



## MIRPURKHAS SUGAR MILLS LIMITED

Head Office : Modern Motors House, Beaumont Road,  
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Ghulam Faruque  
Group

February 16, 2022

The General Manager  
Pakistan Stock Exchange Limited  
Karachi

**Disclosure of Information relating to Stay obtained from the Court against  
the Inspection or Investigation proceedings of SECP**

Dear Sir,

We would like to draw your kind attention towards the factual and legal position of the case as under:

- The Company has sold out a residential property situated at Mirpurkhas (disclosure made to PSX dated April 07, 2021).
- Based on the opinion sought from a reputable law firm before execution of the transaction, it was concluded that no approval from the shareholders was required to sell this property as the said property did not meet the test of "Sizeable Part" as provided under s. 183(3) of the Companies Act, 2017.
- The Company has already informed the PSX as well as SECP about the said transaction.
- The same was submitted before the SECP, but the SECP has a difference of opinion on the said matter. In order to fully consider the matter, the SECP issued the Company a show cause notice as to why inspectors may not be appointed to investigate the affairs of the company concerning the alleged observations. It being clarified that the SECP had not commenced the inspection or investigation proceedings by virtue of the show cause notice and had simply afforded the Company an opportunity to explain why such inspectors should not be appointed.
- Being aggrieved, the Company challenged the show cause notice before the Honourable Sindh High Court and the learned Judge not only accepted the plea of the Company, but also passed an orders suspending the operation of the show cause notice and also restrained the SECP from taking any adverse action against the Company in respect of the same.

The information under Clause No. 5.6.6A of PSX Rule Book is given hereunder:

Name of Company	Date of Notice issued by SECP for inspection or investigation	Subject matter of inspection or investigation	Case No. pending before the Court	Case Category (Suit / C.P / CMA etc.)	Court granting Stay (High Court or District Court)	Date of Stay Order
Mirpurkhas Sugar Mills Limited	September 23, 2021	Show Cause Notice under Section 257 of the Companies Act, 2017	2434/2021	Suit	Honorable High Court of Sindh	October 21, 2021

Nevertheless, in light of the above, we trust you will appreciate that the Company remains of the view that the disclosure requirements as provided under Rule 5.6.6A of the PSX Rule Book which state that "*The Listed Company shall immediately disclose to the Exchange the information relating to an order of the Court staying any inspection or investigation proceedings initiated by the Commission against such Listed Company.*" are not applicable in this case.

We trust the above adequately addresses your concerns and we continue to remain available should you require any further clarity or information.

Yours Sincerely,  
For Mirpurkhas Sugar Mills Limited

  
Hina Mir  
Company Secretary