



Nazir Cotton Mills Ltd.

MANUFACTURER & EXPORTERS OF COTTON YARN

Ref: NCML/10/03
December 10, 2022

The Head, Listed Companies Compliance
Pakistan Stock Exchange Limited
KARACHI.

Progress Repost

Dear Sir,

This is with reference to your letter No. PSX-Gen-2419 dated December 06, 2022, by which your honor pointed out that the auditors has issued qualified opinion regarding going concern assumption of the company. In this context, we submit as under: -

1. The sponsor directors have obtained orders of the Honorable High Court for reconnection of electricity of the Mill. The session court has given order to the district court to resolve this matter. The company filed application in the district court Sheikhpura in the light of directions given by the Lahore High Court. The management is trying its best to secure electricity connection as early as possible.
2. At present, the case has been decided in the favor of the company and it is expected that the Re-Connection of Electricity will be made in near future. Then company will be able to Re-Start its commercial production of Spun Yarn.
3. Moreover, the company has passed special resolution through EGM that company will start Farm House as substitute of the Main Business which is working since last two years.
4. Moreover the company is planning to expand the Farm House and has planned to start "Goat Farm" also which has been started.
5. So it is apparent from the above discussion that the company is running business and not a closed one. So the question of Going Concern Assumption does not arise.

We hope the above information are sufficient to consider the company as going concern

Thanking you.

Yours faithfully,
For NAZIR COTTON MILLS LTD


Company Secretary

CC: 1. The Director (CSD) SECP
2. The Additional Director (AI -BMD) – SECP
3. The Chief Regulatory Officer -- PSX

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