

# NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extra Ordinary General Meeting (EOGM) of Shareholders of Saif Power Limited ("the Company") will be held on Monday, April 15, 2024, at 11:00 am at Kehakshan Hall 2 ground floor at the Islambad Hotel, G-6 Civic Centre, Melody Chowk, Islamabad.

## ORDINARY BUSINESS:

1. To confirm the minutes of Extra Ordinary General Meeting held on October 31, 2023.

## SPECIAL BUSINESS:

2. To consider and, if thought fit, pass with or without modification(s), the following special resolutions under section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for providing unsecured Running finance facility of Rs. 1.5 billion to associated company namely Saif Textile Mills Limited for a period of one year. The purpose of approving running finance facility of PKR.1.5 billion is subject to terms and conditions disclosed to the members in the statement under Section 134(3) of the Companies Act, 2017.

"Resolved, that the consent and approval be and is hereby accorded under Section 199 of the companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 to provide the unsecured Running Finance Facility limit to Saif Textile Mills Limited , an associated company, PKR 1.5 billion for a period of one year on terms as are noted in the statement of material facts annexed herewith and subject to the condition that the limit in the nature of Running Finance Facility shall be renewable by the members for a further period(s) of one year."

"Further resolved that the Chief Executive Officer or any director of the Company be and is hereby singly authorized to take and /or all actions to implement and give effect to the above resolution and complete any or all necessary required corporate and legal formalities including signing and execution of Agreement(s)/documents for the purpose of the implementation of above resolution."

3. To transact any other business with permission of the Chair.

A Statement of Material Facts as required by the Section 134(3) of the Companies Act, 2017 in respect of above said special businesses to be considered at the Extraordinary General Meeting is annexed with the Notice of the Meeting.

BY ORDER OF THE BOARD

s/d

Islamabad  
March 25, 2024

Waseemullah  
Company Secretary

## Notes:

- i. Share Transfer Books of the Company shall remain closed from April 09, 2024 to April 15, 2024 (both days inclusive). Transfers received at M/s. THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500. Pakistan, the Registrar and Share Transfer Agent of the Company, by the close of the business on April 08, 2024 will be treated in time for the purpose of the above entitlement.
- ii. A shareholder entitled to attend and vote at this EOGM is entitled to appoint a person as a proxy to attend and vote for and on his/her behalf. The instrument appointing a proxy and the power of attorney/Board Resolution or other authority (if any) under which it is signed or a notarized certified copy of the power or authority shall be deposited at the office be received at the Company's Registered Office not later than 48 hours before the time of holding of the meeting.
- iii. CDC individual Account holders or Sub-account holders are required to bring with them their original CNIC / Original Passport along with participant's ID number and their Account number in order to facilitate identification. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signature of nominees shall be required to be produced (unless provided earlier) at the time of meeting.
- iv. Shareholders are requested to immediately notify their change in address, if any to share registrar.

## SPECIAL NOTES TO SHAREHOLDERS:

### 1. Consent for video conference facility:

Shareholders can also avail video conference facility under the provision of Section 134 of the Companies Act, 2017 to participate in the EOGM. Shareholders must hold in aggregate 10% or more shareholding residing in that city and consent of shareholders must reach at the registered address of the Company at least 07 days prior to the EOGM in order to participate in the meeting through video conference facility.

### 2. Participation of Shareholders through Online Facility:

The Company will also be providing the online platform / facility to participate in the EOGM in the shape of webinar/webex/zoom after completing all the formalities required for the verification and identification of the shareholders. The login facility will be opened at 10:50 a.m. on April 15, 2024 enabling the participants to join the proceedings which will start at 11:00 a.m. sharp. For this purpose, shareholders are requested to register themselves by providing the following information through email at info.spl@saifgroup.com at least 48 hours before the time of EOGM: Name of member/proxy holders, CNIC, Folio Number/CDC account no, Cell no/WhatsApp no, and Email address.

### Contact information

For any query/problem/information, the investors may contact the company/or share registrar at the following:

**Waseemullah**  
Company Secretary  
051-2271378-83

**Share Registrar, THK Associates (Pvt) Ltd**  
Plot No. 32-C, Jami Commercial Street 2,, Plot No. 32-C  
Jami Commercial Street 2, D.H.A Phase VII, Karachi  
Tel: 021 111 000 322 Email: sfc@thk.com.pk

**This Statement set out the material facts concerning the special business to be transacted at the Extraordinary General Meeting**

### Investment (Loan) in Saif Textile Mills Limited, a listed company, an associated company.

Saif Textile Mills Limited (STM) is a Public Limited Company incorporated in Pakistan on December 24, 1989 under the Companies Ordinance, 1984 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange. STM has made a formal request to the Company, seeking running financing facility of up to PKR. 1.5 billion for a period of one year. This initiative aims to fulfill STM's financial requirements for liquidity need, ensuring sufficient cash flows as necessary.

