

**ADVICE FOR INVESTORS**

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (*HEREIN REFERRED TO AS 'OFFER DOCUMENT'*) AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS

*This document is issued for the purpose of providing information to shareholders of the Company and to the public in general in relation to the rights issue PKR. 200,000,000 consisting of new ordinary shares 200,000 by ALLAWAYASA TEXTILE AND FINISHING MILLS LTD. A copy of this document has been registered with the Securities Exchange.*

*This offer document is valid till [DD/MM/2024] (60 days from the last day of payment of subscription amount).*

**ALLAWAYASA TEXTILE AND FINISHING MILLS LTD**  
**Right Share – Offer Document**

**Date of Incorporation:** March 31 1958, **Company Registration No:** 0001087, **Registered Office:** Allawayasa Square, Mumtazabad Industrial Area, Vehari Road, Multan, Pakistan, **Contact Details:** (061) 4233624-26, **Email:** [cfo@allawayasa.com](mailto:cfo@allawayasa.com), **Website:** [www.allawayasa.com](http://www.allawayasa.com), **Contact Person:** Mr. Sohail Nadeem, Chief Financial Officer

**Total Issue Size:** The Issue consists of 200,000 Right Shares (i.e. approximately 25.0% of existing paid-up capital of Allawayasa Textile and Finishing Mills Ltd) of face value of PKR 10/- each at an offer price of PKR 1,000/- each (including a premium of PKR 990/- per share). The total amount to be raised through the right issue is PKR 200,000,000.

**Date of Placing Offer Document on PSX for Public Comments:** N/A (Public comments are not being sought)

**Date of Final Offer Letter:** [DD/MM/2024]

**Date of Book Closure:** From [DD/MM/2024] to [DD/MM/2024]

**Subscription Amount Payment Dates:** From [DD/MM/2024] to [DD/MM/2024]

**Trading Dates for Letter of Rights:** From [DD/MM/2024] to [DD/MM/2024]

## Details of the relevant contact persons

|   | Name of the Person              | Designation               | Contact Number       | Office Address   | Email Id                  |
|---|---------------------------------|---------------------------|----------------------|--|---------------------------|
| <b>Authorized Officer of the Issuer</b>   | Mr. Mohammad Alamgir Jamil Khan | Chief Executive Officer   | 061-4233624-26       | Allawasaya Square, Vehari Road, Multan   | alamgir@allawasaya.com    |
| <b>Underwriters To the Issue</b>          |                                 |                           |                      |  |                           |
| <b>Intermarket Securitles Ltd</b>         | [.]                             | [.]                       | +92 (21) 111 467 000 | Bahria Complex-IV, 5th Floor, Ext. Block, Ch. Khalique-uz-Zaman Road, Gizri, Karachi | [.]                       |
| <b>Ismail Iqbal Securitles (Pvt.) Ltd</b> | [.]                             | [.]                       | +92(21)111-111-447   | Bungalow # C-94 KDA Scheme 1, Main Karsaz Road Karachi                               | [.]                       |
| <b>Bankers to the Issue</b>               |                                 |                           |                      |  |                           |
| <b>Habib Bank Limited</b>                 | Mr. Muhammad Yaseen Pervaiz     | Branch Operations Manager | 03333929356          | HBL Corporate Centre, Opposite High Court, Old Bahawalpur Road, Multan               | muhammad.yaseen50@hbl.com |
| <b>Bank AL Habib Limited</b>              | Mr. Ahmad Ali                   | Senior Manager            | 061-4541024          | 1st Floor Bank AL Habib Ltd Zonal Office Multan                                      | ahmadali@bankalhabib.com  |

Website: The offer letter can be downloaded from [https:// www.allawasaya.com](https://www.allawasaya.com)

**UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

[Date]

**\*WE MOHAMMAD ALAMGIR JAMIL KHAN, THE CHIEF EXECUTIVE OFFICER AND SOHAIL NADEEM, CHIEF FINANCIAL OFFICER OF ALLAWAYASA TEXTILE AND FINISHING MILLS LTD CERTIFY THAT;**

1. THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED.

**FOR AND ON BEHALF OF ALLAWASAYA TEXTILE AND FINISHING MILLS LTD**

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**MOHAMMAD ALAMGIR JAMIL KHAN**  
**CHIEF EXECUTIVE OFFICER**

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**SOHAIL NADEEM**  
**CHIEF FINANCIAL OFFICER**

## UNDERTAKING BY THE BOARD OF DIRECTORS

[Date]

WE, THE BOARD OF DIRECTORS OF ALLAWASAYA TEXTILE AND FINISHING MILLS LTD. HEREBY CONFIRM THAT:

- I. ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.
- II. WE UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.
- III. RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRES APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.
- IV. THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER ON \_\_\_\_\_ (I.E. WITHIN 45 DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD
- V. COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON .....
- VI. THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE SECP AND PSX COMMENTS.
- VII. THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.
- VIII. THE FINAL OFFER DOCUMENT WAS PLACED ON SECURITIES EXCHANGE WEBSITE ON ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 20 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX & SECP)
- IX. THE STATUTORY AUDITOR M/s. \_\_\_\_\_ OF THE ISSUER SHALL SUBMIT HALF YEARLY REPORT TO THE ISSUER REGARDING UTILIZATION OF PROCEEDS IN THE MANNER REFERRED TO IN THE FINAL OFFER DOCUMENT. THE ISSUER WILL INCLUDE THE REPORT OF THE STATUTORY AUDITOR, ALONG WITH ITS COMMENTS THEREON, IF ANY, IN ITS HALF YEARLY AND ANNUAL FINANCIAL STATEMENTS.
- X. NAMES OF THE DISSENTING DIRECTORS (IF ANY) ARE \_\_\_\_\_.

