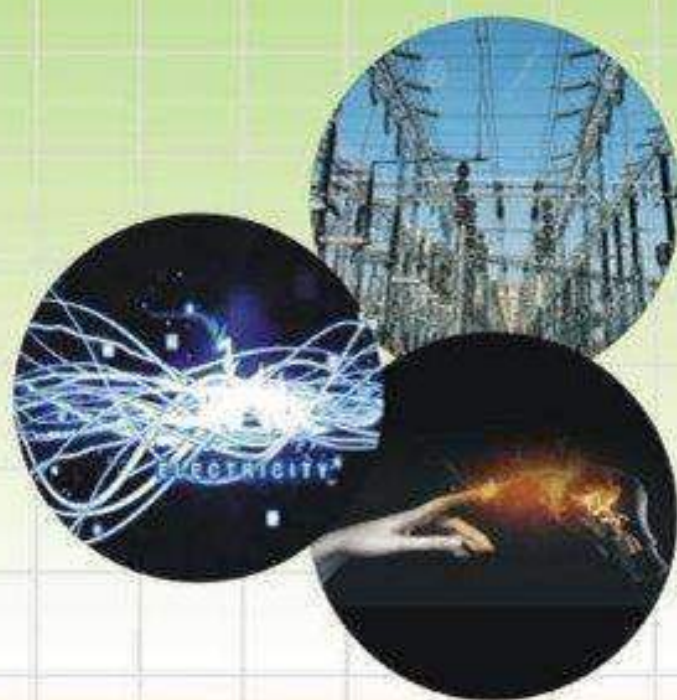


ARSHAD ENERGY LIMITED



2021



ARSHAD
ENERGY LIMITED

ARSHAD ENERGY LIMITED

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ARSHAD ENERGY LIMITED

COMPANY INFORMATION

CHAIRMAN
CHIEF EXECUTIVE
DIRECTORS

MR. NISAR AHMAD SHEIKH
MR. MUHAMMAD ARSHAD
MR. SHAHZAD AHMED SHEIKH
MR. SHEHRYAR ARSHAD
MS. RESHAM SHAHZAD
MR. WASEEM ASHFAQ

AUDIT COMMITTEE
CHAIRMAN
MEMBER
MEMBER

MR. WASEEM ASHFAQ
MR. SHAHZAD AHMED SHEIKH
MR. SHEHRYAR ARSHAD

HR & REMUNERATION COMMITTEE
CHAIRMAN
MEMBER
MEMBER

MR. WASEEM ASHFAQ
MR. SHAHZAD AHMED SHEIKH
MS. RESHAM SHAHZAD

CHIEF FINANCIAL OFFICER

MR. NASIR MAHMOOD

COMPANY SECRETARY

MR. SHAFIQ IJAZ

HEAD OF INTERNAL AUDIT

MR. SHAFQAT BAIG

AUDITORS

M/S RIAZ AHMAD & CO
CHARTERED ACCOUNTANTS

BANKERS

HABIB METROPOLITAN BANK
BANK AL HABIB LIMITED

LEGAL ADVISOR

RANA IFTIKHAR AHMAD

REGISTERED OFFICE

404-405, 4TH FLOOR, BUSINESS
CENTRE, MUMTAZ HASSAN ROAD,
KARACHI. TEL. 021-32412814
WEB: WWW.ARSHADENERGY.COM

SHARES REGISTRAR

F.D. REGISTRAR SERVICES (SMC-PVT)
LIMITED 17TH FLOOR, SAIMA TRADE
TOWER-A, I.I CHUNDRIGAR ROAD,
KARACHI.

PLANT

35-K.M., SHEIKHUPORA ROAD, TEHSIL
JARANWALA, DISTRICT FAISALABAD

Vision statement:

To become the most cost effective power generation company, committed to empowering Pakistan growth by not only maximizing energy outputs from the existing plant through sustained excellence in performance and innovation.

Mission statement:

Support the power purchaser to cope with the energy shortfalls in the country. Become the most efficient and economical plant while protecting commercial interests of the stakeholders. Create a work environment for employees that meets international standards of environment, health and safety.

ARSHAD ENERGY LIMITED
NOTICE OF 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27TH **Annual General Meeting** of the Shareholders of **ARSHAD ENERGY LIMITED** will be held at 404/5, Business Centre 4th Floor Mumtaz Hasan Road Near "SBP" Karachi on Thursday, October 28, 2021 at 03:00 p.m. to transact the following business:-

1. To confirm Minutes of the Last Annual General Meeting held on October 28, 2020
2. To receive, consider and adopt the audited accounts of the Company for the year ended on 30th June, 2021 together with the Directors' Report and Auditors' Report thereon.
3. To appoint Auditor for the year 2021-2022 and to fix their remuneration. The present auditors M/s. Riaz Ahmed & Co., Chartered Accountants, retire and being eligible have offered themselves for reappointment.
4. To transact any other business with the permission of the chair.

By order of the Board

Karachi
Dated: September 30, 2021

Shafiq Ijaz
Company Secretary

NOTES:

1. In light of the threat by the evolving coronavirus (COVID-19) situation, the Securities & Exchange Commission of Pakistan vide Circular No. 5 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well-being of the shareholders.

The Shareholders who are interested to attend the AGM through Video Conference, are hereby requested to get themselves registered with the Company.

Secretary office by providing the following detail at the earliest but not later than 48 hours before the time of AGM (i.e. before 3.00 pm on October 26, 2021) through Email: arifurrehman786@yahoo.com

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone / computer devices.

The login facility will be opened thirty (30) minutes before the meeting time to enable the participants 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 AGM by using the aforesaid means:

2. The Share Transfer Books of the Company will remain closed from 19, October 2021 to 28, October 2021 (both days inclusive). Transfer received at the Share Registrar office M/s. F.D Registrar Services (SMC-Pvt) Ltd, 17th Floor Saima Trade Tower –A, I.I. Chundrigar Road Karachi 74000 at the close business on 18 October 2021 be treated in time.
3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend the meeting and vote instead of him/her. The proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

4. PARTICIPATION IN THE ANNUAL GENERAL MEETING

A member entitled to participate and vote at this meeting is also entitled to appoint another proxy to participate and vote on his/her behalf through video link. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of the meeting.

For appointing proxies

- a In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the proxy form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- b 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 (unless it has not been provided earlier) along with proxy form to the Company.

5. Circulation of Annual Financial Statements through Email

SECP through its Notification SRO 787(I)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General Meeting to the shareholders of the Company through email. Therefore, shareholders who wish to receive the soft copy of Annual Report are requested to send their email address. The consent form for electronic transmission can be downloaded from the Company's website. The Company shall, however, continue to provide hard copy of the Audited Financial Statements to its shareholders, on request, free of cost, within seven days of receipt of such request.

6. Placement of Financial Accounts on Website

Pursuant to the notification of the SECP (SRO 634(I)/2014) dated: 10th July 2014 the financial Statements of the Company have been placed on Company's website at www.energy.com

7. DEPOSIT OF PHYSICAL SHARES INTO CENTRAL DEPOSITORY:

As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. Further SECP vide its letter dated March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book-entry form

In light of above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's register enabling the Company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale/purchase.

8. Unclaimed Dividends and Share Certificates

Shareholders of the Company are hereby informed that as per the record, there are some unclaimed/ uncollected /unpaid dividends and shares. Shareholders who could not collect their dividends/shares are advised to contact our Share Registrar M/s. F.D Registrar Services (SMC-Pvt) Ltd 17th Floor, Saima Trade Tower-A, I.I.Chundrigar Road, Karachi during working hours. Ph: 0092-21-32271905 Email: fdregistrar@yahoo.com to collect/enquire about their unclaimed dividend or shares, if any.

9. Change of Address and Quote Folio No. in Correspondence

Members are also requested to notify any change in address immediately. The shareholders are further requested to quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017**1. Item Number 4 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2021**

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. These transactions were to be placed before the shareholders in AGM for their formal approval. Accordingly, these transactions are being placed before the AGM for the formal approval by shareholders.

Normally company is doing transactions with associated companies of normal trade.

All transactions with related parties have been disclosed in note 27 to the financial statements for the year ended June 30, 2021

Party-wise details of such related party transactions are given below:

Name of Related party	Transaction Type	Amount Rupees
Arshad Textile Mills Limited	sale of Energy	2,927,129
	Sharing of costs	2,040,811
	Sale of goods	289,761
Arshad Corporation (Private) Limited	Sale of goods	380,248
Directors	Loan obtained from Directors - net	8,350,000

ارشاد انرجی ملز لمیٹڈ

اطلاع برائے 27 واں سالانہ اجلاس

مطلع کیا جاتا ہے کہ ارشد انرجی لمیٹڈ کے حصص یافتگان کا ستائیسواں (27) سالانہ اجلاس عام جمعرات 28 اکتوبر 2021ء کو سہ پہر 3:00 بجے 404/5 برنس سینٹر چوتھی منزل، ممتاز حسن روڈ نزد "SBP" کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائیگا۔

عمومی امور

- ۱۔ آخری سالانہ اجلاس عام منعقدہ 28 اکتوبر 2020 کی کارروائی کی توثیق۔
- ۲۔ 30 جون 2021 کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ اکاؤنٹس مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- ۳۔ مالی سال 2021-22ء کیلئے آڈیٹرز کی تقرری اور ان کے مشاہرے کا تعین۔ موجودہ آڈیٹر میسرز ریاض احمد اینڈ کمپنی۔ چارٹرڈ اکاؤنٹنٹس سبکدوش ہو گئے ہیں اور اہلیت کی بنیاد پر دوبارہ تقرری کیلئے اپنی خدمات پیش کی ہیں۔
- ۴۔ چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ

شفیق اعجاز

کمپنی سیکریٹری

کراچی 30 ستمبر 2021ء

نوٹس:

