

# NISHAT MILLS LIMITED



NML-PSX-875

May 27, 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- 667 dated May 26, 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 June 19, 2023 (Monday) 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**

**HEAD OFFICE**

17-MAIN GULBERG, LAHORE PAKISTAN.UAN:111 33 22 00 TEL: 92-42-35716351-9 FAX:92-42-35716350 E-MAIL: nishat@nishatmills.com

**REGISTERED OFFICE & SHARES DEPTT** : NISHAT HOUSE, 53-A, LAWRENCE ROAD, LAHORE - PAKISTAN PH : (042) 36367812-15 TLX : 47523 NISHAT PK, FAX : (042) 36367414

# NISHAT MILLS LIMITED



## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Members of Nishat Mills Limited (the "Company") will be held on June 19, 2023 (Monday) 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:

1. **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 UNANIMOUSLY 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. 1,050,000,000 in Nishat Sutas Dairy Limited (NSDL), an associated company, in the already approved amount of equity investment of up to Rs.1,950,000,000, for subscribing 195,000,000 ordinary shares approved by the members under Section 199 of the Companies Act, 2017 in their Extraordinary General Meeting held on March 03, 2022 thus making a total equity investment of Rs. 3,000,000,000 (Rupees Three Billion Only) for subscribing, at Par, fully paid up to 300,000,000 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.

2. **To consider and if deemed fit, to pass the following resolutions as special resolutions in pursuance of S.R.O. 389(I)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink with or without modification, addition(s) or deletion(s).**

**RESOLVED UNANIMOUSLY THAT** approval of the members of Nishat Mills Limited (the "Company") be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members for future years commencing from the financial year 2023 through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023.

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**RESOLVED FURTHER THAT** that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.

3. **To consider and, if though fit, to pass the following resolution as a special resolution, with or without modifications**

**RESOLVED THAT** the approval of the members of Nishat Mills Limited ("the Company") be and is hereby accorded to increase authorized share capital of the Company from Rs. 11,000,000,000 (Rupees Eleven Billion Only) divided into 1,100,000,000 ordinary shares of Rs. 10/- each to Rs. 90,000,000,000 (Rupees Ninety Billion Only) divided into 9,000,000,000 ordinary shares of Rs. 10/- each.

**FURTHER RESOLVED THAT**, in consequence of the said increase in the authorized share capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and is hereby amended accordingly, to read as follows:

**Clause V of Memorandum of Association:**

The Authorized Capital of the Company shall be Rs. 90,000,000,000 (Rupees Ninety Billion Only) divided into 9,000,000,000 (Nine Billion) ordinary shares of Rs. 10 /- (Rupees Ten only) each. The Company shall have the power to increase, reduce or reorganize the said capital and divide shares in the capital for the time being in several classes in accordance with the Companies Ordinance, 1984 (now Companies Act, 2017).

**FURTHER RESOLVED THAT**, the ordinary shares when issued shall carry equal voting rights and rank *pari passu* with the existing ordinary shares of the company in all respects/matters in conformity with the provisions of the Companies Act, 2017.

**FURTHER RESOLVED THAT** the Chief Executive and Company Secretary be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements to effectuate and implement this resolution.

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

By order of the Board

( KHALID MAHMOOD CHOHAN )  
COMPANY SECRETARY

Lahore  
May 26, 2023

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## NOTES:

### BOOK CLOSURE NOTICE: -

The Ordinary Shares Transfer Books of the Company will remain closed from 13-06-2023 to 19-06-2023 (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 12-06-2023 at Share Registrar, THK Associates (Private) Limited, **Karachi Office:** 32-C, Jami Commercial Street No.2, DHA Phase VII, Karachi, **Lahore Office:** Office No. 309, 3<sup>rd</sup> Floor, North Tower, LSE Building, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore, will be considered in time, for attending of meeting.

### 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 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

1. 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.
2. 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.

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- 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:** Office No. 309, 3<sup>rd</sup> Floor, North Tower, LSE Building, 19-Khayaban-e-Aiwan-e-Iqbal, 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: -

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](mailto:kchohan@nishatmills.com) or [smahmood@dgcement.com](mailto:smahmood@dgcement.com) by June 12, 2023.