**DISCLAIMER:**

- I. In line with Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities Exchange Commission of Pakistan (SECP).
- II. The Securities Exchange and the SECP disclaims:
  - a. Any liability whatsoever for any loss however arising from or in reliance upon this document to any one, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or action taken, based on this document.
  - b. Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.
  - c. Any responsibility w.r.t quality of the issue
- III. It is clarified that information in this Offer document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.

### GLOSSARY OF TECHNICAL TERMS

|                 |   |
|-----------------|---|
| ACT             | Securities Act, 2015  |
| CDC             | Central Depository Company of Pakistan Limited  |
| CDS             | Central Depository System   |
| Companies Act   | Companies Act, 2017   |
| Commission/SECP | Securities and Exchange Commission of Pakistan  |
| LoR             | Letter of Rights  |
| Mn              | Million   |
| AWTM            | Allawasaya Textile and Finishing Mills Ltd. (the "Company" or "AWTM" or the "issuer") |
| NICOP           | National Identity Card for Overseas Pakistani   |
| PKR or Rs.      | Pakistan Rupee(s)   |
| PSX             | Pakistan Stock Exchange Limited   |
| SECP            | Securities and Exchange Commission of Pakistan  |
| USD             | United States Dollar  |

## DEFINATIONS

|                     |  |
|---------------------|--|
| Application Money   | The total amount of money payable by existing shareholder which is equivalent to the number of shares to be allocated.   |
| Banker to the Issue | Any bank with whom an account is opened and maintained by the Issuer for keeping the issue amount.<br><br>Habib Bank Limited and Bank AL Habib Limited have been appointed, in this Right Issue, as the Bankers to the Issue.  |
| Book Closure Dates  | The Book Closure shall commence from [dd/mm/2024] to [dd/mm/2024] (both days inclusive).   |
| Company             | Allawasaya Textile and Finishing Mills Limited (the "Company" or "AWTM" or the "Issuer").  |
| Commission          | Securities and Exchange Commission of Pakistan ("SECP").   |
| Issue               | Issue of 200,000 Right Shares representing 25% of Paid up Capital of the Company.  |
| Issue Price         | The Price at which Right Shares of Company are issued to the existing shareholders.  |
| Ordinary Shares     | Ordinary shares of Allawasaya Textile and Finishing Mills Ltd having face value of PKR 10.00/- each.   |
| Regulations         | The Companies (Further Issue of Capital) Regulations, 2020.<br><a href="https://www.secp.gov.pk/document/the-companies-further-issue-of-shares-regulations-2020-updated-march-4-2024/?wpdmdl=51188&amp;refresh=6630853d548f81714455869">https://www.secp.gov.pk/document/the-companies-further-issue-of-shares-regulations-2020-updated-march-4-2024/?wpdmdl=51188&amp;refresh=6630853d548f81714455869</a> |
| Right Issue         | Shares Offered by a Company to its members strictly in proportion to the shares already held in respective kinds and classes.  |
| Sponsor             | A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of issuing company directly or indirectly;<br><br>A person who replaces the person referred to above; and<br><br>A person or group of persons who has control of the issuing company whether directly or indirectly.  |

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## 1) SALIENT FEATURES OF THE RIGHT ISSUE

## 1.1 BRIEF TERMS OF THE RIGHT ISSUE

|    |   |   |
|----|---|---|
| a) | Description of issue:   | Issuance of Right Shares to existing Shareholders   |
| b) | Size of the proposed issue  | The company shall issue Rs.200,000 (Two Hundred) Ordinary shares, at a price of PKR.1,000 (Rupees One Thousand) per share aggregating to PKR. 200,000,000 (Rupees Two Hundred Million)  |
| c) | Face value of the share   | PKR 10 /-   |
| d) | Basis of determination of price of the right issue  | The Right issue is being carried out at a premium. Considering the current market price of the company, the premium charged over the par value is justified and is in line with market practice.  |
| e) | Proportion of new issue to existing Issued shares with condition, if any  | Approximately 25 right shares for every 100 ordinary shares held i.e. Approximately 25% of the existing Paid up capital of the Company  |
| f) | Date of meeting of board of directors (BoD) wherein the right issue was approved                                    | April 15,2024   |
| g) | Names of directors attending the Board Meeting  | <ol style="list-style-type: none"> <li>1. Mian Muhammad Jamil, Executive Director</li> <li>2. Mrs. Nusrat Jamil, Chairman</li> <li>3. Mr. Muhammad Alamgir Jamil Khan-CEO</li> <li>4. Mian Idrees Ahmed Sheikh- Executive Director</li> <li>5. Mian Tauqir Ahmed Shelkh, Non- Executive Director</li> <li>6. Mrs. Bushra Tauqir, Non- Executive Director</li> <li>7. Mrs. Misbah Idrees Sheikh, Non- Executive Director</li> <li>8. Mrs. Ayesha Mansoor, Non- Executive Director</li> <li>9. Mr. Javed Musarrat- Independent Director</li> <li>10. Mr. Abdul Rehman Qureshi- Independent Director</li> <li>11. Mr. Imran Hussain- Independent Director</li> </ol> |
| h) | Brief purpose of utilization of right issue proceeds  | The proceeds from the right issue will be primarily utilized to make capital expenditures for installation of 2.3 MW Solar Power Plant for the company  |
| i) | Purpose of the Right Issue - Details of the main objects for raising funds through present right issue.             | <ul style="list-style-type: none"> <li>• Total funds required for the project: PKR. 200,000,000</li> <li>• Percentage of funds financed through the right issue-100%</li> <li>• Percentage of funds financed from other sources – Nil</li> <li>• Impact on Production Capacity: reducing energy cost and improves the overall viability.</li> </ul>   |
| j) | Minimum level of subscription (MLS)   | None  |
| k) | Application Supported by Blocked amount" (ASBA) facility, if any, will be provided for subscription of right shares | Not Applicable  |