- ۱۔ کورونا وائرس (کووڈ-19) کی صورتحال کے خطرے کی روشنی میں سیکورٹی اینڈ ایگزیکٹو کمیشن آف پاکستان نے بذریعہ سرکلر نمبر 5 بتاریخ 17 مارچ 2020 حصص یافتگان کی بھلائی اور تحفظ کے پیش نظر کمپنی کو اپنی سالانہ اجلاس عام سے متعلق منصوبہ بندی میں ترمیم کا مشورہ دیا ہے۔
- شیر ہولڈرز جو سالانہ اجلاس عام (AGM) میں ویڈیو کانفرنس کے ذریعے شرکت کرنے کے خواہشمند ہیں ان سے درخواست ہے کہ کمپنی سیکریٹری کے آفس میں AGM کے انعقاد سے کم از کم 48 گھنٹے قبل یعنی (اکتوبر 26، 2021ء دوپہر 3:00 بجے سے پہلے) بذریعہ ای میل arifurrehman786@yahoo.com پر مندرجہ ذیل تفصیلات فراہم کر کے اپنا اندراج کرائیں۔
- شیر ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ شناخت کیلئے اپنا نام، شناختی کارڈ نمبر، فوٹیو/سی ڈی سی اکاؤنٹ نمبر، موبائل نمبر اور ای میل ایڈریس کا ذکر کریں۔
- خواہشمند شیر ہولڈرز سے مذکورہ بالا تفصیلات کی وصولی کے بعد کمپنی لاگ ان تفصیلات ان کے ای میل ایڈریس پر ارسال کر دے گی۔
- AGM کے دن شیر ہولڈرز بذریعہ اپنے اسمارٹ فون اور کمپیوٹر آلات سے AGM کی کارروائی میں لاگ ان کر کے شرکت کر سکتے ہیں۔
- لاگ ان سہولت اجلاس کے وقت سے 30 منٹ قبل کھول دی جائیگی تاکہ شناخت اور تصدیق کے عمل کے بعد شرکاء کی اجلاس میں شرکت کو یقینی بنایا جاسکے۔
- مذکورہ بالا کی روشنی میں شیر ہولڈرز مذکورہ بالا ذرائع کا استعمال کر کے AGM کے مجوزہ ایجنڈا آئیٹمز کیلئے اپنے تاثرات/مشورے بھی پیش کر سکتے ہیں۔
- ۲۔ کمپنی کی حصص منتقلی کی کتاب 19 اکتوبر 2021ء تا 28 اکتوبر 2021ء (بشمول دونوں ایام) بند رہے گی۔ شیر رجسٹر اریف۔ ڈی رجسٹر اریف۔
- (ایس ایم سی۔ پرائیوٹ) لمیٹڈ سترہویں منزل
- صائمہ ٹریڈ ٹاور، آئی آئی چندریگر روڈ کراچی میں 18 اکتوبر 2021ء کو کاروبار کے اختتام کا رتک موصول ہونے والی منتقلیاں/تجدید بروقت سمجھی جائیں گی۔
- ۳۔ کمپنی کا ہر ممبر اس اجلاس میں شرکت اور ووٹ ڈالنے کا حق رکھتا ہے اور وہ اپنی جگہ اجلاس میں شرکت اور ووٹ دینے کے لیے اپنا پرکسی مقرر کر سکتا/کر سکتی ہے۔
- پرکسی کی تقرری کی اطلاع کمپنی کو اجلاس سے کم از کم 48 گھنٹے قبل دینی ہوگی۔ سی۔ ڈی۔ سی اکاؤنٹس رکھنے والوں کو سیکورٹیز اینڈ ایگزیکٹو کمیشن آف پاکستان سے جاری سرکلر نمبر بتاریخ جنوری 26، 2000ء میں دی گئی ہدایات پر عملدرآمد کرنا ہوگا۔
- ۴۔ اجلاس میں شرکت:

کمپنی کا ہر ممبر اس اجلاس میں شرکت اور ووٹ ڈالنے کا حق رکھتا ہے اور وہ اپنی جگہ بذریعہ ویڈیو لنک اجلاس میں شرکت اور ووٹ دینے کے لیے اپنا پرکسی مقرر کر سکتا/کر سکتی ہے۔ پرکسی کی تقرری کی اطلاع کمپنی کے رجسٹرڈ آفس کو اجلاس سے کم از کم 48 گھنٹے قبل دینی ہوگی۔

۴۔ اجلاس میں شرکت:

کمپنی کا ہر ممبر اس اجلاس میں شرکت اور ووٹ ڈالنے کا حق رکھتا ہے اور وہ اپنی جگہ بذریعہ ویڈیولنک اجلاس میں شرکت اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا/کر سکتی ہے۔ پراکسی کی تقرری کی اطلاع کمپنی کے رجسٹرڈ آفس کو اجلاس سے کم از کم 48 گھنٹہ قبل دینی ہوگی۔ پراکسی کی تقرری کیلئے:

(a) انفرادی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا وہ شخص جسکی سیکورٹیز گروپ اکاؤنٹس میں ہوں اور انکی رجسٹریشن کی تفصیلات قواعد و ضوابط کے تحت اپ لوڈ کی گئی ہوں پراکسی فارم مذکورہ ضروریات کے تحت جمع ہونے چاہئے۔

پراکسی فارم دو افراد کی جانب سے گواہی کے ساتھ ہونا چاہئے، جنکے نام، پتے اور سی-این-آئی-سی نمبر فارم پر درج ہونے چاہئے۔ پراکسی فارم کے ساتھ سی-این-آئی-سی مصدقہ کاپیاں یا حق دار مالکان کا پاسپورٹ اور پراکسی پیش کرنا ہوگا۔

(b) کارپوریٹ ادارے کی صورت میں کمپنی کو پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹران کی قرارداد اور پاور آف اٹارنی بمع کارپوریٹ ادارے کی جانب سے ووٹ ڈالنے کیلئے نامزد کئے گئے فرد کے مخصوص دستخط جمع کرانے ہونگے۔ (اگر یہ اس سے قبل فراہم نہیں کئے گئے)

۵۔ ای میل کے ذریعے سالانہ مالی کھاتوں کی گردش (سرکولیشن)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس-ای-سی-پی) نے بذریعہ اس کے نوٹیفیکیشن SRO 787(I)/2014 بتاریخ ستمبر 08، 2014 کمپنی کے حصص یافتگان کو بذریعہ ای میل سالانہ

اجلاس عام کے نوٹس کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے تقسیم کرنے کی اجازت دی ہے۔ لہذا وہ حصص یافتگان جو سالانہ رپورٹ کی برقی نقل کی کاپی حاصل کرنا چاہتے ہوں سے درخواست کی جاتی ہے کہ وہ اپنا ای میل ایڈریس روانہ کریں۔ الیکٹرونک سالانہ آڈٹ شدہ مالیاتی گوشوارے منتقل کرنے کیلئے رضامندی فارم کمپنی کی ویب سائٹ سے ڈاؤن لوڈ کیا جاسکتا ہے۔ تاہم کمپنی اپنے حصص یافتگان کو ان کی درخواست پر سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ہارڈ کاپی بلا معاوضہ فراہم کرے گی۔ جو کہ ان کی درخواست کی وصولی کے اندرون سات یوم میں کردی جائیگی۔

۶۔ کمپنی کی ویب سائٹ مالیاتی اکاؤنٹس کی پلیسینٹ

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفیکیشن (SRO 634(I)/2014) بتاریخ جولائی 10، 2014 کے مطابق کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ www.arshadgroup.com پر آویزاں کر دیئے گئے ہیں۔

۷۔ فزیکل شیئرز کی سنٹرل ڈیپازٹری میں منتقلی:

کمپنیز ایکٹ 2017 کی شق 72 کے تحت، تمام لسٹڈ کمپنیوں کو ایکٹ کے نفاذ (30 مئی، 2017) کے عرصہ چار سال کے دوران اپنے فزیکل شیئرز کو مہیا کئے جانے والے طریقہ کار کے مطابق بک اینٹری میں منتقل کرنے کا پابند کیا گیا ہے۔ مزید یہ کہ SECP نے اپنے خط بتاریخ 26 مارچ 2021 کے ذریعے لسٹڈ کمپنیز کو تاکید کی ہے کہ ایکٹ کی شق 72 کی تعمیل کریں اور حصص کنندگان کو اپنے شیئرز بک اینٹری میں منتقل کرنے کی ترغیب دیں۔

اس کی رو سے، وہ حصص کنندگان جن کے پاس فزیکل شیئرز ہوں، ان سے درخواست ہے کہ وہ اپنے شیئرز کو بروکرز کے ساتھ سب اکاؤنٹ یا CDC کے ساتھ براہ راست انویسٹر اکاؤنٹ کھول کر سینٹرل ڈیپازٹری میں اپنے فزیکل شیئرز کو منتقل کر دیں۔

اس سے حصص کنندگان کی ممبرز رجسٹر میں تفصیلات اپڈیٹ ہو جائیگی جس سے کمپنی کو حصص کنندگان کے ساتھ موثر رابطہ کرنے میں مدد ملے گی اور منافع جات کی بروقت ترسیل ممکن ہو سکے گی۔

مزید براں، سنٹرل ڈیپازٹری میں شیئرز رکھنا زیادہ محفوظ ہے اور شیئرز کی خرید و فروخت با آسانی کی جاسکتی ہے۔

۸۔ غیر دعویٰ شدہ منافع منقسمہ اور شیئرز

کمپنی کے شیئرز ہولڈرز کو بذریعہ ہذا مطلع کیا جاتا ہے کہ ریکارڈ کے مطابق کچھ غیر دعویٰ شدہ / غیر وصول شدہ / غیر ادا شدہ منافع منقسمہ اور شیئرز ہیں۔ ایسے شیئرز ہولڈرز جنہوں نے اپنے منافع منقسمہ / شیئرز وصول نہیں کئے انہیں ہدایت کی جاتی ہے کہ وہ اپنے غیر دعویٰ شدہ منافع منقسمہ یا شیئرز، اگر ہوں، سے متعلق وصول / جانچ پڑتال کرنے کیلئے ہمارے شیئرز رجسٹرار میسرز ایف ڈی رجسٹر ارسروسز (ایس ایم سی) پرائیویٹ لمیٹڈ 17 ویں منزل، صائمہ ٹریڈ ٹاور - A آئی آئی چندریگر روڈ، کراچی سے فون نمبر 0092-21-32271905 ای میل fdregistrar@yahoo.com پر دوران ایام کار رابطہ کریں۔

۹۔ پتہ کی تبدیلی اور خط و کتابت میں فوئیو نمبر کا اندراج

ممبران سے یہ بھی درخواست ہے کہ پتہ میں کسی تبدیلی سے فوری مطلع کریں۔ مزید برآں حصص یافتگان سے کمپنی کے ساتھ خط و کتابت میں اور سالانہ اجلاس عام میں شرکت کے موقع پر فوئیو نمبر درج کریں۔

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت ٹھوس حقائق کا بیان

۱۔ نوٹس کے آئٹم نمبر ۴۔ 30 جون 2021 کو ختم ہونے والے سال کے دوران متعلقہ پارٹی لین دین کی توثیق اور منظوری

تمام متعلقہ پارٹیز کے ساتھ کئے جانے والے بورڈ آف ڈائریکٹرز کے منظور شدہ لین دین کو بذریعہ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کے تحت سہ ماہی بنیاد پر آڈٹ کمپنی کے ذریعے سفارش کی جاتی ہے۔ ان لین دین کو شیئرز ہولڈرز کے سامنے ان کی باضابطہ منظوری کیلئے AGM میں رکھنا تھا۔ اس کے مطابق، یہ لین دین AGM میں شیئرز ہولڈرز کے سامنے ان کی باضابطہ منظوری کیلئے ان کے سامنے رکھا جا رہا ہے۔

عام طور پر کمپنی عام تجارت سے متعلق وابستہ کمپنیوں کے ساتھ لین دین کرتی ہے۔

متعلقہ پارٹیز کے ساتھ لین دین 30 جون 2021 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے نوٹ 27 میں ذکر کیا گیا ہے۔ پارٹیز کے حساب سے متعلقہ پارٹیز لین دین کی تفصیل درج ذیل ہیں۔

رقم روپے	لین دین کی قسم	متعلقہ پارٹی کے نام
2,927,129	انرجی کی فروخت	ارشڈ ٹیکسٹائل ملز لمیٹڈ
2,040,811	اخراجات بانٹنا	
289,761	سامان کی فروخت	
380,248	سامان کی فروخت	ارشڈ کارپوریشن (پرائیویٹ) لمیٹڈ
8,350,000	ڈائریکٹرز سے حاصل کیا گیا قرض	ڈائریکٹرز

ARSHAD ENERGY LIMITED

CHAIRMAN'S REVIEW

For the year ended June 30, 2021.

On behalf of the Board of Directors, I am pleased to present the Annual Report of the Company together with the audited, financial statements and auditors' report thereon for the year ended 30th June, 2021.

The drastic increase in the prices of furnace oil has significantly affected the performance of the company. Further, the sale rates as approved by NEPRA are not viable on high furnace oil prices. The situation has forced management to temporarily close down the operations of the company. Net sales for the year were Rs. 2.927 million (2020: Nil) and net loss is Rs.40.357 million (2020: net loss Rs.25.859 million).

Future Prospects

To restart the operations of the company management is continuously monitoring fuel prices and sales rates.

