



Through PUCARS / Courier

October 06, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi-74000

Sub: **NOTICE OF 30th ANNUAL GENERAL MEETING**

Dear Sir,

We are pleased to enclose herewith a copy of the Notice of 30th Annual General Meeting of Reliance Weaving Mills Limited to be held on Wednesday, October 28, 2020 at 3:30 pm for circulation amongst the TRE Certificate Holders of the Exchange.

The aforementioned Notice would be published on October 7, 2020 in English and Urdu languages respectively in the Newspapers, having nation-wide circulation.

Yours sincerely,
For Reliance Weaving Mills Limited

Aftab Ahmed Qaiser
Company Secretary

CC: Director/HOD, Surveillance, Supervision and Enforcement Department
Securities & Exchange Commission of Pakistan, NIC Building
63 – Jinnah Avenue, Blue Area
Islamabad

Encl.: As above



**Notice of the 30th Annual General Meeting of
Reliance Weaving Mills Limited**

Notice is hereby given that the 30th Annual General Meeting of the shareholders of **Reliance Weaving Mills Limited** (the Company) will be held on Wednesday, October 28, 2020, at 03:30 pm at 2nd Floor, Trust Plaza, L.M.Q. Road, Multan, to transact the following business:

Ordinary Business:

1. To confirm the minutes of the Extraordinary General Meeting held on November 28, 2019;
2. To receive, consider and adopt the audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended June 30, 2020;
3. To appoint Auditors for year ending June 30, 2021 and to fix their remuneration; and
4. To transact any other business with the permission of Chair.

Special Businesses:

- 1) **To ratify and approve the transactions carried out by the Company with related parties as disclosed in the financial statements for the year ended June 30, 2020 and to pass the following Special Resolution(s), with or without modification(s):**

"RESOLVED THAT the related party transactions carried out by the Company during the year, as disclosed in Note 45 of the financial statements for the year ended June 30, 2020, be and are hereby ratified, approved and confirmed."

- 2) **To authorize the Board of Directors of the Company to approve related party transaction for the financial year ending June 30, 2021, and to pass the following Special Resolution(s), with or without modification(s):**

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2021.

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

- 3) **To adopt and confirm matters relating to Sponsor Support Agreement including amendments therein and to pass the following Special Resolution(s), with or without modification(s):**

"RESOLVED THAT the Company, be, is and remains authorized, to execute and deliver:

- (a) the Second Amended and Restated Sponsor Support Agreement (as may be further amended and restated pursuant to the Third Amended and Restated Sponsor Support Agreement and through any other amendments/supplementals thereto which are mutually agreed between the parties thereto (the "Sponsor Support Agreement"),
- (b) the Share Pledge Agreement, the Share Retention and Subordination Agreement and any amendments / supplementals thereto, as the case may be (collectively the "Other Agreements" and together with the Sponsor Support Agreement are collectively referred to as the "Company's Agreements"), and

any other documents or related agreements (including any subordinated loan agreements) which are required to be made in relation to the investments under the Company's Agreements, instruments, communications, letters, certificates, notices, acknowledgements or other documents (including CP Satisfaction Letters and any Undertakings) and to be made or delivered by the Company under and in connection with the Company's Agreements or in relation therewith or as deemed necessary or desirable, in relation thereto, by the Authorised Person (defined below) (collectively the "Authorised Instruments")."

Mills Site: Fazalpur, Khanewal Road, Multan. PABX: +92 61 6740020-4, Fax: +92 61 6740039

Mills Site: Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi. PABX: +92 51 4611579-81, Fax: +92 51 4611092

Registered Office: 2nd Floor, Trust Plaza, LMQ Road, Multan. PABX: +92 61 4512031-2, Fax: +92 61 4511677, 4584288

Head Office: E-110, Khayaban-e-Jinnah, Lahore Cantt., PABX: +92 42 111-FATIMA (111-328-462), Fax: +92 42 36621389, Web: www.fatima-group.com



FURTHER RESOLVED that the Company as a Sponsor of FEL, authorised an investment of an amount of PKR 7,523 million (Pak Rupees Seven Billion Five Hundred and Twenty Three Million Only) (the “**Approved Amount**”) through a special resolution passed in the shareholder’s meeting on June 12, 2017.

