

ARSHAD ENERGY LIMITED
Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting (EOGM) of Arshad Energy Limited (the "Company") will be held physically on February 24, 2022, at 12.30 p.m. at the Registered Office of the Company located at 404/5, Business Center, 4th Floor, Mumtaz Hasan Road, near SBP, Karachi to transact the following businesses. In addition, due to current spread of COVID19 pandemic, shareholders may also attend the meeting through video link facility in a manner as given in this notice of EOGM.

Ordinary Business:

To confirm the minutes of the Annual General Meeting of the Company held on **28 October 2021**.

Special Businesses:

1. To consider and if thought fit, approve the sale and disposal of a sizable part of the assets of the Company, including to a related party, by passing the following resolutions as special resolutions, with or without any modifications, in accordance with Sections 183(3) and 208 (to the extent applicable) of the Companies Act, 2017:

"RESOLVED THAT the Company be and is hereby authorized to sell and dispose of the Company's assets located at 35 kilometers, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, Punjab, comprising freehold land measuring 40 kanal 13 marla, all building and construction thereon, along with all plant and machinery, and other ancillary assets (collectively, the "Assets") to its related parties i.e. Arshad Textile Mills Limited and / or Arshad Corporation (Private) Limited (or their nominees), in accordance with the provisions of Sections 183(3) and 208 of the Companies Act, 2017, subject to the completion of necessary corporate, regulatory and legal formalities (the **"Proposed Sale"**).

FURTHER RESOLVED THAT, notwithstanding the above approval, the Company be and is hereby authorized to sell and dispose of the Assets or any part thereof (including the moveable assets) to any third parties, as may be deemed fit by the authorized representatives of the Company in case appropriate value for the same is not offered by the Company's related parties.

FURTHER RESOLVED THAT the alternate/revival business plan, as recommended by the Board of Directors of the Company and placed before the meeting, duly initiated by the Chairman of the Board of Directors (**"Alternate/Revival Business Plan"**), be and is hereby approved and adopted.

FURTHER RESOLVED THAT approval be and is hereby accorded for utilization of the proceeds from the Proposed Sale to repay / settle non-current/current liabilities of the Company along with other costs incurred; and to initiate/start/implement the Alternate/Revival Business Plan, as approved and recommended by the Board of Directors of the Company.



RESOLVED FURTHER THAT as part and parcel of the foregoing consent, the Board of Directors of the Company be and is hereby authorized and empowered to conclude negotiations with respect to, enter into, and effectuate, the Proposed Sale, including to delegate any or all of the powers hereby conferred in this regard to any director of the Company or any other person on such terms and conditions as they deem fit, to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the Proposed Sale and / or the utilization of proceeds thereof, which shall include, but not be limited to:-

- (i) carrying out and concluding negotiations with respect to the Proposed Sale with the related parties or any third parties, including determining and agreeing to the terms and conditions thereof, provided that the same do not materially deviate from the binding terms approved by the members, as stipulated in the statement of material facts accompanying the notice;
- (ii) entering into, executing and performing any and all agreements, deeds and documents with respect to the Proposed Sale and matters pertaining to the above resolutions;
- (iii) receiving the sale consideration, executing, preparing and signing any sale deed, conveyance deed and / or transfer documents in favor of the buyer(s) to effect the Proposed Sale (or any portion thereof) in favour of the buyer(s);
- (iv) taking necessary actions with respect to the Assets as may be required for the purposes of the Proposed Sale and the documents pertaining thereto;
- (v) representing the Company before all parties & authorities concerned and admitting execution of the documents;
- (vi) representing the Company before the Sub-Registrar or any other competent authority and getting any sale deed or other documents registered and collecting the consideration amount in respect of the sale of the Assets;
- (vii) obtaining all necessary approvals, consents and clearances that may be required under the applicable laws;
- (viii) generally performing and executing, in respect of the Assets, all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the sale / disposal of the Assets; and
- (ix) taking all necessary steps, and carrying out and performing all such acts, deeds and things, including causing the same to be performed, for and on behalf and in the name of the Company as may be necessary or required for the purposes of carrying out, fulfilling and implementing the resolutions, along with all matters incidental or ancillary thereto.

FURTHER RESOLVED THAT the Board of Directors of the Company, or any person authorized by them, be and is hereby authorized and empowered to agree to and make any modification to these resolutions that may be directed by the Securities & Exchange Commission of Pakistan without the need for passing of any fresh resolution by the members of the Company in respect thereof.



FURTHER RESOLVED THAT certified copies of these resolutions may be communicated to the concerned parties, organizations or authorities, whenever required, and shall remain in force until notice in writing to the contrary be given.”

2. To consider and if thought fit, approve the change of name of the Company and in this respect to pass the following resolutions as special resolutions, with or without modifications:

“**RESOLVED THAT**, subject to the approval of the Securities and Exchange Commission of Pakistan in accordance with Section 12 of the Companies Act, 2017, the name of the Company be changed from “Arshad Energy Limited” to “AEL Textiles Limited”, and consequently the name be changed in the Memorandum and Articles of Association of the Company and all formalities be completed in respect thereof.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and are hereby severally authorized and empowered to suggest, adopt and execute / effectuate any other suitable name in case of non-availability (or withdrawal of availability) of the new name due to any reason(s) or circumstances, without the need for passing any fresh resolutions by the members.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and are hereby severally empowered and authorized to do all such acts, deeds and things as they may in their absolute discretion deem necessary or incidental to implement the above resolutions including, but not limited, to complete all legal formalities and file all necessary documents with the Securities and Exchange Commission of Pakistan, and seek any approvals.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized and empowered to agree upon modification in these resolutions as may be directed by the Securities and Exchange Commission of Pakistan without the need for passing of any fresh resolution by the members of the Company in respect thereof.”

3. To consider and, if deemed fit, approve the change in the Company’s principal line of business, along with approving the alterations to the Memorandum of Association of the Company, and in that connection to pass the following resolutions as special resolutions, with or without modifications:

“**RESOLVED THAT** the principal line of business of the Company be changed from “generation and distribution of electricity” to “textile trading and manufacturing and ancillary matters” as per the revised provisions of the Memorandum of Association of the Company.

FURTHER RESOLVED THAT, in accordance with the change in the principal line of business of the Company, the existing Clause III of the Memorandum of Association of the Company be and is hereby replaced in its entirety to read as follows, subject to the completion of necessary corporate, regulatory and legal formalities where required:

- (i) The principal line of business of the Company shall be (a) to undertake services that are legally permissible in the textile and allied products industry including, *inter alia*, sale, purchase, manufacture, import, export and generally dealing in textile products and materials, as well as to act as general traders, general order suppliers of products commodities, material legally permissible in any form or shape, including manufactured, semi manufactured, raw materials supplied by any company, firm, association of persons, body, whether incorporated or not, individuals, government, semi government or any local authority; and (b) to develop, and / or set



up an industrial undertaking to manufacture and / or trade in all kinds of textile and allied products and to undertake all such things as are incidental or conducive to the attainment of the abovesaid objects / businesses.

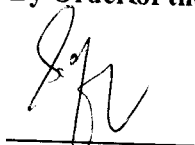
- (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the Company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
- (iv) It is hereby undertaken that the Company shall not:
 - a) engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
 - b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business; engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

FURTHER RESOLVED THAT the Chief Executive Officer and/or Company Secretary of the Company be and are hereby severally 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 amending the Memorandum of Association of the Company, including, inter alia, obtaining any approvals (if required) and carrying out any filings with the Securities and Exchange Commission of Pakistan or other regulatory bodies.

FURTHER RESOLVED THAT the Board of Directors be and is hereby empowered to agree to, approve and make any modifications in the Memorandum of Association of the Company or in the resolutions above as may be directed by the Securities and Exchange Commission of Pakistan, without the need of passing of fresh resolutions by the members."

The Statement of Material Facts under Section 134(3) of the Companies Act, 2017, setting forth the details and material facts pertaining to the Special Businesses referred to the above is annexed to this notice of meeting, being sent to the shareholders.

