

**NOTICE OF
EXTRAORDINARY GENERAL MEETING**



NISHAT MILLS LIMITED

**NISHAT MILLS LIMITED
NOTICE OF EXTRAORDINARY GENERAL
MEETING OF SHAREHOLDERS**

Notice is hereby given that an Extraordinary General Meeting of the Members of Nishat Mills Limited (the "Company") will be held on March 03, 2022 (Thursday) at 12:00 p.m. at Emporium Mall, the Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore, to transact the following business:

Special Business: -

To consider and if deemed fit, to pass the following resolutions as special resolutions under Section 199 of the Companies Act, 2017, as recommended by the Board of Directors with or without modification, addition(s) or deletion(s).

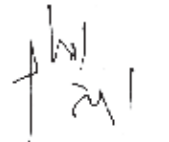
Resolved that approval of the Members of Nishat Mills Limited ("the Company") be and is hereby accorded in terms of Section 199 and other applicable provisions of the Companies Act, 2017, to increase the amount of equity investment by Rs. 1,000,000,000 in Nishat Sutas Dairy Limited (NSDL), an associated company, in the already approved amount of equity investment of up to Rs.950,000,000, for subscribing, 95,000,000 ordinary shares approved by the members under Section 199 of the Companies Act, 2017 in their Annual General Meeting held on October 28, 2019 thus making a total equity investment of Rs. 1,950,000,000 (Rupees One Billion Nine Hundred and Fifty Million Only) for subscribing, at Par, fully paid up to 195,000,000 ordinary shares of PKR 10 each of NSDL as may be offered to the Company from time to time by NSDL.

Resolved Further that this resolution shall be valid for a period of Four (4) 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 Members.

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



Lahore
February 03, 2022

KHALID MAHMOOD CHOCHAN
Company Secretary

NOTES:

BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from 25-02-2022 to 03-03-2022 (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 24-02-2022 at Share Registrar, THK Associates (Private) Limited, **Karachi Office:** 32-C, Jami Commercial Street No.2, DHA Phase VII, Karachi, **Lahore Office:** Siddique Trade Centre, Office No. PL-29, PL Floor, 72 Main Boulevard, Gulberg II, Lahore, will be considered in time, for attending of meeting.

A member eligible to attend and vote at this meeting may appoint another member his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution / power of attorney with specimen signature shall be furnished along with proxy form to the Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting.

Shareholders are requested to immediately notify the change in address, if any.

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 and their 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 and their 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.

SUBMISSION OF COPY OF CNIC (MANDATORY):

Individuals including all joint holders holding physical share certificates are requested to submit a copy of their valid CNIC if not already provided to the Company or our Share Registrar, THK Associates (Private) Limited, **Karachi Office:** 32-C, Jami Commercial Street No.2, DHA Phase VII, Karachi, **Lahore Office:** Siddique Trade Centre, Office No.PL-29, PL Floor, 72 Main Boulevard, Gulberg II, Lahore. The Shareholders while sending CNIC must quote their respective folio numbers.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and would be constrained under SECP's Order dated June 08, 2016 under Section 251(2) of the Companies Ordinance, 1984 to withhold the dispatch of dividend warrants to such shareholders.

Unclaimed Dividend / Shares:

Shareholders who could not collect their dividend / physical shares are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend or shares, if any.

Video Conference Facility:

In terms of the Companies Act, 2017, members, residing in a city, holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the Extraordinary General Meeting. The request for video-link facility shall be received by the Share Registrar at their address at least 7 days prior to the date of the meeting on the Standard Form available on the website of the Company.

Video Link Facility for Meeting: -

In light of COVID-19 situation, the Securities and Exchange Commission of Pakistan ("SECP") has advised vide Circular No. 4 of 2021 dated 15 February, 2021 to provide participation of the members through electronic means. The members can attend the EOGM via video link using smart phones / tablets. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides) / passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at kchohan@nishatmills.com or smahmood@dgcement.com by February 26, 2022.