In compliance of Regulation 3(3) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 issued by SECP, the Directors of the Company have certified that they have carried out necessary due diligence for the proposed investment and has kept along with audited/unaudited accounts of STM as required under regulation.

S.no	Requirements	Information												
	(a) Disclosure for all types of Investments													
	<b>(A) DISCLOSURE REGARDING ASSOCIATED COMPANY</b>													
(i)	Name of associated company or associated undertaking	Saif Textile Mills Limited ("STM")												
(ii)	Basis of relationship	Due to common directorship and shared management role by the following: 1. Mr. Osman Saifullah Khan, director 2. Mrs. Hoor Yousafzai, director 3. Mr. Assad Saifullah Khan, director 4. Mr. Rashid Ibrahim, director 5. Mr. Sohail H. Hydari, CEO												
(iii)	Earnings/(loss) per share for the last three years	<table border="1"><thead><tr><th colspan="3">Year ended June 30,</th></tr><tr><th>2023</th><th>2022</th><th>2021</th></tr><tr><th>Rs.</th><th>Rs.</th><th>Rs.</th></tr></thead><tbody><tr><td>(42.93)</td><td>10.68</td><td>19.95</td></tr></tbody></table>	Year ended June 30,			2023	2022	2021	Rs.	Rs.	Rs.	(42.93)	10.68	19.95
Year ended June 30,														
2023	2022	2021												
Rs.	Rs.	Rs.												
(42.93)	10.68	19.95												

(iv)	Break-up value per share, based on latest audited financial statements	Rupees 147.54 for the half year ended December 31, 2023.																		
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<p data-bbox="561 206 788 228">Main Items of Balance Sheet:</p> <p data-bbox="809 228 919 293" style="text-align: right;">Audited Dec 31, 2023 2<sup>nd</sup> Quarter</p> <table border="1" data-bbox="589 298 966 781"> <thead> <tr> <th data-bbox="589 298 795 337"></th> <th data-bbox="795 298 966 337">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="589 337 795 376">Paid up Capital</td> <td data-bbox="795 337 966 376">264,128,800</td> </tr> <tr> <td data-bbox="589 376 795 435">Unappropriated Profits &amp; Reserves</td> <td data-bbox="795 376 966 435">1,105,648,000</td> </tr> <tr> <td data-bbox="589 435 795 545">Surplus on revaluation of property, plant and equipment</td> <td data-bbox="795 435 966 545">2,527,070,000</td> </tr> <tr> <td data-bbox="589 545 795 584">Sponsors' loan</td> <td data-bbox="795 545 966 584">600,000,000</td> </tr> <tr> <td data-bbox="589 584 795 623">Current Liabilities</td> <td data-bbox="795 584 966 623">7,676,822,000</td> </tr> <tr> <td data-bbox="589 623 795 669">Current Assets</td> <td data-bbox="795 623 966 669">5,201,849,000</td> </tr> <tr> <td data-bbox="589 669 795 734">Non-Current Liabilities</td> <td data-bbox="795 669 966 734">1,801,744,000</td> </tr> <tr> <td data-bbox="589 734 795 781">Non-Current Assets</td> <td data-bbox="795 734 966 781">8,173,564,000</td> </tr> </tbody> </table>		Amount (Rs.)	Paid up Capital	264,128,800	Unappropriated Profits & Reserves	1,105,648,000	Surplus on revaluation of property, plant and equipment	2,527,070,000	Sponsors' loan	600,000,000	Current Liabilities	7,676,822,000	Current Assets	5,201,849,000	Non-Current Liabilities	1,801,744,000	Non-Current Assets	8,173,564,000
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		<p data-bbox="561 824 780 847">Main Items of Profit &amp; Loss:</p> <p data-bbox="809 847 919 912" style="text-align: right;">Audited Dec 31, 2023 2<sup>nd</sup> Quarter</p> <table border="1" data-bbox="589 915 966 1117"> <thead> <tr> <th data-bbox="589 915 795 954"></th> <th data-bbox="795 915 966 954">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="589 954 795 993">Sales-net</td> <td data-bbox="795 954 966 993">6,374,738,000</td> </tr> <tr> <td data-bbox="589 993 795 1032">Gross Profit</td> <td data-bbox="795 993 966 1032">365,122,000</td> </tr> <tr> <td data-bbox="589 1032 795 1071">Loss before tax</td> <td data-bbox="795 1032 966 1071">(234,687,000)</td> </tr> <tr> <td data-bbox="589 1071 795 1117">Loss after tax</td> <td data-bbox="795 1071 966 1117">(248,338,000)</td> </tr> </tbody> </table>		Amount (Rs.)	Sales-net	6,374,738,000	Gross Profit	365,122,000	Loss before tax	(234,687,000)	Loss after tax	(248,338,000)								
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(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations.	Not Applicable																		
<b>(B )GENERAL DISCLOSURE</b>																				
(i)	Maximum amount of investment to be made.	PKR. 1.5 billion by way of running finance facility.																		
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p data-bbox="561 1336 966 1406">The investment amount will be utilized by STM for debt servicing and to meet its working capital requirement.</p> <p data-bbox="561 1422 966 1474">Saif Power Limited ("the Company") will earn markup income from the associated company.</p>																		

