Ishaq Textile Mills Limited

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ISHAQ TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Ishaq Textile Mills Limited ("the Company") that an Annual General Meeting of the Company will be held on Tuesday, October 31, 2017 at 11:00 A.M. at its registered office situated at 35 K.M. Sheikhupura Road, Faisalabad to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of last Annual General Meeting held on October 31, 2016.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2017 together with the Auditors' and Directors' Reports thereon.
3. To appoint the auditors and fix their remuneration for the next financial year. The retiring auditors Messrs Riaz Ahmad and Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass the following resolutions as special resolutions, with or without modifications, addition or deletion:

Resolved that "Approval be and is hereby given for the change of name of the company from 'Ishaq Textile Mills Limited' to 'Wadood Textile Mills Limited'."

Further resolved that, "The name Ishaq Textile Mills Limited, wherever it occurs in the memorandum and articles of association of the company and/or any other deed, document, titles etc. be substituted with the name 'Wadood Textile Mills Limited'."

Further resolved that, "Mr. Tahir Shahzad, Company Secretary of the company be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary or incidental and to complete all legal formalities and file all necessary documents to Securities and Exchange Commission of Pakistan, as may be necessary for the purpose of implementing the aforesaid resolution."

2. To consider and if deemed fit, to pass the following resolutions as ordinary resolutions with or without modification, addition(s) or deletion(s), as recommended by the directors:

Resolved that "Consent be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 for entering into a lease arrangement with Masood Textile Mills Limited, for lease of part of its land, building and related accessories, initially for a period of 2 years with effect from 01 January 2017 extendable with mutual consent of both parties at the end of lease term for initial monthly rent of Rupees 9/- (Rupees nine only) per Sqft to be increased by 10% after every year and to be negotiated on each renewal and on such other terms and conditions as may be approved by the Board".

Further resolved that "Any of Chief Executive officer and Chief Financial officer be and is hereby authorized singly to prepare, sign and deliver any and all documents in relation to the subject agreement and to sign and execute lease agreement and to take all steps and actions necessary, incidental and ancillary for the lease arrangement and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the ordinary resolution".

3. To consider and if thought fit, to pass the following resolution as special resolution, with or without modifications, addition or deletion:

Resolved that "Utilization of proceeds from disposal of plant and machinery of weaving segment of the Company amounting to Rupees 129.186 million for the purposes of spinning operations of the Company be and is hereby ratified".

OTHER BUSINESS:

To transact any other business that may be brought forward with the permission of the Chair.

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 Annual General Meeting of the Company to be held on 31-10-2017.

Lease Arrangement with Masood Textile Mills Limited

The land, building and related accessories of the Company at 35 K.M. Sheikhupura Road, Faisalabad were not in use of the Company since disposal and discontinuation of Weaving segment of the Company. In order to generate income from these assets of the Company and to save fixed costs, the Company decided to enter into a lease arrangement with Masood Textile Mills Limited.

Salient features of the lease arrangement are as follows:

- Ishaq Textile Mills Limited will lease out its land and building consisting of total covered area of 97,289 Sqft (extendable with mutual consent of both the parties) to Masood Textile Mills Limited situated at 35 K.M. Sheikhurpura Road, Faisalabad.
- Initially, the duration of lease will be for a period of 2 years with effect from 01 January 2017 which is extendable for further period at the end of lease term with mutual consent of both parties.
- The lease rental of the Leased property for the Initial Lease Period shall be Rupees 9/- (Rupees nine) per Sqft to be increased by 10% after every year and to be negotiated on renewal as may be approved by the Board of Directors.
- The lessee shall be responsible for all security costs, facility running costs and insurance.

Change of Name of the Company

In order to re-brand, re-fresh and give a new look to the Company, it has been decided by the board of directors of the Company that name of Ishaq Textile Mills Limited be changed to Wadood Textile Mills Limited. The availability of the name Wadood Textile Mills Limited for use by the Company is subject to confirmation by the office of the Registrar of Companies, Securities and Exchange Commission of Pakistan, Faisalabad.

Consequent to the change in the name of the company, alteration in memorandum and articles of association would also be required, wherever the extant name of the Company appears.

Since prior consent of the members by way of a special resolution is required for affecting any change in the name of a company, consent of the members to the change in the name of the company, as aforesaid, is being sought in terms of the special resolution set out in the notice.

Upon receipt of approval of members, the company shall make an application to the Registrar of Companies, SECP, Faisalabad for approving the change in the name of the company and issuing a fresh certificate of incorporation to the company in the new name as aforesaid, upon receipt of which the company shall make the required alteration in the memorandum and articles of association of the company, title of bank accounts, deeds, registration, other documents etc. so that the said documents reflect the new name as aforesaid, in place of the Ishaq Textile Mills Limited, the current name of the company.

Utilization of proceeds from disposal of plant and machinery of weaving segment of the Company

The Company obtained approval of shareholders of the Company in its Annual General Meeting dated 31 October 2014 regarding disposal of plant and machinery of Weaving Segment of the Company in terms of section 196(3) of the repealed Companies Ordinance, 1984.

At the time of obtaining approval from shareholders, the Company's management has plans to utilize the proceeds from disposal of assets of Weaving Segment to acquire power looms which are more viable and can extract better profits in future.

However, in view of the fact that continuing the weaving operations required a lot of working capital and in view of opportunity available to the Company to scale up its spinning segment for better returns for shareholders in future, the Company utilized the proceeds from disposal of plant and machinery of weaving segment of the Company amounting to Rupees 129.186 million for the purposes of spinning operations. Shareholders' are requested to ratify the aforesaid utilization of proceeds from disposal of plant and machinery of weaving segment of the Company for the purposes of continuing operations of the Company i.e. spinning.

None of the directors has any personal interest in the above resolutions except as a member of the company. The relevant documents are available for inspection at the registered office of the company during office hours till 31-10-2017.

By order of the Board

Tahir Shahzad
(Company Secretary)

Dated: October 09, 2017
Faisalabad

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NOTES:

1. The share transfer books of the Company shall remain closed from October 24, 2017 to October 31, 2017 (both days inclusive). Transfers received in order at Registered Office of the Company or our Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore by the close of business on October 23, 2017 will be considered in time.

2. A member entitled to attend and vote at this general meeting is entitled to appoint another member as proxy. Proxies must be received in order to effective at the registered office of the Company not less than 48 hours before the time for the meeting.

3. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his / her original CNIC or Passport to prove his / her identity and in case of Proxy must enclose an attested copy of his / her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

4. Shareholders are requested to notify the change in their addresses if any, immediately. Moreover, the members who have not yet submitted their Computerized National Identity Cards to the Company are requested to send at their earliest.

5. SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email. Hence, members who hold shares in physical form and are interested in receiving the annual reports electronically in future are required to submit their e-mail addresses and consent for electronic transmission to the Shares Registrar of the Company. CDC shareholders are requested to submit their email address and consent directly to their broker (Participant) / CDC investor Account Services.

6. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements and reports of the Company for year ended June 30, 2017 are being placed on the Company's website: www.ishaqtextile.com for the information and review of shareholders.