Code of Corporate Governance:

Our company takes corporate governance seriously. The company is following the Securities and Exchange Commission of Pakistan and the Pakistan stock Exchange and complies with the code of Good corporate Governance in letter and spirit.

The board appreciates the dedicated services rendered by the employees and the management which is evidenced by the company's performance and results achieved and they are contributing positively towards the goals and objectives of the company.

Lastly, I would also like to thank our shareholder for their continued support and trust in the company. Above stated facts do not give a promising outlook but the management is making its efforts to earn profitability for the coming years.

For and behalf of the board of directors.



Nisar Ahmad Sheikh
Chairman

Date: September 30, 2021.

ARSHAD ENERGY LIMITED

DIRECTOR'S REPORT TO THE SHARE HOLDERS

The Directors of your Company place audited financial statements of your Company for the year ended June 30, 2021.

FINANCIAL RESULTS	2021 Rupees	2020 Rupees
SALES	2,927,129	-
COST OF GENERATION	(23,889,354)	(16,321,535)
GROSS LOSS	(20,962,225)	(16,321,535)
ADMINISTRATIVE EXPENSES	(8,048,681)	(7,005,757)
OTHER EXPENSES	(11,641,907)	(3,361,666)
OTHER INCOME	296,794	831,761
FINANCE COST	(923)	(2,014)
LOSS BEFORE TAXATION	(40,356,942)	(25,859,211)
TAXATION	-	-
LOSS AFTER TAXATION	(40,356,942)	(25,859,211)
LOSS PER SHARE- BASIC AND DILUTED – RUPEES	(5.04)	(3.23)

REVIEW OF OPERATING RESULTS

Net sales for the year were 2.927 million (2020: Nil) and net loss is Rs.40.357 million (2020: net loss Rs. 25.859 million).

The drastic increase in the prices of furnace oil has significantly increased the generation cost. Further, the huge repair cost makes the generation non-viable. The situation has forced management to temporarily close down the operations of the company.

Losses and Future Prospects

During the year operations of the company remained temporarily closed, however, management of the company is continuously monitoring fuel prices and electricity sales rates to restart the operations of the company. Further, the expenses have been reduced to minimum level in order to avoid financial burden on company.

ARSHAD ENERGY LIMITED

Management of your company is considering various proposals for the restructuring of the company and all these proposals are under consideration to make it workable. The management is hopeful that the restructuring plan will be finalized before Oct 31, 2021.

Material Changes during the year

No changes occur during the financial year as the company's operations remained temporarily closed during the year.

AUDITORS

The present Auditors M/S Riaz Ahmad & Co., Chartered Accountants retire and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE

The statement of compliance of best practices of Code of Corporate Governance is annexed.

CORPORATE AND FINANCIAL REPORTING FRAME WORK:

The Directors are pleased to state that the Company is compliant with the provisions of the Code of Corporate Governance as required by Securities & Exchange Commission of Pakistan (SECP).

1. The financial statements prepared by the Management of your Company present fairly its state of affairs, the results of its operations, cash flow and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates, which are based on reasonable and prudent judgment.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements. The system of internal control is sound in design and has been effectively implemented and monitored.
5. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
6. The system of internal control is sound in design and has been effectively implemented and monitored.
7. Key operating financial data of last six years in summarized form is annexed.
8. The company has established Employees Gratuity Un-funded. Annual provision has been made on actuarial valuation basis to cover obligation under the scheme for all employees eligible to gratuity benefits irrespective of the qualifying period.
9. Information about taxes and levies is given in the notes forming part of financial result.

ARSHAD ENERGY LIMITED

Board

The composition of the board of Directors (the Board) is as follows:

Independent Director	Mr. Waseem Ashfaq
Non-Executive Directors	Mr. Nisar Ahmad Sheikh Mr. Shahzad Ahmed Sheikh Mr. Shehryar Arshad Mr. Moeez ur Rehman (Retired)
Executive Director	Mr. Muhammad Arshad
Female Director	Miss Resham Shahzad

During the year four meetings of the board of Directors were held. Directors' attendance in these meetings is as under:

<u>NAME OF DIRECTORS</u>	<u>MEETINGS ATTENDED</u>
Mr. Nisar Ahmad Sheikh	04
Mr. Muhammad Arshad	04
Mr. Shahzad Ahmad Sheikh	04
Mr. Shehryar Arshad	04
Ms. Resham Shahzad	04
Mr. Waseem Ashfaq	04
Mr. Moeez ur Rehman (Retired*)	00*

**Retired on September 14, 2020.*

Directors who did not attend the above meetings were granted leave of absence by the Board of Directors.

AUDIT COMMITTEE

The Board has formed Audit Committee. It comprises of two non-executive directors and one independent director who is the Chairman of the Committee. The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:

<u>NAME OF AUDIT COMMITTEE MEMBERS</u>	<u>MEETINGS ATTENDED</u>
Mr. Waseem Ashfaq	04
Mr. Shahzad Ahmed Sheikh	04
Mr. Shehryar Arshad	04

ARSHAD ENERGY LIMITED

HR & REMUNERATION COMMITTEE

MEETINGS ATTENDED

HR & Remuneration Committee held one (1) meeting during the year. Attendance by each member was as follows:

Mr. Waseem Ashfaq	01
Mr. Shahzad Ahmed Sheikh	01
Ms. Resham Shahzad	01

MATTER OF EMPHASIS IN AUDITORS' REPORT

As illustrated in Note 1.1 to the financial statements, the company has prepared its financial statements on non-going concern basis due to non-operation during couple of years. The company will start its operations as early as the prices of electricity generation will become competitive. Further, the company is also working on different alternate options for revival of company operations.

IMPACT ON ENVIRONMENT

We work meticulously to reduce our environmental impacts from the procurement of raw materials to the generation of electricity.

Our environmental policy achieves the following objective:

- Improve the efficiency and sustainability of our business activities and products.
- Reduce wastes and prevent environmental pollution.
- Use energy and natural resources efficiently.

PRINCIPAL ACTIVITIES OF THE COMPANY

Arshad Energy Limited (the Company) is a public limited company incorporated in Pakistan on 20 February 1994 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The principal activity of the Company is generation and distribution of electricity.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company consider the following as key risks:

- Significant competition in international Furnace oil Prices;
- Depreciation of Pak Rupee against US Dollar;
- Non-availability of banking lines.

The Company is endeavoring internally as well as externally to cater with and mitigate the impact of aforesaid risks and uncertainties.

LOSS PER SHARE

Loss per share during the period under report worked out to Rupees 5.04 (2020 Rupees 3.23)

ARSHAD ENERGY LIMITED

TRADING OF SHARES

Director, company secretary, chief financial officer, Head of internal Audit and their spouses and minor children has not purchased or sold shares during the year.

STATEMENT OF DIRECTOR'S RESPONSIBILITY

Board of Directors is mindful of its responsibilities and duties under legal and corporate frame work. The Board defines and establishes Company's overall objectives and directions and monitors status thereof. Short term and long term plans and business performance targets are set by Chief Executive under over all policy frame work of the Board.

DIVIDEND

The board of directors has not recommended any dividend for the year ended 30 June 2021 as the company could not earn profits.

PATTERN OF SHAREHOLDING

Pattern of shareholding as on June 30, 2021 is annexed.

ACKNOWLEDGEMENT:

The Board places on record its appreciation for the cooperation, commitment and hard work extended to the Company by the customers, suppliers, bankers and all the employees of the Company.

On behalf of the Board



Muhammad Arshad
Chief Executive Officer



Shehryar Arshad
Director

LAHORE.

Dated: September 30, 2021

شیئر ہولڈرز کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے سال کیلئے آپ کی کمپنی کے آڈٹ شدہ مالی بیانات پیش کرتے ہیں۔

2020	2021	مالیاتی نتائج
روپے	روپے	ریونیو
-	2,927,129	بجلی بنانے کی قیمت
(16,321,535)	(23,889,354)	مجموعی نقصان
(16,321,535)	(20,962,225)	انتظامی اخراجات
(7,005,757)	(8,048,681)	دوسرے اخراجات
(3,361,666)	(11,641,907)	دوسری آمدنی
831,761	296,794	مالیاتی لاگت
(2,014)	(923)	ٹیکس سے پہلے نقصان
(25,859,211)	(40,356,942)	ٹیکس
-	-	ٹیکس کے بعد نقصان
(25,859,211)	(40,356,942)	نقصان فی شیئر
(3.23)	(5.04)	

مالیاتی کارکردگی کا جائزہ

مجموعی فروخت برائے سال مبلغ 2.927 ملین (2020 صفر) اور مجموعی نقصان مبلغ 40.357 ملین (سال 2020 مجموعی نقصان مبلغ 25.859 ملین)

فرنس آئل کی قیمتوں میں اضافے کی وجہ سے بنیادی طور پر فرم کی کارکردگی متاثر ہوئی ہے۔ مزید برآں، مرمت کی بھاری لاگت پیداوار کو ناقابل عمل بناتی ہے۔ یہ حالات میں انتظامیہ مجبوراً عارضی طور پر کمپنی کے آپریشن کو بند کر رہی ہے۔

نقصانات اور مستقبل کے امکانات

سال کے دوران کمپنی کے آپریشنز عارضی بند رہے، تاہم کمپنی انتظامیہ، کمپنی کے آپریشنز کا دوبارہ سے آغاز کرنے کیلئے، ایندھن کی قیمتوں اور بجلی کی فروخت کے نرخ پر نظر رکھے ہوئے ہے۔ مزید یہ کہ اخراجات کو کم سے کم کر دیا گیا ہے تاکہ کمپنی کو مالی بحران سے بچایا جاسکے۔

آپ کی کمپنی کی انتظامیہ کمپنی کی تنظیم نو کے لیے مختلف تجاویز پر غور کر رہی ہے اور یہ تمام تجاویز زیر غور ہیں تاکہ اسے قابل عمل بنایا جاسکے۔ انتظامیہ پر امید ہے کہ تنظیم نو کے منصوبے کو 31 اکتوبر 2021 سے پہلے حتمی شکل دے دی جائے گی۔

سال کے دوران قابل ذکر تبدیلیاں
سال کے دوران کمپنی کے آپریشنز بند رہے، اس لئے مالی سال کے دوران کوئی قابل ذکر تبدیلی نہیں آئی۔

آڈیٹرز:

آڈیٹرز میسرز ریاض احمد اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائرڈ ہو رہے ہیں۔ اہلیت کی بنیاد پر انہوں نے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔

کارپوریٹ گورننس

کوڈ آف کارپوریٹ گورننس کے کی بہترین طریقے کار کی تعمیل کے بیان کو الحاق کیا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک پر بیان:

ڈائریکٹرز ہمسرت مطلع کرتے ہیں کہ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے تقاضوں کے مطابق کوڈ آف کارپوریٹ گورننس کے ضوابط کی تعمیل کرتی ہے۔

1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی اسٹیٹمنٹس منصفانہ طور پر اس کے معاملات کی حالت، اس کے عوامل کے نتائج، کیش کا بہاؤ اور مساوات میں تبدیلی پر مشتمل ہے۔

2- اکاؤنٹس کی کتابیں مناسب طریقہ سے مرتب کی گئی ہیں۔

3- مالیاتی اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی مخصوص پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور ٹھوس فیصلوں پر مبنی ہیں۔

4- مالیاتی اسٹیٹمنٹس کی تیاری میں انٹرنیشنل اکاؤنٹنگ کے معیار کو مدنظر رکھا گیا ہے جو پاکستان میں لاگو ہو سکتے ہیں۔ اندرونی کنٹرول کا سسٹم بہترین حالت میں بنایا گیا ہے اس کا نفاذ اور نگرانی موثر طریقے سے کی گئی ہے۔