S.no	Requirements	Information
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Profits funds available in Saif Power Limited as well as its un-utilized financing funds / lines.
(I)	Justification for investment through borrowings;	Banks facilities are secured by way of mortgage charge on the fuel stocks inventory and energy payments receivables.
(II)	Detail of collateral, guarantees provided and assets pledged for obtaining such funds and;	The Company will charge 0.1% over and above the average borrowing cost to STM on outstanding balances or Karachi Inter Bank Offered Rate (KIBOR) for the relevant period which ever higher.
(III)	Cost benefit analysis	
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment.	Some terms are stated above, while other terms of the agreement shall be in accordance with those approved by the shareholders.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	The directors, Chief Executive and their relatives have no interest directly or indirectly, in STM or transaction under consideration except in their capacity as being director, Chief Executive and shareholder of STM.  STM holds 100 shares (0.00%) in the Company  Following are the present shareholding of directors in the Company:

Name of Director	Shareholding	Percentage
Mrs. Hoor Yousafzai	314	0.00
Mr. Javed Saifullah Khan	21,678,207	5.61
Mr. Osman Saifullah Khan	11,408,182	2.95
Mr. Assad Saifullah Khan	11,333,520	2.93
Mr. Asif Saifullah Khan	7,000,313	1.81
Mr. Rashid Ibrahim	1	0.00
Miss. Saima Akbar Khattak	50	0.00

Out of above directors of the Company, four directors, Mrs. Hoor Yousafzai, Mr. Osman Saifullah Khan, Mr. Assad Saifullah Khan, and Mr. Rashid Ibrahim are also directors of the STM whereas Mr. Sohail H. Hydari is common CEO in both the Company and STM. He is also a director in STM.

Shareholding of the directors & CEO of the Company in STM is as follows:

Name of Director & CEO	Shareholding	Percentage
Mrs. Hoor Yousafzai	500	0.0019%
Mr. Javed Saifullah Khan	1000	0.0038%
Mr. Osman Saifullah Khan	3,500	0.0133%
Mr. Assad Saifullah Khan	500	0.0019%
Mr. Rashid Ibrahim	500	0.0019%
Mr. Asif Saifullah Khan	500	0.0019%
Mr. Sohail H. Hydari	500	0.0019%

(vi) In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs.	PKR one billion long term loan already granted to Saif Textile Mills Limited (STM) in September 2023 against which an amount PKR 850,981 million appearing as outstanding balance against the loan disbursement amount.
	During the half-year ended on December 31, 2023, STM experienced a 15% turnover growth. Gross profit margin rose from 4% to 13%, driven by improved product margins. Despite challenges, the first half of the current fiscal year has shown a positive trend and an improvement over the losses incurred, leading to a reduction in loss before tax to Rs. 235 million from Rs. 612 million in the previous year's corresponding period.  There is no impairment or write-offs for this loan.
(vii) Any other important details necessary for the members to understand the transaction.	None
<b>(C) ADDITIONAL DISCLOSURE REGARDING LOAN</b>	
(i) Category-wise amount of investment.	Running finance facility PKR. 1.5 billion
(ii) Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Average borrowing cost of the Company ranges from 1Month KIBOR plus spread ranges from 0.6% to 0.75% and 3 Month KIBOR plus spread ranges from 0.6% to 1.0%
(iii) Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	The Company will charge 0.1% over and above the average borrowing cost to investee/associated company on outstanding balances or Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, which ever higher.
(iv) Particulars of collateral or security to be obtained in relation to the propose investment	No collateral is considered necessary since STM is an associated company of the Company.
(v) If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not applicable.
(vi) Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan is unsecured and will be renewed every year by the mutual consent of the parties, provided shareholders of Saif Power Limited approve any renewal.
The directors of the Company undertake that they carried out necessary due diligence for the proposed loan/ investment in Saif Textiles Mills Limited.	