

# 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  
Web: www.yousafweaving.com

## Notice of Extra Ordinary General Meeting

Notice is hereby given that an Extra Ordinary General Meeting of the shareholders of **Yousaf Weaving Mills Limited** ("Company") will be held on Saturday, 21<sup>st</sup> January, 2023 at 10 A.M. at the Registered Office of the Company, 7/1-E-3, Main Boulevard, Gulberg III, Lahore to transact the following **Special Business**;

1. To consider and, if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following resolutions as special resolutions to increase the authorized share capital of the Company and to make consequent amendments in the Memorandum and Articles of Association of the Company, subject to requisite approvals, if any:

**Resolved that**, the Authorized Share Capital of 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. 1,400,000,000 divided into 140,000,000 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 and Article 4(a) of the Articles of Association of the Company be and are hereby amended accordingly, to read as follows:

### **Clause V of Memorandum of Association:**

The Authorized Share Capital of the Company is Rs. 1,400,000,000/- (Rupees Nine Hundred Million) divided into 140,000,000 Ordinary Shares of Rs. 10/- each with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes

### **Article 4(a) of the Article of Association**

The Share Capital of the Company is Rs. 1,400,000,000/- divided into 140,000,000 Ordinary Share of Rs. 10/- each.

**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 Officer or Company Secretary be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities and file all



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requisite documents with the Registrar to effectuate and implement this resolution."

2. To consider and, if thought fit, to pass with or without modification(s), addition(s) or deletion(s), the following resolutions as special resolution(s), under Section 83 of the Companies Act, 2017 ("Act"):

**"Resolved that**, subject to compliance with the provisions of all applicable laws and requisite regulatory approvals, permissions, and sanctions, including the approvals of the Securities and Exchange Commission of Pakistan (the "SECP") under proviso to Section 83 of the Companies Act, 2017 ("Act") approval be and is hereby accorded to Yousaf Weaving Mills Limited (the "Company") to increase the paid-up capital of the Company from PKR 900,000,000 to PKR 1,360,000,000 by the issuance of additional 46,000,000 Ordinary Shares of the face value of PKR 10 each by way of otherwise than right shares at a price of PKR 10 each, to the director/chief executive against his outstanding loans towards the Company.

**Further resolved that** the shares when issued shall from the date of their allotment, rank *pari passu* in all respects with the existing fully paid Ordinary Shares and the recipient of such shares shall enjoy similar rights and entitlements in respect of these shares as in respect of previously held shares from the date of allotment.

**Further resolved that** the Company Secretary of the Company, be and is hereby authorized singly ("**Authorized Persons**") to enter into and execute such documents as may be required in relation to the further issue of shares otherwise than right shares.

**Further resolved that** the Authorized Persons, be and are hereby further authorized to take all steps necessary, ancillary and incidental for the issuance of the shares otherwise than right shares including but not limited to obtaining all requisite regulatory approvals, preparation and circulation of the notice of the General Meeting, preparing the resolutions to be placed before the General Meeting; engaging legal advisor(s) and consultants for the purposes of the above, filing of the requisite application(s), statutory forms and all other documents as may be required to be filed with SECP and any other authority, submitting all such documents as may be required, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the issue of further shares without right shares and all other matters incidental or ancillary thereto.

**Further Resolved That** the Company be and is hereby authorized to take all such actions including but not limited to the filing the requisite applications (through the Authorized Persons or their appointed consultants) for seeking permission



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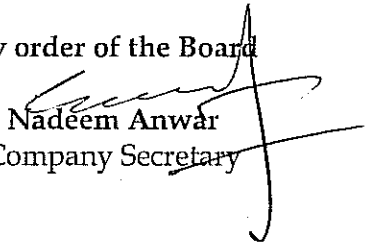
from the Securities and Exchange Commission of Pakistan and such other regulatory authorities as may be required for issuance of further capital without right offering and all matters relating thereto.

