

# Imperial Sugar Limited

**Mr. Hafiz maqsood munshi**  
Manager  
Companies & Securities Compliance – RAD  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi - 74000

REF. #: ISL-PSX/20/067

Date: July 06, 2020

Dear Sir

**SUBJECT: PROGRESS REPORT**

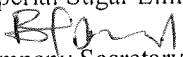
We refer to your letter No. PSX/Gen-1328 dated July 1, 2020, letter No. PSX/Gen-1214 dated June 5, 2020 and Notice No. PSX/N-687 dated June 5, 2020 on the captioned matter.

Progress to-date is that the Company has disposed of assets of one of its two sugar units i.e. Mian Chanu Unit of the Company during the year ended 30 September 2017 and this asset sale transaction is a landmark in the history of sugar sector of Pakistan in terms of the total value of the transaction. A significant chunk of sale proceeds (**Rupees 2.995 billion**) has been invested in high return bank deposits (**as high as 12%**) after payment of significant liabilities of the Company, pending the disposal of remaining sugar unit of the Company. The Company is quite hopeful of striking a good deal for disposal of the remaining sugar unit of the Company.

Following key statistics pertaining to the Company clearly demonstrate the steps taken to maximize shareholders' wealth and reflect potential on offer to the Company: Available cash and bank balances as on June 30, 2020 are **Rupees 2.995 billion**. Mark-up being earned on aforesaid funds is as high as **12%**. Gross Markup Income earned till June 30, 2020 on surplus funds is **Rupees 781.230 million**. Fair value of remaining Asset of the Company located at Phalia - **Rupees 8 billion plus**. The Company has no liability towards Financial Institutions, remaining liabilities of the Company as at June 30, 2020 (excluding deferred tax) - **Rupees 637 million**.

The Company is closely monitoring the business environment for IPPs in Pakistan. The Company recently noted that the Cabinet Committee on Energy (CCoE) in its meeting held on April 02, 2020 constituted a committee under the Chairmanship of the Federal Minister for Energy to deliberate various viable and mutually acceptable options to bring about a **reduction in the power tariff** for the end-consumer. In the first meeting between the Committee and the IPPs, the Federal Minister emphasized on the **reduction** and relief in the cost of electricity and resolution in the **quantum of capacity payments**. A technical committee has been constituted to consult with the IPPs on the above-mentioned objective and for seeking recommendations from IPPs on proposed areas of **tariff reduction**. The Company wrote to the Punjab Power Development Board (PPDB) to seek reassurance as to whether the basis for decision to set up a 225 MW Liquefied Natural Gas (LNG) Independent Power Producer (IPP) Project still hold true along with certain other clarifications / requests from the worthy Regulators. Based on the reply of PPDB, the legal counsel of the Company in association with subject matter experts are due to advise the Company shortly.

We will keep the Exchange and our members updated of progress.

Sincerely  
Imperial Sugar Limited  
  
Company Secretary