Name of Member/Proxyholder	CNIC No.	Folio No. / CDC Account No.	Cell No. / Whatsapp No.	Email ID

Conversion of Physical Shares into Book Entry Form:

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities & Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised the listed companies to pursue their such members who still hold shares in physical form to convert their shares into book-entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any active member / stock broker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, no risk of the loss, damage or theft, no stamp duty on transfer of shares in book-entry form and hassle-free credit of bonus or right shares.

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at earliest.

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 Extraordinary General Meeting of the Company to be held on March 03, 2022.

Nishat Sutas Dairy Limited (“NSDL”) is a public limited company incorporated in Pakistan for setting up a green field project to manufacture, market, and sell various dairy products in Pakistan. NSDL aims to introduce innovative dairy products thereby creating a sustainable business for its stakeholders. Members of Nishat Mills Limited (“NML”) approved equity investment of Rs. 950 million by subscribing 95 million ordinary shares in their Annual General Meeting held on October 28, 2019. NML has invested in 94,238,500 shares of NSDL by way of equity investment and, currently, its stake is 46.31%.

NSDL started its commercial operations in September 2021 by arranging processing of milk through toll manufacturing from other various milk processing unit. However, NSDL business plan includes setting up its own factory at Plot No. 159, M-3 Industrial City, Sahianwala

Interchange, Motorway M-3, Faisalabad. The ground-breaking ceremony of the factory was held in November 2021. Since the construction cost has escalated due to devaluation of PKR to USD and massive increase in the prices of cement / steel, NSDL needs further funds to complete the project.

Considering the potential of Pakistan Dairy Market and expected dividends from equity investment in NSDL which will eventually enhance the return on investment of shareholders, the Company intends to increase the amount of equity investment by Rs. 1,000,000,000 in NSDL, in the already approved amount of equity investment of up to Rs.950,000,000, for subscribing, 95,000,000 ordinary shares approved by the members under Section 199 of the Companies Act, 2017 in their Annual General Meeting held on October 28, 2019 thus making a total equity investment of up to Rs. 1,950,000,000 (Rupees One Billion and Nine Hundred and Fifty Million Only) for subscribing, at Par, fully paid up to 195,000,000 ordinary shares of PKR 10 each of NSDL as may be offered to the Company from time to time by NSDL.

The directors have certified that they have carried out necessary due diligence for the proposed investment before making recommendation for approval of the members and duly signed recommendation of the due diligence report shall be made available for inspection of members in the general meeting along with latest financial statements of NSDL.

NSDL is not a member of the Company. Its sponsor / director is director / member of the Company and has no interest except his directorship and to the extent of his shareholding in the Company which is as follows:

Name	% of Shareholding
Mian Umer Mansha	12.60

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

Equity investment in Nishat Sutas Dairy Limited

(a) Disclosure for all types of investments:					
(A) Disclosure regarding associated company					
(i)	Name of Associated Company or Associated Undertaking	Nishat Sutas Dairy Limited (“ NSDL ”)			
(ii)	Basis of Relationship	Common Directorship			
(iii)	Earnings / (Loss) per Share for the last three years	PKR (2.29) – 2019 – Audited PKR (1.19) – 2020 – Audited PKR (1.62) for nine month period ended September 2021 – un-audited			
(iv)	Break-up value per Share, based on last audited financial statements	PKR 8.10 per share as at 31 December 2020 (audited). PKR 8.33 per share as at 30 September 2021 (Un-audited).			
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Statement of Financial Position as on 30 September 2021 (un-audited):			
		Equity & Liabilities	Rs.	Assets	Rs.
		Equity	996,683,607	Non-Current Assets	345,020,719
		Non-Current Liabilities	3,697,000		
		Current Liabilities	33,585,711	Current Assets	688,945,599
			1,033,966,318		1,033,966,318
		Profit and loss account for the nine month period ended 30 September 2021 (Un-audited):		Rs.	
Revenue			46,371,609		
Expenses			170,846,728		
Other Income			15,680,058		
Loss after tax			108,795,061		
(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				
	I	Description of the project and its history since conceptualization	NA		
	II	Starting date and expected date of completion of work	NA		
	III	Time by which such project shall become commercially operational	NA		