5- کارپوریٹ گورننس کے بہترین طریقہ کار سے کسی قسم کی اہم تبدیلیاں نہیں ہوئیں، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

6- انٹرئل کنٹرول کا نظام مستحکم ہے اور اسے موثر انداز میں لاگو کیا گیا ہے۔ اور اس کی نگرانی کی جاتی ہے۔

7- خلاصہ شکل میں گزشتہ چھ سالوں کے اہم آپرینٹنگ مالیاتی اعداد و شمار کو الحاق کیا گیا ہے۔

8- کمپنی نے اپنے ملازمین کے لئے ان فنڈڈ گریجویٹ قائم کی ہے۔ ملازمین کی کوالٹی اور ذمہ داریوں کے لحاظ سے سالانہ گریجویٹ قائم کی گئی ہے تمام ملازمین کے فائدے کے لئے ان کی اہلیت کی بنیاد پر اسکیم قائم کی گئی ہے۔

9- فیکس اور محصولات کے بارے میں معلومات مالی نتیجہ کا حصہ بننے والے نوٹس میں ہے۔

بورڈ

بورڈ آف ڈائریکٹرز (دی بورڈ) کی تشکیل مندرجہ ذیل ہے:

جناب وسیم اشفاق

جناب نثار احمد شیخ

آزاد ڈائریکٹر

نان۔ ایگزیکٹو ڈائریکٹر

جناب شہزاد احمد شیخ
 جناب شہر یار ارشد
 جناب معین الرحمن (ریٹائرڈ)
 جناب محمد ارشد
 مس ریشم شہزاد

ایگزیکٹو ڈائریکٹر
 خاتون ڈائریکٹر

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ڈائریکٹرز کی ان میٹنگز میں شرکت حسب ذیل ہے:

ڈائریکٹرز کا نام	میٹنگز میں شمولیت کی تعداد
جناب شہزاد احمد شیخ	04
جناب محمد ارشد	04
جناب شہزاد احمد شیخ	04
جناب شہر یار ارشد	04
مسز ریشم شہزاد	04
جناب وسیم اشفاق	04
جناب معین الرحمن (ریٹائرڈ*)	*00

* ریٹائرڈ تاریخ ستمبر 14، 2020

بورڈ آف ڈائریکٹرز نے ان بورڈ ممبرز کی رخصت کی منظوری دی ہے جو اجلاس میں شریک نہیں ہو سکے۔

آڈٹ کمیٹی

بورڈ نے آڈٹ کمیٹی تشکیل دی ہے۔ یہ کمیٹی دونوں ایگزیکٹو ڈائریکٹرز اور ایک آزاد ڈائریکٹر پر مشتمل ہے، جو کہ کمیٹی کا چیئرمین بھی ہے۔ آڈٹ کمیٹی نے سال بھر کے دوران چار اجلاس بلائے۔ ہر رکن کی جانب سے شرکت کی تفصیل درج ذیل کے مطابق ہے:

آڈٹ کمیٹی ممبران کے نام	میٹنگز میں شمولیت کی تعداد
جناب وسیم اشفاق	04
جناب شہزاد احمد شیخ	04
جناب شہر یار ارشد	04

ایچ آر اور معاوضہ کمیٹی

ایچ آر اور معاوضہ کمیٹی سال کے دوران (1) میٹنگ منعقد کی، ہر ممبر کی کی حاضری حسب ذیل ہے:

01	جناب وسیم اشفاق
01	جناب شہزاد احمد شیخ
01	مس ریشم شہزاد

آڈیٹرز رپورٹ میں اہمیت طلب معاملہ

جیسا کہ مالیاتی گوشواروں کے نوٹ 1.1 میں بیان کیا گیا ہے، کچھ برسوں کے دوران آپریشنز جاری نہ ہونے کے باعث کمپنی نے مالیاتی گوشوارے ”نان۔گوئنگ کنسرن“ کی بنیاد پر تیار کیے ہیں۔ جیسے ہی بجلی کی تیاری کی قیمتیں مسابقت میں آجائیں گی، کمپنی اپنے آپریشنز کا آغاز کر دے گی۔ مزید یہ کہ کمپنی کے کاموں بحالی کیلئے کمپنی مختلف متبادل آپریشنز پر بھی کام کر رہی ہے۔

ماحول پر اثر

ہم خام مال کی خریداری سے لے کر بجلی بنانے تک اپنے ماحولیاتی اثرات کو کم کرنے کے لئے احتیاط سے کام لیتے ہیں۔

ہماری ماحولیاتی پالیسی نے مندرجہ ذیل مقاصد حاصل کیے ہیں۔

- کاروباری سرگرمیاں، مصنوعات کی کارکردگی اور استحکام کو بہتر بنایا۔
- ویسٹ کو کم کیا اور ماحولیاتی آلودگی کو کم کیا۔
- انرجی کا استعمال اور قدرتی وسائل میں بہتری

کمپنی کی بنیادی سرگرمیاں

ارشاد انرجی لمیٹڈ (دی کمپنی) ایک پبلک لمیٹڈ کمپنی ہے، جسے 20 فروری 1994 کو رجسٹرڈ کمپنیز آرڈیننس 1984 (جو کہ اب کمپنی ایکٹ 2017 ہے) کے تحت پاکستان میں تشکیل دیا گیا تھا اور پاکستان اسٹاک ایکسچینج لمیٹڈ پر درج کی گئی تھی۔ بجلی کی پیداوار اور تقسیم کمپنی کی بنیادی کام ہے۔

بڑے رسک اور غیر یقینی

کمپنی درج ذیل امور کو انتہائی رسک تصور کرتی ہے:

- فرنس آئل کی بین الاقوامی قیمتوں میں قابل ذکر مسابقت
- امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں گراوٹ
- بینکاری لائسنس کی عدم دستیابی

کمپنی متذکرہ بالا رسک اور غیر یقینی امور کے اثرات سے نمٹنے اور انہیں زائل کرنے کیلئے داخلی اور خارجی سطح پر کوششیں کر رہی ہے۔

فی حصص خسارہ

متذکرہ عرصے کے دوران فی حصص خسارہ 5.04 روپے رہا (2020 میں 3.23 روپے)۔

شیئرز کی ٹریڈنگ:

ڈائریکٹرز، کمپنی سیکرٹری، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، اور ان کی ازدواج، اور نابالغ بچوں نے اس سال شیئرز کی خرید و فروخت نہیں کی۔

ڈائریکٹرز کی ذمہ داریوں کی سٹیٹمنٹ

بورڈ آف ڈائریکٹرز قانونی اور کارپوریٹ فریم ورک اپنی ذمہ داریاں اور فرائض سے آگاہ ہیں۔ بورڈ کمپنی کے تمام تر مقاصد اور ان کا حصول اور ان کے سٹیٹس کو مانیٹر کرتے ہیں۔ چھوٹے اور لمبے عرصے کے منصوبے اور کاروبار کی کارکردگی چیف ایگزیکٹو بورڈ کی زیر نگرانی بنتا ہے۔

ڈیویڈنڈ

بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے کسی بھی منافع کی سفارش نہیں کی ہے کیونکہ کمپنی منافع نہیں کما سکی ہے۔

پیٹرن آف شیئر ہولڈنگ

30 جون 2021 کے مطابق کمپنی کے شیئر ہولڈنگ پیٹرن کی رپورٹ شامل ہے۔

تشکر:

ہمارے برانڈز پر مکمل اعتماد رکھنے پر ہم اپنے کسٹمر کا شکریہ ادا کرتے ہیں۔ ہم لگاتار معاونت کے لئے اپنے شیئر ہولڈرز، بینکرز، اور سپلائرز اور اپنے ملازمین کی لگن اور اپنی کمپنی کے لئے ان کے قابل قدر کردار کا بھی اعتراف کرتے ہیں۔

منجانب: بورڈ آف ڈائریکٹرز

شہریار ارشد

ڈائریکٹر

محمد ارشد

چیف ایگزیکٹو آفیسر

لاہور

مورخہ: ستمبر 30، 2021

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
ARSHAD ENERGY LIMITED
FOR THE YEAR ENDED 30 JUNE 2021

Arshad Energy Limited (the Company) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 (the Regulations) in the following manner:

1. The total number of directors are six as per the following:
 - a) Male: Five
 - b) Female: One
2. The composition of the board of Directors (the Board) is as follows:

Category	Name
Independent Director	Mr. Waseem Ashfaq
Independent Director*	
Non-Executive Directors	Mr. Nisar Ahmad Sheikh Mr. Shahzad Ahmed Sheikh Mr. Shehryar Arshad
Executive Directors	Mr. Muhammad Arshad
Female Director	Miss Resham Shahzad

*One independent director of the Company resigned on 14 September 2020. However new independent director could not be appointed due to non-availability of any person to join the Company as an independent director. The Company will strive to fill this gap at the earliest.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Following directors have already attended director's training program
 - Miss Resham Shahzad
 - Mr. Shehryar Arshad

Moreover, following Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program

- Mr. Nisar Ahmad Sheikh
- Mr. Shahzad Ahmed Sheikh
- Mr. Muhammad Arshad

The Board will arrange Directors' Training program for its remaining director in the coming financial year.

10. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and employment and complied with relevant requirements of the regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
- Mr. Waseem Ashfaq	Chairman
- Mr. Shahzad Ahmed Sheikh	Member
- Mr. Shehryar Arshad	Member

b) HR and Remuneration Committee

Names	Designation held
- Mr. Waseem Ashfaq	Chairman
- Mr. Shahzad Ahmed Sheikh	Member
- Miss. Resham Shahzad	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2021
 - b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2021
15. The board has set up an internal audit function by appointing Head of Internal Audit who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the

ICAP”) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 have been complied with, except for the discrepancy mentioned in paragraph 2; and
19. Explanations for non-compliance with requirements, other than regulations 3,6,7,8,27,32,33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Nomination Committee		
	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Due to closed operations of the Company and limited staff board has not constituted nomination Committee separately.	29
2	Risk Management Committee		
	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Due to closed operations of the Company and limited staff board has not constituted risk management Committee separately.	30
3	Disclosure of significant policies on website		
	The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board’s committees on its website and key elements of the directors’ remuneration policy. Disclosure of significant policies on website.	The Company will upload the required policies and terms of references to comply these requirements soon.	35



(Mr. Nisar Ahmad Sheikh)

Chairman

Date: September 30, 2021

ARSHAD ENERGY LIMITED

OPERATING AND FINANCIAL DATA OF LAST SIX YEARS

Particulars	2021	2020	2019	2018	2017	2016
Financial Position						
Paid up Capital	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Capital Reserve Share Premium	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Revenue Reserve	(146,902,431)	(107,497,443)	(81,453,928)	(63,903,045)	(45,949,325)	(58,279,352)
Fixed Assets at cost /Revalued	458,700,728	439,384,922	435,464,493	431,103,243	424,091,710	413,478,989
Accumulated Depreciation	292,602,757	287,072,332	280,932,077	274,585,417	268,060,238	261,465,861
long term Deposits	10,550	10,550	10,550	10,550	10,550	10,550
Deffered Liabilities	7,836,878	7,635,280	5,440,765	3,837,695	3,394,052	2,888,853
Current Assets	14,948,359	31,271,563	35,772,116	37,166,371	51,096,382	47,762,076
Current Liabilities	77,442,929	69,841,763	60,617,753	50,544,583	48,539,895	52,651,332
INCOME						
Sale	2,927,129	-	6,252,057	227,473,076	241,919,510	235,990,952
Other Income	296,794	831,761	1,883,539	1,299,869	3,941,801	5,951,186
Statistics and Ratios						
current Ratio	0.19:1	0.45:1	0.59:1	0.74:1	1.05:1	0.90:1
Paid up value per Share	10	10	10	10	10	10
Earning par Share/(Loss Par Share)	(5.04)	(3.23)	(1.96)	(2.39)	1.40	1.41
Cash Dividend					-	-
Generation (Mega Watt Hours)	0.145	0	351	20,677	22,585	24,873

ARSHAD ENERGY LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Arshad Energy Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Arshad Energy Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Further, we highlight below instance of non-compliance with the mandatory requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Sr. No.	Paragraph reference	Description
(i)	18	Each listed company shall have at least two or one third members of the Board, whichever is higher, as independent director. However the Company had only one independent director after the casual vacancy since 14 September 2020.