Further resolved that all acts, deeds, and actions taken by the Authorized Persons pursuant to the above resolutions for and on behalf of and in the name of the Company shall be binding acts, deeds, and things done by the Company.

Further resolved that the aforesaid special resolution(s) shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by the shareholders, SECP and / or any other regulatory body which suggestion, direction and advice shall be deemed to be part of these Special resolution(s) without the need of the shareholders to pass fresh Special Resolution(s)."

29<sup>th</sup> December, 2022  
Lahore

By order of the Board

  
Nadeem Anwar  
Company Secretary



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## Notes:

1. A statement of material facts under Section 134 of the Companies Act, 2017 concerning the special business to be transacted at EOGM is being sent to the members with the notice of this meeting.
2. The share transfer books of the Company will remain closed from 14<sup>th</sup> January, 2023 to 21<sup>st</sup> January, 2023 (both days inclusive). Transfers received at the Company's Share Registrar's Office by the close of the business on 13<sup>th</sup> January, 2023 will be considered in time for the purpose of attending and voting at the EOGM.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for him/her. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with the Company Secretary of the Company at Registered Office of the Company not less than 48 hours before the time of holding the meeting. No persons shall be appointed as a Proxy unless he/she is a member of the company.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

### A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

### B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.



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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.
6. If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
7. Shareholders are requested to notify any change in their addresses immediately.



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## **Statement under Section 134 of the Companies Act, 2017 concerning the Special Business**

The statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on 21<sup>st</sup> January, 2023.

### **Increase in Authorized Shares Capital of the Company and Consequent Amendments in the Memorandum and Articles of Association:**

In order to cater for the future increase in paid up share capital including the proposed issuance of shares otherwise than right shares, the Authorized Share Capital of the company needs to be enhanced. Accordingly, the Board of Directors has recommended to increase the Authorized Share Capital of the Company from PKR 900,000,000 divided into 90,000,000 ordinary shares of PKR 10 each to Rs. 1,400,000,000 divided into 140,000,000 ordinary shares of PKR 10 each by creation of additional 50,000,000 ordinary shares of PKR 10 each.

The proposed increase in the Authorized Share Capital of the Company will also necessitate amendments in clause V of Memorandum of Association and Article 4(a) of the Article of Association of the Company. The Board of Directors have also recommended alteration in the Memorandum of Association and Article of Association of the Company to reflect increase in Authorized Share Capital of the Company.

### **Existing Clause V of the Memorandum of Association:**

The authorized capital of the Company is Rs. 900,000,000/- (Rupees Nine Hundred Million) divided into 90,000,000 Ordinary Shares of Rs. 10/- each with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes

### **Proposed Clause V of Memorandum of Association:**

The authorized capital of the Company is Rs. 1,400,000,000/- (Rupees One Billion Four Hundred Million) divided into 140,000,000 Ordinary Shares of Rs. 10/- each with power to increase and reduce the capital of the Company and divide the shares in the capital for the time being into several classes

### **Existing Article 4(a) of the Articles of Association:**



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The Share Capital of the Company is Rs. 900,000,000/- divided into 90,000,000 Ordinary Share of Rs. 10/- each.

## Proposed Article 4(a) of the Articles of Association:

The Share Capital of the Company is Rs. 1,400,000,000/- divided into 140,000,000 Ordinary Share of Rs. 10/- each.

The new ordinary shares when issued shall rank *parri passu* with the existing ordinary shares in all respects.

A copy of Memorandum and Articles of Association has been kept at the registered office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the general meeting.

The Directors have no interest in the increase in authorized capital, whether directly or indirectly except to the extent of their shareholdings in the Company and the Directors named herein who have provided loans to the Company are interested in the proposed issuance of shares otherwise than right offering against their outstanding loans.

