NOTICE

To: The Chief Executive Officer, Saritow Spinning Mills Limited

CC: The Director/HOD (PRDD-SMD), Securities and Exchange Commission of Pakistan
    The Director/HOD (MSCD-SMD), Securities and Exchange Commission of Pakistan
    The Chief Executive Officer, Pakistan Stock Exchange Limited
    The Chief Executive Officer, National Clearing Company of Pakistan Limited

From: Badiuddin Akber
    Chief Compliance & Risk Officer

Ref no.: CDC/LCR/151/2018

Date: April 26, 2018

Subject: NOTICE OF INTENTION TO SUSPEND CDS ELIGIBILITY OF ORDINARY SHARES OF SARITOW SPINNING MILLS LIMITED UNDER THE CDC REGULATIONS

This notice is issued under Regulation 5.3.2 of the Central Depository Company of Pakistan Limited Regulations (the "CDC Regulations") for notifying the intention of CDC to suspend the CDS Eligibility of Ordinary Shares (Security Symbol: SSML) (the "said Securities") of Saritow Spinning Mills Limited (hereinafter referred to as the "Issuer") on account of its failure to pay the fee and charges in accordance with the Schedule of Fees and Deposits of the CDC Regulations (hereinafter referred to as the "Schedule").

In this regard please note that:

(a) The Issuer has failed to discharge its obligations to pay the fee and charges of CDC in terms of invoice(s) raised by CDC in accordance with the Schedule.

(b) Regulation 3.8.2 of the CDC Regulations provides that in consideration for the facilities and services provided to it by CDC, each CDS Element (including the Issuer) shall pay fees and charges to CDC in accordance with the Schedule. Further, as per the Issuer Agreement, the CDC Regulations constitute a contractual obligation between CDC and the Issuer and are to be read as an integral part of the said Agreement.

(c) The Issuer is contractually obligated to settle the invoice without raising any objection, however, the Issuer has withheld the payment under the invoice[s] despite CDC's reminder vide letter no. CDC/FIN/1293-30/2017 dated November 22, 2017 thereby causing loss to CDC.

In view of the aforesaid facts and circumstances arising due to conduct of the Issuer, the Issuer is hereby required to settle the invoices on or before thirty (30) Business Days from the date of receipt of this notice, failing which the CDS Eligibility of the said Securities of the Issuer may be suspended with effect from Monday, June 11, 2018.

Regards