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

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## Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Nishat Mills Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Extraordinary General Meeting to be held on Monday June 19, 2023, at 11.00 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

## Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on June 13, 2023.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from June 14, 2023, 09:00 a.m. and shall close on June 18, 2023 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

## Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address Nishat House 53-A, Lawrence Road, Lahore, Pakistan or email at [chairman@nishatmills.com](mailto:chairman@nishatmills.com) one day before the Extraordinary General Meeting on June 18, 2023 up to 5 p.m. The signature on the ballot paper shall match the signature on CNIC.

This postal Poll paper is also available for download from the website of the Company at [www.nishatmills.com](http://www.nishatmills.com) or use the same as attached to this Notice and published in newspapers.

Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

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## Scrutinizer:

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Riaz Ahmed & Co., Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

## E-voting Service Provider:

M/s CDC Share Registrar Services Limited

## 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 June 19, 2023.

### 1. Equity Investment in Nishat Sutas Dairy Limited

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. Members enhanced limit of equity investment by Rs. 1 billion in their meeting held on March 03, 2022, thus making a total equity investment of Rs. 1,950,000,000 (Rupees One Billion Nine Hundred Fifty Million Only) for subscribing, at Par, fully paid up to 195,000,000 ordinary shares of PKR 10 each of NSDL. NML has invested in 167,437,400 shares in NSDL by way of equity investment and currently its stake is 47.86%.

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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.

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 further increase the amount of equity investment by Rs. 1,050,000,000 in NSDL, in the already approved amount of equity investment of up to Rs.1,950,000,000, for subscribing, 195,000,000 ordinary shares approved by the members under Section 199 of the Companies Act, 2017 in their Extraordinary General Meeting held on March 03, 2022 thus making a total equity investment of up to Rs. 3,000,000,000 (Rupees Three Billion Only) for subscribing, at Par, fully paid up to 300,000,000 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

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 (1.19) – 2020 – Audited PKR (3.48) – 2021 – Audited PKR (2.45) – 2022 – Audited
(iv)	Break-up value per Share, based on last audited financial statements	PKR 6.69 per share as at 31 December 2022 (audited)

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(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 31 December 2022 ( Audited):			
		Equity & Liabilities	Rs.	Assets	Rs.
		Equity	2,177,035,120	Non-Current Assets	4,475,839,454
		Non-Current Liabilities	2,371,031,791	Current Assets	747,796,799
		Current Liabilities	675,569,342		
			5,223,636,253		5,223,636,253
		Profit and loss account for the year ended 31 December 2022 (Audited):			
			Rs.		
		Revenue	920,133,653		
		Expenses	1,664,520,929		
		Other Income	57,250,821		
		Loss before tax	687,136,455		
		Loss after tax	689,454,607		
(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.			

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<b>(B) General Disclosures:</b>														
(i)	Maximum amount of investment to be made	PKR 3,000,000,000/- (Rupees Three Billion Only). This is after the enhancement of PKR 1,050,000,000/- from the already approved amount of PKR 1,950,000,000/-.												
(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> <table border="0"> <tr> <td><b><u>Directors:</u></b></td> <td style="text-align: right;">% of Shareholding</td> </tr> <tr> <td>NIL</td> <td></td> </tr> <tr> <td><b><u>Relatives:</u></b></td> <td></td> </tr> <tr> <td>Mrs. Saadia Younas Mansha (Spouse of Mian Umer Mansha)</td> <td style="text-align: right;">0.00 (1Share)</td> </tr> <tr> <td><b><u>Associated Companies</u></b></td> <td></td> </tr> <tr> <td>Nishat Agriculture Farming (Pvt) Ltd</td> <td style="text-align: right;">2.14%</td> </tr> </table> <p>The directors of NSDL are interested in NML to the extent of their shareholding as under:-</p>	<b><u>Directors:</u></b>	% of Shareholding	NIL		<b><u>Relatives:</u></b>		Mrs. Saadia Younas Mansha (Spouse of Mian Umer Mansha)	0.00 (1Share)	<b><u>Associated Companies</u></b>		Nishat Agriculture Farming (Pvt) Ltd	2.14%
<b><u>Directors:</u></b>	% of Shareholding													
NIL														
<b><u>Relatives:</u></b>														
Mrs. Saadia Younas Mansha (Spouse of Mian Umer Mansha)	0.00 (1Share)													
<b><u>Associated Companies</u></b>														
Nishat Agriculture Farming (Pvt) Ltd	2.14%													