	IV	Expected time by which the project shall start paying return on investment	NA
	V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	NA
(B) General Disclosures:			
(i)		Maximum amount of investment to be made	PKR 1,950,000,000/- (Rupees One Billion Nine Hundred Fifty Million Only). This is after the enhancement of PKR 1,000,000,000/- from the already approved amount of PKR 950,000,000/-.
(ii)		Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To benefit from dairy sector development due to consumer demand and dairy development initiatives.</p> <p>The investment will help the completion of the Project and expected to result in dividend income and / or capital gains which will enhance the profitability of the Company and add to the value of the members of the investing company.</p> <p>The investment in NSDL will be for long term.</p>
(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 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 Sutas Dairy Limited (NSDL) are interested to the extent of their shareholding as under:-</p> <p>Directors: % of Shareholding NIL</p> <p>Relatives: Mrs. Saadia Younas Mansha 0.00 (1Share) (Spouse of Mian Umer Mansha)</p>

		<p>Associated Companies Nishat Agriculture Farming (Pvt) Ltd 3.69%</p> <p>The directors of NSDL are interested in NML to the extent of their shareholding as under:-</p> <table border="0"> <tr> <td>Name</td> <td>% of Shareholding</td> </tr> <tr> <td>Mian Umer Mansha</td> <td>12.60</td> </tr> </table> <p>The associated Companies holding shares of NSDL are interested in NML to the extent of their shareholding as follows:</p> <p>Nil</p>	Name	% of Shareholding	Mian Umer Mansha	12.60					
Name	% of Shareholding										
Mian Umer Mansha	12.60										
(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	Nishat Mills Limited has already made an equity investment of Rs 942,385 million in the associated company as per the approval accorded by the members in their AGM held on October 28, 2019.									
(vii)	Any other important details necessary for the members to understand the transaction	None									
(C) Additional disclosure regarding Equity Investment											
(i)	Maximum price at which securities will be acquired	Since the Project is a Greenfield Project, the shares will be acquired, at par value, of PKR 10 each.									
(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	195,000,000 Shares (Previously 95,000,000 shares, increment of 100,000,000 shares)									
(iv)	Number of securities and percentage thereof held before and after the proposed investment	<table border="0"> <tr> <td></td> <td>No. of Shares</td> <td>%age</td> </tr> <tr> <td>Before</td> <td>94,238,500</td> <td>46.31</td> </tr> <tr> <td>After</td> <td>195,000,000</td> <td>49.00 approximately</td> </tr> </table>		No. of Shares	%age	Before	94,238,500	46.31	After	195,000,000	49.00 approximately
	No. of Shares	%age									
Before	94,238,500	46.31									
After	195,000,000	49.00 approximately									
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	NA									
(vi)	Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities	PKR 11.65 per share									

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 (Private) Limited		Nishat Hotels and Properties Limited	Nishat Sutas Dairy Limited	
Total Investment Approved:	Equity investment up to Rupees 2.144 billion for the period of three (3) years was approved by members in EOGM held on March 31, 2020.	Equity investment up to Rupees 960 million was approved by members in EOGM held on March 28, 2018 which was subsequently enhanced up to Rs. 1,267.680 million for a period of four (4) years by members in AGM held on October 28, 2019.	Guarantee / continuing Stand by Letter(s) of Credit (SBLC) for an amount of up to Rupees 1,200 million was approved by members in EOGM held on March 28, 2018 which was subsequently enhanced up to Rupees 1,532.544 million for a tenure of 7.5 years by members in AGM held on October 28, 2019.	Equity investment up to Rupees 200 million was approved for the period of three (3) years by members in EOGM held on April 17, 2019.	Equity investment up to Rupees 950 million was approved for the period of three (3) years by members in AGM held on October 28, 2019.	Corporate guarantee for an amount of up to Rupees 2,250 million was approved by members in EOGM held on December 15, 2020 for a tenure of 11 years.
Amount of Investment Made to date:	Nil	Investment of Rupees 1,138.476 million has been made against this approval to date.	Guarantees/ Stand by Letter(s) of Credit (SBLC) of up to Rs. 1,523.606 million have been issued against this approval to date.	Investment of Rupees 29.61 million has been made against this approval to date.	Investment of Rupees 942.385 million has been made against this approval to date.	Corporate guarantees of up to Rs. 1,750 million have been issued against this approval to date.
Reasons for deviations from the approved timeline of investment, where investment was to be implemented in specified time:	No investment has been made in investee company after the approval. Investment will be made depending on market conditions at appropriate time.	Partial investment has been made in investee company. Further investment will be made depending on the financial need of investee company.	Eight guarantees/ Stand by Letter(s) of Credit (SBLC) from different banks have been extended after the approval. Further guarantees/ SBLC will be arranged on	Partial investment has been made in investee company. Further investment will be made depending on the financial need of investee company.	Partial investment has been made in investee company. More investment will be made as soon as investee company issues further right shares.	Two corporate guarantees from different banks have been extended after the approval. Further guarantees will be arranged on requirement of