By Order of the Board



Shafiq Ijaz

Company Secretary

Karachi

Dated: February 03, 2022

Notes:

- 1) The Members Register and Share Transfer Books will remain closed from February 17, 2022 to February 24, 2022 (both days inclusive) for the purpose of the Extraordinary General Meeting. Transfers received at M/s F.D. Registrar Services (SMC-Pvt) Limited, 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road, Karachi, the Registrar and Shares Transfer Office of the Company having Ph no. 00 92 21 3227 1905, email fdregistrar@yahoo.com, by the close of business on February 24, 2022 will be treated in time for the purpose of Extraordinary General Meeting. Only those persons whose names appear in the Register of Members of the Company as at February 16, 2022 are entitled to attend and vote at the Extraordinary General Meeting.
- 2) A Member entitled to attend and vote at the Extraordinary General Meeting may appoint another Member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of the Extraordinary General Meeting.
- 3) CDC Account Holders will further have to follow the below mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. FOR ATTENDING THE MEETING:

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his original CNIC or Passport of the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' 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:

- i. In case of individuals, the account holders and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
 - 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 owner and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his/her original CNIC or original Passport at the time of meeting.
 - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
4. Members are requested to notify/submit the following information/documents, in case of book entry securities in CDS to their respective participant/investor account services and in case of physical shares to the Registrar of the Company by quoting their folio number and name of the Company at the above-mentioned address, if not earlier notified/submitted:
- Members are requested to notify any change in their registered address immediately.



- Valid and legible copy of CNIC/Passport (in case of individual) and NTN Certificate (in case of corporate entity). Please note that CNIC Number is mandatory for issuance of dividend warrants and in the absence of this information payment of dividend shall be withheld.
 - Dividend mandate information mentioning title of bank account, International Bank Account Number (IBAN) bank name, branch name, branch code, and address towards direct transfer/credit of cash dividend in your account. Please note that all future dividends shall only be paid through online bank transfer as required under Section 242 of the Companies Act, 2017.
5. Pursuant to the provisions of the Companies Act 2017 the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given herein above at least 07 days prior to the date of the meeting by filling the following specimen. The Company will intimate respective members regarding venue of the video-link facility before five days of the Meeting along with complete information necessary to enable them to access the facility.
- I/we _____ of _____ being members of Arshad Energy Limited holder _____ Ordinary Shares(s) as per Registered Folio No. CDC/Account No. _____ hereby opt for video conference facility at Karachi in respect of Extraordinary General Meeting of the Company.
6. For any query / problem/information Members may contact the Company at email shafiq.ijaz@arshadgroup.com and/or the Share Registrar of the Company at above mentioned address
7. In light of threat posed by Covid-19 and under the instructions of Securities and Exchange Commission of Pakistan (SECP) facility of Video Link is available for shareholders to attend/participate in Extraordinary General Meeting to avoid the public gathering to protect the health of valued shareholders' and their well-being. To attend the General Meeting through video link, members and proxies are requested to register their particulars such as Name, CNIC Number, Folio/CDC Account Number, Cell Number and e-mail Address by sending an e-mail to arifurrehman786@yahoo.com, but not later than 48 hours before the time of Extraordinary General Meeting.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their email address. On the date of the Extraordinary General Meeting, shareholders will be able to login and participate in the meeting through their smart phones / computer devices. The facility login shall be opened thirty (30) minutes before the meeting time to enable the particulars to join the meeting after identification process and verification process. In view of the above, the shareholders can also provide their comments/suggestions for the proposed agenda items of the Extraordinary General Meeting by using the aforesaid means.

8. All material information in respect of the Special Businesses is available for inspection during Business Hours at the Registered Office of the Company and also during the Extraordinary General Meeting. All such material information is also posted on the Company's website www.arshadenergy.com



**STATEMENT OF MATERIAL FACTS
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 Extraordinary General Meeting of Arshad Energy Limited (the “Company”) to be held on February 24, 2022.

AGENDA ITEM NO. 1 OF THE NOTICE - SALE / DISPOSAL OF ASSETS TO RELATED PARTIES AND / OR ANY THIRD PARTIES

The existing principal activity of the Company is the generation and distribution of electricity. Due to the drastic increase in the prices of furnace oil and requirements of huge repair costs, such generation activities have become non-viable. Consequently, the situation has forced the management to temporarily close down the operations of the Company. In order to restart the operations of the Company, the management has been continuously monitoring fuel prices and sale rates. However, during the period ended 30 September 2021, the Company has accrued loss after taxation of Rupees 3.894 million. Moreover, the Company has suffered accumulated loss of Rupees 165.205 million as on 30 September 2021. Furthermore, as per Notice no. PSX/No.1318 dated 26 November 2020 issued by the Pakistan Stock Exchange Limited (PSX), the Company's shares were placed on the defaulters' segment due to suspended commercial production / business operations in its principal line of business for a continuous period of one year. After the reporting date, the Securities and Exchange Commission of Pakistan (SECP) issued a show cause notice bearing no. CSD/ARN/363/2016-529 dated 05 July 2021 to the Board of Directors and to the Company under Section 301(m) read with Section 304(b) of the Companies Act, 2017 regarding Company's suspended operations and the proposed winding up of the Company.

Keeping in view the above factors, the Board of Directors of the Company in their meeting held on January 27, 2022 (concluded on January 28, 2022), has formally approved an Alternate/Revival Business Plan for the Company, involving the disposal / sale of a sizeable part of the Company's assets i.e. the assets located at 35 kilometers, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, Punjab, comprising freehold land measuring 40 kanal 13 marla, building and construction thereon of approximately 26,362 sq ft, plant and machinery (primarily comprising a power plant, along with allied machinery and equipment), and other assets including stores and vehicles (the Assets), subject to the completion of necessary corporate, regulatory and legal formalities where required (“Proposed Sale”). In accordance with the provisions of Section 183(3) of the Companies Act, 2017 the approval of the members is required for such sale / disposal

After the disposal of the Assets, the existing principal line of business of generation and distribution of electricity shall no longer be the segment from which the Company will derive or like to derive substantial revenues.

As per the Alternate/Revival Business Plan, the proposed principal line of business of the Company shall be altered to comprise activities legally permissible in the textile and allied products industry, including, *inter alia*, trading, manufacturing and dealing etc. of or with textile products and matters ancillary thereto, as mentioned in the proposed new principal line of business. Consequently, the Board of Directors of the Company has recommended the alteration in the Memorandum of Association of the Company by replacing its existing object Clause III with the new Clause III as mentioned in the EOGM notice.

The Company is part of the Arshad Group, which were one of the pioneer textile groups of Pakistan, having a sizeable share in national and international textile markets for multiple decades. Soon after Pakistan's inception, Haji Muhammad Ishaq along with his four sons made their way into the textile industry by establishing a number of ginning mills. Thus, the Arshad Group emerged on the industrial globe in 1954 with the set-up of its first yarn trading company. After prospering in the domestic market, the Group



ventured to make its way into the international market. Exports started in 1968 and owing to the enhanced universal requirements, the first textile mill was established in 1973. The Arshad Group is involved in spinning, weaving, dyeing, printing and stitching. Its product lines include yarn, fabric, made-ups, garments, bed-sheets etc. The proposed Alternate/Revival Business Plan pertaining to textile trading (followed by manufacturing) synchronizes with one of the core strengths of the Arshad Group since many decades.

It may be noted that the Company has been soliciting demands for the acquisition of the Assets and has received a favourable offer from its related parties i.e. Arshad Textile Mills Limited (ATML) and Arshad Corporation (Private) Limited (ACPL) or their nominees for the sale of the land and building comprising the Assets. Consequently, compliance is required with the provisions of Sections 183(3) and 208 of the Companies Act, 2017, along with the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, and other applicable laws. Having said that, approval has also been sought to sell the assets or any portion thereof to any third parties as deemed fit by the authorized representatives in case appropriate value for the same is not offered by the Company's related parties.