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		<b>Name</b> Mian Umer Mansha  The associated Companies holding shares of NSDL are interested in NML to the extent of their shareholding as follows:  <b>Nil</b>	<b>% of Shareholding</b> 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 1,674 million in the associated company as per the approval accorded by the members in their EOGM held on March 03, 2022.										
(vii)	Any other important details necessary for the members to understand the transaction	None										
<b>Additional disclosure regarding Equity Investment</b>												
(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	300,000,000 Shares (Previously 195,000,000 shares, increment of 105,000,000 shares)										
(iv)	Number of securities and percentage thereof held before and after the proposed investment	<table border="1"> <thead> <tr> <th></th> <th><b>No. of Shares</b></th> <th><b>%age</b></th> </tr> </thead> <tbody> <tr> <td>Before</td> <td>167,437,400</td> <td>47.86</td> </tr> <tr> <td>After</td> <td>300,000,000</td> <td>49.00 (approximately)</td> </tr> </tbody> </table>		<b>No. of Shares</b>	<b>%age</b>	Before	167,437,400	47.86	After	300,000,000	49.00 (approximately)	
	<b>No. of Shares</b>	<b>%age</b>										
Before	167,437,400	47.86										
After	300,000,000	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 12.02 per share										

## 2. Transmission of Annual Audited Financial Statements through QR Enabled Code and Weblink

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023 has allowed companies to circulate annual audited financial statements to its members through QR enabled code and Weblink, therefore, the Board of Directors of Nishat Mills Limited ("the Company") in their meeting held on May 26, 2023 has recommended for transmission of Annual Reports including Audited Financial Statements of the Company to its members through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, however, hard copy of the annual audited financial statements will be supplied to the shareholders, on demand, at their registered addresses, free of cost, within one week of receipt of such demand.

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The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the Company.

### 3. Increase in Authorized Share Capital of the Company and consequent amendments in the Memorandum and Articles of Association of the Company.

The Board of Directors has recommended to increase the authorized share capital of the Company from PKR 11,000,000,000 divided into 1,100,000,000 ordinary shares of Rs. 10/- each to PKR 90,000,000,000 divided into 9,000,000,000 ordinary shares of Rs. 10/- each by creation of additional 7,900,000,000 ordinary shares of Rs. 10/- each amounting to PKR 79,000,000,000.

The proposed increase in the authorized share capital of the Company will also necessitate amendments in Clause V of Memorandum of Association of the Company. The Board of Directors has also recommended required alterations in the Memorandum of Association of the Company to reflect increase in authorized share capital of the Company.

#### Reasons for alteration in authorized share capital

Nishat Mills Limited ("the Company") is one of the largest vertically integrated textile enterprises of Pakistan. The Company operates its state-of-the-art and technological advanced manufacturing facilities at seven different location throughout the country. The Authorized Capital of the Company is Rs. 11,000,000,000 (Rupees Eleven Billion Only) divided into 1,100,000,000 (One Billion One Hundred Million) ordinary shares of Rs. 10/- (Rupees Ten only) each.

Over the years, the Company has consistently earned impressive profitability and has experienced substantial organic growth. This growth necessitated significant investments in property, plant and equipment.

To sustain and support capital-intensive projects especially in value added sector, the Company requires a substantial and consistent flow of funds. However, with anticipated non-availability of finance at subsidized rates considering the economic dynamics of the country, the management believes that opting for equity financing would be a more viable solution rather than relying on costly borrowing in order to finance future projects.

The current authorized capital of the company falls short of its anticipated future requirements to raise additional equity. Therefore, it is proposed that authorized capital should be substantially increased to eliminate the need for repetitive administrative formalities and associated costs in the future. It is important to highlight that the fee for enhancing the limit of authorized share capital has already undergone a significant increase, and it will further rise at a rate of 10% per annum as notified by the apex regulator.

Consequently, it is proposed to recommend to increase the authorized share capital of the Company from PKR 11,000,000,000/- divided into 1,100,000,000 ordinary shares of Rs. 10/- each to Rs. 90,000,000,000/- divided into 9,000,000,000 ordinary shares of Rs. 10/- each by creation of additional 7,900,000,000 ordinary shares of Rs. 10/- each, for approval of the shareholders.

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#### HEAD OFFICE

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# NISHAT MILLS LIMITED



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## Reasons for alterations of Memorandum and Articles of Association

The Company is increasing its authorized share capital in order to cater for future increase in paid up share capital of the Company. Consequently, the provisions in the Memorandum of Association relating to authorized share capital will need to be amended.