FURTHER RESOLVED that the Company be, is and remains authorized, as a Sponsor of FEL, to invest an amount of PKR 5,000 million (Pak Rupees Five Billion Only) from the Approved Amount pursuant to the terms of the Company’s Agreements, by way of a subordinated loan in lump sum or in parts, at a mark-up chargeable at the rate the higher of (a) KIBOR + 2.50%; or (b) a rate not less than the borrowing cost of the Company, in such case and manner as provided in the Company’s Agreements and Authorised Instruments.

FURTHER RESOLVED that the Company, as a shareholder of FEL, be, is and remains authorized to pledge in favour of the security trustee, for the benefit of and on behalf of FEL’s lenders, 100% of all shares of FEL that are issued from time to time in the name of the Company (less such portion of preference shares of FEL issued in the name of the Company which are part of five percent (5%) of the aggregate preference shares of FEL issued in the name of FEL’s shareholders) in accordance with terms and conditions of the Company’s Agreements.

FURTHER RESOLVED that the Chief Executive Officer (the “**Authorized Person**”) be, is and remains authorized to: (i) sign, execute and deliver any and all of the Authorised Instruments (including the Company’s Agreements) in such manner as may be required by FEL’s lenders and to approve, sign, execute and deliver any amendments, modifications and variations thereto and all such communications, certificates, notices, acknowledgements or other documents required in relation thereto (including any CP Satisfaction Letters and any Undertakings), in the form which any of the aforesaid Authorized Person may approve; and (ii) do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.

FURTHER RESOLVED that in the above resolutions, except where the context requires otherwise a reference to an Authorised Instrument shall be a reference to such instrument: (i) together with its annexes, exhibits, schedules thereto, and (ii) as amended, supplemented, re-stated, or novated from time to time.

FURTHER RESOLVED that the acts of the Authorised Person in negotiation, execution and delivery of any of the Authorised Instruments (including the Company’s Agreements) be and are hereby adopted, ratified, confirmed and approved and shall be construed as acts and deeds undertaken and done by the Company and the Company shall accordingly be bound by the same.

FURTHER RESOLVED that each of the aforesaid resolutions shall remain valid and in full force and effect until the Company’s obligations are discharged under each of the Authorised Instruments (including the Company’s Agreements) or until it is revoked or amended by another resolution.”

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

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



Sr. No.	Name of Associated Company	Amount of Loan
1	Fatima Energy Limited (FEL)	PKR 100 million
2	Fatima Sugar Mills Limited (FSML)	PKR 400 million
3	Reliance Commodities (Pvt.) Limited (RCL)	PKR 200 million
4	Fatima Transmission Company Limited (FTCL)	PKR 300 million
5	Fazal Cloth Mills Limited (FCML)	PKR 200 million
6	Fatima Cement Limited (FCL)	PKR 100 million
7	Fatima Holding Limited (FHL)	PKR 200 million

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

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

By Order of the Board


Aftab Ahmed Qaiser
Company Secretary

Place: Multan

Dated: October 06, 2020

Notes:

1. The Share Transfer Books will remain closed from October 22, 2020 to October 28, 2020 (both days inclusive). Transfers received in order at the office of our Share Registrar by the close of the business on October 21, 2020 will be treated in time for the aforesaid purpose.
2. A member entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
3. An individual beneficial owner of shares from CDC must bring his/her original CNIC or Passport, Account and Participant's ID numbers to prove his/her identity. A representative of corporate members from CDC must bring the Board of Directors' Resolution and/or Power of Attorney and specimen signatures of the nominee.

The members are requested to notify the change of address, Zakat Declaration and Tax Exemption Status with its valid certificate, if any, immediately to our Share Registrar.

