



YOUSAF WEAVING MILLS LIMITED

A Project of Chakwal Group

7/1 - E-3, Main Boulevard
Gulberg III, Lahore, Pakistan
Tel: +92 42 35757108 & 35717510 - 17
Fax: +92 42 35764036, 35764043 & 35757105
E-mail: yousaf@chakwalgroup.com.pk
Web: www.yousafweaving.com

YOUSAF WEAVING MILLS LIMITED NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (EOGM) of Yousaf Weaving Mills Limited (the Company) will be held on **Friday, March 04, 2022** at 11:00 AM at registered office of the Company at 7/1-E-3 Main Boulevard Gulberg III, Lahore to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of 34th Annual General Meeting held on October 28, 2021
2. To elect Eight Directors, being the number fixed by the Board of Directors for a term of three years in accordance with the provisions of Section 159(1) of the Companies Act, 2017. The names of retiring directors are;

1. Mst. Alia Khanum
2. Khawaja Mohammad Nadeem
3. Khawaja Shahzad Younas
4. Mr. Muhammad Amjad
5. Mr. Shuqran Ahmad Khan
6. Mr. Waseem Baig
7. Sheikh Maqbool Ahmed
8. Mr. Mohammad Tariq Sufi

SPECIAL BUSINESS

3. To approve the increase in authorized share capital of the Company from Rs. 900 million to 2,000 million.
4. To approve Revival Business Plan of the Company.
5. To approve the Reduction of Share Capital under Revival Business plan.
6. To consider multiple steps and measures in respect of spinning unit's contribution to the revival scheme of the company but not limited to disposal/transfer of "Spinning Unit" assets.
7. To transact any other business with the permission of the Chair.

Resolutions as proposed by the Board of Directors for the approval of the shareholders are in the Statement under section 134(3) of the Companies Act, 2017 annexed to the notice of EOGM. Further a Statement of material facts under Section 166(3) is also annexed to the notice of EOGM.

Lahore

Dated: **February 10, 2022**

By order of the Board

Nadeem Anwar

Company Secretary

Notes:



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1. BOOK CLOSURE

Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from **Friday, February 25, 2022 to Friday, March 04, 2022** (both days inclusive). Transfers received in order at the office of Share Registrar **Corp link (Private) Limited; Wings Arcade, 1-K, Commercial, Model Town, Lahore** at the close of business on **February 24, 2022** will be treated in time for the purpose of attendance in the EOGM.

2. ATTENDANCE OF MEETING

A member entitled to attend, speak and vote at the EOGM is entitled to appoint a proxy to attend, speak and vote instead of him/her. Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of valid Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting. Attendance in the meeting shall be on production of original CNIC or passport.

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed strictly.

3. CONSENT FOR VIDEO CONFERENCE

Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM.

I/We _____ of _____, being member(s) of **Yousaf Weaving Mills Limited** holder _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____

STATEMENT UNDER SECTION 166 (3) OF THE COMPANIES ACT 2017 IN RESPECT OF APPOINTMENT OF INDEPENDENT DIRECTORS

Section 166 of the Companies Act 2017 provides that the statement of material facts annexed to the notice of the general meeting called for election of directors shall indicate the justification for selecting the individual as a candidate for election as independent director. Accordingly, the company will ensure that the independent directors to be elected, will meet the criteria set out for independence under Section 166 of the Companies Act, 2017 and regulations issued there under and



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their names are listed on the data bank of independent directors maintained By Pakistan Institute of Corporate Governance.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

This statement set out the material facts concerning the special business to be transacted at the Extraordinary General Meeting (EOGM) of the Company to be held on Friday, March 04, 2022.

Yousaf Weaving Mills Limited (the Company) depicts weak financial position and accumulated losses. Management of the Company has decided to revamp the Company as a going concern and to revive the Company. For this purpose, certain approvals of shareholders of the Company are being obtained through this EOGM.