The material information in respect of the Proposed Sale is as follows:

No.	Particulars	Related Information		
		Land	Building	Plant & Machinery
1	Description / name of Assets to be disposed of	40 Kanal 13 Marla	26,362 sq ft	03 Nigata Furnace Engines and allied machinery & equipment, and stores and spares.
2	Acquisition Year of the Assets	1994-95	1995-96	Engines: 1995-96 Other assets from time to time.
3a	Costs	Rs 2.898 M	Rs 40.912 M	Rs 333.904 M
3b	Book Value	Rs. 2.898 M	Rs. 6.609	Rs. 83.774 M
4	Revalued Amount			
	Valuation Report 1	Rs 50.812 M	Rs 22.902 M	Rs 77.782 M
	Valuation Report 2	Rs 52.845 M	Rs 20.453 M	Rs 76.450 M
	Date of Revaluation	(1) Valuation Report 1 dated 23 December 2021 by AJ Valuers Associates (Pvt.) Ltd. – PBA approved Valuers and PEC Registered (2) Valuation Report 2 dated 29 December, 2021 by Impulse Private Limited – PBA approved Valuers and PEC Registered		
5	Approximate current market price / fair value:			
	1. Valuation Report 1	Rs 50.812 M	Rs 22.902 M	Rs 77.782 M

2. Valuation Report 2		Rs 52.845 M	Rs 20.453 M	Rs 76.450 M
6	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof	Land and Building structure shall be sold together to the related party(ies) at an expected value of around PKR 73 mn i.e. based on the revalued amount		Plant & Machinery may not fetch its book value due to low market acceptability of Furnace Engines and allied accessories and will be subject to negotiations, including potentially seeking offers from interested parties (if any).
7	In case of lease of assets, tenure, lease rentals, increment rate mode/basis of determination of lease rentals; and other important terms and conditions of the lease	N/A	N/A	N/A
8	Additional information in case of disposal of land			
(i)	Location	Project located at Chak No 61RB 34-km Sheikhpura road, Tehsil Jaranwala District Faisalabad bearing khewat # 119, 232, 252, 240, khatooni # 314, 315, 316, 545, 570, 555, sq # 40, khasra # 16 min, 17 min, 14 min, 15/1 min, 15/2 min, 24, 25/1, 24/2, 25/2, sq # 46, khasra # 5/1		
(ii)	Nature of land (e.g commercial, agricultural, etc)	Industrial		
(iii)	Area proposed to be sold	Entire land measuring 40 kanal 13 marla	26,362 sq ft	N/A being plant & machinery units
9	Proposed manner of disposal of Assets	A portion of the Assets are intended to be sold to the Company's related party i.e. Arshad Textile Mills Limited and / or Arshad Corporation (Private) Limited (or to their nominees) who are desirous to purchase the Land and Building from the Company at the market value / fair value as determined / assessed by the above mentioned PBA approved valuers for an approximate value of PKR 73 million. Remaining assets are expected to be sold / disposed through locating third-party buyer(s).		
10	In case the Company has identified a buyer, who is a	Arshad Textile Mills Limited and / or Arshad Corporation (Private) Limited		N/A at the moment.

	related party the fact shall be disclosed in the statement of material facts	(including their nominees), both associated companies have shown their interest in purchasing the Property (Land with Building)	
11	Purpose of sale or disposal of assets along with following information	To revive the Company in accordance with the Alternate/Revival Business Plan as approved and recommended by the Board of Directors of the Company:	
(i)	Utilization of the proceeds received from the Transaction	<p>(a) settle non-current/current liabilities along with other costs; and (b) initiate/start/implementation of Alternate/Revival Business Plan.</p> <p>As per the audited accounts of the Company for the year ended 30 June 2021, total assets of the Company comprise Rs. 161.735 M, whereas the liabilities comprise Rs. 85.279 M (ST: 77.442, LT: 7.836 M).</p> <p>As per the quarterly accounts of the Company for the period ended 30 September 2021, total assets of the Company comprise Rs. 160.406 M, whereas the liabilities comprise Rs. 87.844 M (ST: 80.007, LT: 7.836 M).</p> <p>It is envisaged that the amount generated from the sale of the Assets will be first utilized in settlement of the liabilities and the balance shall be utilized in the Alternate/Revival Business Plan.</p>	
(ii)	Effect on operational capacity of the company, if any	The proposed sale or disposal of Assets would not further adversely affect the operations of the Company as they have already been halted.	
(iii)	Qualitative and Quantitative benefits expected to accrue to the members	<p>Revival of the Company as per the Alternate/Revival Business Plan. Please also see the information provided below regarding the Public Announcement of Intention to acquire more than 51% shareholding of the Company.</p> <p>Additionally, the Alternate/Revival Business plan will also facilitate the Company in exclusion of its name from the Defaulters' Section of PSX upon resuming of its commercial operations.</p>	

Following information is provided in addition to the above information since the sale or disposal of the undertaking of the Company may lead to closure of business of the Company:

- (1) Brief containing all the necessary details of viable Alternate/Revival Plan duly authenticated by the Board of Directors of the Company, including total cost of the proposed future business plan and means of financing



The Alternate/Revival Plan, as approved by the Board of Directors of the Company, in the first phase envisages the undertaking of trading activities in relation to textile products including, *inter alia*, garments/fabric (the “**Project**”). The expected Project cost is envisaged at PKR 75 Mn (“**Project Cost**”) which is to be financed mainly through internal cash generation from the sale proceeds of the Assets, after payment/settlement of liabilities. Since the liabilities settlement may take some time, the proceeds from sale of Assets may be used partially (before settling any outstanding liabilities) towards the Project Cost. The Project shall be initiated with sale of up to 100,000 units of garments/fabric sale, which is anticipated to reach above 1 Mn in upcoming years, to be financed through internal cash generation and/or equity from Sponsors and/or financial facilities where required. Initially the focus shall be on the local sale followed by export. Once sizeable sales are achieved, the Company in the next phase seeks to expand towards manufacturing of textile products, including potentially by way of toll manufacturing or otherwise. The means of financing for the expansion shall be determined at that particular point in time. For any further details please refer to the Alternative/Revival Business Plan.

(2) Expected time of completion of the proposed project

It is envisaged that the sale of the Assets shall be completed in around 2 to 3 months subject to availability of the buyers/interested parties and execution of negotiated documents, by which time the resources for the implementation of the Alternate/Revival Business Plan shall be arranged. Thereafter, subject to availability of cash flows, necessary procurement activities shall be undertaken for the marketing and sales of the textile products. In this respect please also refer to note “Notice of Intention to Acquire more than 51% shares and control of the Company”.

(3) The mode of disposal

It is intended that subject to completion of negotiations and entering into binding documents, the Company’s related party i.e. Arshad Textile Mills Limited and / or Arshad Corporation (Private) Limited (including through any nominees) shall purchase the Land and Building from the Company at a price of approximately PKR 73 mn. In case above price is not fetched from associated companies, then the Company is authorized to sell Land and Building to any third parties offering a higher purchase price, as determined by the authorized representatives.

Arshad Textile Mills Limited and Arshad Corporation (Private) Limited, both being an associated companies and related parties have also shown their interest in purchase of Property (comprising of Land and Building). However, the Board has recommended that any such transaction shall be carried out in arm’s length manner. Consequently, in accordance with the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, the following additional information is being provided:

Particulars	Information on Related Party
Name of the Related Party	Arshad Textile Mills Limited and / or Arshad Corporation (Private) Limited (or their nominees)
Name of interested or concerned persons or directors	The effect of the proposed resolutions on the interests of Directors/CEO of the Company does not differ from the effect on the like interest of other members except as stated herein and that the directors of the Company and associated undertakings and the directors/Chief Executive performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per respective policies of the Company and the associated undertakings, therefore, they may be regarded

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	as interested to that extent in the proposed resolutions concerning the said companies.
Nature of relationship, interest, or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party	<p>The directors of the AEL with their shareholding is given below:</p> <p>Directors of Arshad Energy Limited and their shareholding</p> <p>Mr. Nisar Ahmed Sheikh: 1,187,750 shares Mr. Mohammad Arshad Sheikh (CEO): 1,347,200 shares Mr. Shahzad Ahmed Sheikh: 760,000 shares Mr. Waseem Ashfaq: 500 shares Ms. Resham Shahzad: 626,313 shares Mr. Shehryar Arshad: 757,945 shares Mr. Zeeshan Ahmed: 100 shares</p> <p>Directors of Arshad Textile Mills Limited and their shareholding</p> <p>Mr. Nisar Ahmed Sheikh: 500,000 shares Mr. Mohammad Arshad Sheikh: 916,611 shares Mr. Shahzad Ahmed Sheikh: 3,436,000 shares Ms. Resham Shahzad: 8,000 shares Ms. Naureen Shahzad: 250,000 shares Mr. Shehryar Arshad: 2,333,389 shares Ms. Shahida Arshad: 250,000 shares Ms. Sonia Arshad: 250,000 shares</p> <p>Directors of Arshad Corporation (Private) Limited and their shareholding</p> <p>Mr. Nisar Ahmed Sheikh: 499,874 shares Mr. Mohammad Arshad Sheikh: 674,850 shares Mr. Shahzad Ahmed Sheikh: 2,000,126 shares Ms. Naureen Shahzad: 125,000 shares Mr. Shehryar Arshad: 950,150 shares Ms. Sonia Arshad: 125,000 shares</p>
Detail, description, terms and conditions of transactions	In addition to the terms stipulated in this Statement of Material Facts, it may be noted that the sale shall take place on an arm's length basis. Furthermore, the said assets shall be sold on an "as is where is basis"
Amount of Transaction	PKR 73 million
Timeframe or duration	Around 2 to 3 months
Pricing Policy	To be based on Arm's Length Transaction based on the recommendation of the Audit Committee of the Company based on the valuation reports (as given above).