### Existing Clause V of Memorandum of Association:

The Authorized Capital of the Company shall be Rs. 11,000,000,000 (Rupees Eleven Billion Only) divided into 1,100,000,000 (One Billion One Hundred Million) ordinary shares of Rs. 10 /- (Rupees Ten only) each. The Company shall have the power to increase, reduce or reorganize the said capital and divided shares in the capital for the time being in several classes in accordance with the Companies Ordinance, 1984.

### Proposed Clause V of Memorandum of Association:

The Authorized Capital of the Company shall be Rs. 90,000,000,000 (Rupees Ninety Billion Only) divided into 9,000,000,000 (Nine Billion) ordinary shares of Rs. 10 /- (Rupees Ten only) each. The Company shall have the power to increase, reduce or reorganize the said capital and divide shares in the capital for the time being in several classes in accordance with the Companies Ordinance, 1984 (now Companies Act, 2017).

### Interest of directors

The Directors/Chief Executive of the Company or their relatives have no interest in the proposed increase in authorized share capital and amendments in the Memorandum of Association of the Company except in their capacities as directors/Chief Executive/members of the Company and indirect interest as members/directors of the entities which are members of the Company.

### Availability of Relevant Documents

A copy each of the existing and amended Memorandum and Articles of Association identifying the changes proposed therein bearing the initial of the Company Secretary for identification purposes are available for inspection at the registered office of the Company from 9:00 a.m. to 5:00 p.m. on any working day, up to the last working day before the date of the extraordinary general meeting. The same shall also be available for inspection by the members in the extraordinary general meeting.

### Statement of the Board of Directors

"We, the members of the Board of Directors hereby confirm that the proposed amendments/alterations in the Memorandum of Association of the Company are in line with the applicable laws and regulatory framework."

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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
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 audited financial statements for the year ended December 31, 2022 the basic earnings per share is Rs. 0.28 and breakup value per share is Rs. 16.15.
	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	Guarantees/ Stand by Letter(s) of Credit (SBLC) of up to Rs. 1,486.166 million have been issued against this approval to date.	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.	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

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# NISHAT MILLS LIMITED



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	<p>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>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 audited financial statements for the year ended December 31, 2022 the basic earnings per share is Rs. 0.28 and breakup value per share is Rs. 16.15.</p>
<p><b>Nishat Sutas Dairy Limited</b></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 members in EOGM held on 03 March 2022.</p>	<p>Investment of Rupees 1,674.374 million has been made against this approval to date.</p>	<p>Partial investment has been made in investee company.</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 audited financial statements for the year ended December 31, 2022 the basic loss per share is Rs. 2.45 and breakup value per share is Rs. 6.69.</p>
	<p>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</p>	<p>Corporate guarantees of up to Rs. 1,750 million have been issued against this approval to date.</p>	<p>Two corporate guarantees from different banks have been extended after the approval. Further guarantees will be arranged on requirement of investee company.</p>	<p>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</p>

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# NISHAT MILLS LIMITED



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	tenure of 11 years.			available audited financial statements for the year ended December 31, 2022 the basic loss per share is Rs. 2.45 and breakup value per share is Rs. 6.69.
<b>Pakgen Power Limited</b>	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.	Investment of Rupees 332.834 million has been made against this approval to date.	Partial investment has been made in investee company.	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 December 31, 2022 the basic earnings per share is Rs. 8.43 and breakup value per share is Rs. 67.59.
<b>Lalpir Power Limited</b>	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.	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.

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**BALLOT PAPER FOR VOTING THROUGH POST**

For voting through post for the Special Business at the Extraordinary General Meeting of Nishat Mills Limited to be held on Monday, June 19, 2023 at 11:00 AM (PST) at Emporium Mall, the Nishat Hotel, Trade and Finance Centre Block, Near Expo Centre, Abdul Haq Road, Johar Town, Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@nishatmills.com.