## 1.2 PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

Allawasaya Textile and Finishing Mills Limited intends to raise funds to meet its capital expenditure requirements in order to improve the Company's profitability and financial ratios which is expected to maximize shareholders' return. Below is the break-up of utilization of right issue proceeds:

| Purpose of the Issue                     | Proceeds Utilization (PKR) | % of Right Issue Proceeds |
|--|----------------------------|---------------------------|
| Installation of 2.3 MW Solar Power Plant | 200,000,000                | 100%                      |

The tentative details of the Solar Power Project are as follows:

| Particulars   | Details  |
|---|--|
| Machinery & Equipment details   | Solar Panels /PV module, Inverters, Batteries          |
| Expected Cost of the Project  | PKR. 200,000,000                                       |
| Name of the Suppliers   | Orient Company Pakistan (Pvt.) Ltd / S.M. Jaffer & Co. |
| Date of Placement of Order  | May 5, 2024  |
| Expected date of supply   | September 2024   |
| The percentage and value terms of plant and machinery delivered                             | Nil  |
| The percentage and value terms of plant and machinery for which orders are yet to be placed | 100%   |

## 1.3 FINANCIAL EFFECTS ARISING FROM RIGHT ISSUE

| As at March 31, 2024                | Measurement Unit                      | Pre-Issue  | Post Issue | Increase in Percentage(%) |
|-------------------------------------|---------------------------------------|------------|------------|---------------------------|
| Authorized Capital                  | Shares                                | 1,000,000  | 1,000,000  | Nil                       |
| Paid-up-Capital                     | Shares                                | 800,000    | 200,000    | 25%                       |
| Net Asset/Breakup value per share   | PKR                                   | 1,888      | 1,510      | (20%)                     |
| Gearing Ratio                       | Times                                 | 1.26       | 1.12       | (11.0%)                   |
| Production Capacity (at 20's count) | Kgs                                   | 11,479,922 | 11,479,922 | Nil                       |
| Market Share                        | Based on latest Market Capitalization | 0.010%     | 0.010%     | Nil                       |

## 1.4 TOTAL EXPENSES TO THE ISSUE

|  |                  |
|--|------------------|
| PSX Fee (0.2% of increase in paid-up capital)  | PKR. 400,000     |
| Bankers Commission   | -                |
| Underwriting Commission  | 1.00%            |
| Underwriter Take-up Commission   | 1.50%            |
| Bankers to the Issue – Out of Pocket   | PKR.100,000      |
| CDC – Fresh Issue Fee  | PKR.500,000      |
| CDC – Annual Fees for Eligible Security (Listing Fee)  | PKR.600,000      |
| SECP Supervisory Fee (10% of fees paid to PSX)   | PKR.40,000       |
| Auditor Fee for Auditor Certificates   | PKR.500,000      |
| Other expenses (including Stamp duty on issuance of additional shares, Printing costs, Lawyers and consultation fees, etc) | [.] <sup>1</sup> |

<sup>1</sup>To be finalized in due course

### 1.5 DETAILS OF UNDERWRITERS

| Name of the Underwriter                   | Amount Underwritten | Associated Company/Associated Undertaking of the Issuer |
|---|---------------------|---|
| Ismail Iqbal Securities (Private) Limited | [.]                 | No  |
| Ismail Iqbal Securities (Private) Limited | [.]                 | No  |

### 1.6 COMMITMENTS FROM SUBSTANTIAL SHAREHOLDERS/DIRECTORS

| Name of the person              | Status      | Number of shares committed to be of shares Committed to be Subscribed | Amount Committed to be Subscribed | Shareholding % pre-issuance | Shareholding % post-issuance |
|---------------------------------|-------------|---|-----------------------------------|-----------------------------|------------------------------|
| Mian Muhammad Jamil             | Director    | 17,954  | 17,953,500                        | 8.977%                      | 8.977%                       |
| Mrs. Nusrat Jamil               | Chairperson | 16,719  | 16,719,000                        | 8.360%                      | 8.360%                       |
| Mian Tauqir Ahmed Sheikh        | Director    | 8,542   | 8,541,500                         | 4.271%                      | 4.271%                       |
| Mian Idrees Ahmed Sheikh        | Director    | 31,030  | 31,029,500                        | 15.515%                     | 15.515%                      |
| Mrs. Bushra Tauqir              | Director    | 5,851   | 5,851,000                         | 2.926%                      | 2.926%                       |
| Mrs. Misbah Idrees Sheikh       | Director    | 18,112  | 18,112,000                        | 9.056%                      | 9.056%                       |
| Mrs. Ayesha Mansoor             | Director    | 4,998   | 4,997,500                         | 2.499%                      | 2.499%                       |
| Mr. Javed Musarrat              | Director    | 625   | 625,000                           | 0.313%                      | 0.313%                       |
| Mr. Abdul Rehman Qureshi        | Director    | 625   | 625,000                           | 0.313%                      | 0.313%                       |
| Mr. Imran Hussain               | Director    | 625   | 625,000                           | 0.313%                      | 0.313%                       |
| Mr. Muhammad Alamgir Jamil Khan | CEO         | 15,116  | 15,115,750                        | 7.558%                      | 7.558%                       |

### 1.7 FRACTIONAL SHARES

The Board of Directors of the Company have resolved in their meeting held on April 15, 2024 that all fractional entitlements, if any, will be consolidated and unpaid letters of right in respect thereof shall be sold on the Pakistan Stock Exchange Limited ("PSX"), the net proceeds from which sale, once realized, shall be distributed / paid to the entitled shareholders in proportion to their respective entitlements as per the Regulations.