(4) Benefits Expected to Accrue to the Shareholders

The benefits likely to accrue to the Company and its Members from this change and financial projections are stated in detail in copies of Alternate/Revival Business Plan. Additionally, with the revenue generation through the new line of business will also address the statutory auditors' qualification regarding going concern and will facilitate the Company in removing its name from defaulter's counter of PSX and also addressing the show cause notice from SECP. This will also result in better performance of the Company as a whole and will enhance the members' value. All the returns accruing to the Company shall form part of the returns to the shareholders of the Company.

(5) Due diligence for the sale or disposal of Assets

The Directors of a Company hereby undertake to the members of the Company that they have carried out necessary due diligence for the sale or disposal of the Assets and recommendations of the due diligence report is also available for inspection in the general meeting.

The Alternate/Revival Business Plan including financial projections, project cost for new proposed principal business, sources of funds to cover the project cost, revenues, expenses etc along with the underlying assumptions, due diligence report and other material information is available for inspection at the Registered Office of the Company on any working day up to February 24, 2022 during business hours and also at the time of the Extraordinary General Meeting. All such material information is also posted on the Company's website www.arshadenergy.com.

The Company shall in its Directors' report to all subsequent interim and annual financial statements attach to all subsequent interim and annual financial statements issued after the members' approval, provide an update with regard to status of sale or disposal of assets and implementation of its Alternate/Revival Business Plan. This shall include all the relevant details of sale or disposal of Assets, including but not limited to book value of Assets sold, sale proceeds, gain/(loss) on disposal and utilization of disposal proceeds along with book value of remaining assets to be sold or disposed shall be provided.

The Board is also empowered to agree upon any modification in the proposed resolutions, that may be directed by SECP, without the need for passing any fresh resolutions by the members. The Directors of the Company have no interest directly or indirectly in the proposed resolutions, except to the extent as shareholders of the Company (to the extent of their respective shareholdings) and as disclosed above.

A certified copy of the viable Alternate/Revival Plan duly authenticated by the Board along with the notice of extraordinary general meeting is sent to the head office of SECP and PSX and is also placed on the Company's website.

Notice of Intention to Acquire more than 51% shares and control of the Company

It is also pointed out to the members that the Company has received a Public Notice of Intention (PI) to Acquire more than 51% shares and control of the Company from Automotive Plastics (Private) Limited (APPL or the Acquirer) on 23 November 2021 through its Manager to Offer (MTO) namely Integrated Equities Limited (IEL). The sponsors of the Acquirer, through its associated companies (that are well known in the textile sector of Pakistan), have expressed their continuing support to the Acquirer. Currently the sponsors and the Acquirer are under discussion and negotiations for the purpose of entering into a formal Share Purchase Agreement. The subject sale of Assets will not only facilitate in enabling the implementation of the Alternative / Revival Business Plan but will also facilitate the potential Acquirer to



implement its own business plans which currently seems to be more inclined towards the textile sector and can be in continuation/furtherance of the existing Alternate/Revival plans of the Company.

AGENDA ITEM 2

To consider and approve the change of name of the Company

Pursuant to the "Alternate/Revival Business Plan" as mentioned in Agenda Item 1 above to diversify, explore and revive the Company's business activities in the fields of manufacturing of, and trading in, textile products, the Board has recommended that the name of the Company be changed to "AEL Textile Limited" to suit the nature of the new proposed business to be undertaking by the Company. It is clear that the existing principal line of business of generation and distribution of electricity shall no longer be undertaken owing to the proposed sale of the Assets of the Company.

Accordingly, in order to make sure that the new principal line of business of the Company as per its Alternate/Revival Business Plan, is consistent with the name of the Company, it has been decided by the Board of Directors of the Company that name of Arshad Energy Limited be changed to "AEL Textiles Limited".

The availability of the name "AEL Textiles Limited" for use by the Company has been applied to the Companies Registration Office, SECP. Having said that, in case the said name AEL Textiles Limited is no longer available or availability has been withdrawn for any reason, approval has also been sought that the Company be authorized to opt for another name in consistent with the proposed new line of business, for which no separate approval of the shareholders is required. Consequent to the change in the name of the Company, alteration in Memorandum and Articles of Association shall also be required, wherever the existing name of the Company appears. The proposed new name i.e. AEL Textiles Limited is not incommensurate with the new principal line of business of the Company (subject to the approval of the same by the members).

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 the name of the Company is being sought in terms of the Special Resolution set out in the Notice.

Upon obtaining the approval of the members, the Company shall make an application to the Registrar of Companies, Securities and Exchange Commission of Pakistan 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, other documents etc. so that the said documents reflect the new name as aforesaid, in place of the current name of the Company. The Board of Directors of the Company is confident that this change will not be determinantal to the interest of the Company or its Members as a whole.

There is nothing inappropriate in the proposed name that give rise to any disparity with the new principal line of business (subject to the approval of the same by the members). Additionally, the Board is also empowered to agree upon any modification in the proposed resolutions, that may be directed by SECP, without the need for passing any fresh resolutions by the members.

All material information including Alternate/Revival Business Plan in respect of this special business is available for inspection during business hours at the Registered Office of the Company till the holding of Extraordinary General Meeting on February 24, 2022. All such material information is also posted on the Company's website www.arshadenergy.com

AGENDA ITEM 3



To consider and approve amendment/alteration/change in Memorandum of Association of the Company

Under the Companies Act, 2017, a Company may carry on or undertake any lawful business or activity and do any act or enter into any transaction being incidental and ancillary thereto which is necessary in attaining its business activities, however, the principal line of business of the company shall be mentioned in the Memorandum of Association of the company which shall not be inconsistent or contradictory with name of the Company. The 'principal line of business' has been defined to mean the business in which substantial assets are held or likely to be held or substantial revenue is earned or likely to be earned by a company, whichever is higher. The current principal activity of the Company is generation and distribution of electricity.

In view of the drastic increase in the prices of furnace oil and requirements of huge repair cost has made the business of generation non-viable. Subsequently the situation has forced the management to temporarily close down the operations of the Company. To restart the operations of the Company, the management is continuously monitoring fuel prices and sale rates. However, during the period ended 30 September 2021, the Company has incurred loss after taxation of Rupees 3.894 million. Moreover, the Company has suffered accumulated loss of Rupees 165.205 million as on 30 September 2021. Furthermore, as per Notice no. PSX/No.1318 dated 26 November 2020 issued by PSX, the Company's shares were placed on the defaulters' segment due to suspended commercial production / business operations in its principal line of business for a continuous period of one year. After the reporting date, Securities and Exchange Commission of Pakistan (SECP) issued a show cause Notice no. CSD/ARN/363/2016-529 dated 05 July 2021 to the board of directors and to the Company under section 301(m) read with section 304(b) of the Companies Act, 2017 regarding Company's suspended operations and the proposed winding up of the Company. In a latest hearing at SECP, it was informed by the Company that a Revival/Alternate Business Plan is being formulated for implementation by the Board. It was also informed to SECP that a potential Acquirer (as explained in the preceding paragraph) has also expressed its intention to acquire majority stake in the Company. Therefore, it was requested to SECP that any proceedings may be kept in abeyance and SECP shall be apprised of the updates.