4. Venue of Annual General Meeting and Participation of Shareholders through Electronic means:

In view of the prevailing situation due to pandemic COVID-19 and in line with the direction issued to Listed Companies by Securities and Exchange Commission of Pakistan, vide its circular No.5 of 2020 dated 17 March 2020, the Company has decided to hold its AGM through electronic means. The arrangements for the 30th AGM will be as under:

- a) AGM will be held through Zoom application – a video link facility.
- b) Shareholders interested in attending the AGM through Zoom will be requested to get themselves registered with the Company Secretary office at least two working days before the AGM at aftab.qaiser@fatima-group.com by providing the following details:

Mills Site: Fazalpur, Khanewal Road, Multan. PABX: +92 61 6740020-4, Fax: +92 61 6740039

Mills Site: Mukhtarabad, Chak Beli Khan Road, Rawat, Rawalpindi. PABX: +92 51 4611579-81, Fax: +92 51 4611092

Registered Office: 2nd Floor, Trust Plaza, LMQ Road, Multan. PABX: +92 61 4512031-2, Fax: +92 61 4511677, 4584288

Head Office: E-110, Khayaban-e-Jinnah, Lahore Cantt., PABX: +92 42 111-FATIMA (111-328-462), Fax: +92 42 36621389, Web: www.fatima-group.com



Name of Shareholder	CNIC No.	Folio/CDS No.	Cell No.	Email Address	Principal/Joint Shareholder

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders. The video link shall be sent to the members to their email address.

- c) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company Secretary office at least two working days before the AGM, at given email address, WhatsApp or SMS on 0301-8460217. Shareholders are required to mention their full name, CNIC Number and Folio Number for this purpose or can be emailed atab.qaiser@fatima-group.com.
- d) Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

5. Consent for Video Conference Facility:

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at least seven (7) days prior to the date of the meeting as per the following format:

I/We, _____ of _____ being a member of Reliance Weaving Mills Limited, holder of _____ ordinary shares as per registered Folio Number _____ hereby opt for video conference facility at _____.

Signature of Member

6. E-Voting:

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

7. Dissemination of Annual Audited Accounts and Notice of Annual General Meeting:

The Company shall place the financial statements and reports on the Company's website at least twenty-one (21) days prior to the date of the Annual General Meeting. Further, this is to inform that in accordance with SRO 470(I)/2016 dated May 31, 2016, through which Commission has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses. Accordingly, Annual Report of the Company for the year ended June 30, 2020 is dispatched to the shareholders through CD. However, if a shareholder requests for a hard copy of Annual Report, the same shall be provided free of cost within seven (7) days of receipt of such request. Further, in terms of SRO No. 787(I)/2014 dated September 8, 2014, shareholders can also opt to obtain annual balance sheet and profit and loss account, auditors' report and directors' report etc. along with the Notice of the Annual General Meeting through email. For this purpose, we hereby give you the opportunity to send us your written request along with your valid email Id to provide you the same.



Statement Under Section 134(3) Of The Companies Act 2017 (The "Act")

The statement sets out the material facts under Section 134(3) of the Companies Act, 2017 concerning the special business to be transacted at the Annual General Meeting of Reliance Weaving Mills Limited to be held on Wednesday, October 28, 2020.

1) Special Business Relating Approval of Related Party Transactions

The transactions carried out with the associated companies/related parties have been approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to the provisions of applicable laws. However, the majority of Directors of the Company were related due to their common directorship on account of holding of shares in the associated companies with which such transactions were held. The Board has recommended the same for placement before the shareholders of the Company in the general meeting for ratification/approval pursuant to the provisions of the Companies Act, 2017 (the "Act"). These transactions are given in Note 45 of the financial statements for the year ended June 30, 2020

All the related party transactions for the year ended June 30, 2020 were executed at Arm's Length basis in the normal course of business and there were no departures from the guidelines in the Code of Corporate Governance for such transactions. Pursuant to above, these transactions have to be approved/ratified by the shareholders in the General Meeting. The Directors and their relatives do not have any direct or indirect interest in the aforesaid except to the extent of their shareholding/common directorship with related parties.