RIAZ AHMAD & COMPANY
Chartered Accountants
Faisalabad

Date: September 30, 2021

ARSHAD ENERGY LIMITED

INDEPENDENT AUDITOR'S REPORT

To the members of Arshad Energy Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Arshad Energy Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1.1 to the financial statements, which states that the Company is no longer a going concern, therefore, the financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Our opinion is not modified in respect of this matter.

ARSHAD ENERGY LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Non-going concern basis of accounting</p> <p>The Company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Estimated realizable / settlement values are based on the management's best estimate. Estimation involves judgments based on the latest available and reliable information, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realized and liabilities will be settled may be different from those carried in the financial statements. Therefore, we identified preparation of financial statements using the non-going concern basis of accounting as a key audit matter specially with reference to the estimates and judgments associated with the determination of estimated realizable / settlement values of assets and liabilities respectively.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none">• We checked compliance with "Guideline on the Basis of Preparation of Financial Statements for Companies that are Not Considered Going Concern" issued by The Institute of Chartered Accountants of Pakistan.• We tested how management made the estimate of realizable / settlement values of assets and liabilities respectively and the data on which it is based.• We tested the operating effectiveness of the controls over how the management made the estimate, together with appropriate substantive procedures.• We considered events occurring up to the date of our report to obtain audit evidence regarding the estimate.• We confirmed that any upsides in the carrying amounts of assets have been properly calculated and disclosed in the financial statements and not recognized in the statement of profit or loss.

ARSHAD ENERGY LIMITED

Sr. No.	Key audit matter	How the matter was addressed in our audit
	For further information, refer to summary of significant accounting policies, Note 2.1(b) and 2.1(c) to the financial statements.	

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

ARSHAD ENERGY LIMITED

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ARSHAD ENERGY LIMITED

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mubasher Mehmood



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 30 September 2021

ARSHAD ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	NOTE	2021 RUPEES	2020 RUPEES		NOTE	2021 RUPEES	2020 RUPEES
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorized share capital				Property, plant and equipment			
10 000 000 (2020: 10 000 000) ordinary shares of Rupees 10 each		<u>100,000,000</u>	<u>100,000,000</u>	10	146,777,006	143,445,720	
Issued, subscribed and paid up share capital				Security deposit			
8 000 000 (2020: 8 000 000) ordinary shares of Rupees 10 each	3	80,000,000	80,000,000		10,550	10,550	
Reserves					<u>146,787,556</u>	<u>143,456,270</u>	
Capital reserves				CURRENT ASSETS			
Premium on issue of right shares	4	80,000,000	80,000,000	Stores, spare parts and loose tools			
Surplus on revaluation of property, plant and equipment	5	63,358,539	44,748,233	11	5,640,000	11,640,000	
		143,358,539	124,748,233	Stock of oil and lubricants			
Revenue reserve				12	22,843	11,203,567	
General reserve		<u>14,408,600</u>	<u>14,408,600</u>	Advance income tax			
Total reserves		<u>157,767,139</u>	<u>139,156,833</u>	13	24,600	1,923,121	
Accumulated loss				Loans and advances			
		(161,311,031)	(121,906,043)	14	78,490	121,422	
Total equity				Other receivables			
		<u>76,456,108</u>	<u>97,250,790</u>	15	8,244,038	5,862,800	
LIABILITIES				Cash and bank balances			
NON CURRENT LIABILITY				16	938,388	520,653	
Staff retirement gratuity	6	7,836,878	7,635,280		<u>14,948,359</u>	<u>31,271,563</u>	
CURRENT LIABILITIES				TOTAL ASSETS			
Trade and other payables	7	11,051,581	11,800,415		<u>161,735,915</u>	<u>174,727,833</u>	
Unclaimed dividend		31,348	31,348	CONTINGENCIES AND COMMITMENTS			
Short term borrowings	8	66,360,000	58,010,000	9			
		77,442,929	69,841,763	TOTAL EQUITY AND LIABILITIES			
TOTAL LIABILITIES					<u>161,735,915</u>	<u>174,727,833</u>	
		<u>85,279,807</u>	<u>77,477,043</u>				
CONTINGENCIES AND COMMITMENTS							
	9						
TOTAL EQUITY AND LIABILITIES							
		<u>161,735,915</u>	<u>174,727,833</u>				

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 RUPEES	2020 RUPEES
SALES	17	2,927,129	-
COST OF GENERATION	18	(23,889,354)	(16,321,535)
GROSS LOSS		<u>(20,962,225)</u>	<u>(16,321,535)</u>
ADMINISTRATIVE EXPENSES	19	(8,048,681)	(7,005,757)
OTHER EXPENSES	20	(11,641,907)	(3,361,666)
OTHER INCOME	21	296,794	831,761
FINANCE COST	22	(923)	(2,014)
LOSS BEFORE TAXATION		<u>(40,356,942)</u>	<u>(25,859,211)</u>
TAXATION	23	-	-
LOSS AFTER TAXATION		<u><u>(40,356,942)</u></u>	<u><u>(25,859,211)</u></u>
LOSS PER SHARE - BASIC AND DILUTED - RUPEES	24	<u><u>(5.04)</u></u>	<u><u>(3.23)</u></u>

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	2021 RUPEES	2020 RUPEES
LOSS AFTER TAXATION	(40,356,942)	(25,859,211)
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified subsequently to profit or loss:		
Increase / (decrease) in surplus on revaluation of property, plant and equipment - net	19,315,806	(157,835)
Remeasurements of staff retirement gratuity	246,454	(988,728)
	19,562,260	(1,146,563)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income / (loss) for the year	19,562,260	(1,146,563)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(20,794,682)</u>	<u>(27,005,774)</u>

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

SHARE CAPITAL	RESERVES					ACCUMULATED LOSS	TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVE	TOTAL		
	Premium on issue of right shares	Surplus on revaluation of property, plant and equipment	Sub total	General			
----- RUPEES -----							
80,000,000	80,000,000	45,710,492	125,710,492	14,408,600	140,119,092	(95,862,528)	124,256,564
-	-	(804,424)	(804,424)	-	(804,424)	804,424	-
-	-	-	-	-	-	(25,859,211)	(25,859,211)
-	-	(157,835)	(157,835)	-	(157,835)	(988,728)	(1,146,563)
-	-	(157,835)	(157,835)	-	(157,835)	(26,847,939)	(27,005,774)
80,000,000	80,000,000	44,748,233	124,748,233	14,408,600	139,156,833	(121,906,043)	97,250,790
-	-	(705,500)	(705,500)	-	(705,500)	705,500	-
-	-	-	-	-	-	(40,356,942)	(40,356,942)
-	-	19,315,806	19,315,806	-	19,315,806	246,454	19,562,260
-	-	19,315,806	19,315,806	-	19,315,806	(40,110,488)	(20,794,682)
80,000,000	80,000,000	63,358,539	143,358,539	14,408,600	157,767,139	(161,311,031)	76,456,108

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 RUPEES	2020 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	25	(6,993,044)	(11,298,258)
Staff retirement gratuity paid		(939,221)	(69,000)
Net cash used in operating activities		(7,932,265)	(11,367,258)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		8,350,000	11,560,000
Net cash from financing activities		8,350,000	11,560,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		417,735	192,742
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		520,653	327,911
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 16)		938,388	520,653

The annexed notes form an integral part of these financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

ARSHAD ENERGY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. THE COMPANY AND ITS OPERATIONS

Arshad Energy Limited (the Company) is a public limited company incorporated in Pakistan on 20 February 1994 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). Its registered office is situated at Room No. 404 and 405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi, Sindh. The principal activity of the Company is generation and distribution of electricity. The project is located at 35 - Kilometers, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, Punjab. Head office of the Company is located at 16th Floor, Tricon Corporate Center, Gulberg-II, Lahore, Punjab.

1.1 Non-going concern basis of accounting

Previously the Company was in operations due to decrease in the furnace oil prices in the world market as the cost of generation of electricity by the Company was decreased. However, during the last couple of years the price of furnace oil has increased which ultimately resulted in suspension of Company's operations. During the year ended 30 June 2021, the Company has loss after taxation of Rupees 40.357 million. Moreover the Company has suffered accumulated loss of Rupees 161.311 million as on 30 June 2021. Furthermore as per Notice no. PSX/N-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, on 05 July 2021, Securities and Exchange Commission of Pakistan (SECP) issued a show cause notice 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 view of the aforesaid reasons, the Company is not considered a going concern. These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively. In realizable / settlement value basis, assets are carried at amount of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, which are the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- i) Realizable / settlement values of assets and liabilities respectively
- ii) Useful lives, patterns of economic benefits and impairments
- iii) Provisions
- iv) Inventories
- v) Employees' retirement benefit

The Company started preparing its financial statements using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively from the year ended 30 June 2014 and recorded adjustments to account for differences between the Company's recognized assets and the measurement of its assets and liabilities (including measurement changes resulting from changes in assumptions). Subsequently, at each reporting date the Company re-measures its assets and liabilities to reflect changes in value since the previous date. Hence, during the financial year ended 30 June 2021, the Company has recognized impairment on plant and machinery of Rupees 10,454,087 (Note 18), provision for slow moving and obsolete stores, spare parts and loose tools of Rupees 5,279,783 (Note 20) and provision for doubtful advance income tax of Rupees 1,898,521 (Note 20) in these financial statements.

Analysis of upside not recognized in the profit or loss on assets during the period:

Expected profit on disposal of items of property, plant and equipment of the Company, whose fair value was not determined shall be Rupees 0.228 million. Hence, there is an upside of Rupees 0.228 million not recognized in the profit or loss on property, plant and equipment.

The Company have no items that it plans to sell that the Company have not previously recognized in these financial statements.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2020:

- IAS 1 (Amendments) 'Presentation of Financial Statements' and IAS 8 (Amendments) 'Accounting Policies, Changes in Accounting Estimates and Errors';
- International Accounting Standards Board's revised Conceptual Framework – March 2018

The above mentioned amendments to published approved accounting standards did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2021 or later periods:

Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2022). These amendments have been added to further clarify when a liability is classified as current. These amendments also changes the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8.

Amendments to IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply these amendments retrospectively, but only to items of property, plant and equipment which are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

On 14 May 2020, IASB issued Annual Improvements to IFRSs: 2018 - 2020 Cycle, incorporating amendments to three IFRSs more specifically in IFRS 9 'Financial Instruments', relevant to the Company. The amendments are effective for annual periods beginning on or after 01 January 2022.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2021 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Staff retirement benefit

The Company's net obligation in respect of a defined benefit plan is calculated by estimating an amount of future benefit that employees have earned in return for their services in current and prior periods and that benefit is discounted to determine present value.