### 1.8 IMPORTANT DATES

| ALLAWASAYA TEXTILE AND FINISHING MILLS LTD.<br>Tentative Schedule for Issuance of Letter of Rights<br>Book Closure: From dd/mm/2024 To dd/mm/2024 |  |     |      |
|---|--|-----|------|
| S.No  | Procedure  | Day | Date |
| 1   | Date of credit of unpaid Rights into CDC in Book Entry Form            | -   | -    |
| 2   | Dispatch of Letter of Right (LOR) to physical shareholders             | -   | -    |
| 3   | Intimation to Stock Exchange for dispatch of physical Letter of Rights | -   | -    |

|   |   |   |   |
|---|---|---|---|
| 4 | Commencement of trading of unpaid Rights on the Securities Exchange | - | - |
| 5 | Last date of trading of letter of Rights                            | - | - |
| 6 | Payment of subscription amount start date                           | - | - |
| 7 | Last date for acceptance of payment                                 | - | - |
| 8 | Allotment of shares and credit of Shares into CDS                   | - | - |
| 9 | Dispatch of physical shares certificates                            | - | - |

## 2) SUBSCRIPTION AMOUNT PAYMENT PROCEDURE

- a) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "[XXXXXXX]" through any of the authorized branches of above-mentioned bank(s) on or before DD/MM/2024 along with this Right Subscription Request duly filled in and signed by the subscriber(s).
- b) Right Subscription Request can be downloaded from [www.allawasaya.com](http://www.allawasaya.com)
- c) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, (Allawayasa Textile and Finishing Mills Limited) at the Registered Office of the Issuer along with Right Subscription Request (both copies) duly filled and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.
- d) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.
- e) The Bank will not accept Right Subscription Request delivered by post which may reach after the closure of business on DD/MM/2024, unless evidence is available that these have been posted before the last date of payment.
- f) Payment of the amount indicated above to the Issuer's Banker to the Issue on or before DD/MM/2024 shall be treated as acceptance of the Right offer.
- g) After payment has been received by the Company's Banker to the Issue, the Right Securities will be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred

## 3) PROFILE OF MANAGEMENT AND SPONSORS

### 3.1 PROFILE OF THE BOARD OF DIRECTORS OF THE COMPANY

| BOARD OF DIRECTORS              |                                      |
|---------------------------------|--------------------------------------|
| Mrs. Nusrat Jamil               | Chairperson / Non-Executive Director |
| Mian Muhammad Jamil             | Executive Director                   |
| Mr. Muhammad Alamgir Jamil Khan | Chief Executive Officer              |
| Mian Idrees Ahmed Sheikh        | Executive Director                   |
| Mian Tauqir Ahmed Sheikh        | Non-Executive Director               |
| Mrs. Bushra Tauqir              | Non-Executive Director               |
| Mrs. Misbah Idrees Sheikh       | Non-Executive Director               |
| Mrs. Ayesha Mansoor             | Non-Executive Director               |

|                          |                      |
|--------------------------|----------------------|
| Mr. Javed Musarrat       | Independent Director |
| Mr. Abdul Rehman Qureshi | Independent Director |
| Mr. Imran Hussain        | Independent Director |

**a) MRS. NUSRAT JAMIL**  
**CHAIRPERSON / NON-EXECUTIVE DIRECTOR**

Ms. Nusrat Jamil graduated with BA. She is Chairperson / Non-Executive Director of Allawasaya Textile and Finishing Mills Ltd. In past she has serves as Director in Allawasaya Textile And Finishing Mills Ltd from 14-10-2004 to 21-05-2009.

**b) MIAN MUHAMMAD JAMIL**  
**EXECUTIVE DIRECTOR**

Mian Muhammad Jamil is graduated B.Sc with Textile Engineering with specialization in textile weaving from National College of Textile Engineering, Faisalabad (1968-1971). He has over 45 Years' experience in successfully managing the Industrial Companies of his Group. He has also served as President of the Multan Chamber of Commerce & Industry and Member Managing Committee of the Federation of Pakistan Chambers of Commerce and Industry. He has a vast experience In managing the technical side of spinning as well as in sales and marketing.

