made in investee company. Commercial operations of the investee company have not yet started. Nishat Mills Limited will make further equity investment at a suitable time after considering the macro economic conditions of the country.	No guarantee has been extended after the approval because such request has not yet been made by the investee company.	No loan has been extended after the approval because funds request has not yet been made by the investee company.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2016, the basic earnings per share was Rs.19.67 and breakup value per share was Rs. 105.97. As per latest available audited financial statements for the year ended December 31, 2018 the basic earnings per share is Rs. 18.02 and breakup value per share is Rs. 125.97.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2017, the basic loss per share was Rs.5.74 and breakup value per share was Rs. 4.85. As per latest available audited financial statements for the year ended December 31, 2018 the basic loss per share is Rs. 1.44 and breakup value per share is Rs. 9.03.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2017, the basic loss per share was Rs.5.74 and breakup value per share was Rs. 4.85. As per latest available audited financial statements for the year ended December 31, 2018 the basic loss per share is Rs. 1.44 and breakup value per share is Rs. 9.03.	At the time of approval, as per available latest audited financial statements for the year ended June 30, 2018, the basic earnings per share was Rs.9.07 and breakup value per share was Rs. 46.32. As per latest available half yearly financial statements for the half year ended December 31, 2018 the basic earnings per share is Rs. 2.58 and breakup value per share is Rs. 50.18.

Form of Proxy

I/We _____

of _____

being a member of Nishat Mills Limited, hereby appoint _____

of _____

or failing him/her _____

of _____

member(s) of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Extra Ordinary General Meeting of the Company to be held on April 17, 2019 (Wednesday), at 01:00 p.m at Nishat Hotel (Emporium Mall), Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

Please
affix
revenue
stamp
Rs. 5

as witness may hand this _____ day of _____ 2019

Signed by the said member _____

in presence of _____

Signature(s) of Members(s)

Signature of witness

Name

Address

.....

CNIC #

Signature of witness

Name

Address

.....

CNIC #

Please quote:

Folio No.	Shares held	CDC A/C. No.

Important: This instrument appointing a proxy, duly completed, must be received at the Registered Office of the Company at Nishat House, 53-A, Lawrence Road, Lahore not later than 48 hours before the time to holding the general meeting.

پراکسی فارم

میں / ہم / مسماة _____ ساکن _____ ضلع _____

بحیثیت ممبر / کمپنی، مسماة _____ ساکن _____ کمپنی ممبر یا اسکی عدم موجودگی کی صورت میں

مسماة _____ ساکن _____ کمپنی ممبر کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری / ہماری جگہ اور

میری / ہماری طرف سے کمپنی کے غیر معمولی اجلاس عام جو کہ بتاریخ ۱۷ اپریل ۲۰۱۹ء بوقت دوپہر 01:00 بجے نشاط ہوٹل (امپوریم مال) ٹریڈ اینڈ فنانس سنٹر بلاک، نزد ایکسپو سنٹر، عبدالحق روڈ، جوہر ٹاؤن، لاہور میں منعقد ہو رہا ہے میں بول سکے اور ووٹ ڈال سکے۔

پانچ روپے کی ریونیو سٹیپ
چسپاں کریں

دستخط بتاریخ _____ دن _____ ۲۰۱۹ء

دستخط: _____
(دستخط کمپنی میں موجود رجسٹرڈ دستخط کے مطابق ہونے چاہیں)

گواہ کے کوائف
دستخط: _____
نام: _____
پتہ: _____
کمپیوٹر آئڈنٹیفیکیشن کارڈ نمبر: _____

گواہ کے کوائف
دستخط: _____
نام: _____
پتہ: _____
کمپیوٹر آئڈنٹیفیکیشن کارڈ نمبر: _____

فولیو نمبر: _____
سی ڈی سی کھاتا نمبر: _____
حصص کی تعداد: _____

اہم:

پراکسی فارم، کمپنی کے رجسٹرڈ آفس، نشاط ہاؤس، 53-A، لارنس روڈ، لاہور میں اجلاس کے انعقاد سے کم از کم ۳۸ گھنٹے قبل جمع کرانا لازمی ہے۔ بصورت دیگر وہ قابل قبول نہ ہوگا۔

BOOK POST

If undelivered please return to:



Registered Office:
Nishat House, 53-A, Lawrence Road, Lahore.
Tel: 042-36360154, 042-111 113 333
nishat@nishatmills.com
www.nishatmillsltd.com