2) Special Business Relating Related Party Transactions for year ending June 30, 2021

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 on an arm's length basis as per the approved policy with respect to "transactions with the related parties" in the normal course of business. There could be cases where majority of the Directors hold common directorship with these associated companies. In order to promote transparent business practices, it is recommended that the Board of Directors of the Company be authorized to approve transactions with related parties from time-to-time on case to case basis for the year ending June 30, 2021, which transactions shall be deemed to be approved by the shareholders. The nature and scope of related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification. The directors are interested in the resolution to the extent of their shareholding in the companies.

3) Special Business Relating to Sponsors Support Agreement and issue of Preference Shares

Background:

Reliance Weaving Mills Limited ("RWML" or the "Company") along with Fazal Cloth Mills Limited, Fatima Holding Limited and Fazal Holdings (Private) Limited, all together associated companies (collectively the "Sponsors" or "Sponsors Group"), have set up a 120 MW co-generation power project (the "Project"). For this purpose; Fatima Energy Limited ("FEL" or the "Investee Company"), being a special purpose Company, was established to generate and supply of Electricity on fuel of bagasse and imported coal. The Project was established to play a considerable role in eliminating the energy shortfall in the Country and reduce dependency on Pakistan WAPDA. Accordingly, for setup of the Project; the Sponsors of the Project earlier entered into Sponsor Support Agreement ("SSA") with FEL and its lenders including Habib Bank Limited, Bank Al-falah Limited and other financial institutions ("FEL's Lenders"). Under the SSA, the Company is required to fulfill its guarantee/commitment/SBLC/undertaking to FEL's Lenders subject to occurrence of default by FEL in repayment of its obligations/liabilities towards FEL's Lenders. The FEL was associated company of the Company; however, association of the Company under Section 199 of the Act was disassociated with effect from June 01, 2020. The management of the Company is of the view that the Company is of the view shareholders' approval under Section 199 of the Act is not required but still the Company is seeking shareholders' approval to avoid any regulatory complications.



Fatima Energy Limited ("FEL" or the "Investee Company")

Fatima Energy Limited was incorporated in Pakistan on June 22, 2004 as a public company under the Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the Company is to build, own, operate and maintain a co-generation power plant of 118.8 MW (the **Project**). The Company has set up power plant under Cogen Policy 2008, which was introduced by Government of Pakistan to encourage maximum utilization of local energy resource i.e. Bagasse. The Project is located at Sanawan, Tehsil Kot Addu, District Muzaffargarh, in the province of Punjab. The FEL generation license allows to sell power to Bulk Power Consumers as well as to the CPPA (G).

The Company has currently applied to various DISCOs for Energy Wheeling Agreement (the **EWA**) which is in Process, however, the EWA with MEPCO is already in place and FEL has supplied power to various export sector companies under this agreement during the last years. Since the wheeling concept is being practiced first time by many DISCOs, therefore, approval of energy wheeling agreement is taking time thereby delaying substantially optimum generation and output. As soon as the EWAs are executed with DISCOs, FEL shall start operations immediately at full capacity.

The shareholding of FEL is given as under:

Sr. #	Name of Shareholders	No. of Shares (Mn)	% age Holding
1	Fatima Holding Limited	309	54.14%
2	Fazal Holdings (Pvt.) Limited	48	8.42%
3	Fazal Cloth Mills Limited	108	19.00%
4	Reliance Weaving Mills Limited	80	14.04%
5	Meezan Bank Limited	25	4.40%
	Total	570	100.00%

The status of loan of FEL and its split is given as under:

Sr. #	Name of Associated Company	PKR (Mn)
1	Fatima Sugar Mills Limited	598.075
2	Fazal Cloth Mills Limited	2,497.909
3	Fazal Holdings (Pvt.) Limited	367.149
4	Fatima Holding Limited	4,795.330
5	Reliance Waving Mills Limited	401.861
	Total	8,660.324

Approval of Investments in FEL by the shareholders of the Company (RWML)

