

NISHAT MILLS LIMITED



SECY/EXCHANGES/1971

May 29, 2015

- 1) The General Manager,
Karachi Stock Exchange Ltd.
Stock Exchange Building
Stock Exchange Road, KARACHI. **Fax No. (021) 111 573 329**
- 2) The Secretary,
Lahore Stock Exchange Ltd.
19-Khyaban-e-Aiwan-e-Iqbal, LAHORE. **Fax No. (042) 36368485**
- 3) The Secretary,
Islamabad Stock Exchange Ltd.
55-B, ISE Towers,
Jinnah Avenue, ISLAMABAD. **Fax No. (051) 111 473 329**
- 4) The Executive Director,
Monitoring & Enforcement Division
Securities & Exchange Commission of Pakistan
8th Floor, NIC Building, Jinnah Avenue,
Blue Area, ISLAMABAD. **Fax No. (051) 9218592, 9204915**

SUB: NOTICE OF EXTRA ORDINARY GENERAL MEETING

Dear Sir,

In compliance with the Honorable Lahore High Court Order dated May 19, 2015 in Civil Original Suit No. 22 of 2015 an Extra Ordinary General Meeting (EOGM) of the Shareholders/Members of **NISHAT MILLS LIMITED**, shall be held at Nishat Hotel, 9-A, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore on Saturday, the June 27, 2015, at 10:30 A.M. to consider and if thought fit approve, adopt and agree to the Scheme of Compromises, arrangements and reconstruction between Nishat Spinning (Private) Limited and Nishat Linen (Private) Limited and Nishat Mills Limited and their respective members. The EOGM will be chaired by the Co-Chairmen appointed by the Court.

A notice of meeting in this respect is enclosed for circulation amongst the TRE Certificate holders of the Exchange.

We will send you requisite copies of printed Notice of Meeting for distribution amongst the TRE Certificate Holders of the Exchange in due course of time.

Thanking you

Yours sincerely,


KHALID MAHMOOD CHOCHAN
COMPANY SECRETARY

HEAD OFFICE

: 7-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 DEPT : 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

IN THE MATTER OF SCHEME OF COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION BETWEEN NISHAT SPINNING (PRIVATE) LIMITED AND NISHAT LINEN (PRIVATE) LIMITED AND NISHAT MILLS LIMITED AND THEIR RESPECTIVE MEMBERS

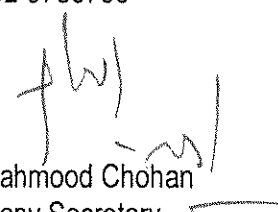
Notice is hereby given pursuant to the order dated May 19, 2015 passed in Civil Original Suit No. 22 of 2015 by Honourable Judge Lahore High Court, Lahore that an Extra Ordinary General Meeting (EOGM) of the Shareholders/Members of **NISHAT MILLS LIMITED**, shall be held at Nishat Hotel, 9-A, Mian Mahmood Ali Kasuri Road, Gulberg III, Lahore on Saturday, the June 27, 2015, at 10:30 A.M. to consider and if thought fit approve, adopt and agree to the Scheme of Compromises, arrangements and reconstruction between Nishat Spinning (Private) Limited and Nishat Linen (Private) Limited and Nishat Mills Limited and their respective members and to pass the following resolution as a special resolution with or without modification(s):

Resolved unanimously, "Scheme of Compromises, arrangements and reconstruction under sections 284 to 288 of the Companies Ordinance, 1984 between Nishat Spinning (Private) Limited and its members and Nishat Linen (Private) Limited and its members and Nishat Mills Limited and its members put before the meeting be and is hereby agreed, approved and adopted, subject to any modification which may be required by the Honorable Lahore High Court".