The Company operates defined benefit plan - unfunded gratuity scheme for its permanent employees, who have completed the minimum qualifying period of service as defined under the scheme. The net defined benefit liability recognized in the statement of financial position is the present value of the defined benefit obligation computed at the reporting date. The liability relating to defined benefit plan is determined through actuarial valuation using the Projected Unit Credit Method. Latest actuarial valuation has been carried on 30 June 2021.

Remeasurement changes which comprise actuarial gains and losses are recognized in the statement of financial position immediately, with a charge or credit to other comprehensive income in the period of occurrence.

2.3 Inventories

These are valued at the lower of moving average cost and net realizable value. Items considered obsolete are carried at nil value and items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision for obsolete and slow moving stores, spares and loose tools is determined based on yearly valuation carried out by an independent valuer.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.4 Taxation

Current

The provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available under the law. However as stated in Note 23 to the financial statements, the Company's income is exempt from tax, therefore, no provision for current tax has been recognized in these financial statements.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax has not been provided in these financial statements as the management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the Company remains exempt from taxation under Clause 132 of Part I of Part IV of Second Schedule to the Income Tax Ordinance, 2001.

2.5 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.6 Property, plant, equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any identified impairment loss, except those subject to revaluation which are stated at revalued amount less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Cost of property, plant and equipment consists of historical cost and other directly attributable costs of bringing the assets to working condition.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the assets charged to the statement of profit or loss and depreciation based on the asset's original cost, is reclassified from surplus on revaluation of property, plant and equipment to accumulated loss. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Depreciation

Depreciation on property, plant and equipment is charged to statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 10. The Company charges the depreciation on additions from the month of acquisition and on deletions up to the month preceding the disposal when the asset is de-recognized. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

Capital work-in-progress

Capital work-in-progress is stated at cost less any recognized impairment loss and is transferred to the property, plant and equipment as and when asset is available for use.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

2.7 Revenue from contracts with customers

i) Revenue recognition

Sale of electricity

Revenue from sale of electricity is recognized at the time of transmission.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by supplying electricity to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment

iii) Contract liabilities

Contract liability is the obligation of the Company to provide electricity to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides electricity, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.8 Financial Instruments

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

a) Classification

The Company classifies its financial assets and financial liabilities at amortized cost.

The classification depends on the Company's business model for managing the financial assets and financial liabilities and the contractual terms of the cash flows.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortized cost. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses).

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition of financial assets and financial liabilities

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.9 Trade and other receivables

Trade receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

The Company has applied the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.10 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.11 Share capital

Ordinary shares are classified as share capital.

2.12 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

2.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.14 Earnings / (loss) per share

The Company presents Earnings Per Share (EPS) or Loss Per Share (LPS) data for its ordinary shares. EPS / LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.15 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.17 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

This represents 8 000 000 (2020: 8 000 000) ordinary shares of Rupees 10 each fully paid up in cash. 373 750 (2020: 373 750) ordinary shares of the Company are held by Arshad Textile Mills Limited - an associated company.

4. PREMIUM ON ISSUE OF RIGHT SHARES

This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

	2021 RUPEES	2020 RUPEES
5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Surplus on revaluation of property, plant and equipment as at 01 July	44,748,233	45,710,492
Increase / (decrease) in surplus on revaluation of property, plant and equipment - net	19,315,806	(157,835)
	<u>64,064,039</u>	<u>45,552,657</u>
Less:		
Transferred to accumulated loss in respect of incremental depreciation charged during the year	705,500	804,424
	<u>63,358,539</u>	<u>44,748,233</u>

- 5.1** This represents surplus resulting from revaluation of freehold land and buildings thereon carried out on 30 June 2021 by Messrs Creative Consultants and Construction using current market rates. Previously revaluations were carried out by independent valuers on 30 June 2020, 30 June 2019, 30 June 2018, 30 June 2017, 30 June 2016 and 30 June 2014.

6. STAFF RETIREMENT GRATUITY

Opening balance	7,635,280	5,440,765
Charge for the year (Note 6.2)	1,387,273	1,274,787
Retirement benefit paid	(939,221)	(69,000)
Remeasurements chargeable in other comprehensive income (Note 6.3)	(246,454)	988,728
	<u>7,836,878</u>	<u>7,635,280</u>

6.1 Movement in the net liability recognized

Opening balance	7,635,280	5,440,765
Add:		
Charge for the year (Note 6.2)	1,387,273	1,274,787
Remeasurements chargeable in other comprehensive income (Note 6.3)	(246,454)	988,728
	<u>8,776,099</u>	<u>7,704,280</u>
Less: Paid during the year	(939,221)	(69,000)
	<u>7,836,878</u>	<u>7,635,280</u>

6.2 Charge for the year

Current service cost	778,191	504,394
Interest cost	609,082	770,393
	<u>1,387,273</u>	<u>1,274,787</u>

	2021 RUPEES	2020 RUPEES
6.3 Remeasurements chargeable in other comprehensive income		
Actuarial losses / (gains) from changes in financial assumptions	1,557	(4,627)
Experience adjustments	(248,011)	993,355
	<u>(246,454)</u>	<u>988,728</u>

	2021	2020
6.4 Significant actuarial assumptions used		
Discount rate for interest cost in profit or loss charge (per annum)	8.50%	14.25%
Discount rate for year end obligation (per annum)	10.00%	8.50%
Expected rate of increase in salary (per annum)	9.00%	7.50%
Average duration of the benefit (years)	1	1
Mortality rates	SLIC 2001-05 set back 1 year	SLIC 2001-05 set back 1 year
Withdrawal rates	Age based	Age based
Retirement assumption	Age 60	Age 60

6.5 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 June 2022 are Rupees 1,069,580.

6.6 Sensitivity analysis for actuarial assumptions:

The sensitivity of the defined benefit obligation as at reporting date to changes in the weighted principal assumption is:

Discount rate	1.00%	1.00%
Increase in assumption (Rupees)	(104,276)	(84,784)
Decrease in assumption (Rupees)	119,966	97,570
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees)	119,966	97,570
Decrease in assumption (Rupees)	(106,074)	(86,267)

6.7 Expected benefits payments for the future years:

Upto 1 year	1-2 years	2-5 years	5 years onwards	Total
-----RUPEES-----				
6,798,549	99,939	345,199	16,464,532	23,708,219

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit plan to significant actuarial assumptions, the same method (present value of the defined benefit plan calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year, except for certain changes as given in Note 6.4.

6.8 Risk associated with the scheme

a) Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

b) Demographic risks

Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

	2021 RUPEES	2020 RUPEES
7. TRADE AND OTHER PAYABLES		
Creditors (Note 7.1)	9,816,840	10,447,757
Accrued liabilities	887,660	1,007,518
Income tax deducted at source	154,330	345,140
Sales tax payable	192,751	-
	<u>11,051,581</u>	<u>11,800,415</u>

7.1 These include Rupees 9.716 million (2020: Rupees 9.733 million) due to associated companies / undertaking.

8. SHORT TERM BORROWINGS

Unsecured

From directors (Note 8.1)	<u>66,360,000</u>	<u>58,010,000</u>
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8.1 These represent interest free loans obtained from directors of the Company to meet the Company's working capital requirements. These are repayable on demand.

9. CONTINGENCIES AND COMMITMENTS

There was no contingent liability and commitment as at 30 June 2021 (2020: Rupees Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings on freehold land	Plant and machinery	Factory equipment	Electric Installations	Office equipment	Computers	Electric appliances	Furniture and fittings	Vehicles	Total
-----RUPEES-----											
At 30 June 2019											
Cost / revalued amount	32,520,000	58,689,306	339,155,604	248,147	6,540,882	227,030	273,280	635,821	352,873	899,814	439,542,757
Accumulated depreciation	-	(37,285,481)	(235,204,340)	(228,386)	(5,989,675)	(204,203)	(259,418)	(545,477)	(316,028)	(899,069)	(280,932,077)
Impairment loss	-	-	(4,078,264)	-	-	-	-	-	-	-	(4,078,264)
Net book value	<u>32,520,000</u>	<u>21,403,825</u>	<u>99,873,000</u>	<u>19,761</u>	<u>551,207</u>	<u>22,827</u>	<u>13,862</u>	<u>90,344</u>	<u>36,845</u>	<u>745</u>	<u>154,532,416</u>
Year ended 30 June 2020											
Opening net book value	32,520,000	21,403,825	99,873,000	19,761	551,207	22,827	13,862	90,344	36,845	745	154,532,416
Effect of surplus on revaluation	1,016,250	616,651	(1,790,736)	-	-	-	-	-	-	-	(157,835)
Depreciation charge	-	(1,070,191)	(4,993,650)	(1,976)	(55,121)	(2,283)	(4,158)	(9,034)	(3,685)	(149)	(6,140,247)
Impairment loss	-	-	(4,788,614)	-	-	-	-	-	-	-	(4,788,614)
Closing net book value	<u>33,536,250</u>	<u>20,950,285</u>	<u>88,300,000</u>	<u>17,785</u>	<u>496,086</u>	<u>20,544</u>	<u>9,704</u>	<u>81,310</u>	<u>33,160</u>	<u>596</u>	<u>143,445,720</u>
At 30 June 2020											
Cost / revalued amount	33,536,250	59,305,957	337,364,868	248,147	6,540,882	227,030	273,280	635,821	352,873	899,814	439,384,922
Accumulated depreciation	-	(38,355,672)	(240,197,990)	(230,362)	(6,044,796)	(206,486)	(263,576)	(554,511)	(319,713)	(899,218)	(287,072,324)
Impairment loss	-	-	(8,866,878)	-	-	-	-	-	-	-	(8,866,878)
Net book value	<u>33,536,250</u>	<u>20,950,285</u>	<u>88,300,000</u>	<u>17,785</u>	<u>496,086</u>	<u>20,544</u>	<u>9,704</u>	<u>81,310</u>	<u>33,160</u>	<u>596</u>	<u>143,445,720</u>
Year ended 30 June 2021											
Opening net book value	33,536,250	20,950,285	88,300,000	17,785	496,086	20,544	9,704	81,310	33,160	596	143,445,720
Effect of surplus on revaluation	19,308,750	117,969	(110,913)	-	-	-	-	-	-	-	19,315,806
Depreciation charge	-	(1,047,514)	(4,415,000)	(1,779)	(49,609)	(2,054)	(2,911)	(8,131)	(3,316)	(119)	(5,530,433)
Impairment loss	-	-	(10,454,087)	-	-	-	-	-	-	-	(10,454,087)
Closing net book value	<u>52,845,000</u>	<u>20,020,740</u>	<u>73,320,000</u>	<u>16,006</u>	<u>446,477</u>	<u>18,490</u>	<u>6,793</u>	<u>73,179</u>	<u>29,844</u>	<u>477</u>	<u>146,777,006</u>
At 30 June 2021											
Cost / revalued amount	52,845,000	59,423,926	337,253,955	248,147	6,540,882	227,030	273,280	635,821	352,873	899,814	458,700,728
Accumulated depreciation	-	(39,403,186)	(244,612,990)	(232,141)	(6,094,405)	(208,540)	(266,487)	(562,642)	(323,029)	(899,337)	(292,602,757)
Impairment loss	-	-	(19,320,965)	-	-	-	-	-	-	-	(19,320,965)
Net book value	<u>52,845,000</u>	<u>20,020,740</u>	<u>73,320,000</u>	<u>16,006</u>	<u>446,477</u>	<u>18,490</u>	<u>6,793</u>	<u>73,179</u>	<u>29,844</u>	<u>477</u>	<u>146,777,006</u>
Annual rate of depreciation (%)	-	5	5	10	10	10	30	10	10	20	

- 10.1** If the freehold land and buildings thereon were measured using the cost model, the carrying amounts would be as follows:

	Cost	Accumulated depreciation	Book value
	----- RUPEES -----		
Freehold land	2,898,010	-	2,898,010
Buildings on freehold land	40,912,131	(34,302,940)	6,609,191
	<u>43,810,141</u>	<u>(34,302,940)</u>	<u>9,507,201</u>

- 10.2** Depreciation charge for the year has been allocated as follows:

	2021 RUPEES	2020 RUPEES
Cost of generation (Note 18)	5,522,033	6,129,972
Administrative expenses (Note 19)	8,400	10,275
	<u>5,530,433</u>	<u>6,140,247</u>

- 10.3** Particulars of immovable properties (i.e. land and buildings) are as follows:

Particulars	Location	Area Acres	Covered area Sq. Ft.
Generation facility	35-Kilometers, Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, Punjab.	5.08	26 362

- 10.4** Forced sales value of revalued property, plant and equipment is Rupees 61.936 million as at 30 June 2021.

