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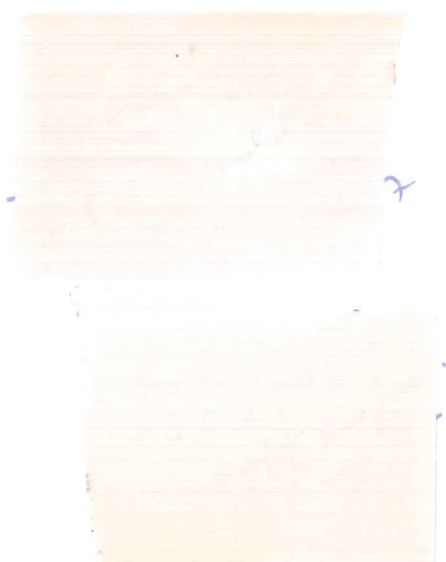
# Suhail Jute Mills Limited

(Manufacturers of Hessian Cloth, Twine & Bags)

Ref. No. 002/PSX/655

Dated 23-07-2019

Mr Hafiz Maqsood Munshi  
Manager, Companies and Securities Compliance-RAD  
Pakistan Stock Exchange Limited  
Stock Exchange Building, Stock Exchange Road,  
Karachi-74000  
PAKISTAN



Dear Sir,

### Compliance Deadline

We are in receipt of your letter dated 15 July 2019 under reference PSX/ C521-3102.

We have reported on the facts and circumstances of the Company' status from time to time and in the Financial Reports. Unfortunately, the Company was constrained to discontinue production with effect from August 2010 due to a devastating flood that inundated its factory premises and destroyed its inventory of Finished Goods and Raw material. The Company was unable to secure working capital that would enable it to resume commercial production.

Because of the magnitude and nature of the losses, the Company devised a plan to merge its Associated Company (Colony) Sarhad Textile Mills Limited (CSTM) with and into Suhail Jute Mills Limited (SJM), so as to rehabilitate its financial position and restructure its finances to re commence commercial production.

The merger process was initiated in February 2013 and due to circumstances completely beyond the Company's control, the Merger took an inordinately long time to complete. The Merger was finally sanctioned and the merger plan approved by the Court in July 2016. Matters were further delayed due to regulatory issues and the Merger was not effectively completed till November 2018.

Head Office:- 14-B.Civil Lines, P.O. Box No. 341, Rawalpindi (Pakistan).  
Mills :- Kabul River Railway Station, Mardan Road, Nowshera, N.W.F.P

25/7/19

Subsequent to that, the Company has identified and secured shareholders approval to dispose of surplus assets that have come into the Company's ownership as a consequence of the merger and is actively pursuing that objective.

Subject to a successful asset disposal program, the Company expects to have generated sufficient funds with which will be able to settle the liabilities of the financial institutions, employees, governmental dues and other creditors and have enough working capital available to re commence commercial production. The machinery for production of Jute products has been rehabilitated and is functional.

The exact timing of this effort cannot be given but it is expected that it can be achieved within a six-month time frame, after which it is intended to re commence commercial production of Jute goods, to the extent that it is viable.

In view of the ongoing developments, it is submitted that any precipitate action would be to the detriment of the shareholders and it is requested that a one year time frame be given to us to ensure active compliance of the PSX regulations. We shall be pleased to provide you with monthly progress reports of the process to resume commercial production

As you are aware, the Company has not generated any funds since the shutdown of its production facilities and the entire funding required to sustain the company, so as to complete the merger, has been borne by its principal shareholder. It is intended to clear the outstanding dues of the Exchange once funds are generated from a resumption of commercial activity.

We thank you for your assistance in this matter and look forward to your most sympathetic consideration of our submissions.

Yours Truly

for, Suhail Jute Mills Limited



**SOHAIL FAROOQ SHAIKH**  
**CHIEF EXECUTIVE**