Co-Chairpersons for the Extra Ordinary General Meeting

Mr. Tahir Mehmood Khokhar
Advocate,
Sarwar Building, Turner Road,
Lahore
0320-7869991

Mr. Asad Malik
Advocate,
9-Turner Road,
Lahore
0342-9786786


Khalid Mahmood Chohan
Company Secretary
Nishat Mills Limited

Dated: May 29, 2015

NISHAT MILLS LIMITED



Notes:-

1. The detailed explanatory statement under sections 160(1)(B) and 286(1)(A) of the Companies Ordinance 1984, explaining its effect, is being sent along with the notice of the EOGM to the shareholders/members of the company and other persons entitled to receive notice of the meeting.
2. Copies of Scheme of Compromises, Arrangements and Reconstruction between the companies, statement under sections 160(1)(B) and 286(1)(A) of the Companies Ordinance, 1984, latest annual/quarterly accounts along with all published or otherwise required accounts of all prior periods of the above referred companies along with memorandum and articles of association, requisite approvals and any other related information/documents may also be inspected/procured, free of charge, during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the EOGM by the shareholders and other persons entitled to attend the meeting. In case of any difficulty the same be immediately brought to the notice of the below mentioned co-chairpersons.
3. The Share Transfer Books of Ordinary Shares of the Company shall remain closed from 20-06-2015 to 27-06-2015 (both days inclusive). Physical transfers / CDS Transactions IDs received in order up to 1:00 p.m. on 19-06-2015 at Company's Share Registrar, M/s THK Associates (Pvt) Limited, Ground Floor, State Life Building No. 3, Dr. Zia Uddin Ahmed Road, Karachi, will be considered in time attending of meeting.
4. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the EOGM. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
5. Members are requested to notify any change in their address immediately;
6. CDC account holders will further have to follow the guidelines as laid down in circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
 - a. For attending the meeting
 - i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting
 - b. For Appointing Proxies

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N I S H A T

- i). In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii). The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii). Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv). The proxy shall produce his original CNIC or original passport at the time of the meeting.
- v). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.
- vi). A proxy form is being separately sent to the members, alongwith a copy of notice of extraordinary general meeting.

NISHAT MILLS LIMITED



STATEMENT ACCOMPANYING NOTICE TO THE MEMBERS OF NISHAT MILLS LIMITED UNDER SECTIONS 160(1)(B)/ 286(1)(A) OF THE COMPANIES ORDINANCE, 1984

COMPROMISES, ARRANGEMENTS AND RECONSTRUCTION UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984 BETWEEN NISHAT SPINNING (PRIVATE) LIMITED AND ITS MEMBERS AND NISHAT LINEN (PRIVATE) LIMITED AND ITS MEMBERS AND NISHAT MILLS LIMITED AND ITS MEMBERS

The accompanying copy of the notice is for the purpose of convening the meeting of the shareholders for the purpose of passing of the special resolution specified in the notice for obtaining the approval of the Scheme from the shareholders in compliance with the Order dated May 19, 2015 of Honorable Lahore High Court.

Capital

The authorized share capital of Nishat Mills Limited (NML) is Rupees 11,000,000,000 divided into 1,100,000,000 ordinary shares of Rupees 10 each and it's issued, subscribed and paid up capital is Rupees 3,515,998,480 divided into 351,599,848 ordinary shares of Rupees 10 each.

The authorized share capital of Nishat Spinning (Private) Limited (NSPL) is Rupees 10,000,000 divided into 1,000,000 ordinary shares of Rupees 10 each and it's issued, subscribed and paid up capital is Rupees 10,000 divided into 1,000 ordinary shares of Rupees 10 each.

The authorized share capital of Nishat Linen (Private) Limited (NLPL) is Rupees 10,000,000 divided into 1,000,000 ordinary shares of Rupees 10 each and it's issued, subscribed and paid up capital is Rupees 7,000,000 divided into 700,000 ordinary shares of Rupees 10 each.

The benefits

The rationale of the proposed scheme of compromises, arrangements and reconstruction under sections 284 to 288 of the Companies Ordinance, 1984 and its main benefits are, inter alia summarized as under:-

NSPL and NLPL are wholly owned subsidiaries of NML. Each of the business of undertakings has significant potential for growth and profitability. However, since the nature of risks, considerations, factors and commercial parameters applicable to the business of undertakings are comparatively different, therefore, in order to enhance shareholder value and de-risk the business of the undertakings, it is proposed to restructure by way of scheme of compromises, arrangements and restructure.