**c) MIAN MUHAMMAD ALAMGIR JAMIL KHAN**  
**CHIEF EXECUTIVE/ MANAGING DIRECTOR**

Mian Mohammad Alamgir Jamil Khan is a Qualified B.B.A from I.M.S, B.Z.U, Multan, also holds Bachelor Degree In Business Administration. He is successfully running the complex Industrial Units of his group since 2003. Mian Mohammad Alamgir Jamil Khan served as Senior Vice President for the year 2015. During his tenor as Senior Vice President, he worked in close connection with the Emirates Airline team for starting its operation at Multan International Airport. He has 20 Years diversified experience in successfully managing the technical side, Production, Quality Control, Accounts and Finance of his group companies. He has vast experience of Procurement of both local as well as imported Cotton for the whole group companies. Mian Muhammad Alamgir Jamil Khan is a renowned industrialist of the country, now he is serving as Chief Executive Officer of Allawasaya Textile and Finishing Mills Ltd. He has served as Member Board of Governors Bakhtawar Amin Memorial Hospital, Multan, Member Board of Governors Multan Public School, Multan, Member Multan Garrison Mess, Member Multan Golf Club, Member APTMA Zonal Managing Committee, Member of the Regional Licensing Board (Multan Region), Multan. He actively participated on All Pakistan Textile Mills Association on regional managing committee for WAPDA prime users mills to get competitive energy price for the industry.

**d) MIAN TAUQIR AHMED SHEIKH**  
**NON-EXECUTIVE DIRECTOR**

Mian Tauqir Ahmed Sheikh is a Bachelor in B.Sc in Mechanical Engineering (U.S.A.), Diploma in Computer Science ( U.S.A.), also holds Master's Degree in Business Administration (U.S.A.), He has business Interests in Cotton, Textiles, Embroidered Garments Fashion Cloth, Embroidered Fashion Clothing Accessories, Home Textiles, and Agriculture Products, Retail Outlet. He has 36 years' experience in successfully managing the Industrial Companies of the group. Now, he serves as Non- Executive Director In Allawasaya Textile & Finishing

Mills Ltd. He also holds position's Like; Member of Hilal Ginning & Oil Company, Member of Anosh Fabrics (Retail Outlet). He is the Managing Director / CEO of Hilal Fabrics (Pvt) Limited, Hilal Fashion Garments (Pvt) Limited, Hilal Enterprises (Pvt) Limited, Sarfraz Gardens (Pvt) Limited.

**e) MIAN IDREES AHMAD SHEIKH  
EXECUTIVE DIRECTOR**

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Mr. Idrees Ahmad Sheikh is a Bachelor of Science (B.Sc). He is the Executive Director of Allawasaya Textile & Finishing Mills Ltd. He also Serves as Director of Shah Shamas Cotton Industries (Pvt) Limited (From 13-01-1988 to date), Member of Multan Garrison Mess (MGM), Rotary Club Multan. He has Business interest in Cotton Ginning & Textiles. He has 29 years experienced in successfully managing the Industrial Companies of the group. His Current position in Allawasaya Textile & Finishing Mills Ltd is "Executive Director".

**f) MRS. BUSHRA TAUQIR  
NON-EXECUTIVE DIRECTOR**

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Ms. Bushra Tauqir is Qualified in M.Sc. Nutrition. She loves her passion of Nutrition and Fitness and got certified as Health Coach and Fitness Trainer. Her expertise allows her to be able to grow her abilities of Nutrition and become a known name throughout Pakistan. She held Director Positions In different Fields Like; Allawasaya Textile & Finishing Mills Ltd, Hilal Fabrics (Pvt) Limited Since (01.07.2000 to date), Hilal Fashion Garments (Pvt) Ltd since 01.07.2000 to date.

**g) MRS. MISBAH IDREES SHEIKH  
NON-EXECUTIVE DIRECTOR**

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Ms. Misbah Idrees Sheikh is graduated with BA. She is Non-Executive Director of Allawasaya Textile and Finishing Mills Ltd. She also serves as Director/CEO in Shah Shamas Cotton Industries (Pvt) Ltd From: 10-10-2022 to date.

**h) MRS. AYESHA MANSOOR  
NON-EXECUTIVE DIRECTOR**

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Ms. Ayesha Mansoor is graduated with BA. She is Non-Executive Director of Allawasaya Textile and Finishing Mills Ltd. She also serves as Member of Allawasaya Textile & Finishing Mills Ltd.

**i) MR. JAVED MUSARRAT  
INDEPENDENT DIRECTOR**

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Mr. Major(R) Javed Musarrat has been part of Pakistan's Army at different assignment including Military Intelligence for 22 years, Administration of Public School for 8 Years and Islamic Centre for 4 Years. After doing M.A, he joined Pakistan's Army. He has enough exposure to different managerial capacities dealing with Multan Dry Port, 1996-2012 as General Manager and in Millat Public School, 1993-1996 Army Service 1970-1992 as a Principal. Now, he is the Independent Director of Allawasaya Textile & Finishing Mills Ltd. after his retirement

**j) ABDUL REHMAN QURESHI  
INDEPENDENT DIRECTOR**

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Mr. Abdul Rehman Qureshi is a member of the company's Board elected as an Independent director. He is law

graduate of the Punjab University, Lahore and possesses a vast and varied experience in various capacities while working at senior level in the erstwhile Corporate Law Authority (CLA) and the Securities and Exchange Commission of Pakistan (SECP), the apex regulator of the Capital Market, Non-Banking Finance Companies, Insurance Industry and the entire corporate sector. He has been on the faculty of the International Islamic University, Islamabad (evening classes), teaching company law and comparative securities laws. Mr. Qureshi has attended several international courses, seminars, training programs and workshops on various subjects related to corporate laws and corporate governance particularly in the countries like Australia, Japan, India, USA and U.K. Besides, he acted as members of various committees and commissions constituted to review and revamp the corporate laws namely the company law, Securities Law, Insurance Law, and Banking Laws. He has been associated to prepare the final draft of the Companies Bill, 2016,