Keeping in view the above factors, the Board of Directors of the Company in their meeting held on January 27, 2022 (concluded on January 28, 2022), has approved an Alternate/Revival Business Plan for the Company, including to dispose-of the Company's Assets as detailed above.

After the disposal of the Assets, the existing principal line of business of generation and distribution of electricity shall no longer be the segment from which the Company will derive or like to derive substantial revenues.

As per the Alternate/Revival Business Plan, the proposed principal line of business of the Company shall be to undertake business legally permissible in the textile and allied products industry, including, *inter alia*, trading and manufacturing etc. of textile products as mentioned in the proposed new principal line of business. Accordingly, the Board of Directors of the Company has recommended the alteration in Memorandum of Association by replacing its existing object Clause III with the new Clause III as stipulated in the resolutions, which is also updated in accordance with the provisions of the Companies Act, 2017;

The benefits likely to accrue to the Company and its Members from this change and financial projections are stated in detail in copies of Alternate/Revival Business Plan. Additionally, with the revenue generation through the new line of business, the same is also expected to address the statutory auditors' qualification regarding going concern and will facilitate the Company' in removing its name from defaulter's counter of PSX and also addressing the show cause notice from SECP. All the returns accruing to the Company shall form part of the returns to the shareholders of the Company.



The Alternate/Revival Business Plan including financial projections, project cost for new proposed principal business, sources of funds to cover the project cost, revenues, expenses etc along with the underlying assumptions and other material information is available for inspection at the Registered Office of the Company on any working day upto February 24, 2022 during business hours and also at the time of the Extraordinary General Meeting. All material information is also posted on the Company's website www.arshadenergy.com. The highlights of Alternate/Revival Business Plan are also given in this notice under the Agenda No. 1 relating to approval of Alternate/Revival Business Plan.

This change shall be implemented forthwith by the Company subject to the completion of necessary corporate, regulatory and legal formalities where required, as it shall have the resources for implementation pursuant to its Alternate/Revival Business Plan. The Board of Directors of the Company is confident that this change will not be determinantal to the interest of the Company or its Members as a whole.

Upon approval by the members, the Company shall make an application to the Registrar of Companies, Securities and Exchange Commission of Pakistan for alterations/amendments/change in the MoA of the Company. However, the Registrar of Companies or the SECP may require certain modifications in the MOA of the Company under the prevailing regulatory regime. It is proposed that the Board be empowered to agree upon modification in the Memorandum and Articles of Association of the Company, without the need of passing of fresh resolutions by the members. Additionally, the Board is also empowered to agree upon any modification in the proposed resolutions, that may be directed by SECP, without the need for passing any fresh resolutions by the members.

The Directors of the Company have no interest directly or indirectly in the proposed resolutions, except to the extent as shareholders of the Company (to the extent of their respective shareholdings).

INTEREST OF DIRECTORS

The effect of the proposed resolutions on the interests of Directors/CEO of the Company does not differ from the effect on the like interest of other members except as stated herein and that the directors of the Company and associated undertakings and the directors/Chief Executive performing full time executive functions are also interested to the extent of remunerations, benefits and allowances as per respective policies of the Company and the associated undertakings, therefore, they may be regarded as interested to that extent in the proposed resolutions concerning the said companies

INSPECTION OF DOCUMENTS

Copies of existing and new set of Memorandum and Articles of Association, Statement of material fact under the Companies Act 2017, annual and periodic financial statements of the Company, Valuation report by the Independent Valuers, Due Diligence Report, Information on the Associated Companies, Assets description, Alternative/Revival Business Plan including financial projections and other material information, related documents etc., may be inspected 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 Extraordinary General Meeting and also available on the Company's website www.arshadenergy.com.





ARSHAD ENERGY LIMITED

BUSINESS PLAN



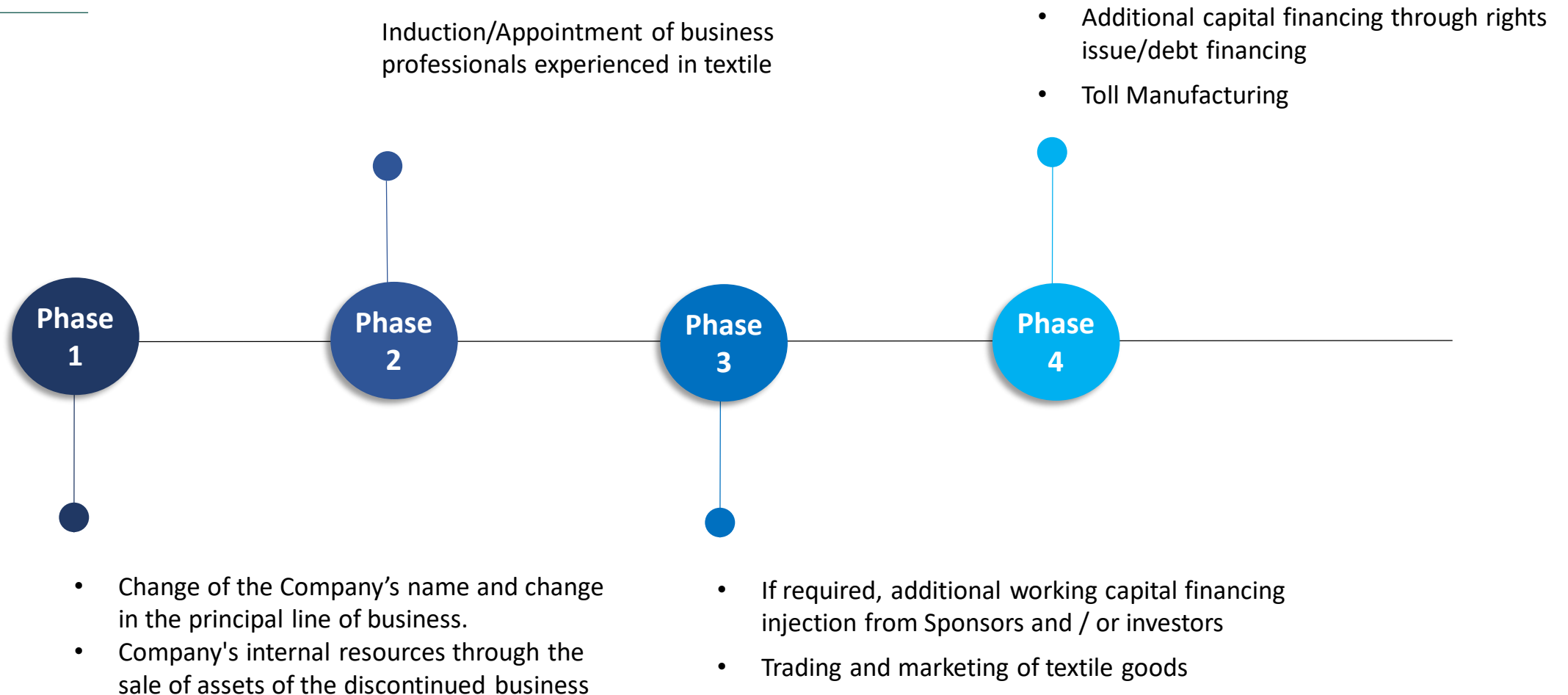
01

BUSINESS PLAN

AEL BUSINESS PLAN

- The Sponsors of Arshad Energy Limited have decided to change the company's primary business from "generation and distribution of electricity" to "textile trading and manufacturing and ancillary matters" .
- Textile industry experts and professionals will be hired throughout the management and operational hierarchies to make this new business model a successful one.
- The company will be engaged in trading of textile goods, especially garments and fabric.
- Later on, it is intended that the company will also start toll manufacturing, subject to entering into suitable arrangements with third parties.

PHASED REVIVAL PLAN





02

TEXTILE INDUSTRY

Global Textile Industry Overview

Size:

The market size of the global textile and apparel industry is estimated to be USD~1,480bln in CY21 as compared to USD~1,372bln in CY20. This represents a growth rate of ~7.9%. The growth occurred due to recovery from the impact of the COVID-19 pandemic in the previous year which had led to lockdowns and other restrictions ultimately resulting in a decline in demand.

Demand Drivers:

The growth of textile industry in pre-pandemic years is attributable to increasing demand for apparels in developing countries. Moreover, the rapid pace of urbanization and rising disposable incomes are also contributing factors to growth.