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio No. / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC, NICOP/Passport No. (In case of foreigner)(Copy to be attached)	
Additional Information and enclosures (In case of representative of body corporates, corporations and Federal Government)	
Name of Authorized Signatory:	
CNIC, NICOP/Passport No. (In case of foreigner) of Authorized Signatory - (Copy to be attached)	

I/we hereby exercise my/our vote in respect of the following special resolutions through postal ballot by giving my/our assent or dissent to the following resolutions by placing tick (✓) mark in the appropriate box below:

<b>Special Resolutions</b>
<p><b>Agenda Item 1</b>  <b>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).</b></p> <p><b>RESOLVED</b> unanimously 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. 1,050,000,000 in Nishat Sutas Dairy Limited (NSDL), an associated company, in the already approved amount of equity investment of up to Rs.1,950,000,000, for subscribing 195,000,000 ordinary shares approved by the members under Section 199 of the Companies Act, 2017 in their Extraordinary General Meeting held on March 03, 2022 thus making a total equity investment of Rs. 3,000,000,000 (Rupees Three Billion Only) for subscribing, at Par, fully paid up to 300,000,000 ordinary shares of PKR 10 each of NSDL as may be offered to the Company from time to time by NSDL.</p> <p><b>RESOLVED FURTHER THAT</b> 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.</p> <p><b>RESOLVED FURTHER THAT</b> 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.</p>
<p><b>Agenda Item 2</b>  <b>To consider and if deemed fit, to pass the following resolutions as special resolutions in pursuance of S.R.O. 389(I)/2023 dated March 21, 2023 of the Securities and Exchange Commission of Pakistan to authorize the Company to circulate the annual audited financial statements to its members through QR enabled code and weblink with or without modification, addition(s) or deletion(s).</b></p> <p><b>RESOLVED</b> unanimously that approval of the members of Nishat Mills Limited (the “Company”) be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members for future years commencing from the year 2023 through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023.</p> <p><b>RESOLVED FURTHER THAT</b> that the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.</p>

## NISHAT MILLS LIMITED



### Agenda Item 3

To consider and if thought fit, to pass the following resolution as a special resolution, with or without modifications

**RESOLVED THAT** the approval of the shareholders of Nishat Mills Limited ("the Company") be and is hereby accorded to increase authorized share capital of the Company from Rs. 11,000,000,000 (Rupees Eleven Billion Only) divided into 1,100,000,000 ordinary shares of Rs. 10/- each to Rs. 90,000,000,000 (Rupees Ninety Billion Only) divided into 9,000,000,000 ordinary shares of Rs. 10/- each.

**FURTHER RESOLVED THAT**, in consequence of the said increase in the authorized share capital of the Company, the existing Clause V of the Memorandum of Association of the Company be and are hereby amended accordingly, to read as follows:

**Clause V of Memorandum of Association:**

The Authorized Capital of the Company shall be Rs. 90,000,000,000 (Rupees Ninety Billion Only) divided into 9,000,000,000 (Nine Billion) ordinary shares of Rs. 10 /- (Rupees Ten only) each. The Company shall have the power to increase, reduce or reorganize the said capital and divide shares in the capital for the time being in several classes in accordance with the Companies Ordinance, 1984 (now Companies Act, 2017).

**FURTHER RESOLVED THAT**, the ordinary shares when issued shall carry equal voting rights and rank *pari passu* with the existing ordinary shares of the company in all respects/matters in conformity with the provisions of the Companies Act, 2017.

**FURTHER RESOLVED THAT** the Chief Executive and Company Secretary be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements to effectuate and implement this resolution.

I/we hereby exercise my/our vote in respect of above mentioned special resolutions through postal ballot by conveying my/our assent or dissent to the said resolutions by placing tick (✓) mark in the appropriate box below:

Sr. No.	Nature and Description of resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1.	Special Resolution as per the Agenda Item No. 01 (as given above)		
2.	Special Resolution as per the Agenda Item No. 02 (as given above)		
3.	Special Resolution as per the Agenda Item No. 03 (as given above)		

Shareholder / Proxy holder Signature/Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

#### NOTES:

1. Duly filled postal ballots should be sent to the Chairman at Nishat House, 53-A, Lawrence Road, Lahore or through email at: chairman@nishatmills.com.
2. Copy of CNIC, NICOP/Passport No. (In case of foreigner) should be enclosed with the postal ballot form.
3. Postal Ballot form should reach the Chairman of the Meeting on or before June 18, 2023 up to 5:00 p.m. Any Postal Ballot received after this time/date, will not be considered for voting.
4. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
5. Signature on postal ballot should match with signature on CNIC, NICOP/Passport (In case of foreigner).
6. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.