The proposed scheme will result in better efficient and economical management control in running the businesses and further development and growth of business.

The proposed scheme would allow a focused strategy in operation of NLPL and NML and create enhanced value to shareholders.

The implementation of the proposed scheme will result in substantial administrative cost saving and economies of scale leading to enhanced profitability that is likely to benefit the shareholders. Some of the benefits which will accrue after implementation of the scheme are the reduction of various administrative, corporate functions, preparation of annual accounts,

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The scheme

The main objects of the Scheme are: to effect merger of NSPL and its members with and into NLPL and NML and their members through the transfer and vesting in NLPL and NML of Undertaking of NSPL and to transfer the Sewing Undertaking of NML and vest the same with and into NLPL against adjustment of fully paid ordinary shares in NSPL, in lieu of investment made by NML and issue of 367,913 ordinary shares by NLPL to NML without further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting and / or assumption.

Approval of the scheme

The board of directors has approved the scheme of compromises, arrangements and reconstruction under section 284 to 288 of the Companies Ordinance, 1984 between NSPL and its members and NLPL and its members and NML and its members. As required by Section 284(2) of the Companies Ordinance, 1984, the resolution specified in the notice has to be passed by a majority representing three-fourth in value of the issued shares held by the shareholders present in person or by proxy and voting at the meetings. The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme is approved by the members.

Basis of amalgamation

Upon the Scheme coming into effect and upon merger of NSPL with and into NLPL and NML and upon vesting of the Sewing Undertaking of NML with and into NLPL in accordance with the Court order, the consideration shall be settled as follows:

As NSPL is a wholly owned subsidiary of NML, the issued, subscribed and paid up share capital appearing in the books of NSPL will be set off against the respective investment appearing in the books of NML. NLPL will issue 367,913 ordinary shares of Rupees 10 each to NML based on break-up value per ordinary share of NLPL of Rupees 692.02 as at 31 December 2014 as per audited financial statements of NLPL for the period ended 31 December 2014. The difference arising out of issuance of ordinary shares of NLPL to NML at break-up value will be treated as revenue reserve in the books of account of NLPL. Each of the assets and liabilities of NSPL as per the respective audited accounts as on 31 December 2014, will form an asset or a liability of corresponding nature in the books of NLPL and NML (Schedule – 1 of the Scheme) except receivables and payables between NSPL and NLPL, which will be deleted. Likewise, the accumulated loss of NSPL as on 31 December 2014 shall constitute loss of corresponding nature of NLPL. As the shares of NSPL will be set off against respective investment of NML, therefore all share certificates issued by NSPL shall stand cancelled.

For the purpose of allotment to be calculated as specified above, fractional allotments of above 0.5 shall be rounded up to the nearest one share and below 0.5 shall be ignored.

The allotment of the ordinary shares of NLPL in accordance with clause 5.1(a) hereof shall be made by NLPL within 30 days from the notified date.

Upon the allotment of the ordinary shares in NLPL in accordance with aforesaid clauses hereof, to the NML in the manner aforesaid, the entitlements of the NML under this Scheme shall stand fully satisfied.

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The ordinary shares of NLPL upon issue and allotment pursuant to this Scheme shall rank pari passu with the existing ordinary shares of NLPL in all respects and shall be entitled to all dividends declared after the Completion Date.

Authorized share capitals of Rupees 10,000,000 divided into 1,000,000 ordinary shares of Rupees 10 each of NSPL as on Effective Date shall be merged with authorized share capital of Rupees 10,000,000 divided into 1,000,000 ordinary shares of Rupees 10 each of NLPL which will result in total authorized share capital of Rupees 20,000,000 divided into 2,000,000 ordinary shares of Rupees 10 each of NLPL as on Effective Date.

Issued, subscribed and paid up capitals of NSPL and NLPL were Rupees 10,000 and Rupees 7,000,000 respectively as on 31 December 2014. After cancellation / adjustment of shares of NSPL and issue of 367,913 ordinary shares by NLPL to NML, total issued, subscribed and paid up capital of NLPL shall be Rupees 10,679,130 divided into 1,067,913 ordinary shares of Rupees 10 each.