**k) MR. IMRAN HUSSAIN  
INDEPENDENT DIRECTOR**

Mr. Imran Hussain is qualified as CA- Finalist, also holds master's degree in Business Administration (Banking & Finance). His Business and Business Interests are Tax & Corporate Consultant/ Service (Taxation, Legal Advisor, and Corporate Consultant). He has 15 years' experience in successfully managing the Tax and Corporate Consultancy. He is currently working as Independent Director of Allawasaya Textile & Finishing Mills Ltd. He is also on Managing Director/CEO of Mahboob Sheikh Ali Hussain & Co, Director of Maison Builders (Pvt) Ltd, Company Secretary – Bait-ul-Haq (Pvt) Ltd. (Hajj Umrah Services)

**3.2 DIRECTORS DIRECTORSHIP IN OTHER COMPANIES**

| SR # | NAME                            | DESIGNATION             | DIRECTORSHIP IN OTHER COMPANIES  |
|------|---------------------------------|-------------------------|--|
| 1.   | Mian Tauqir Ahmed Sheikh        | Non-Executive Director  | Hilal Fabrics (Pvt) Limited.<br>Hilal Fashion Garments (Pvt) Limited.<br>Hilal Enterprises (Pvt) Limited.<br>Sarfranz Gardens (Pvt) Limited                          |
| 2.   | Mian Idrees Ahmad Sheikh        | Executive Director      | Shah Shamas Cotton Industries (Pvt) Limited. From 13-01-1988 to date   |
| 3.   | Mr. Muhammad Alamgir Jamil Khan | Chief Executive Officer | Allawasaya Spinning Mills (Pvt.) Limited   |
| 4.   | Mian Muhammad Jamil             | Executive Director      | Allawasaya Spinning Mills (Pvt.) Limited   |
| 5.   | Mrs. Bushra Tauqir              | Non-Executive Director  | Hilal Fabrics (Pvt) Limited Since 01.07.2000 to date.<br>Hilal Fashion Garments (Pvt) Ltd. Since 01.07.2000 to date.   |
| 6.   | Mrs. Misbah Idrees Sheikh       | Non-Executive Director  | Shah Shamas Cotton Industries (Pvt) Ltd From: 10-10-2022 to date.  |
| 7.   | Mr. Imran Hussain               | Independent Director    | MAHBOOB SHEIKH ALI HUSSAIN & CO.<br>Director – Maison Builders (Pvt) Ltd.<br>Company Secretary – Bait-ul-Haq s(Pvt) Ltd.<br>(Hajj Umrah Services) (33% Shareholding) |

### 3.3 PROFILE OF SPONSORS OF THE COMPANY

a) **MIAN MUHAMMAD JAMIL**  
**EXECUTIVE DIRECTOR**

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Mian Muhammad Jamil is graduated B.Sc with Textile Engineering with specialization in textile weaving from National College of Textile Engineering, Faisalabad (1968–1971). With 45 Years' experience in successfully managing the Industrial Companies of his Group he is also as President of Trade Body like the Multan Chamber of Commerce & Industry and Member Managing Committee of the Federation of Pakistan Chambers of Commerce and Industry. Mian Muhammad Jamil is also serves as Director of Marketing & Sales, Chairman in Allawasaya Textile & Finishing Mills Ltd. Now, he has serves as Executive Director in Allawasaya Textile and Finishing Mills Ltd.

b) **MIAN TAUQIR AHMED SHEIKH**  
**NON-EXECUTIVE DIRECTOR**

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Mian Tauqir Ahmed Sheikh is a Bachelor in B.Sc in Mechanical Engineering (U.S.A.), Diploma in Computer Science ( U.S.A.), also holds Master's Degree in Business Administration (U.S.A.), He has business Interests in Cotton, Textiles, Embroidered Garments Fashion Cloth, Embroidered Fashion Clothing Accessories, Home Textiles, and Agriculture Products, Retail Outlet. He has 36 years' experience in successfully managing the Industrial Companies of the group. Now, he serves as Non- Executive Director In Allawasaya Textile & Finishing Mills Ltd. He also holds position's Like; Member of Hilal Ginning & Oil Company, Member of Anosh Fabrics (Retail Outlet). He is the Managing Director / CEO of Hilal Fabrics (Pvt) Limited, Hilal Fashion Garments (Pvt) Limited, Hilal Enterprises (Pvt) Limited, Sarfraz Gardens (Pvt) Limited.

c) **MIAN IDREES AHMAD SHEIKH**  
**EXECUTIVE DIRECTOR**

---

Mr. Idrees Ahmad Sheikh is a Bachelor of Science (B.Sc). He is the Executive Director of Allawasaya Textile & Finishing Mills Ltd. He also Serves as Director of Shah Shamas Cotton Industries (Pvt) Limited (From 13-01-1988 to date), Member of Multan Garrison Mess (MGM), Rotary Club Multan. He has Business interest in Cotton Ginning & Textiles. He has 29 years experienced in successfully managing the Industrial Companies of the group. His Current position in Allawasaya Textile & Finishing Mills Ltd is "Executive Director".