Region Wise Textile Market:

- The largest regional textile market is AsiaPacific. It includes countries such as India, China and Pakistan which are amongst the top producers of cotton. Moreover, due to the availability of cheap labor, these countries along with Bangladesh have become textile producing hubs. They cater to both growing local demand and export demand from other regions.
- China is the largest exporter of textiles followed by India, Bangladesh and Vietnam. Meanwhile, the European Union and United States are two of the largest importers of textile finished goods such as garments and apparel.

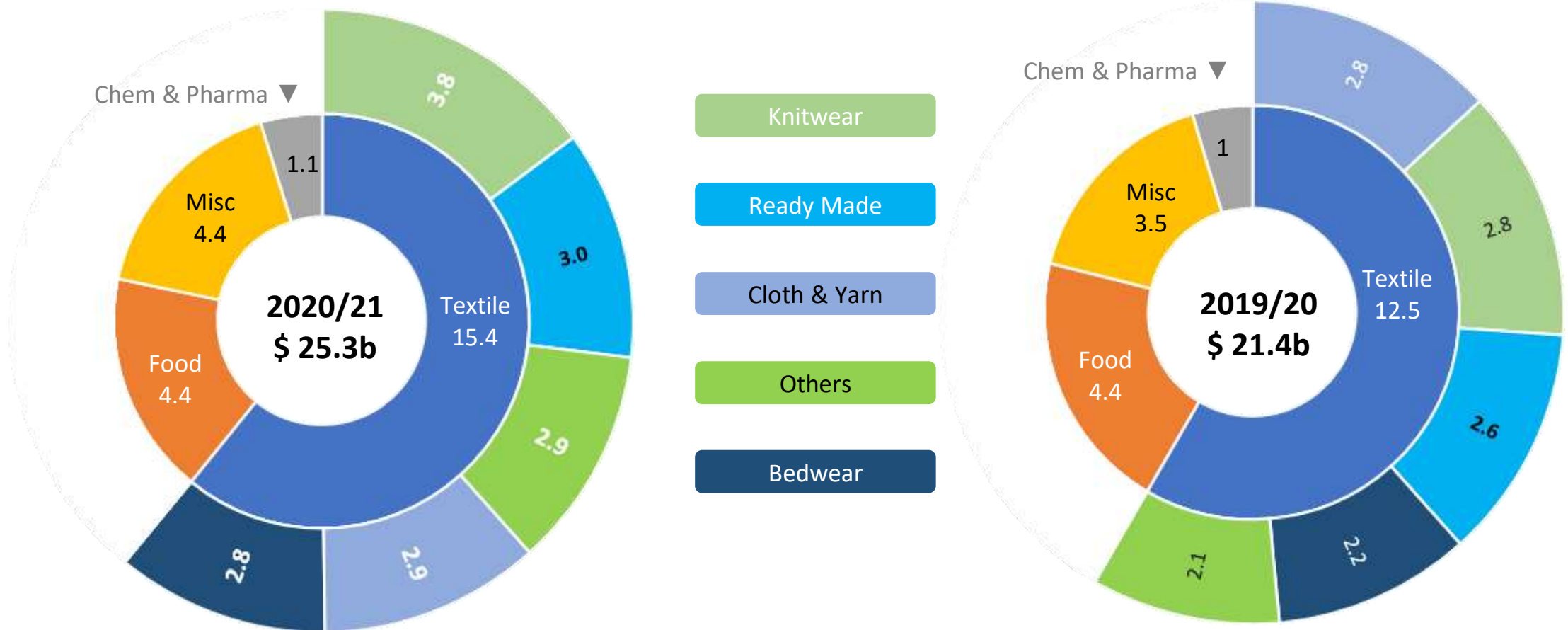
Local Textile Industry Overview

- The overall textile industry contributes ~8.5% to the GDP of the country, which amounted to a market size of PKR~3,816bln in FY21 as compared to PKR~3,345bln in FY20.
- In FY21, the export contribution from textile segment was of PKR~2,461bln (~61% of total country exports) and grew by ~25% from PKR~1,972bln in FY20. This increase was attributable to (i) diversion of export orders to Pakistan as regional competitors went through longer periods of lockdown as a result of the COVID-19 pandemic and (ii) US-China trade war.
- Textile composite entities encompass the majority of processes within the textile value chain. These units have applied forwards or backwards integration in order to increase efficiencies. There are around 50 organized textile composite entities operating in the country, 30 of which are listed on the Pakistan Stock Exchange. The market capitalization of listed composite firms stood at PKR~310bln as on 22nd Oct, 2021.
- There is a high level of product differentiation achieved as a variety of finished goods are produced including a range of garments, knitwear, towels and home textiles.

Sector Overview	FY19	FY20	FY21
Textile Industry Size (PKR bln) [Estimate]	3,051	3,345	3,816
Contribution to GDP	8.5% of GDP		
No of Players	~50 Players		
Textile Exports Value (PKR bln)	1,813	1,972	2,461
Share of Total Country Exports	58%	59%	61%
Textile Imports Value (PKR bln)	442	399	616

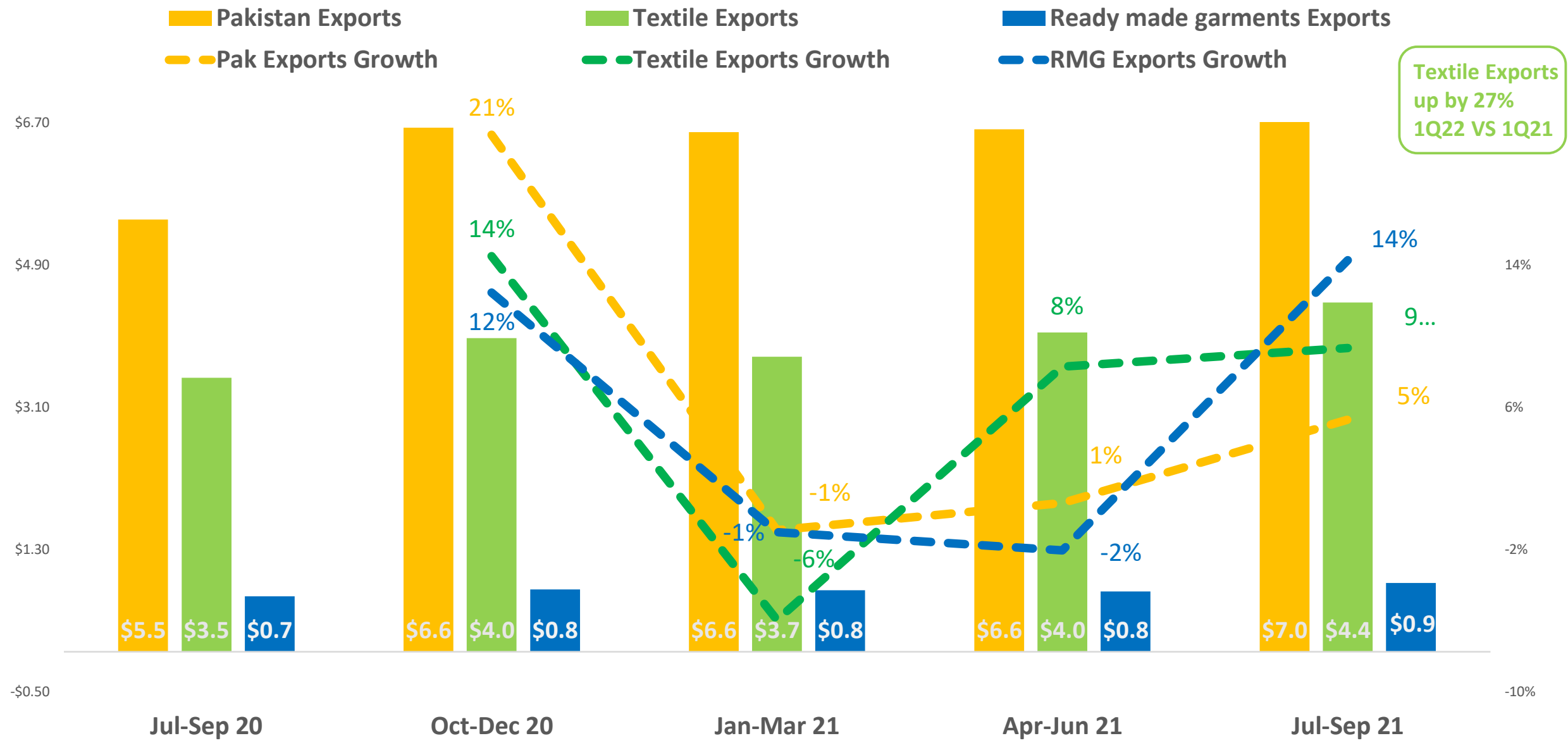
Pakistan Goods Exports ↑18% YOY to June'21