	2021 RUPEES	2020 RUPEES
11. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	747,987	747,987
Spare parts	18,995,789	19,716,007
Loose tools	14,286	14,286
	<u>19,758,063</u>	<u>20,478,280</u>
Less: Provision for slow moving and obsolete stores, spare parts and loose tools (Note 11.1)	14,118,063	8,838,280
	<u>5,640,000</u>	<u>11,640,000</u>

- 11.1** Provision for slow moving and obsolete stores, spares and loose tools

Balance as on 01 July	8,838,280	7,220,687
Provision made during the year (Note 20)	5,279,783	1,617,593
Balance as on 30 June	<u>14,118,063</u>	<u>8,838,280</u>

- 12. STOCK OF OIL AND LUBRICANTS**

Furnace oil	-	10,296,213
Diesel oil	-	187,363
Lube oils	22,843	719,991
	<u>22,843</u>	<u>11,203,567</u>

	2021 RUPEES	2020 RUPEES
13. ADVANCE INCOME TAX		
Advance income tax	2,292,151	2,292,151
Provision for doubtful advance income tax:		
As at 01 July	369,030	-
Add: Provision made during the year (Note 20)	1,898,521	369,030
	2,267,551	369,030
As at 30 June	24,600	1,923,121
14. LOANS AND ADVANCES		
Considered good:		
Employees - interest free		
against salary (Note 14.1)	5,500	26,000
against expenses	55,505	21,005
	61,005	47,005
Advances to suppliers / service provider	17,485	74,417
	78,490	121,422
14.1 These represent interest free loans given to employees for meeting their personal expenditure and are secured against balance to the credit of employees in the staff retirement gratuity. These are recoverable in equal monthly installments.		
15. OTHER RECEIVABLES		
Considered good:		
Sales tax refundable	5,931,080	6,909,842
Receivable against disposal of furnace oil	3,360,000	-
	9,291,080	6,909,842
Less: Provision for doubtful other receivables (Note 15.1)	(1,047,042)	(1,047,042)
	8,244,038	5,862,800
15.1 Provision for doubtful other receivables:		
<i>Sales tax refundable</i>		
As at 01 July	1,047,042	-
Add: Provision made during the year	-	1,047,042
As at 30 June	1,047,042	1,047,042
16. CASH AND BANK BALANCES		
With banks:		
On current accounts	902,033	474,813
Cash in hand	36,355	45,840
	938,388	520,653
17. SALES		
Electricity	3,424,741	-
Less: Sales tax	497,612	-
	2,927,129	-

	2021 RUPEES	2020 RUPEES
18. COST OF GENERATION		
Oil and lubricants consumed	3,433,790	-
Electricity duty	28,981	-
Salaries and other benefits	3,243,618	4,532,830
Staff retirement benefit	599,296	858,718
Stores, spare parts and loose tools consumed	607,549	-
Repair and maintenance	-	11,400
Impairment loss on plant and machinery (Note 10)	10,454,087	4,788,614
Depreciation (Note 10.2)	5,522,033	6,129,972
	<u>23,889,354</u>	<u>16,321,535</u>
19. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	2,863,304	2,196,256
Staff retirement benefit	787,977	416,069
Postage and telephone	23,637	23,400
Vehicles' running	657,688	622,158
Traveling and conveyance	217,361	191,160
Printing and stationery	15,986	27,705
Repair and maintenance	2,500	68,658
Entertainment	20,826	19,912
Legal and professional	239,900	111,000
Fee and subscription	893,231	716,897
Advertisement	-	181,170
Auditor's remuneration (Note 19.1)	225,000	150,000
Insurance	23,220	17,247
Depreciation (Note 10.2)	8,400	10,275
Utilities	2,067,092	2,247,330
Others	2,559	6,520
	<u>8,048,681</u>	<u>7,005,757</u>
19.1 Auditor's remuneration		
Audit fee	150,000	100,000
Half yearly review	25,000	25,000
Other certifications	50,000	25,000
	<u>225,000</u>	<u>150,000</u>
20. OTHER EXPENSES		
Provision for slow moving and obsolete stores, spare parts and loose tools (Note 11.1)	5,279,783	1,617,593
Loans and advances written off	74,009	25,956
Other receivables written off	-	302,045
Provision for doubtful advance income tax (Note 13)	1,898,521	369,030
Provision for doubtful other receivables	-	1,047,042
Loss on disposal of stock of oil and lubricants	4,322,926	-
Loss on disposal of stores, spare parts and loose tools	66,668	-
	<u>11,641,907</u>	<u>3,361,666</u>

		2021 RUPEES	2020 RUPEES
21. OTHER INCOME			
Income from non-financial assets			
Credit balances written back		<u>296,794</u>	<u>831,761</u>
22. FINANCE COST			
Bank charges and commission		<u>923</u>	<u>2,014</u>
23. TAXATION			
The profit and gains derived by the Company from the electric power generation projects are exempt from levy of income tax under Clause 132 of Part-I of the Second Schedule of the Income Tax			
24. LOSS PER SHARE - BASIC AND DILUTED			
There is no dilutive effect on the basic loss per share which is based on:			
		2021	2020
Loss for the year	(Rupees)	<u>(40,356,942)</u>	<u>(25,859,211)</u>
Weighted average number of ordinary shares	(Numbers)	<u>8 000 000</u>	<u>8 000 000</u>
Loss per share	(Rupees)	<u>(5.04)</u>	<u>(3.23)</u>
		2021 RUPEES	2020 RUPEES
25. CASH USED IN OPERATIONS			
Loss before taxation		(40,356,942)	(25,859,211)
Adjustments for non-cash charges and other items:			
Depreciation		5,530,433	6,140,247
Impairment loss on plant and machinery		10,454,087	4,788,614
Provision for staff retirement gratuity		1,387,273	1,274,787
Provision for slow moving and obsolete stores, spare parts and loose tools		5,279,783	1,617,593
Credit balances written back		(296,794)	(831,761)
Loans and advances written off		74,009	25,956
Other receivables written off		-	302,045
Provision for doubtful loans and advances		1,898,521	369,030
Provision for doubtful other receivables		-	1,047,042
Working capital changes (Note 25.1)		9,036,586	(172,600)
		<u>(6,993,044)</u>	<u>(11,298,258)</u>

	2021 RUPEES	2020 RUPEES
25.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores, spare parts and loose tools	720,217	(107,593)
Stock of oil and lubricants	11,180,724	-
Trade debts	-	1,455,908
Loans and advances	(31,077)	(15,394)
Other receivables	(2,381,238)	(1,292)
	<u>9,488,626</u>	<u>1,331,629</u>
Decrease in trade and other payables	(452,040)	(1,504,229)
	<u>9,036,586</u>	<u>(172,600)</u>

25.2 Reconciliation of movement of liability to cash flows from financing activity:

	Short term borrowings	
	2021 RUPEES	2020 RUPEES
Opening balance	58,010,000	46,450,000
Borrowings obtained-net	8,350,000	11,560,000
Closing balance	<u>66,360,000</u>	<u>58,010,000</u>

26. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year in respect of the remuneration including certain benefits to Chief Executive Officer, directors and executives of the Company is as

	Executives	
	2021 RUPEES	2020 RUPEES
Managerial remuneration	3,855,220	2,226,667
Allowances		
House rent	1,734,000	1,002,000
Utilities	190,780	111,333
	<u>5,780,000</u>	<u>3,340,000</u>
Number of persons	<u>2</u>	<u>1</u>

26.1 No remuneration, fee or any other expenses were paid to Chief Executive Officer or any Director of the Company.

26.2 The executives are provided with Company maintained vehicles and are entitled to reimbursement of travelling expenses and other utilities.

27. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies / undertaking, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Name	Basis of relationship	Nature of transactions	2021 RUPEES	2020 RUPEES
Associated companies				
Arshad Textile Mills Limited	Common directorship	Sale of energy	2,927,129	-
		Sharing of costs	2,040,811	2,247,330
		Sale of goods	289,761	
Arshad Corporation (Private) Limited	Common directorship	Sale of goods	380,248	-
Other related parties				
Directors	Members of board of directors of the Company	Loans obtained from directors-net	8,350,000	11,560,000

27.1 Detail of compensation to key management personnel comprising executives is disclosed in Note 26.

	2021	2020
28. NUMBER OF EMPLOYEES		
Number of employees as at 30 June	4	8
Average number of employees during the year	6	8
29. PLANT CAPACITY AND ACTUAL PRODUCTION		
Number of generators installed	3	3
Number of generators worked	1	-
Installed energy generation capacity (MWH)	96 480	96 480
Actual energy generation (MWH)	145	-

29.1 REASON FOR LOW GENERATION DURING THE YEAR

Due to high generation cost (i.e furnace oil prices,significant repair cost), the electricity generation was not feasible.

30. FINANCIAL RISK MANAGEMENT

30.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk, liquidity risk, investment of excess liquidity and use of non-derivative financial instruments.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its all transactions are carried out in Pak Rupees.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing assets and liabilities.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risks arises from other receivables, bank balances, deposit, loans and advances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2021 RUPEES	2020 RUPEES
Loans and advances	5,500	26,000
Deposit	10,550	10,550
Other receivables	3,360,000	-
Bank balances	902,033	474,813
	<u>4,278,083</u>	<u>511,363</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2021	2020
	Short Term	Long term	Agency	RUPEES	RUPEES
Banks					
Habib Bank Limited	A-1+	AAA	VIS	113,404	113,404
National Bank of Pakistan	A-1+	AAA	VIS	299,330	49,329
Bank Al-Habib Limited	A1+	AAA	PACRA	184,286	50,747
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	283,180	239,500
United Bank Limited	A-1+	AAA	VIS	5,284	5,284
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	16,549	16,549
				<u>902,033</u>	<u>474,813</u>

Due to the Company's long standing business relationships with these counterparties, the management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash. At 30 June 2021, the Company had Rupees 938,388 (2020: Rupees 520,653) cash and bank balances. The management believes liquidity risk to be high. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2021

	Carrying Amount	Contractual Cash Flows	6 months or less
	RUPEES		
Non-derivative financial liabilities:			
Short term borrowings	66,360,000	66,360,000	66,360,000
Unclaimed dividend	31,348	31,348	31,348
Trade and other payables	10,704,500	10,704,500	10,704,500
	<u>77,095,848</u>	<u>77,095,848</u>	<u>77,095,848</u>

Contractual maturities of financial liabilities as at 30 June 2020

Non-derivative financial liabilities:			
Short term borrowings	58,010,000	58,010,000	58,010,000
Unclaimed dividend	31,348	31,348	31,348
Trade and other payables	11,455,275	11,455,275	11,455,275
	<u>69,496,623</u>	<u>69,496,623</u>	<u>69,496,623</u>