#### 4) FINANCIAL DETAILS OF THE ISSUER

##### 4.1 FINANCIAL HIGHLIGHTS OF THE ISSUER FOR THE LAST THREE YEARS

|                               | FY 2023                              | FY 2022                              | FY 2021                              |
|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Amount in PKR                 |                                      |                                      |                                      |
| Name of the Statutory Auditor | Yousuf Adil<br>Chartered Accountants | Yousuf Adil<br>Chartered Accountants | Yousuf Adil<br>Chartered Accountants |
| Revenue/Sale                  | 3,775,805,614                        | 4,827,204,348                        | 3,546,836,485                        |
| Gross Profit                  | 144,571,495                          | 455,492,118                          | 363,196,084                          |
| Profit before interest & Tax  | 48,181,748                           | 310,601,406                          | 267,928,423                          |
| Profit after tax              | (164,766,633)                        | 143,885,427                          | 145,420,124                          |
| Net Profit/Loss               | (164,766,633)                        | 143,885,427                          | 145,420,124                          |
| Accumulated Profit/Loss       | 320,120,489                          | 471,010,408                          | 342,653,609                          |
| Total Assets                  | 3,968,596,939                        | 3,523,174,213                        | 2,119,130,873                        |
| Total Liabilities             | 2,295,356,532                        | 1,784,367,173                        | 870,019,677                          |
| Net Equity                    | 1,673,240,407                        | 1,738,807,040                        | 1,249,111,197                        |
| Break-up value Per Share      | 1,960.30                             | 2,173.51                             | 1,561.39                             |
| Earnings/Loss per share       | (205.96)                             | 179.86                               | 181.78                               |
| Dividend Announced (%)        | -                                    | 72.50                                | 352.50                               |
| Bonus Issue                   | -                                    | -                                    | -                                    |

##### 4.2 FINANCIAL HIGHLIGHTS OF PRECEDING ONE YEAR OF CONSOLIDATED FINANCIAL STATEMENTS

Not Applicable

##### 4.3 DETAILS OF ISSUE OF CAPITAL IN PREVIOUS FIVE YEARS

###### BONUS ISSUE

No Bonus issue was made in the last five years

###### RIGHT ISSUE

No rights issue was made in the last five years

##### 4.4 AVERAGE MARKET PRICE OF THE SHARE OF THE ISSUER DURING THE LAST SIX MONTHS

Average market price of the share of Allawayasa Textile and Finishing Mills Limited during the last six months (from October 15, 2023 – April 15, 2024) is PKR 1,352 per share.

#### 4.5 SHARE CAPITAL AND RELATED MATTERS

##### 4.5.1 Pattern of shareholding of the issuer

| Categories of shareholders  | No. of Shares Held | % holding      |
|---|--------------------|----------------|
| <b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>      |                    |                |
| Mian Muhammad Jamil   | 71,814             | 8.977%         |
| Mrs. Nusrat Jamil   | 66,876             | 8.360%         |
| Mian Tauqir Ahmed Sheikh  | 34,166             | 4.271%         |
| Mian Idrees Ahmed Sheikh  | 124,118            | 15.515%        |
| Mrs. Bushra Tauqir  | 23,404             | 2.926%         |
| Mrs. Misbah Idrees Sheikh   | 72,448             | 9.056%         |
| Mrs. Ayesha Mansoor   | 19,990             | 2.499%         |
| Mr. Javed Musarrat  | 2,500              | 0.313%         |
| Mr. Abdul Rehman Qureshi  | 2,500              | 0.313%         |
| Mr. Imran Hussain   | 2,500              | 0.313%         |
| Mr. Muhammad Alamgir Jamil Khan-CEO   | 60,463             | 7.558%         |
| Mrs. Sarah Hajra Khan   | 33,530             | 4.19%          |
| Mr. Muhammad Hadi Alamgir Jamil Khan through his mother Mrs. Sarah Hajra Khan (Minor) | 1,665              | 0.21%          |
| <b>Associated Companies, undertakings &amp; related parties</b>                       |                    |                |
| <b>NIT and ICP</b>  |                    |                |
| Investment Corporation of Pakistan  | 100                | 0.013%         |
| Insurance Companies   | -                  | -              |
| Banks, DFI, NBFC  | -                  | -              |
| Modarabas and Mutual Funds  | -                  | -              |
| <b>General Public</b>   |                    |                |
| Local   | 10,367             | 1.296%         |
| Foreign   | -                  | -              |
| Central Depository Company of Pakistan Ltd  | 2,851              | 0.356%         |
| Others  | 270,708            | 33.839%        |
| <b>TOTAL</b>  | <b>800,000</b>     | <b>100.00%</b> |

##### 4.5.2 Number of shares held by the Directors, Sponsors & Substantial shareholders of the Issuer (both existing and post right issue)

| Shares held by            | Existing Shareholding | % holding | Post Right Shareholding | % holding |
|---------------------------|-----------------------|-----------|-------------------------|-----------|
| Directors / CEO           | Shares Held           | %         | Shares Held             | %         |
| Mian Muhammad Jamil       | 71,814                | 8.977%    | 89,768                  | 8.977%    |
| Mrs. Nusrat Jamil         | 66,876                | 8.360%    | 83,595                  | 8.360%    |
| Mian Tauqir Ahmed Sheikh  | 34,166                | 4.271%    | 42,708                  | 4.271%    |
| Mian Idrees Ahmed Sheikh  | 124,118               | 15.515%   | 155,148                 | 15.515%   |
| Mrs. Bushra Tauqir        | 23,404                | 2.926%    | 29,255                  | 2.926%    |
| Mrs. Misbah Idrees Sheikh | 72,448                | 9.056%    | 90,560                  | 9.056%    |
| Mrs. Ayesha Mansoor       | 19,990                | 2.499%    | 24,988                  | 2.499%    |
| Mr. Javed Musarrat        | 2,500                 | 0.313%    | 3,125                   | 0.313%    |
| Mr. Abdul Rehman Qureshi  | 2,500                 | 0.313%    | 3,125                   | 0.313%    |

|                                       |        |        |        |        |
|---------------------------------------|--------|--------|--------|--------|
| Mr. Imran Hussain                     | 2,500  | 0.313% | 3,125  | 0.313% |
| Mr. Muhammad Alamgir Jamil Khan - CEO | 60,463 | 7.558% | 75,579 | 7.558% |