Textiles ↑23% and RMG ↑19% on back of global Covid recovery



Source: Pakistan Business Council and PBS

PAKISTAN EXPORTS – \$ BILLION



Textile Exports
up by 27%
1Q22 VS 1Q21

Sources: Pakistan Bureau of Statistics

Cotton Dynamics - Pricing

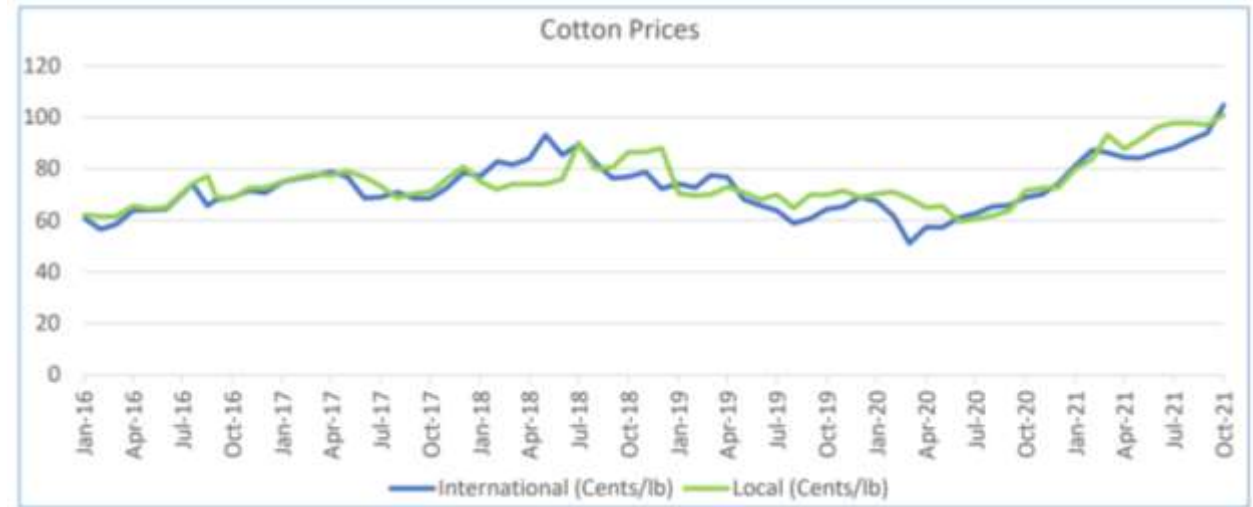
Cotton is the key raw material in textile manufacturing.

International:


- Prices in the international market fluctuate based on supply and demand factors. Cotton, like other commodities, is heavily traded and thus speculative factors influence its price.
- Since 2016, international cotton prices have experienced an overall increase of ~72%. Prices have recently reached a new peak of ~108 cents/lb in Oct-21 and have been on an increasing trend since the start of COVID-19 pandemic.
- Prior to COVID-19, prices were on a declining trend due to US-China trade war as US prices decreased due to higher tariffs imposed by China.

Local:

- Cotton prices have also been on increasing trend in local market, growing ~167% in PKR terms since 2016 with currency depreciation being a major factor since 2018.
- Prices recently touched a new peak of PKR~14,700 per maund during Oct-21. The price increase is driven by the increase in international prices as well as greater demand in the local market.



Average Cotton Prices	FY17	FY18	FY19	FY20	FY21	3MFY22	Cotton Unit Conversion	
	73	78	76	62	76	95	Unit	Conversion
							1 Maund	37.3kg
							1 Bale	170kg
Local (Cents/lb)	75	74	78	68	78	98	1 Bale	4.6 Maund
Local (PKR/maund)	6,458	6,888	8,604	8,742	10,290	13,476		



03

GARMENTS SECTOR

Global Garments Industry Overview

Size:

Size of global garments industry is expected to be ~USD 635 billion in 2021 (2020: USD 527.1 billion, 2019: USD~672 billion). The decline in 2020 was due to lockdown and social distancing norms imposed by various countries and economic slowdown owing to the COVID-19 outbreak and measures to contain it. The market is now expected to recover and grow at a CAGR of 9.8% and reach \$842.7 billion in 2025, and \$1,138.8 billion in 2030.

Demand Drivers:

The growth of garment industry in pre-pandemic years is attributable to increasing demand in developing countries. Moreover, the rapid pace of urbanization and rising disposable incomes have also historically contributed to the growth.

Region Wise Textile Market:

- The Asia-Pacific region has largest market share (sales) and accounts for ~32% of global consumption. This is largely because of growing populations alongside increase in disposable incomes. In addition to consumption, the region is also a textile producing hub. It includes countries such as India, China and Bangladesh who are amongst the top producers and exporters of textile finished goods due to easy access to raw material (cotton and yarn) and availability of relatively cheap labor. They cater to both growing local demand and export demand from other regions.
- The second largest region is Western Europe with ~28% market share. In addition, the EU and United States are two of the largest importers of textile finished goods such as garments and apparel. The United States contributes ~18% to global consumption.

Demand Trend:

- As a result of the COVID-19 pandemic, demand for the garment manufacturing industry was hampered due to lockdown restrictions and higher unemployment that reduced disposable income of consumers.
- Since then there had been a gradual recovery in demand and production levels as Covid-19 restrictions began to ease and the companies are rearranging their operations and recovering from the COVID-19 impact.

Local Garments Industry Overview

Structure:

Garment manufacturing sector is last value adding stage within the textile value chain. Finished goods produced by the sector are sold in both local and export markets. Many garment manufacturers have implemented backwards integration in order to increase efficiencies, improve margins and achieve economies of scale. There are ~20 garment manufacturers listed on the Pakistan Stock Exchange and several private players operating in this segment.

Size & Significance:

The approximate market size of the ready-made garments industry was USD 3,033 million in FY21 (FY20: USD 2,553 million). Exports of garments are concentrated towards the USA which contributes ~23% to total garment exports. Other export destinations are European countries such as Spain, UK, Germany and Netherlands. One of the main contributing factor to garments growth was US-China trade war.

Product Range:

The finished goods produced by the industry fall under two main categories: readymade garments and knitwear. There is large product differentiation as the industry has to cater to a wide range of styles and rapidly changing fashion trends.

Demand Drivers:

Demand for garments emanates from both the local and export markets.

Ready Made Garments	FY19		FY20		FY21	
Countries	Value (USD mln)	%	Value (USD mln)	%	Value (USD mln)	%
USA	622	23%	604	24%	693	23%
Spain	345	13%	291	11%	383	13%
UK	296	11%	288	11%	355	12%
Germany	287	11%	279	11%	347	11%
Netherlands	201	8%	240	9%	227	7%
Other	903	34%	850	33%	1,027	34%
Total	2,654	100%	2,553	100%	3,033	100%

