

NISHAT MILLS LIMITED



NML-PSX-304

March 02, 2023

The General Manager,
Pakistan Stock Exchange Ltd,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

PUCARS / TCS

SUB: NOTICE OF EXTRAORDINARY GENERAL MEETING

Dear Sir,

Further to our Letter No. NML-PSX/258 dated February 20, 2023, enclosed please find a copy of the Notice of Extra Ordinary General Meeting of the Members of **Nishat Mills Limited** to be held on March 31, 2023 (Friday) at 11:00 a.m. for circulation amongst the TRE certificate holders.

Thanking you,

Yours sincerely,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

Copy to: -

The Director / HOD,
Surveillance, Supervision and Enforcement Department,
Securities & Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue, Blue Area,
Islamabad.

Fax No. (051) 9100440/TCS

NISHAT MILLS LIMITED



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting ("EOGM") of the members of **Nishat Mills Limited** (the "Company") will be held on March 31, 2023 (Friday) at 11:00 A.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:

To elect Seven (7) Directors of the Company, as fixed by the Board of Directors, for the next term of three years, in accordance with the provisions of Section 159 of the Companies Act, 2017, in place of following retiring Directors who are eligible to offer themselves for re-election: -

- | | | | |
|----|--------------------|----|--------------------------|
| 1. | Mian Umer Mansha | 2. | Mian Hassan Mansha |
| 3. | Mrs. Mehak Adil | 4. | Mrs. Sara Aqeel |
| 5. | Syed Zahid Hussain | 6. | Mr. Farid Noor Ali Fazal |
| 7. | Mr. Mahmood Akhtar | | |

A Statement of Material Facts as required under Section 166(3) of the Companies Act, 2017 concerning the manner of selection of Independent Directors 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
March 02, 2023

NOTES:

BOOK CLOSURE NOTICE:-

The Ordinary Shares Transfer Books of the Company will remain closed from **18-03-2023 to 31-03-2023 (both days inclusive)** for attending and voting at Extra Ordinary General Meeting and Election of Directors. Physical transfers / CDS Transactions IDs received in order in all respect upto 1:00 p.m. on 17-03-2023 at Share Registrar, THK Associates (Private) Limited, **Karachi Office**, Plot No. 32-C, Jami Commercial Street No. 2, DHA Phase VII, Karachi, **Lahore Office**, THK Associates (Private) Limited, Office No. 309, 3rd Floor, North Tower, LSE Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore, will be considered in time for attending of meeting and Election of Directors.

Proxies

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

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Participant Account Number to produce at the time of attending the meeting. The proxy shall produce his / her original valid CNIC or original passport at the time of meeting.

Shareholders are requested to immediately notify the Company of 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 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. Proxyholder must be a member and 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.

Election of Directors:

Any person (including a retiring Director) who seeks to contest election of directors shall file with the Company at its registered office, Nishat House, 53-A, Lawrence Road, Lahore, not later than 14 days before the said meeting his / her intention to offer himself / herself for the election of the directors in terms of Section 159(3) of the Companies Act, 2017 together with:

- i) Notice of his / her intention to stand for election, along with duly completed and signed Form 28 giving his / her consent to act as Director of the Company if elected (under Section 167(1) of the Companies Act, 2017), and certify that he is not ineligible to become a Director under any applicable laws, Rules and Regulations.
- ii) Detailed profile along with office address to be placed on the Company's website seven days prior to the date of election in term of SECP's SRO 1196(1)/2019 of 3rd October 2019.

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- iii) Declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017 to act as the director of a listed company.
- iv) Attested copy of valid CNIC/Passport and NTN.
- v) Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulation 2019.
- vi) Undertaking on non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

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 annual general meeting. The request for video-link facility shall be received by the Share Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form placed in the annual report which is also 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 AGM 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 March 24, 2023.

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

E-voting / Postal Ballot Facility

The shareholders will be allowed to exercise their right to vote through e-voting / postal ballot subject to the provisions of the Companies Act, 2017 and the Companies (Postal Ballot) Regulations, 2018.

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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 OF MATERIAL FACTS **UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017**

Pursuant to the requirements of Section 166(3) of the Companies Act, 2017, independent directors will be elected through the process of election of directors as laid down under Section 159 of the Companies Act, 2017.

The company shall exercise due diligence before selecting a person from the data bank that the contestant meets the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017 and are competent and experienced.