30.2 Financial instruments by categories

	2021 RUPEES	2020 RUPEES
	At amortized cost	
Financial assets as per statement of financial position		
Loans and advances	5,500	26,000
Deposit	10,550	10,550
Other receivables	3,360,000	-
Cash and bank balances	938,388	520,653
	<u>4,314,438</u>	<u>557,203</u>
Financial liabilities as per statement of financial position		
Short term borrowings	66,360,000	58,010,000
Unclaimed dividend	31,348	31,348
Trade and other payables	10,704,500	11,455,275
	<u>77,095,848</u>	<u>69,496,623</u>

30.3 Reconciliation to the line items presented in the statement of financial position is as follows:

	2021			2020		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
Assets as per statement of financial position						
Loans and advances	5,500	72,990	78,490	26,000	95,422	121,422
Deposit	10,550	-	10,550	10,550	-	10,550
Other receivables	3,360,000	4,884,038	8,244,038	-	5,862,800	5,862,800
Cash and bank balances	938,388	-	938,388	520,653	-	520,653
	<u>4,314,438</u>	<u>4,957,028</u>	<u>9,271,466</u>	<u>557,203</u>	<u>5,958,222</u>	<u>6,515,425</u>
Liabilities as per statement of financial position						
Trade and other payables	10,704,500	347,081	11,051,581	11,455,275	345,140	11,800,415
Unclaimed dividend	31,348	-	31,348	31,348	-	31,348
Short term borrowings	66,360,000	-	66,360,000	58,010,000	-	58,010,000
	<u>77,095,848</u>	<u>347,081</u>	<u>77,442,929</u>	<u>69,496,623</u>	<u>345,140</u>	<u>69,841,763</u>

30.4 Offsetting financial assets and liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

30.5 Capital risk management

Due to factors stated in Note 1.1 to these financial statements, the management concludes that the Company is not a going concern. Therefore, there is no need to maintain and adjust the capital structure and monitor the issues pertaining to the capital risk management of the Company.

31. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Fair value hierarchy

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short-term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgments and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. However as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value measurements of instruments using quoted prices in active markets at the end of reporting period are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: Fair value measurements of instruments using inputs for the asset or liability which are not based on observable market data are included in level 3.

32. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The judgments and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels:

	Level 1	Level 2	Level 3	Total
----- RUPEES -----				
At 30 June 2021				
Freehold land	-	52,845,000	-	52,845,000
Buildings on freehold land	-	20,020,740	-	20,020,740
Plant and machinery	-	73,320,000	-	73,320,000
Stores, spare parts and loose tools	-	5,640,000	-	5,640,000
Total non-financial assets	-	151,825,740	-	151,825,740
At 30 June 2020				
Freehold land	-	33,536,250	-	33,536,250
Buildings on freehold land	-	20,950,285	-	20,950,285
Plant and machinery	-	88,300,000	-	88,300,000
Stores, spare parts and loose tools	-	11,640,000	-	11,640,000
Total non-financial assets	-	154,426,535	-	154,426,535

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land, buildings thereon along with plant and machinery (classified as property, plant and equipment) at least annually. Moreover fair value of stores, spare parts and loose tools is also determined by the independent valuer. The management updates the assessment of the fair value of each property taking into account the most recent independent valuation. The management determines property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market of similar properties. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of plant and machinery is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new plant and machinery of the same specifications. The best evidence of fair value of stores, spare parts and loose tools is the estimated realizable value of the inventory items in the market.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land, buildings thereon, plant and machinery along with stores, spare parts and loose tools. As at 30 June 2021, the fair value of these assets has been determined by Messrs Creative Consultants and Construction.

Changes in fair values are analyzed at the reporting date during the annual valuation discussion between the management and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

33. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 30, 2021 by the Board of Directors of the Company.

34. CORRESPONDING FIGURES

Corresponding figures have been rearranged, where necessary, for the purpose of comparison. However, no significant rearrangements have been made, except for advance income tax which have been shown on the face of statement of financial position instead of grouping in 'loan and advances'. Moreover 'advances from customer' was included in 'creditors' due to nature of its balance.

35. GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.


CHIEF EXECUTIVE OFFICER
DIRECTOR
CHIEF FINANCIAL OFFICER

PATTERN OF SHAREHOLDING
Pattern of Holding of Shares held by the Shareholders
As at June 30,2021

Type of Share		Numner of Share Holders	Total Share Held
1	100	122	2825
101	500	31	13711
501	1000	27	25500
1001	5000	28	84901
5001	10000	9	73000
10001	15000	1	14000
15001	20000	4	70500
20001	25000	1	22000
40001	45000	1	44000
45001	50000	1	47625
55001	60000	1	56800
130001	135000	2	268000
135001	140000	1	137375
140001	145000	1	142875
190001	195000	1	194000
195001	200000	1	200000
205001	210000	1	207000
265001	270000	3	807820
295001	300000	1	300000
330001	335000	1	331180
370001	375000	1	373750
485001	490000	2	978438
500001	505000	1	501500
755001	760000	1	760000
1135001	1140000	1	1139500
1200001	1205000	1	1203700
TOTAL		245	8000000

Categories of Shareholding

As at June 30,2021

Categories of Shareholding	Numbers	Shares held	Percentage (%)
Associated companies,			
ARSHAD TEXTILE MILLS LTD	1	373750	4.67
Directors,Chief Executive & their Spouse and Children			
Mr.Muhammad Arshad	3	1347200	16.84
Spouse	2	832680	10.41
Mr.Nisar Ahmed	3	1187750	14.85
Spouse	1	135000	1.69
Mr.Shahzad Ahmed Sheikh	1	760000	9.50
Spouse	1	56800	0.71
Mr.Shehryar Arshad	2	757945	9.47
Resham Shahzad	2	626313	7.83
Mr.Waseem Ashfaq	1	500	0.00
Financial Institution	2	300499	3.76
Joint Stock Companies	2	1001	0.01
Individuals	224	1620562	20.26
TOTAL	245	8000000	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY

Name of Shareholder	No of Sharrs held	Percentage
Mr.Muhammad Arshad	1347200	16.84
Mr.Nisar Ahmed	1187750	14.85
Mr.Shahzad Ahmed Sheikh	760000	9.50
Mr.Shehryar Arshad	757945	9.47
Miss.Resham Shahzad	626313	7.83
Mrs.Shahida Arshad	832680	10.41

ARSHAD ENERGY LIMITED

FORM OF PROXY 27TH ANNUAL GENERAL MEETING

I/We _____ S/o/D/o/W/o _____
of _____ being a member
of **ARSHAD ENERGY LIMITED** and holder of _____ Ordinary Shares as per Share Register
Folio No. _____ and/or CDC Participant ID No. _____ and Account / Sub-account _____
No _____ do hereby appoint Mr./Mrs./Miss _____
Folio No./CDC No. of _____ failing him/her .
Mr./Mrs./Miss _____ Folio No./CDC No. _____ of
_____ as my. our proxy to attend, act and vote for me/us on my/our behalf at Annual General
Meeting of the Company to be held on Thursdays, October 28, 2021 at 03.00 p.m at Room no.404/5,4th
Floor Business Centre Mumtaz Hasan Road Karachi. and at any adjournment thereof in the same
manner as I/we myself/ourselves would vote if personally present at such meeting.

Signature of Shareholder
Folio / CDC A/C NO.

Signature of Proxy

Five Rupees
Revenue Stamp

Signed this _____ day of _____ 2021

WITNESS:

- | | |
|----------------------|----------------------|
| 1. Signature ----- | 2. Signature ----- |
| Name ----- | Name ----- |
| Address ----- | Address ----- |
| CNIC No. ----- | CNIC No.----- |
| or Passport No.----- | or Passport No.----- |

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on member's behalf.
 2. If a member is unable to attend the meeting. He/She may complete and sign this form and send it to the Company's Share Registrar M/s. F.D. Registrar Service (SNC-PVT) Limited 1705 17th Floor Saima Trade Tower A, I.I. Chundrigar Road Karachi so as to reach not less than 48 hours before the time appointed for holding the Meeting.
 3. For CDC Account Holders / Corporate Entities; in addition to the above the following Requirements have to be met:
 - (a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers be stated on the form.
 - (b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- © The proxy shall produce his original CNIC or original passport at the time of the meeting. In case of a 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.

ارشدا نرجی لمیٹڈ

کمرہ نمبر 404-405 چوتھی منزل بزنس سینٹر ممتاز حسن روڈ، کراچی

پراکسی فارم

27 واں سالانہ اجلاس عام

میں / ہم

ارشدا نرجی لمیٹڈ کے ممبر / ممبران رجسٹرڈ فو لیو نمبر / شرکاء کی آئی ڈی / سی ڈی سی سب اکاؤنٹ نمبر

کے مطابق _____ عمومی شیئرز رکھتے ہیں۔ بذریعہ ہذا _____ یا ان کی عدم موجودگی کی صورت

میں _____ پراکسی 28 اکتوبر 2021ء بوقت 3:00 بجے سہ پہر بمقام 404/5 بزنس سینٹر چوتھی منزل، ممتاز حسن

روڈ نزد "SBP" کراچی کمپنی کے منعقد ہونے والے اجلاس عام اور اس کے کسی التواء تک میری / ہماری جانب سے ووٹ دینا اور اجلاس میں شرکت کا حق دیتا / دیتے ہیں۔

ریونیو اسٹامپ

5/- روپے

دستخط شیئرز ہولڈر

دستخط پراکسی

بتاریخ _____ 2021ء

گواہان

گواہان

دستخط

دستخط

نام

نام

ایڈریس

ایڈریس

شناختی کارڈ

شناختی کارڈ

پاسپورٹ

پاسپورٹ

نوٹس:

(1) ایک رکن جو اجلاس عام میں شرکت کرنے اور ووٹ دینے کا اہل ہے اس کو حق حاصل ہے کہ وہ کسی دوسرے فرد کو بطور پراکسی اپنی جانب سے شرکت کرنے اور ووٹ دینے کیلئے مقرر کرے۔

(2) اگر کوئی رکن اجلاس میں شرکت کرنے کے قابل نہیں ہے تو وہ یہ فارم مکمل اور تصدیق شدہ کمپنی کے شیئرز رجسٹر اریسز ایف۔ ڈی رجسٹر اریسز (SMC-PVT) لمیٹڈ 1705، 17 فلوور صائمہ ٹریڈ ٹاور A، آئی آئی چندریگر روڈ کراچی کو اجلاس کے منعقد ہونے سے 48 گھنٹے قبل بھجوائیں۔

(3) CDC اکاؤنٹ ہولڈرز / Corporate Entity مندرجہ بالا کے علاوہ مذکورہ شقوں پر عمل کریں۔

(a) پراکسی فارم میں دو گواہان کے دستخط نیز ان کے پتے اور شناختی کارڈ نمبر کا اندراج بھی لازمی ہے۔

(b) رکن اور پراکسی کی تصدیق شدہ قومی شناختی کارڈ یا پاسپورٹ کی نقول کی فراہمی۔

(c) پراکسی کیلئے لازم ہے کہ وہ اجلاس کے وقت اصل قومی شناختی کارڈ یا پاسپورٹ تصدیق کیلئے فراہم کرے۔ Corporate Entity کی صورت میں بورڈ آف ڈائریکٹرز کی

تصدیق شدہ قرارداد کی نقل بشمول Power of Attorney دستخط کیساتھ (بجرا اگر پہلے ہی جمع کروادی گئی ہے) پراکسی فارم کے ہمراہ کمپنی کے شیئرز رجسٹر اریسز جمع کروائے۔