



NOTICE OF THE 32ND ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the shareholders of Reliance Weaving Mills Limited (the "Company") will be held on Thursday, October 27, 2022, at 03:00 pm at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extraordinary General Meeting held on June 23, 2022.
2. To receive, consider and adopt the audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2022.
3. To consider and approve payment of Rs. 4.00 per share i.e. @ 40% as final cash dividend for the financial year ended June 30, 2022, as recommended by Board of Directors.
4. To appoint Auditors for year ending June 30, 2023 and to fix their remuneration.

SPECIAL BUSINESS:

5. To ratify and approve the transactions carried out by the Company with related parties as disclosed in the financial statements for the year ended June 30, 2022 and to pass the following Special Resolution(s), with or without modification(s) in terms of Section 208 of the Companies Act, 2017:

"RESOLVED THAT, related party transactions carried out by the Company during the year in which majority of Directors are interested as disclosed in Note 45 of the financial statements for the year ended June 30, 2022, be and are hereby ratified, approved and confirmed."

6. To authorize the Board of Directors of the Company to approve related party transaction for the financial year ending June 30, 2023, and to pass the following Special Resolution(s), with or without modification(s):

"RESOLVED THAT, the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2023.

FURTHER RESOLVED THAT, these transactions approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval where required."

7. To consider and if deemed fit, to pass the following special resolutions under Section 199 of the Companies Act 2017, with or without modification(s), addition(s) or deletion(s):

"RESOLVED THAT, consent of the shareholders of the Company be and is hereby accorded under Section 199 of the Act for investment in associated companies, as per following details, in the form of working capital loan from time to time for a period of one year starting from the date of approval by the shareholders provided that the return on any outstanding amount of loan shall be KIBOR plus 2.50% (which shall not be less than the average borrowing cost of the Company) and as per other terms and conditions of the agreement to be executed in writing and as disclosed to the Members:



| Sr. # | Name of Associated Company | Amount of Loan |
|-------|-------------------------------------|-----------------|
| 1 | Fatima Sugar Mills Limited | PKR 400 million |
| 2 | Reliance Commodities (Pvt.) Limited | PKR 200 million |
| 3 | Fatima Transmission Company Limited | PKR 300 million |
| 4 | Fazal Cloth Mills Limited | PKR 200 million |
| 5 | Fatima Holding Limited | PKR 200 million |

FURTHER RESOLVED THAT, any Director/Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when required by above associated companies and to take all steps and actions necessary, incidental and ancillary thereto including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolution.”

Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to this notice of meeting circulated to the shareholders of the Company.

By Order of the Board


Kamran Ahmad Awan
Acting Company Secretary

Place: Multan

Dated: October 06, 2022

Notes:

- The Share Transfer Books will remain closed from October 21, 2022 to October 27, 2022 (both days inclusive). Transfers received in order at the office of our Shares Registrar by the close of the business on October 20, 2022 will be treated in time for the aforesaid purpose.
- Only those persons whose names appear in the Register of Members of the Company as at October 20, 2022 are entitled to attend and vote at the Annual General Meeting.
- The Members are requested to notify the change of address, zakat declaration and tax exemption status with its valid certificate, if any, immediately to our Shares Registrar.

PARTICIPATION IN THE ANNUAL GENERAL MEETING (AGM):

A Member entitled to attend and vote may appoint another Member as his/her proxy to attend and vote instead of him/her. In order to be effective, duly completed and signed Proxy Form must be received at the Company's Registered Office at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan at least 48 hours before the time of the meeting. For the convenience of the Members, a blank Proxy Form is being dispatched with the notice of AGM



CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

FOR ATTENDING THE MEETING:

- i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting; and
- ii) In case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the meeting.

FOR APPOINTING PROXIES:

- i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall submit the Proxy Form as per the above requirement. Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the Passport of beneficial owners and the Proxy shall be furnished with the Proxy Form. The Proxy shall produce his / her original CNIC or original Passport at the time of the meeting;
- ii) In case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with the proxy form to the Company. A corporate entity, being Member, may appoint any person, regardless of whether they are a Member or not, as its proxy.

VIDEO LINK FACILITY:

On the demand of shareholders residing in a city who hold at least ten percent of the total paid-up capital of the Company, the facility of video-link will be provided to such shareholders in that city enabling them to participate in the Annual General Meeting. The demand for video-link facility shall be received by the Company at least 7 days prior to the date of the meeting.

COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) / NATIONAL TAX NUMBER (NTN):

The shareholders holding physical shares who have not yet provided their CNIC Number(s) are once again reminded to immediately submit the copy of their CNICs to the Company's Shares Registrar. The corporate Members having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate entities having physical shares should send a copy of their NTN certificates to the Company's Shares Registrar. The shareholders and the corporate Members while sending their CNIC and NTN / NTN certificates, as the case may be, must mention their folio number(s).