Shareholding

Following are the present holding of shares in NSPL, NLPL and NML by the directors of undertakings:

DIRECTORS	SHAREHOLDING
NISHAT MILLS LIMITED	
Mian Umer Mansha	44,292,572
Mian Hassan Mansha	44,372,016
Mr. Khalid Qadeer Qureshi	725
Syed Zahid Hussain – Nominee NIT	-
Mr. Saeed Ahmad Alvi	100
Ms. Nabiha Shahnawaz Cheema	3,625
Mr. Maqsood Ahmad	500
NISHAT SPINNING (PRIVATE) LIMITED	
Mr. Khalid Qadeer Qureshi	1 (On behalf of Nishat Mills Limited)
Mr. Mahmood Akhtar	1 (On behalf of Nishat Mills Limited)
NISHAT LINEN (PRIVATE) LIMITED	
Mr. Muhammad Yousaf Tareen	1 (On behalf of Nishat Mills Limited)
Mr. Faisal Naseem Kari	1 (On behalf of Nishat Mills Limited)

Interest of directors

All the directors of NML, NSPL and NLPL are interested to the extent of shares that are held by them in NML, NSPL and NLPL. The effect of the scheme on the interest of these directors does not differ from its effects on the like interest of other shareholders.

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Those directors who are performing full time executive functions are also interested to the extent of remuneration, benefits and allowances as per the policies of the companies.

Compensation for loss of office

No Compensation is payable to any of the directors on account of their relinquishing their respective offices in NSPL after the implementation of the scheme.

Documents for inspection

Documents pertaining to scheme of compromises, arrangements and reconstruction of all undertakings are available for inspection at the registered office of the Company at 53-A, Lawrence Road, Lahore and may be inspected on any working day till the conclusion of the meeting in which the resolution for approval of the scheme will be adopted.

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Statement under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

Name of Investee Company	MCB Bank Limited	Nishat Hotels and Properties Limited	Nishat Power Limited
Total Investment Approved:	Equity investment of Rupees 2.593 billion was approved by members in EOGM held on March 31, 2014 for the period of three (3) years.	Equity investment of Rupees 1 billion was approved by members in EOGM held on March 31, 2014 for the period of three (3) years.	Investment of Rupees 1.5 billion by way of loans and advances was approved by members in EOGM held on March 31, 2014 for the period of three (3) years.
Amount of Investment Made to date:	Investment of Rupees 609.572 million has been made against this approval to date.	Nil	Nil
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Partial investment has been made in investee company. Further investment will be made depending on market conditions at appropriate time.	Commercial operations of the investee company have not yet started. Nishat Mills Limited will make equity investment at a suitable time after considering the macro economic conditions of the country.	No loan has been extended after the approval because funds request has not yet been made by the investee company.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:	At the time of approval, as per then available latest financial statements for the year ended 31 December 2013, the basic Earnings per Share was Rs. 19.31 and Break-up Value per Share was Rs. 87.39. As per latest available financial statements for the year ended 31 December 2014, the Basic Earnings per share is Rs. 21.85 and Break-up Value per Share is Rs.96.05 and for the 1 st Quarter ended March 31, 2015, the Basic Earnings per share is Rs. 7.11 and Break-up Value per Share is Rs.99.19.	At the time of approval, as per then available latest financial statements for the year ended 30 June 2013, the basic Loss per Share was Re.0.37 and Break-up Value per Share was Rs.12.26. As per latest available un-audited financial statements for the period ended 31 March 2015, the Basic Earnings per share is Re.0.02 and Break-up Value per Share is Rs. 10.25.	At the time of approval, as per then available latest financial statements for the year ended 30 June 2013, the basic Earnings per Share was Rs.7.74 and Break-up Value per Share was Rs.26.00. As per Latest available financial statements for the half year ended 31 December 2014, the Basic Earnings per share is Rs.5.37 and Break-up Value per Share is Rs.32.62 and for the 3 rd Quarter ended 31 March 2015, the Basic Earnings per share is Rs.7.11 and Break-up Value per Share is Rs.32.61