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# Suhail Jute Mills Limited

(Manufacturers of Hessian Cloth, Twine & Bags)

Ref. No. 003/PSX/04

Dated \_\_\_\_\_

July 10, 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 30 JUNE 2023

We are pleased to provide you with a progress report in respect of Suhail Jute Mills Ltd., for the quarter ended 30 June 2023.

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 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.

.As we had indicated in our report for the Quarter-ended 31 March 2023, the company had prepared a plan for Land development involving smaller sized industrial plots. This proposal entails the outright sale of 20 acres of land for approximately RS 480 million, with the funds generated from the sale applied to converting 576 kanals of Land into Industrial plots of different sizes. The process of conversion and sale of the industrial plots would be effected over a three-year period. It is estimated that the proceeds from the sale of plots would be approximately RS 2.5 Billion. This amount would be sufficient to cover the most pressing and immediate liabilities and leave the Company with sufficient margin to raise working capital for reviving commercial operations. In any event, the plotting and sale of land would not impact the existing jute manufacturing and ancillary facilities which remain intact.

As you are aware, the plan outlined above was presented to the SECP and was duly scrutinized by them. Based on their recognition of the viability of the plan, the SECP, on 18 April 2023, concluded their proceedings against the Company initiated under Section 304 of the Companies Act 2017.

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During the Quarter under report, the Company has drawn up a plotting schedule and schematic plan. However, the physical infrastructure required to divide the subject land into plots requires funding, which, as planned, was to be generated by the outright sale of a parcel of land of 20 Acres. The sale of Land has not materialized as yet, due primarily to the acute economic and political uncertainties prevailing in the country and especially in Khyber-Pakhtunkhwa, which continues to deter potential buyers/ investors from making long term commitments involving large amounts of financial resources.

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.

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