

Ref: SEC/PSX/19/ 672
Date: 02 January 2019

Mr. Hafiz Maqsood Munshi
Manager, Companies & Securities Compliance - RAD
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Re: **Non-holding of Annual General Meeting for the year ended 30 June 2017 and 30 June 2018**

Dear Sir,

We refer to your letter No. PSX/Gen-5745 dated 26 December 2018, received in this office on 31 December 2018 and would like to draw your attention to a series of correspondence exchanged and various announcements made by the Company on the subject from time to time, whereby the Company has been informing and updating SECP, PSX and shareholders of the Company on regular basis that due to non-availability of valid tariff for the year starting 01 July 2016, the Company cannot just prepare the financial statements on the basis of estimation in the absence of basic topline revenue number and hold AGM for FY17.

The Company has filed an application dated 24 September 2018 with the SECP, which was also notified to PSX on 25 September 2018, a copy of which is attached herewith for ease of reference. In the said application, the circumstances which led to delay in finalization and audit of financial statements of the Company for the year ended 30 June 2017 and consequent delay in holding AGM for FY 2017 were duly explained. Currently, the matter is *subjudice* before Sind High Court and due to stay order issued by SHC, the Company can only convene AGM for FY 17, with the direction of SECP, after vacation of the said stay order. Further, due to delay in holding of AGM for FY 17 and finalization of the financial statements for the said year, the Company was not in a position to finalize the financial statements for the year ended 30 June 2018, initiate audit process and hold AGM for FY 18 within the specified time limit i.e. by 28 October 2018. A certificate issued by Company's statutory auditors for FY2017 was also enclosed with our above referred application, confirming that as the matter is subjudice before SHC, audit of FY2017 accounts will be further delayed and no time for finalization of financial statements and audit for FY 2017 can be determined at this stage. This will, therefore, also impact upon the preparation of financial statements and audit process for the year ended 30 June 2018.

Subsequently, statutory auditor of the Company for FY 2017, M/S KPMG resigned and Board of Directors of the Company at its meeting held on 14 December 2018, in exercise of powers vested under Section 246 of the Companies Act 2017, appointed M/s A.F. Ferguson & Co., Chartered Accountants and M/s BDO Ebrahim & Co., Chartered Accountants as joint statutory auditors of the Company for FY 2017. The



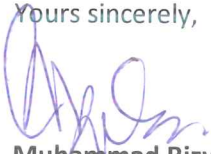
said appointment was immediately notified to SECP and PSX on same day (14 December 2018), copy enclosed for ready reference. You will kindly agree that audit process of the financial statements will further delay due to appointment of new auditors.

Further, the Company vide its letter dated 01 November 2018, requested the SECP that as there was no material change in the circumstances explained earlier, the Company may be allowed to seek direction under Section 147 of the Companies Act 2017 at a time when the Company is reasonably certain about timing of AGM. The above position was also notified to PSX on 2 November 2018. New auditors have been engaged immediately after their appointment, audit process of financial statements for FY 2017 is in full swing and concerted efforts are underway to hold AGM for FY 2017 by the quarter ending 31 March 2019.

In view of the above facts, you will kindly observe that the Company has acted strictly in accordance with the provisions of Companies Act 2017 and PSX Regulations and obtained requisite extension & sought direction from SECP and posted statutory announcements through PUCARS for information of the Exchange and shareholders of the Company.

We have assured SECP and PSX and would to take this opportunity to reassure the esteemed Institutions that the Company is taking all necessary actions to sort out the matter prudently and expeditiously to hold overdue AGMs for FY 2017 as well as for FY 2018 as early as possible.

Yours sincerely,



Muhammad Rizwan Dalia
Company Secretary

Encl. As above