The candidates are requested to read the relevant provisions/requirements relating to the appointment/election of directors, as mentioned in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 and ensure compliance with the same in letter and spirit.

The present directors are interested to the extent that they are eligible for re-election as Directors of the Company, subject to eligibility criteria.

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

Name of Investee Company	Total Investment Approved	Amount of Investment Made to date	Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company
MCB Bank Limited	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.	Investment of Rupees 819.137 million has been made against this approval to date.	Partial investment has been made in investee company. Further investment will be made depending on the financial need of investee 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, 2022 the basic earnings per share was Rs. 27.63 and breakup value per share was Rs. 159.90.
Hyundai Nishat Motor (Private) Limited	Equity investment up to Rupees 1.080 billion was approved by members in AGM held on October 28, 2022.	Investment of Rupees 1.080 billion has been made against this approval to date.	Full investment has been made in investee company.	At the time of Approval, as per latest available audited financial statements for the year ended December 31, 2021 the basic earnings per share was Rs. 1.44 and breakup value per share was Rs. 8.22. As per latest available un-audited nine-month period financial statements for the period ended September 30, 2022 the

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				basic earnings per share is Re. 1.00 and breakup value per share is Rs. 9.32.
	<p>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.</p>	<p>Guarantees/ Stand by Letter(s) of Credit (SBLC) of up to Rs. 1,486.166 million have been issued against this approval to date.</p>	<p>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 requirement of investee company.</p>	<p>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, 2021 the basic earnings per share was Rs. 1.44 and breakup value per share was Rs. 8.22. As per latest available un-audited nine-month period financial statements for the period ended September 30, 2022 the basic earnings per share is Re. 1.00 and breakup value per share is Rs. 9.32.</p>
<p>Nishat Sutas Dairy Limited</p>	<p>Equity investment up to Rupees 950 million was approved by members in AGM held on October 28, 2019 which was subsequently enhanced up to Rs. 1,950 million for a period of four (4) years by</p>	<p>Investment of Rupees 1,552.374 million has been made against this approval to date.</p>	<p>Partial investment has been made in investee company. More investment will be made as soon as investee company issues further right shares.</p>	<p>At the time of approval, as per latest available audited financial statements for the year ended December 31, 2021 the basic loss per share was Rs. 3.58 and breakup value per share was Rs. 8.09. As per latest available un-audited nine-month period financial statements for the</p>

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	members in EOGM held on 03 March 2022.			period ended September 30, 2022 the basic loss per share is Rs. 1.91 and breakup value per share is Rs. 6.97.
	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.	Corporate guarantees of up to Rs. 1,750 million have been issued against this approval to date.	Two corporate guarantees from different banks have been extended after the approval. Further guarantees will be arranged on requirement of investee company.	At the time of approval, as per latest audited financial statements for the year ended December 31, 2019 the basic loss per share was Rs. 2.29 and breakup value per share was Rs. 7.71. As per latest available audited financial statements for the year ended December 31, 2021 the basic loss per share is Rs. 3.58 and breakup value per share is Rs. 8.09. As per latest available un-audited nine-month period financial statements for the period ended September 30, 2022 the basic loss per share is Rs. 1.91 and breakup value per share is Rs. 6.97.
Pakgen Power Limited	Equity investment up to Rupees 875 million for the period of three (3) years was approved by members in EOGM held on November 28, 2022.	Nil	No investment has been made in investee company after the approval. Investment will be made depending on market conditions at appropriate time.	At the time of approval, as per latest audited financial statements for the year ended December 31, 2021 the basic Earnings per Share was Rs. 2.82 and breakup value per share was Rs. 60.64. As per latest available audited financial statements for the year ended

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				December 31, 2022 the basic earnings per share is Rs. 8.43 and breakup value per share is Rs. 67.59.
Lalpir Power Limited	Equity investment up to Rupees 300 million for the period of three (3) years was approved by members in EOGM held on November 28, 2022.	Investment of Rupees 7.924 million has been made against this approval to date	Partial investment has been made in investee company. More investment will be made as soon as investee company issues further right shares.	At the time of approval, as per latest audited financial statements for the year ended December 31, 2021 the basic Loss per Share was Rs. 2.12 and breakup value per share was Rs. 41.00. As per latest available audited financial statements for the year ended December 31, 2022 the basic earnings per share is Rs. 7.13 and breakup value per share is Rs. 46.65.