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Suhail Jute Mills Limited

(Manufacturers of Hessian Cloth, Twine & Bags)

Ref. No. 001/PSX/249

Dated 03-04-2023

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

Dear Sirs,

PROGRESS REPORT FOR THE QUARTER ENDED 31 MARCH 2023

We are pleased to provide you with a progress report in respect of Suhail Jute Mills Ltd., for the quarter ended 31 March 2023

It is to be appreciated that the quarter under report continues to be adversely impacted by crisis-like economic and political conditions that have hindered our efforts to dispose-off assets. The worsening conditions continue to deter potential buyers/ investors from making long term commitments involving large amounts of financial resources.

As pointed out earlier, the Company continues to explore the viability of entering into joint ventures with potential buyers, in addition to executing outright sales. Keeping in view that part of the available assets includes Land, we have also faced issues relating to the end use of the Land, which has further shrunk the pool of potential buyers. To address these issues, the company has prepared a proposal for Land development involving smaller sized industrial plots. We shall continue to keep you apprised of any developments in this regard.

As we have stated in our previous communications, the restart of commercial operations hinges entirely upon our ability to raise adequate financing for working capital and the discharge of outstanding obligations to creditors, principal among which is the settlement of obligations to institutions who have secured Decrees from the Courts.

As reported from time to time, the Company has assets that have become available for disposal, as a consequence of the Merger of (Colony) Sarhad Textile Mills Ltd, with and into, Suhail Jute Mills Limited. Additionally, the Company owns a fully functional Jute

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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

Manufacturing facility, which has been maintained in a running order. The existing unit will be capable of generating revenue, once working capital becomes available, and commercial production is recommenced. Since the Merger, the Company has made strenuous efforts to sell assets so as to raise the required amount of funding. However, we have not been able to secure suitable transaction terms for the same, particularly the front-loading of the consideration for the sale of assets.

The principal sponsors continued to substantially increase their financial stake in the Company and have injected further funds to keep the Company afloat during the period under report. As is evident from the record, the sponsors have financially sustained the Company during the entire time it has remained non-operational and are obviously most interested in being able to restart operations so as to recoup their investment and benefit all stakeholders.

We trust the above is in order.

Yours truly,

For, SUHAIL JUTE MILLS LIMITED



SUHAIL FAROOQ SHAIKH
CHIEF EXECUTIVE