The Company was granted approval by its shareholders to make long term investment in the FEL to invest up to PKR 7,523 million including all other amounts demanded by the FEL's lenders from time to time for fulfillment of its guarantee/commitments/standby letter of credit (SBLC)/undertakings to the FEL's lenders under the terms of the SSA and use such amount for:

- Investment in the form of equity of not more than PKR 2,200 million, out of which the Company has made equity investment in the ordinary share capital of the Company of PKR 800 million and PKR 400 million (total PKR 1,200 million) as of the date of this notice of general meeting. Any amount investment not yet converted into ordinary shares of the Company is to be treated as a loan and is subject to charging of mark-up at the rate of KIBOR plus 2.5%. Provided, if the borrowing cost of the Company increases beyond KIBOR plus 2.5%, the mark-up chargeable to FEL shall correspondingly be proportionately be increased. The Company has also given an advance (convertible to equity) of PKR 400 million to the FEL over and above PKR 800 million invested as equity, which is subject to the same mark-up rates as given above.



The limit available over and above the investment of PKR 1,200 million (as given above) can also be utilized in providing further advance or provide loans, guarantees, indemnities, bank guarantees SBLCs, financial engagement or subject to occurrence of default by FEL in repayment of its obligations/liabilities towards FEL's lenders to full-fill guarantee / commitments / SBLCs / Undertaking to FEL's lenders in terms of SSA. All such amounts will be treated as loans and on entire outstanding mark-up will be charged with KIBOR plus 2.5% until FEL pays back the amount to the Company. Provided, if the borrowing cost of the Company increases beyond KIBOR plus 2.5%, the mark-up chargeable to FEL shall correspondingly be proportionately be increased.

- (b) For investment of up to PKR 5,323 million in the form of advance, loans, guarantees, indemnities, bank guarantees, SBLCs, financial engagement or subject to occurrence of default by the FEL in repayment of its obligations/liabilities towards FEL's lenders to full-fill guarantee/commitments/SBLCs/Undertaking to FEL's lenders in terms of SSA. All such amounts will be treated as loans and on entire outstanding mark-up will be charged with KIBOR plus 2.5% until FEL pays back the amount to the Company. Provided, if the borrowing costs of the Company increases beyond KIBOR plus 2.5%, the mark-up chargeable to the FEL shall correspondingly be proportionately be increased.

Following schedule reflects the status of investments in the FEL by the Company:

Investment Type	Approved Limit	Invested Amount	Revised Limit	Available Limit
PKR million				
Equity (in share capital)	2,200	800	2,200	1,000
Advance (convertible to equity)		400		
Sub-total	2,200	1,200	2,200	1,000
Advance, loans, guarantees, indemnities, bank guarantees SBLCs, financial engagement.	5,323	-	5,000	5,000
	5,323	-	5,000	5,000
Total	7,523	1,200	7,200	6,000*

*The Company has authority to use this amount for any of the purposes mentioned above, including in case of occurrence of default by the FEL in repayment of its obligations/liabilities towards the FEL's lenders, the Company will pay to the FEL's Lenders maximum of 31.25% of the default amount (in lump sum or in parts) on behalf of the FEL and treat all the default amount as the FEL's loan and said amount also be considered as advance/loan subject to applicable markup rates.

Amendments in the Financing Agreements signed with the Lenders by the FEL

Recently the lenders of FEL re-structured the loan obligation of FEL towards them. As a result of which the Company being sponsor is required to execute and deliver the necessary statutory documents including Second Amended and Restated Sponsor Support Agreement, Share Retention and Subordination Agreement, the Share Pledge Agreement and any other documents required by the FEL's lenders from all sponsors including the company.

- (a) the Second Amended and Restated Sponsor Support Agreement (as may be further amended and restated pursuant to the Third Amended and Restated Sponsor Support Agreement and through any other amendments/supplementals thereto, which are mutually agreed between the parties thereto (the **"Sponsor Support Agreement"**); and
- (b) the Share Pledge Agreement, the Share Retention and Subordination Agreement and any amendments / supplementals thereto, as the case may be (collectively the **"Other Agreements"** and together with the Sponsor Support Agreement are collectively referred to as the **"FEL's Agreements"**.



