



SAIF GROUP

KOHAT TEXTILE MILLS LIMITED

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Ref: KTML-PSX/05-17

Dated May 25, 2017

Deputy General Manager Operations,
Pakistan Stock Exchange,
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

Subject: FREE FLOAT OF SHARES

Dear Sir,

Kindly refer to the correspondence resting with your letter No. Ref. No.PSX/ Gen-3596 dated May 16, 2017 on the subject noted above.

2. It is apprehended that the explanation relating to compliance with Pakistan Stock Exchange's notice No-PSX/N-448 dated January 25, 2017 as submitted by us vide letter dated February 21, 2017 has unfortunately failed to attract attention of the Exchange. In the said letter, the following submissions were made:-
 - (i) That the existing "FREE FLOAT" of Kohat Textile Mills Limited(the Company) is as low as 20.11% of its issued capital and bulk of the shares are with the sponsors, directors and in the categories which are excluded from the scheme of FREE FLOAT:
 - (ii) That the company has no power to force its members to divest their shares or not keep their shares in physical form; and
 - (iii) That the FREE FLOAT could be increased, if it was possible for the company to issue further capital to the general public other than the existing shareholders. But it is not legally possible. Further shares can be issued in the form of right shares to the existing shares only and that too proportionately. In that case the pattern of share-holding will not change and the position of FREE FLOAT will remain the same.
3. As a last resort, the Board of Directors has decided to seek expert advice so as to find a way to comply with the notification of PSX, if possible. Based on the information so collected and on receipt of advice, we will approach the Exchange in due course for further action, as may be considered appropriate under the prevailing circumstances of the company.
4. A copy of our previous letter dated February 21, 2017 is annexed for ready reference.

Yours truly

For and on behalf of
KOHAT TEXTILE MILLS LIMITED,

(Sabir Khan)
Company Secretary

Ali Akbar
Pis circulate

Encl; as above