## Issuance of Shares otherwise than right Offering:

1. The Board of Directors of M/s. Yousaf Weaving Mills Limited (the "Company") in their meeting held on 23<sup>rd</sup> December, 2022 has decided to raise further issue of capital amounting to Rs. 460,00,000 divided into 46,000,000 ordinary shares of PKR 10 each to the director/ chief executive against his outstanding loans towards the Company without right offering as proposed in the special resolution subject to approval of shareholders and permission from the Securities and Exchange Commission of Pakistan in terms of proviso to the Section 83 of the Companies Act, 2017 (the "Act") and subject to the completion of all legal formalities and compliances.
2. The proposed shares shall be issued at PAR against conversion of loans provided by the director/ chief executive to the Company and payable to them.
3. In this regard, the Company provides the following further material information:

### (a) Proposal by the Board

The issue of shares by way of other than right shares has been proposed by the Board of Directors of the Company.



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## (b) Quantum of Issue

46,000,000 ordinary shares of PKR 10 each  
%age before the issue - 51.11%  
%age after the issue - 33.82%

## (c) Issue price per share and justification

PKR 10 each. The shares will be issued at PAR value of PKR 10/- per share. This price is substantially above the prevailing market price of the share i.e., PKR 3.59 each. It is also above the break-up value per share which is negative PKR (1.58) each.

## (d) Consideration

Cash. The amount has already been provided to the Company as loans.

## (e) Information of Person to whom Shares are to be issued.

Mr. Khawaja Mohammad Nadeem, director & Chief executive. Existing shareholding - Existing shareholding 11,692,200 shares;

## (f) Purpose of the Issue:

To reduce the liabilities, improvement of capital base of the Company and breakup value of the share of the Company.

## (g) Justification for Issue of Shares Otherwise than Right Shares:

Due to continued losses suffered by the Company, the equity of the Company has been completely eroded and its equity net of losses amounts to negative PKR 142.5 million as of 30<sup>th</sup> June 2022 on the basis of Audited Account. As the share, the Company is trading at Pakistan Stock Exchange Limited below its Par value of PKR 10, therefore, it is unlikely that Shareholders will subscribe any right offering. The issue of shares at par value to the director is justified due to the reason that the same are issued at Par Value of PKR 10 each and the director have not charged any markup/interest and without any security. Further, it is unlikely that the outstanding loan of the directors would be repaid. Therefore, it will be in the interest of the Company as well as its shareholders to reduce its liabilities which will enhance the capital base, give comfort to the creditors and facilitate future business operations.





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## (h) Benefits of the Issue

In addition to the benefits mentioned above, the proposed issuance of shares would enhance the borrowing capacity of the Company thereby improving liquidity position and improvement in the business and returns for the company and value of its shareholders which in turn will be beneficial for the capital market;

## (i) Latest Market Price of Share

Rs. 3.59 as of 28<sup>th</sup> December, 2022 as per closing rate at Pakistan Stock Exchange Limited.

## (j) Average Market Price of Share

Average market price for share during last three months preceding the Board's decision is Rs. 4.23.

## (k) Break-up value per Share:

Break-up value per shares as of 30<sup>th</sup> June, 2022 on the basis of audited accounts of the Company is negative PKR 1.58 and Break-up value per shares as of 30<sup>th</sup> September, 2022 on the basis of unaudited quarterly accounts of the Company is negative PKR (1.56).

## (l) Consent of persons to whom the proposed shares are to be issued:

The director/chief executive named above has consented in writing to the acquisition of proposed shares if approved by the shareholders and the Securities and Exchange Commission of Pakistan.

## (m) Ranking of shares:

The proposed shares when issued will rank *pari passu* with the existing ordinary shares of the Company.

## (n) Book Entry Shares

The shares shall be issued only in book entry form within 60 days from the date of approval by the SECP.



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## (o) Approval:

The proposed issuance of shares shall be subject to approval of the Securities and Exchange Commission of Pakistan.

7. The Board of Directors of the Company has recommended that the special resolutions as set out in the notice are passed at the Extraordinary General Meeting.
8. The director/chief executive named above is interested in the proposed issuance of shares of the Company in consideration of his outstanding loans. Other directors have no interest in the issue of shares, whether directly or indirectly.