Agenda Item No. 3: Increase in Authorized Share Capital

Under Section 32 of the Companies Act, 2017 - Alteration of Memorandum

Under Section 38 of the Companies Act, 2017 - Alteration of Articles

In order to justify for future increase in paid up capital as elaborated in "Revival Business Plan", the authorized share capital needs to be enhanced. In the light of the same for future potential issuance of shares, the Company seeks to increase its authorized share capital from Rs.900 million to Rs.2,000 million and accordingly make the necessary amendments to Memorandum and Articles of Association of the Company.

Draft Proposed Resolutions:

The following resolution is proposed to be passed as special resolution, with or without modifications and accordingly change the memorandum and articles of association of the Company:

RESOLVED THAT authorized share capital of **Yousaf Weaving Mills Limited** (the Company) be and is hereby increased from Rs.900,000,000/- divided into 90,000,000 ordinary shares of Rs. 10 each to Rs. 2,000,000,000/- divided into 200,000,000 ordinary shares of Rs. 10 each.

FURTHER RESOLVED THAT the Company be and is hereby authorized to amend and alter the Memorandum of Association and Articles of Association of the Company to give effect of increase in authorized share capital of the Company from Rs.900,000,000/- divided into 90,000,000 ordinary shares of Rs. 10 each to Rs. 2,000,000,000/- divided into 200,000,000 ordinary shares of Rs. 10 each.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard and to do all acts, matters, and things as may be necessary or expedient for the purpose of increase in authorized share capital and amendment/alteration in Memorandum and Articles of Association of the Company.

Agenda Item No. 4: Revival Business Plan

Under Section 183 of the Companies Act, 2017 – Power of board

Under Section 82 of the Companies Act, 2017 - Power to issue shares at a discount



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Management of the Company has decided to restore the Company as a going concern and has prepared business plan for its revival. "Revival Business Plan" is presented to the shareholders for their approval. Efforts are being made to revive the Company so the company could get sustainability in the operating performance and business growth. Making business plan (and its implementation comes under powers of the Board of Directors, but Board has decided to take approval from the shareholders as well to give the confidence in the Board (and related decision making) and proper dissemination of information to the shareholders.

The Company has accumulated losses and share is trading at the price below its par value. Company may raise additional funds at the discount of Rs. 1.00 per shares depending on the market conditions. As per "Revival Business Plan", projected funds requirement is Rs. 1,000 million and if Board of Directors decides to raise funds below par value, they may raise the funds as follows:

Maximum number of shares that can be issued	110,000,000
Maximum discount (Rs. per share)	Rs. 1.00
Minimum share price at which additional shares can be issued	Rs. 9.00

The Revival Business Plan of the Company shall be made available for inspection by the members at Extraordinary General Meeting. Moreover, both the above documents are also made available at Company's website: www.yousafweavingmills.com

Moreover, "Revival Business Plan" is also disseminated to PSX through PUCAR.

Draft Proposed Resolutions:

The following resolution is proposed to be passed as special resolution, with or without modifications for approval of Revival Business Plan of the Company:

RESOLVED THAT the approval is hereby accorded for Revival Business Plan of **Yousaf Weaving Mills Limited** (the Company) as presented to the shareholders of the Company for their approval and thereafter implementation by the Company.

FURTHER RESOLVED THAT the approval be and is hereby given to issue shares at discount but not exceeding Rs. 1.00 per share for the additional number of shares by way of right issue or otherwise that should not exceed 110,000,000 (One Hundred and Ten Million only) ordinary shares of the Company.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard and to do all acts, matters, and things as may be necessary or expedient for the purpose of Revival Business Plan of the Company.

FURTHER RESOLVED THAT aforesaid Revival Business Plan and shares to be offered at discount shall not be mandatory and may be subject to any amendment, modification, addition or deletion as may be deemed appropriate keeping in the circumstances at the time of announcement of right share by the authorized person and such amendment(s), revision(s) shall be deemed to have been approved



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as part of the passed Special Resolution without the need of members to pass a fresh Special Resolution.