WITHHOLDING TAX ON DIVIDEND:

The rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001, from payment of dividend to a NON-FILER of income tax return is prescribed as 30% and for FILER as 15%. In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Shares Registrar by the close of business on October 20, 2022, as per following format:



| Folio / CDC A/c. Number | Total Shares | Principal Shareholder | | Joint Shareholder(s) | |
|-------------------------------|-----------------|-------------------------|---|-------------------------|---|
| | | Name and CNIC Number | Shareholding Proportion (No. of Shares) | Name and CNIC Number | Shareholding Proportion (No. of Shares) |

The CNIC/NTN is now mandatory and is required to check the status as per Active Taxpayer List issued and updated by Federal Board of Revenue.

E-VOTING:

Pursuant to Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018, Members can exercise their right to poll in the meeting.

PAYMENT OF CASH DIVIDEND ELECTRONICALLY:

The shareholders, who have yet not provided the particulars of their bank accounts are hereby requested to provide the same at the earliest. The Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same in the absence of complete bank account details.

UNCLAIMED SHARE(S) / DIVIDEND(S):

Pursuant to Section 244 of the Companies Act, 2017, the Company has dispatched notice(s), followed by newspaper advertisement, in respect of shares / dividends that remained unclaimed or unpaid to all the shareholders at their last known addresses with the request to lodge the claims. Accordingly, if such claims are not lodged within prescribed time period, the Company shall proceed according to the requirements of the law.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:

As per Section 72 of the Companies Act, 2017, every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares are requested to convert their shares into book-entry form, which would facilitate them in many ways including safe custody and sale of shares.

AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENTS ON THE COMPANY'S WEBSITE:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2022 are available on the Company's website.

TRANSMISSION OF ANNUAL REPORT ELECTRONICALLY:

The shareholders interested to receive the Annual Report and notice of Annual General Meeting electronically, i.e. through email, are requested to approach our Shares Registrar or the Company Secretary at his email id Kamran.Ahmad@fatima-group.com. The Company shall, however, additionally provide hard copies of the Annual Report free of cost to such shareholders, on request.



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

This statement sets out the material facts under Section 134(3) of the Companies Act, 2017 concerning the special business to be transacted at the Annual General Meeting of Reliance Weaving Mills Limited to be held on Thursday, October 27, 2022.

Special Business Relating to Approval of Related Party Transactions:

The transactions carried out with the associated companies/related parties have been approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to the provisions of applicable laws. However, the majority of Directors of the Company were interested in certain transactions due to their common directorship or on account of holding of shares in the associated companies with which such transactions were held. Therefore, due to absence of quorum, the Board has recommended that these transactions be placed before the shareholders of the Company in the general meeting for ratification/approval pursuant to the provisions of the Companies Act, 2017 (the "Act"). These transactions are given in Note 45 of the financial statements for the year ended June 30, 2022.

All the related party transactions for the year ended June 30, 2022 were executed at Arm's Length basis in the normal course of business and there were no departures from the guidelines provided in the Code of Corporate Governance for such transactions. Pursuant to above, these transactions have to be approved/ratified by the shareholders in the General Meeting. The Directors and their relatives do not have any direct or indirect interest in the aforesaid except to the extent of their shareholding/common directorship with related parties.

Special Business Relating to Related Party Transactions for year ending June 30, 2023:

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 on an arm's length basis as per the approved policy with respect to "transactions with the related parties" in the normal course of business. There could be cases where majority of the Directors hold common directorship with these associated companies. In order to promote transparent business practices, it is recommended that the Board of Directors of the Company be authorized to approve transactions with related parties from time-to-time on case to case basis for the year ending June 30, 2023, which transactions shall be deemed to be approved by the shareholders. The nature and scope of related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The directors are interested in the resolution to the extent of their shareholding/common directorship in the companies.

Investment in Associated Companies:

As per requirements of the regulations; the Company is required to seek approval from shareholders every year for providing working capital loan to the associated companies to meet their business requirements.

Considering the average borrowing cost of the Company and the return offered by the banks on term deposits, the Directors of the Company have recommended to invest surplus funds from the retained earnings of the Company to the associated companies as per their request at the interest rate of KIBOR plus 2.50% which shall not be less than the average borrowing cost of the Company.



The repayment of the principal amount of loan and interest thereon shall be made as per terms and conditions of the agreements. The management expects that the transactions are to be beneficial for the Company as this will enhance the return on funds available with the Company.