#### 4.5.3 Details and shareholding of holding company, if any

Not Applicable

#### 4.5.4 Group structure along with respective shareholding in subsidiaries and associates

Not Applicable

### 5) RISK FACTORS

#### 5.1 RISK ASSOCIATED WITH THE RIGHT ISSUE

##### **Undersubscription Risk**

There is a risk that the right issue may get undersubscribed due to lack of interest from shareholders of the Company. The Right Issue of the Company is being carried out at a price which is less than the current share price in the market and hence there is no major investment risk associated with the Right Issue. The substantial shareholder and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, while the balance portion of the Right Issue will be underwritten in accordance with the applicable laws.

#### 5.2 RISK ASSOCIATED WITH ISSUER

##### 1. Internal Risk Factors

##### **Operational Risk**

Operational risk summarizes the uncertainties and hazards a business faces when it attempts to conduct its day-to-day business activities specifically in relation to plant operation. It can result from breakdowns in internal procedures, people and systems. A high turnover ratio of skilled staff, disruption in the Company's supply chain or inappropriate planning could be a major determinant to operational risk for the Company.

##### **Financial Risk**

Financial risk involves potential uncertainties and adverse events related to financial assets and liabilities. It is imperative that this is diligently managed to secure financial stability and stakeholder interests. The Company maintains a limited overall risk exposure concerning its financial assets and liabilities. It firmly believes that there is no significant concentration of credit risk to which it is exposed. Any potential exposure to credit risk is proactively managed through the prudent application of credit limits to its customers.

##### **Credit Risk**

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control

credit risk by monitoring credit exposure, limiting transactions with specific counter parties and continually assessing the credit worthiness of counter parties.

#### **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The company manages liquidity risk by maintaining adequate reserves and the availability of funding through an adequate amount of banking facilities.

#### **Risk of Non-compliance with Regulations of SECP and PSX**

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on the Defaulter Segment of PSX which may potentially hamper trading in the Company's shares leading to potential suspension in trading of its shares as well as delisting. The Company has instituted a strong governance and legal framework to ensure compliance at all times with applicable laws and regulations

## **2. External Risk Factors**

#### **Business Risk**

Business risk refers to the chance that the Company might report profits that fall below expectations or incur losses and this can occur due to various factors including

- Reduction in demand due to overall macro-economic slowdown
- Increase in input costs of Cotton (Raw material)
- Increase in utility costs

#### **Interest Rate Risk**

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest / mark-up rates. Sensitivity to interest / mark-up rate risk arises from mismatches of financial assets and liabilities that mature or re-price in a given period.

#### **Foreign Exchange Risk**

Foreign 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. Foreign currency risk arises from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to foreign currency risk arising from currency exposures.

#### **Risk in the Global Economic and Financial Markets**

Ongoing geopolitical disruptions have led to elevated commodity prices, impacting major economies worldwide, including the USA, UK, and European nations, with rising inflationary pressures. Some prominent global financial institutions are detecting indications of potential recessions in major countries, introducing volatility in international financial markets. This turbulence may have adverse repercussions on the Pakistani

economy and financial markets, potentially influencing the overall macroeconomic situation in the country. Additionally, it may limit the government's capacity to secure fresh debt from global markets, with potential consequences for the PKR/USD exchange rate.

#### **Regulatory Risk**

Regulatory risk pertains to the possibility of future changes in government policies and regulations which could potentially impact the various business segments the Company operates in. Modifications in the regulatory landscape, such as the introduction of stricter tariffs on imported materials, have the potential to notably impact the industry's overall performance.

#### **Confirmation Statement**

We, the undersigned of Allawayasa Textile and Finishing Mills Limited certify and hereby solemnly affirm and state that whatever is stated above and in the corresponding annexures with respect to the risk factors associated with the proposed Rights Issue is true and correct to the best of our knowledge and belief, and nothing has been concealed thereto.

### **6) LEGAL PROCEEDINGS**

#### **6.1 Outstanding legal proceedings of the Company**

There are no outstanding legal proceedings other than in the normal course of business involving the Issuer, its Sponsors, Substantial Shareholders, Directors and Associated Companies, that could have a material impact on the Company.

#### **6.2 Action taken by the Securities Exchange against the issuer or associated listed companies of the Issuer during the last three years due to noncompliance of the Regulations**

None

#### **6.3 Any outstanding legal proceeding other than the normal course of business involving the Issuer, its sponsors, substantial shareholders, directors and associated companies, over which the issuer has control, that could have material impact on the Issue**

None

### **7) SIGNATORIES TO THE OFFER DOCUMENT**

List of the signatories to the offer document and their signatures in original duly dated and witnessed:

\_\_\_\_\_  
 Mian Muhammad Jamil  
 Director

\_\_\_\_\_  
 Mian Idrees Ahmed Sheikh  
 Director

\_\_\_\_\_  
 Mohammad Alamgir Jamil Khan  
 Chief Executive Officer

Signed by the above in the presence of witnesses

\_\_\_\_\_  
Name

Certified by:

\_\_\_\_\_  
Mr. Muhammad Ismail  
Company Secretary

Dated: DD/MM/2024