Agenda Item No. 5: Reduction of Share Capital

Under Section 89 of the Companies Act, 2017- Reduction of Share Capital

Management of the Company has determined to implement the "Revival Business Plan", once approved by the shareholders of the Company. One part of the "Revival Business Plan" is to remodel the company to get sustainability in the operating performance. Share capital may be reduced to wipe out the accumulated losses of the Company. Ratio and amount of the proposed capital reduction and impact on theoretical share price is given in the "Revival Business Plan".

Draft Proposed Resolutions:

The following resolution is proposed to be passed as special resolution, with or without modifications for approval of Reduction of Share Capital under Section 89 of the Companies Act, 2017:

RESOLVED THAT the approval be and is hereby accorded to the Chief Executive Officer of the Company, if deems necessary and appropriate, to file the petition to the honorable Lahore High Court for the reduction of share capital up to the ratio and amount given in the "Revival Business Plan" after taking into account the effect of capital increase and may cancel any paid-up share capital which is lost or unrepresented by available assets.

FURTHER RESOLVED THAT the Chief Executive Officer of the Company and Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard including appointment of legal counsel, advisors, lawyers, consultants and to do all acts, matters, and things as may be necessary or expedient for the purpose of reduction of share capital of the Company.

Agenda Item No. 6: Transfer/Disposal of Spinning Unit

Under Section 183 of the Companies Act, 2017 – Power of board

Spinning operations are shutdown by the Company for which various plans are under consideration which includes but not limited to the following;

1. Disposal of spinning units assets to the third party against the cash consideration;
2. Transfer of these assets to another company against shares with the viable business plan;
3. Disposal of these assets to another company against cash with the viable business plan;

Detail of spinning unit is as follows:

The spinning unit is situated at 7 km Multan Road, Pattoki. It comprises of 118.3 Kanals of land on the main Multan Road. Due to the close proximity on the main Multan Road the unit has attraction for the investors due to multiple investing opportunities. The unit has covered area of 163,893 sq. ft



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with 1st class construction. The company has made revaluation of its land and building on January 07, 2022*. As per valuation these have market value of Rs 595 million. The revaluation of land was previously made on June 30, 2021 and the revalued amount is accounted for in the financial statement of the Company.**

*As per valuation carried out by Unicorn International surveyors.

**Revaluation is carried out by S.A. Associates as on June 30, 2021.

Described in the "Revival Business Plan"

These are encumbering assets and needs to be disposed of / transferred encumbrance free. The related secured loan/liabilities need to be paid off as described in the "Revival Business Plan".

Draft Proposed Resolutions:

The following resolution is proposed to be passed as special resolution, with or without modifications for the approval of Transfer/Disposal of spinning unit (herein after being referred as "the assets"):

RESOLVED THAT the approval be and is hereby accorded to the Board of Directors of the Company to do all such acts deemed most appropriate to revitalize the spinning unit, including others, may also included dispose of the assets against the cash or to dispose of the assets to another company which may be a separate subsidiary company or an associated company or listed shell company acquired for the purpose at the consideration either in cash or in-kind in the form of shares.

FURTHER RESOLVED THAT the Chief Executive Officer of the Company and Company Secretary of the Company be and is hereby singly empowered and authorized to take all steps and actions necessary, incidental and ancillary as may be required in this regard including appointment of legal counsel, advisors, lawyers, consultants and to do all acts, matters, and things as may be necessary or expedient for that purpose.

FURTHER RESOLVED THAT this resolution remains valid and effective till December 31, 2023 by which this disposal/transfer plan needs to be executed.

INTEREST OF DIRECTORS

The directors of the Company have no direct or indirect interest in above mention Special Business except to the extent that they are also members of the Company.