Therefore in light of above arrangements, the requirement by the Company to make loan investment is reduced to Rs 5,000 million (Pak Rupees five thousand million Only) pursuant to the terms of the Company's said agreements, by way of a subordinated loan in lump sum or in parts, at a mark-up chargeable at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company. As per restructuring of loan arrangement; the period of loan has been extended by twenty years and the FEL is required to repay Rupees 900 million to the lenders every year. The sponsors of the FEL including the Company have undertaken that in case the FEL is unable to repay the loan to the lenders from its cash flows in any year; then the Company would be required to meet the FEL's obligations in accordance with the Company's stake in the FEL, i.e. 31.25% till the end of loan; In case the Company is able to generate sufficient cash flows to repay loan in a given year; then the Company would not be required to make payment to the FEL; therefore, no investment would be made in that year. Further the Company, as a shareholder of FEL is authorized to pledge in favor of the security trustee, 100% of all shares of FEL that are issued from time to time in the name of the Company in accordance with terms and conditions of the Company's Agreements.

Interest of Directors

The Directors are not interested in the aforesaid special businesses except to the extent of their directorships / shareholding in the companies / other companies where they are directors / shareholders. The Board of Directors of the Company is confident that the above amendments in the resolutions will not be detrimental to the interest of the Company and its members as a whole. The Board of Directors of the Company is confident that these proposed alterations are in line with the applicable provisions of the law and regulatory framework.

Special Item No.4 regarding investment in associated companies

As per requirements of the regulations; the Company is required to seek approval from shareholders every year for providing working capital loan to the associated companies for meeting expense of staff salary, power generation, maintenance and other working capital requirements.

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

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

The Directors of the Company undertake that the proposed investment is being recommended after due diligence and financial health of the borrowing companies are such that these companies have the ability to repay the loan as per agreement. The duly signed recommendation of the due diligence report and directors' undertaking/certificate shall be made available to the members for inspection at the meeting. The Company holds following shares in associated companies:

Name of the Company	No. of Shares
Fatima Energy Limited	80,016,370
Fatima Transmission Company Limited	7,187,500
Fatima Fertilizer Company Limited	2,625,167



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

	Fatima Energy Limited	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Cement Limited	Fatima Holding Limited
Registration No. and date	00477770, 22.06.04	0076592, 15.07.11	0036107, 28.01.96	0091244, 26.12.14	0002266 14.05.66	0100872 26.07.2016	0018591 11.01.2014
Registered Office Address	E-110, Khayaban-e-Jinnah, Lahore	E-110, Khayaban-e-Jinnah, Lahore	2 nd Floor Trust Plaza LMQ Road, Multan	E-110, Khayaban-e-Jinnah, Lahore	697, Abid Majeed Road, Survey No. 248/7, Lahore Cantt.	E-110, Khayaban-e-Jinnah, Lahore Cantt.	E-110, Khayaban-e-Jinnah, Lahore Cantt.
Authorised share capital	PKR 17,000 (M)	PKR 2,200(M)	PKR100 (M)	PKR 250(M)	PKR 700(M)	PKR 1(M)	PKR 1,180(M)
Paid up capital	PKR 5,700 (M)	PKR 2,102 (M)	PKR 80.05(M)	PKR 23(M)	PKR 300(M)	PKR 0.030(M)	PKR 1,172(M)

Earnings per share of the associated companies are as under:

Year	FEL	FSML	RCL	FTCL	FCML	FCL	FHL
	PKR						
2018	(0.31)	0.26	9.68	(2.0764)	40.45	N/A	8.91
2019	(0.69)	1.76	26.05	(2.8292)	50.52	N/A	4.30
2020	(0.81)	1.57	36.22	(0.0045)	N/A	N/A	5.38

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

Year	FEL	FSML	RCL	FTCL	FCML	FCL	FHL
	PKR						
2018	9.39	15.34	241.26	7.5531	667.18	N/A	169.61
2019	8.70	17.10	267.31	4.7239	697.5	N/A	104.34
2020	7.89	18.67	303.53	4.7193	N/A	N/A	109.74