SWOT Analysis





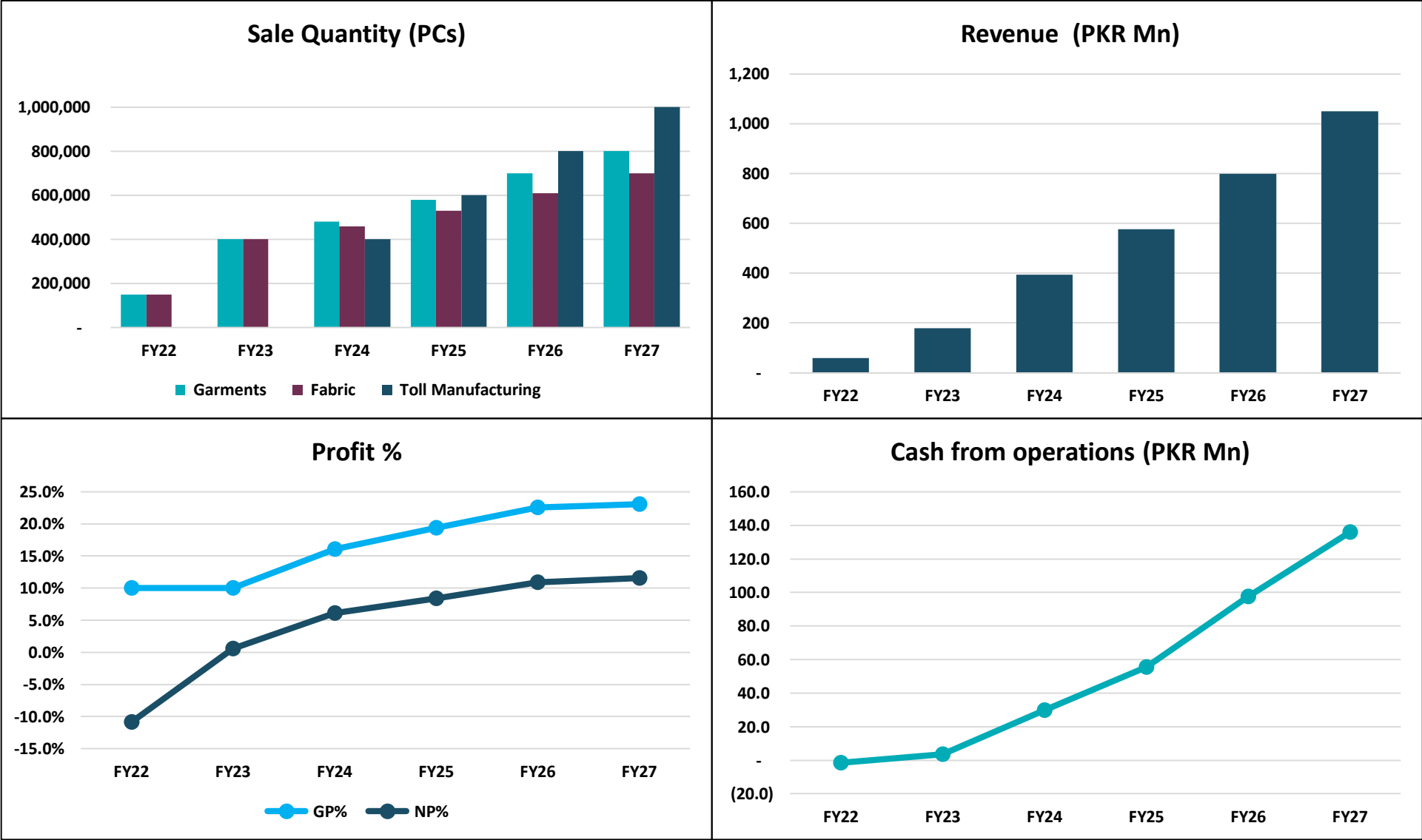
04

PROJECTIONS

AEL FINANCIAL SNAPSHOT

FY27 Sales:
PKR 1,050 Mn

FY27 PAT:
PKR 122 Mn



AEL INCOME STATEMENT

PKR Million

	FY21A	FY22	FY23	FY24	FY25	FY26	FY27
Sales	2.9	60.0	179.0	394.2	576.2	798.3	1,049.9
Cost of sales	(23.9)	(54.0)	(161.1)	(330.8)	(464.6)	(618.5)	(807.4)
Gross profit	(21.0)	6.0	17.9	63.4	111.6	179.8	242.5
Admin expenses	(8.0)	(4.1)	(14.6)	(23.0)	(32.8)	(40.2)	(47.7)
Marketing expenses	-	-	(1.8)	(3.9)	(5.8)	(8.0)	(10.5)
Operating profit	(29.0)	1.9	1.5	36.5	73.1	131.7	184.3
Other expenses	(11.3)	(8.4)	(0.1)	(2.6)	(5.1)	(9.2)	(12.9)
Profit/(loss) before tax	(40.4)	(6.5)	1.4	33.9	68.0	122.5	171.4
Tax	-	-	(0.4)	(9.8)	(19.7)	(35.5)	(49.7)
Profit/(loss) after tax	(40.4)	(6.5)	1.0	24.1	48.3	87.0	121.7

AEL BALANCE SHEET

	PKR Million						
	FY21A	FY22	FY23	FY24	FY25	FY26	FY27
ASSETS							
Non current assets							
Property, plant & equipment	146.8	0.0	0.0	20.9	65.8	112.8	162.3
	146.8	0.0	0.0	20.9	65.8	112.8	162.3
Current assets							
Inventory	5.7	2.5	7.5	16.6	24.7	34.4	45.4
Trade and other receivables	8.3	1.2	3.5	7.7	11.2	15.5	20.4
Cash and bank	0.9	32.9	61.5	69.3	76.3	120.7	198.0
	14.9	36.6	72.5	93.6	112.2	170.6	263.8
	161.7	36.6	72.5	114.5	177.9	283.4	426.1
EQUITY & LIABILITIES							
Equity							
Share capital	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Premium on issue of right shares	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Surplus on revaluation	63.4	-	-	-	-	-	-
General reserve	14.4	14.4	14.4	14.4	14.4	14.4	14.4
Accumulated losses	(161.3)	(167.8)	(166.8)	(142.8)	(94.5)	(7.6)	114.2
	76.5	6.6	7.6	31.6	79.9	166.9	288.6
Non current liabilities							
Sponsor loan	-	25.0	50.0	50.0	50.0	50.0	50.0
Staff retirement gratuity	7.8	-	-	-	-	-	-
	7.8	25.0	50.0	50.0	50.0	50.0	50.0
Current liabilities							
Trade and other payables	11.1	5.0	14.9	32.9	48.0	66.6	87.5
Short term borrowing	66.4	-	-	-	-	-	-
	77.4	5.0	14.9	32.9	48.0	66.6	87.5
	161.7	36.6	72.5	114.5	177.9	283.4	426.1

AEL CASHFLOW STATEMENT

	PKR Million						
	FY21A	FY22	FY23	FY24	FY25	FY26	FY27
Cashflow from operating activities							
Profit/(loss) before tax	(40.4)	(6.5)	1.4	33.9	68.0	122.5	171.4
<i>Adjustments:</i>							
Depreciation	16.0	-	-	1.1	3.5	6.2	9.1
Provisions (gratuity, stocks, receivables)	8.6	-	-	-	-	-	-
Loss on sale of assets	-	8.4	-	-	-	-	-
Balances written off/(back)	(0.2)	-	-	-	-	-	-
	(16.0)	1.9	1.4	35.0	71.5	128.7	180.5
<i>Working capital changes:</i>							
Inventory	11.9	3.1	(5.0)	(9.2)	(8.0)	(9.7)	(11.0)
Trade and other receivables	(2.4)	7.2	(2.3)	(4.2)	(3.5)	(4.3)	(4.9)
Trade and other payables	(0.5)	(6.1)	9.9	17.9	15.2	18.5	21.0
	(7.0)	6.2	4.0	39.6	75.1	133.1	185.6
Gratuity & tax paid	(0.9)	(7.8)	(0.4)	(9.8)	(19.7)	(35.5)	(49.7)
	(7.9)	(1.7)	3.6	29.8	55.4	97.6	135.9
Cashflow from investing activities							
Disposal/(addition) of assets	-	75.0	-	(22.0)	(48.4)	(53.2)	(58.6)
	-	75.0	-	(22.0)	(48.4)	(53.2)	(58.6)
Cashflow from financing activities							
Short term borrowing	8.4	(66.4)	-	-	-	-	-
New sponsors	-	25.0	25.0	-	-	-	-
	8.4	(41.4)	25.0	-	-	-	-
Net cash during the year	0.4	32.0	28.6	7.8	7.0	44.4	77.4
Opening cash	0.5	0.9	32.9	61.5	69.3	76.3	120.7
Closing cash	0.9	32.9	61.5	69.3	76.3	120.7	198.0

The background is a close-up, high-contrast photograph of blue denim jeans. The fabric shows various textures, including creases, frayed edges, and some light-colored stitching. A dark, semi-transparent rectangular overlay is positioned in the center of the image, serving as a background for the text.

THANK YOU