Continue

Name of Investee Company	MCB Bank Limited	Hyundai Nishat Motor (Private) Limited	Nishat Hotels and Properties Limited	Nishat Sutas Dairy Limited
Material change in financial statements of company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of Approval, as per latest available audited financial statements for the year ended December 31, 2019 the basic earnings per share was Rs. 20.23 and breakup value per share was Rs. 142.54. As per latest available audited financial statements for the year ended December 31, 2020 the basic earnings per share was Rs. 24.50 and breakup value per share was Rs. 160.42. As per latest available nine month ended financial statements for the period ended September 30, 2021 the basic earnings per share is Rs. 19.03 and breakup value per share is Rs. 149.90.	At the time of Approval, as per latest available audited financial statements for the year ended December 31, 2018 the basic loss per share was Rs. 1.44 and breakup value per share was Rs. 9.03. As per latest available audited financial statements for the year ended December 31, 2020 the basic loss per share was Rs. 1.44 and breakup value per share was Rs. 9.03. As per latest available audited financial statements for the year ended December 31, 2021 the basic loss per share was Rs. 1.14 and breakup value per share is Rs. 6.97. As per latest available nine month ended financial statements for the period ended September 30, 2021 the basic earnings per share is Rs. 1.03 and breakup value per share is Rs. 8.06.	At the time of approval, as per latest available audited financial statements for the year ended June 30, 2018, the basic loss per share was Re.0.30 and breakup value per share was Rs. 12.65. As per latest available audited financial statements for the year ended December 31, 2020 the basic loss per share is Rs. 1.19 and breakup value per share is Rs. 1.14. As per latest available quarter ended financial statements for the quarter ended September 30, 2021 the basic earnings per share is Re. 0.05 and breakup value per share is Rs. 18.88.	At the time of approval, the investee company had not commenced its operations, therefore EPS and breakup value of share was not available. As per latest audited financial statements for the year ended December 31, 2020 the basic loss per share is Rs. 1.19 and breakup value per share is Rs. 8.10. As per latest available nine month ended financial statements for the period ended 30 September 2021, the basic loss per share is Rs. 1.62 and breakup value per share is Rs. 8.33.

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 Extraordinary General Meeting of the Company to be held on March 03, 2022 (Thursday) at 12:00 p.m. at Emporium Mall, the Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

as witness may hand this _____ day of _____ 2022

Signed by the said member _____

in presence of _____

Please
affix
revenue
stamp
Rs. 50

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 of holding the general meeting.

پراکسی فارم

میں / ہم کسی / مسماة _____ ساکن _____ ضلع _____

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

کسی / 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 ۳ مارچ ۲۰۲۲ء بوقت دوپہر 12:00 بجے امپوریم مال، نشاط ہٹل ٹریڈ اینڈ فنانس سنٹر بلاک، نزد ایکسپو سنٹر، عبداللہ روڈ،

جوہڑاؤن، لاہور میں منعقد ہو رہا ہے میں بول سکتے اور ووٹ ڈال سکتے۔

دستخط بتاریخ _____ دن _____ ۲۰۲۲ء

پچاس روپے کی ریونیوسٹیپ
چسپال کریں

گواہ کے کوائف

دستخط: _____

نام: _____

پتہ: _____

کمپیوٹر آئڈنٹیفیکیشن کارڈ نمبر: _____

دستخط: _____

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

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