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

Particulars	FSML	RCL	FEL	FTCL	FCML	FCL	FHL
	PKR in million						
Paid up capital	2,101.71	80.05	5,700.00	230.00	300.00	0.030	1,171.55
Un-appropriated profit/(loss)	1,823.41	1,926.85	(1,202.20)	(121.46)	10,212.705	(0.126)	2,281.79
Current liabilities	6,010.69	5,952.68	12,442.99	440.89	15,798.541	18.078	6,029.97
Current assets	6,723.22	7,676.64	1,238.72	1.326	19,622.012	14.256	11,611.74
Sales	5,814.75	4,007.89	672.041	N/A	36,341.097	N/A	517.06
Gross profit/(loss)	1,188.40	425.03	(137.675)	(0.104)	4,342.479	N/A	513.80
Net Profit/loss	330.94	289.95	(460.645)	(0.104)	1,515.503	0.079	630.301

Mills Site: Fazalpur, Khanewal Road, Multan. PABX: +92 61 6740020-4, Fax: +92 61 6740039

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

		Fatima Transmission Company Limited	Fatima Energy Limited
I	Description of the project and its history since conceptualization	<p>Fatima Transmission Company Limited (the "FTCL") was incorporated in Pakistan on December 26, 2014 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to lay down power transmission line.</p> <p>The National Power Electric Regulatory Authority (NEPRA) has granted permission to FTCL for constructing and owning transmission facilities in 2015. Under the license, FTCL would setup a 37 km long transmission line for evacuating 120MW electricity from generation facilities, to supply to a number of Bulk Power Consumers.</p>	<p>Fatima Energy Limited was incorporated in Pakistan on June 22, 2004 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to build, own, operate and maintain a co-generation power plant of 118.8 MW (the Project). The Project is located at Sanawan, Tehsil Kot Addu, and District Muzaffargarh in the province of Punjab. The FEL generation license allows to sell power to Bulk Power Consumers as well as to the CPPA (G).</p>
II	Starting date and expected date of completion of work	<p>The project was taken over from EPC contractor in May 2017 and duly tested through dispatch during the period from August 2019 to December 2019 under wheeling arrangement. COD is yet to be declared.</p>	<p>The project was taken over from EPC contractor in May 2017 and duly tested through dispatch during the period from August 2019 to December 2019 under wheeling arrangement. The COD is yet to be declared.</p>
III	Time by which such project shall become commercially operational	<p>The commercial operations of the Company are directly linked with the operations of the FEL. As soon as the commercial operations of the FEL commences; the commercial operations of the FTCL shall also be commenced simultaneously.</p>	<p>The FEL has currently applied to various DISCOs for Energy Wheeling Agreement (the EWA) which is in process, however, the EWA with MEPCO is already in place and FEL has supplied power to various export sector companies under this agreement during the last years. Since the wheeling concept is being practiced first time by many DISCOs therefore, approval of energy wheeling agreement is taking time thereby delaying substantially optimum generation and output. As soon as the EWAs are executed with DISCOs, FEL shall start operations immediately at full capacity.</p>

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IV	Expected time by which the project shall start paying return on investment	In addition to above, the management of FTCL expects that it would be able to achieve its optimum capacity in next couple of years, which will enable sufficient cash flows to repay its obligations as well as payout to its shareholders.	In addition to above, the management of FEL expects that it would be able to achieve its optimum capacity in next couple of years, which will enable sufficient cash flows to repay its obligations as well as payout to its shareholders.
V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Cash	Cash

General disclosures:

Requirements	Fatima Energy Limited	Fatima Sugar Mills Limited	Reliance Commodities (Pvt.) Limited	Fatima Transmission Company Limited	Fazal Cloth Mills Limited	Fatima Cement Limited	Fatima Holding Limited
	PKR in million						
	100	400	200	300	200	100	200
In case any loan has already been granted to the said associated companies or associated undertakings, the complete details thereof.	Given in below.						
Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans;	<p>Purpose: To earn income on the loans/advances to be provided to the associated companies to meet working capital needs of the associated companies.</p> <p>Benefits: The Company will receive markup above the borrowing cost of the Company, which will benefit the Company's cash flow by earning profit on its surplus funds.</p> <p>Period: For a period of one year from the date of Annual General Meeting.</p>						
Sources of funds to be utilized for investment	Loan/advance will be given out of own funds of the Company.						
Where loans or advances are being granted using borrowed funds:							
(I) Just Notification for granting loan or advance out of borrowed funds	Not Applicable						
(II) Detail of guarantees/assets pledged for obtaining such funds, if any;	Not Applicable						
(III) Cost benefit analysis	Not Applicable						

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Salient features of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	
- Nature	Loan/advance
- Purpose	To earn mark-up on loan being provided to FSML, FTCL, FEL, RCL, FCML and FCL this will augment the Company's cash flow.
- Period	Maximum period of one year.
- Rate of markup	KIBOR+2.5% but above borrowing cost of the Company.
- Repayment	Investee Company shall pay loan and mark-up to investing company on one-month notice or at maturity.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	The directors of the Company are sponsors and directors of the Investee Companies. None of the Directors or their relatives or associates is interested in above resolution in any way except as members of the Company.
In case of any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and	There is no impairment and/or write off against any facility given to any associated company.
Any important details necessary for the members to understand the transaction.	Not Applicable
Category-wise amount of investment;	Short term loan for working capital requirements for a period of one year as detailed in preamble.
Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	KIBOR+1.25%
Rate of interest, markup, profit, fees or commission to be charged;	KIBOR+2.5%
Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	Not Applicable

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If loans carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable:	Not Applicable
(a) Conversion formula	Not Applicable
(b) Circumstances in which conversion may take place	Not Applicable
(c) Time when conversion may be exercisable;	Not Applicable
Repayment schedule and terms and conditions of loans or advances to be given to Investee companies.	Loan will be paid back by each investee company with-in one-month Notice or at maturity.

Status of Investment under Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

	Fatima Transmission Company Limited	Fatima Sugar Mills Limited
Total investment approved	PKR 300 million	PKR 300 million
Amount of investment made to date	PKR 24.812 million	Nil
Reason for not having made complete investment so far	As per approved terms and conditions the investment will be made as per requirement of the investee company. Fresh approval is being taken as per Statute.	As per approved terms and conditions the investment will be made as per requirement of the investee company. Fresh approval is being taken as per Statute.
Material change in financial statements of associated company	As per latest available audited financial statements for the year ended June 30, 2020 the Earnings per share is PKR (0.0045) and breakup value per share is PKR 4.72.	As per latest available audited financial statements for the year ended June 30, 2020 the Earnings per share is PKR 1.57 and breakup value per share is PKR 18.67.

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	Reliance Commodities (Private) Limited	Fatima Energy Limited
Total investment approved	PKR 100 million	PKR 7,523 million
Amount of investment made to date	PKR 18.625 million	PKR 1,200 million
Reason for not having made complete investment so far	As per approved terms and conditions the investment will be made as per requirement of the investee company. Fresh approval is being taken as per Statute.	As per approval of the limit; the Company is authorised to make investment as and when required under Sponsors Support Agreement.
Material change in financial statements of associated company	As per latest available audited financial statements for the year ended June 30, 2020 the earnings per share is PKR 36.22 and breakup value per share is PKR 303.53.	As per latest available audited financial statements for the year ended June 30, 2020 the earnings per share is PKR (0.81) and breakup value per share is PKR 7.89.

Inspection of Documents

Memorandum of Association and Articles of Association of the Company and the Investee Company, annual and quarterly accounts of the Company, statement of material facts, financing agreements including any modification / amendments, financial projections of the Company and the Investee Company, register of investments, register of transactions with associate companies, register of directors, shareholding list of the company and the investee company and any other related information of the Company and the Investee Company as may be relevant shall be available for inspection from the date of the notice of the general meeting to the conclusion of the same.