



PAKISTAN STOCK EXCHANGE LIMITED
(formerly: Karachi Stock Exchange Limited)

PSX/N-7288

NOTICE

December 26, 2016

Reproduced hereunder letter received from **MORAFCO INDUSTRIES LIMITED**, for information of all TREC Holders of the Pakistan Stock Exchange.
(Copy of the same is also available on our Website www.psx.com.pk).



**MORAFCO
INDUSTRIES LIMITED**



PIDC

Morafco (PSX) 2016 / 1821
Dated: December 23, 2016

Mr. Hafiz Maqsood Munshi,
Manager-
Companies Securities Compliance-RAD,
Karachi Stock Exchange Building,
Karachi.
E. mail info@PSX.com.pk

SUBJECT: Non-Compliance of Code of Corporate Governance:

Dear Sir,

Kindly refer to your letter No. PSX / Gen-9350 dated December 19, 2016 (received in our office on 21st December 2016) on the subject cited above.

2. In this regard, we intimate you that the M/s. Morafco Industries Limited is a closed entity having no operational / commercial activities since May 1997. All the employees have already been relieved under the government policy of VSS / GHS. Presently, few employees have been engaged on ad-hoc basis through outsource to look after the pending legal issues including security of the properties and assets of the company. The unit is under active list of privatization with Privatization Commission Presently the management of the company is with Pakistan Industrial Development Corporation (PIDC).

3. We have already clarified to Karachi Stock Exchange vide letter No. Morafco (KSE) 2014 dated 27th January 2014 regarding Ministry has forwarded privatization programme of present Government taken in Council of Common Interest (CCI) along with copy of Ministry of Finance, Revenue, Economic Affairs and Privatization letter dated 21st August, 2013 whereby Government has decided to privatize 71 State owned Enterprises (SOEs) including Morafco Industries Limited.

4. In this regard, we intimate you that:-

- i. The company has following two persons as directors representing minority shareholders.
 - a) Mrs. Surriya Jabeen Abid.
 - b) Mr. Waheed Shahzad Butt (Advocate Lahore High Court).
- ii. All the financial / operational matters are being controlled and administered by the PIDC being the major shareholder and holding company is having a well organized internal audit department. All the financial transactions of this closed unit are being, controlled by PIDC and incurred after thorough examination by the internal audit.
- iii) As already mentioned above that, all the permanent employees of Morafco Industries have already been relieved under the government policy of VSS and GHS. Now few employees have been engaged by the PIDC on outsource basis for disposal of residual work of Morafco (a closed unit since the year 1997). M/s. PIDC has its Human Source department, hence the Board does not feel any need to have a separate Human Resource department for Morafco.



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Registered Office : C/o Republic Motors (Pvt) Ltd, 87-Shahrah-e-Quaid-e-Azam, Lahore.
Tel : 042 - 36306179, 36360530 Fax : 042-36363805

iv. All the Board members comprise the nominees from Government / PIDC who deal with the day-to-day affairs, so forming a separate executive committee is not needed.

5. In order to avoid violations relating to complicated requirements of SECP and Stock Exchanges & in view of receiving NOC from Privatization Commission and clearance from our concerned Ministry i.e. Ministry of Industries and Production Government of Pakistan Islamabad the BOD of Morafco in its 117th meeting held on 10-10-2016 has decided to get the company delisted from the Stock Exchanges and for conversion of status of the company from Public Limited to Private Limited. In order to implement the decision, recently the Board has appointed a firm of professionals i.e. M/s. Kamran & Co Chartered Accountants (also auditors of Morafco) to expedite the assignments of delisting from the Stock Exchanges and conversion of status of the company from Public Limited to Private Limited.

6. The progress and updates in this regard shall be communicated to you in due course of time. We hope that the above will suffice you requirements.

Kindly acknowledge receipt. Thanking you,


Muhammad Nadeem Athar
Company Secretary (Morafco)



c.c.

1. PSO to CEO PIDC / MD Morafco for Information
2. All directors of Morafco Industries Limited for Information