The Directors of the Company undertake that the proposed investment is being recommended after due diligence and financial health of the borrowing companies are such that these companies have the ability to repay the loan.

Information under Regulation 3 of the Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

| Description | Fatima Sugar Mills Limited | Reliance Commodities (Pvt.) Limited | Fatima Transmission Company Limited | Fazal Cloth Mills Limited | Fatima Holding Limited |
|----------------------------------|---|--|---|--|--|
| Registration No. and Date | 0076592 15.07.2011 | 0036107 28.01.1996 | 0091244 26.12.2014 | 0002266 14.05.1966 | 0018591 11.01.2014 |
| Registered Office Address | E-110, Khayaban-e-Jinnah, Lahore-Cantt. | 2 nd Floor Trust Plaza LMQ Road, Multan | E-110, Khayaban-e-Jinnah, Lahore Cantt. | 697, Abid Majeed Road, Lahore Cantt. | E-110, Khayaban-e-Jinnah, Lahore Cantt |
| Authorized Share Capital | PKR 2,200 (M) | PKR100 (M) | PKR 1,000 (M) | PKR 700 (M) | PKR 1,180(M) |
| Paid-up Capital | PKR 2,102 (M) | PKR 80.05(M) | PKR 647(M) | PKR 300(M) | PKR 1,172(M) |
| Basis of Relationship | Common Directorship | Common Directorship | Common Directorship | Common Directorship | Common Directorship |

Earnings per share of the associated companies are as under:

| Year | FSML | RCL | FTCL | FCML | FHL |
|------|------|-------|----------|--------|------|
| | | | PKR | | |
| 2020 | 1.57 | 36.22 | (4.0687) | 13.36 | 5.38 |
| 2021 | 5.79 | 25.06 | (2.5063) | 181.06 | 4.33 |
| 2022 | 3.39 | 45.52 | (0.5583) | 161.56 | 1.40 |

Breakup value per share of the associated companies are as under:

| Year | FSML | RCL | FTCL | FCML | FHL |
|------|-------|--------|----------|---------|--------|
| | | | PKR | | |
| 2020 | 18.67 | 303.53 | (0.6551) | 694.74 | 109.74 |
| 2021 | 22.89 | 292.37 | (1.8557) | 1093.33 | 88.90 |
| 2022 | 26.35 | 337.89 | 5.2212 | 1353.26 | 90.30 |

Latest financial position, including main items of the financial position and statement of profit or loss of the associated companies or associated undertakings;



| Particulars | FSML | RCL | FTCL | FCML | FHL |
|-------------------------------|-----------------------|----------|-----------|-----------|-----------|
| | PKR in Million | | | | |
| Paid up capital | 2,101.71 | 80.05 | 646.72.00 | 300 | 1,171.55 |
| Un-appropriated profit/(loss) | 3,421.49 | 2,210.95 | (309.05) | 20,487.14 | 6,273.80 |
| Current liabilities | 3,070.98 | 7,878.91 | 213.51 | 30,769.93 | 7,523.54 |
| Current assets | 2,733.79 | 9,826.72 | 24.68 | 41,989.07 | 13,827.19 |
| Sales | 11,877.69 | 2,327.40 | 51.23 | 47,608.57 | 672.47 |
| Gross profit/(loss) | 1,844.59 | 404.83 | 51.23 | 7,954.62 | 668.47 |
| Net Profit/loss | 711.80 | 364.35 | (35.82) | 4,846.81 | 163.83 |

In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, further information as per Regulations are as under:

| | | Fatima Transmission Company Limited | | | | | | | | | | | | | | |
|----------------------------------|--|--|-----------------|-------------|--------------------------------|--------|---------------------------|---------|-------------------------|---------|----------------------------------|--------|----------------------|--------|--|----------------|
| I | Description of the project and its history since conceptualization | Fatima Transmission Company Limited (FTCL) was incorporated on December 26, 2014 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to lay down power transmission line. The National Electric Power Regulatory Authority has granted permission to FTCL for constructing and owning transmission facilities in 2015. Under the license, FTCL would setup a 37 km long transmission line for evacuating 120MW electricity from generation facilities to supply to a number of Bulk Power Consumers. | | | | | | | | | | | | | | |
| II | Starting date and expected date of completion of work | The project was taken over from EPC contractor in May 2017 and duly tested through dispatch from August 2019 to December 2019 under wheeling arrangement. COD is yet to be declared. | | | | | | | | | | | | | | |
| III | Time by which such project shall become commercially operational | The commercial operations of the Company are directly linked with the operations of the Fatima Energy Limited. As soon as the commercial operations of the Fatima Energy Limited commences; the commercial operations of the FTCL shall also be commenced simultaneously. | | | | | | | | | | | | | | |
| IV | Expected time by which the project shall start paying return on investment | In addition to above, the management of FTCL expects that it would be able to achieve its optimum capacity in next couple of years, which will enable sufficient cash flows to repay its obligations as well as payout to its shareholders. | | | | | | | | | | | | | | |
| V | Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts | <p>Investment in Preference Shares</p> <table border="1"> <thead> <tr> <th>Name of Sponsor</th> <th>PKR Million</th> </tr> </thead> <tbody> <tr> <td>Reliance Weaving Mills Limited</td> <td>73.398</td> </tr> <tr> <td>Fazal Cloth Mills Limited</td> <td>127.956</td> </tr> <tr> <td>Fatima Holdings Limited</td> <td>152.282</td> </tr> <tr> <td>Fazal Holdings (Private) Limited</td> <td>14.506</td> </tr> <tr> <td>Fatima Sugar Limited</td> <td>48.585</td> </tr> <tr> <td></td> <td>416.727</td> </tr> </tbody> </table> | Name of Sponsor | PKR Million | Reliance Weaving Mills Limited | 73.398 | Fazal Cloth Mills Limited | 127.956 | Fatima Holdings Limited | 152.282 | Fazal Holdings (Private) Limited | 14.506 | Fatima Sugar Limited | 48.585 | | 416.727 |
| Name of Sponsor | PKR Million | | | | | | | | | | | | | | | |
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| Fatima Sugar Limited | 48.585 | | | | | | | | | | | | | | | |
| | 416.727 | | | | | | | | | | | | | | | |



Investment in Ordinary Shares

| Name of the Sponsor | PKR Million |
|----------------------------------|----------------|
| Reliance Weaving Mills Limited | 71.875 |
| Fazal Cloth Mills Limited | 55.200 |
| Fatima Holding Limited | 87.400 |
| Fazal Holdings (Private) Limited | 15.525 |
| Directors | 0.000 |
| | 230.000 |

General Disclosures:

| Requirements | Fatima Sugar Mills Limited | Reliance Commodities (Pvt.) Limited | Fatima Transmission Company Limited | Fazal Cloth Mills Limited | Fatima Holding Limited |
|---|---|-------------------------------------|-------------------------------------|---------------------------|------------------------|
| | PKR in Million | | | | |
| Maximum amount of investment | 400 | 200 | 300 | 200 | 200 |
| Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans; | <p>Purpose: To earn income on the loans/advances to be provided to the associated companies to meet working capital needs of the associated companies.</p> <p>Benefits: The Company will receive markup above the borrowing cost of the Company, which will benefit the Company's cash flow by earning profit on its surplus funds.</p> <p>Period: For a period of one year from the date of Annual General Meeting.</p> | | | | |
| Sources of funds to be utilized for investment | Loan/advance will be given out of own funds of the Company. | | | | |
| Where loans or advances are being granted using borrowed funds: | | | | | |
| Justification for granting loan or advance out of borrowed funds | Not Applicable | | | | |
| Detail of guarantees /assets pledged for obtaining such funds, if any | Not Applicable | | | | |
| Cost Benefit Analysis | Not Applicable | | | | |
| Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment. | | | | | |
| - Nature | Loan/advance | | | | |
| - Purpose | To earn mark-up on loan being provided to FSML, FTCL, RCL, FCML and FHL, this will augment the Company's cash flow. | | | | |
| - Period | Maximum period of one year. | | | | |
| - Rate of markup | KIBOR+2.5% but above borrowing cost of the Company. | | | | |
| - Repayment | Investee Company shall pay loan and mark-up to investing company on one-month notice or at maturity. | | | | |



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| 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; | The Directors of the Company are Sponsors and Directors of the investee companies. None of the Directors or their relatives or associates is interested in above resolution in any way except as Members of the Company. |
| In case of 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; and | There is no impairment and/or write off against any facility given to any associated company. |
| Any important details necessary for the members to understand the transaction. | Not Applicable |
| Category-wise amount of investment; | Short term loan for working capital requirements for a period of one year as detailed in preamble. |
| Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period; | 11.82% |
| Rate of interest, markup, profit, fees or commission to be charged; | KIBOR + 2.50% |
| Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any; | Not Applicable |
| If loans carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion | Not Applicable |



| | |
|---|---|
| may take place and the time when the conversion may be exercisable: | |
| (a) Conversion formula | Not Applicable |
| (b) Circumstances in which conversion may take place | Not Applicable |
| (c) Time when conversion may be exercisable; | Not Applicable |
| Repayment schedule and terms and conditions of loans or advances to be given to Investee companies. | Loan will be paid back by each investee company within one month notice or at maturity. |