



MIAN TEXTILE INDUSTRIES LIMITED

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April 29, 2017

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Road
Karachi.

Subject: **Material Information**

Dear Sir

In accordance with Section 15D of the Securities & Exchange Ordinance, 1969 and Clause 5.19.13 (c) of Code of Corporate Governance contained in the Rule Book of the Exchange, we hereby convey the following information:

The shareholders of the Company in the Extra Ordinary General Meeting held on April 29, 2017 have approved the following resolution as special resolution:

"Resolved that:

- a) Pursuant to section 196 of the Companies Ordinance, 1984, the shareholders be and hereby authorize directors of the Company to sell the Land, Building and remaining Spinning and other plant & machinery along with auxiliary machinery/parts to pay the outstanding loans to the banks and Directors/their family associates in the best interest of the Company.
- b) Mian Muhammad Jehangir – Chief Executive of the Company be and is hereby authorized and empowered to sell the Land, Building and remaining Spinning and other plant & machinery along with auxiliary machinery/parts through tender in newspapers/negotiations with the interested parties and to pay the liabilities of the lenders from the sale proceeds of the said assets on behalf of the Company and complete all the legal formalities to give effect to the aforesaid Resolution."

The statement pertaining to the material facts is being enclosed herewith.

Regards

For Mian Textile Industries Ltd.

Company Secretary

STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984:

This statement sets out below the material facts pertaining to the special business to be transacted at the Extra Ordinary General Meeting of the Company to be held on April 29, 2017.

Disposal of Assets:

The Company has strived hard to survive in the inauspicious time through continued support by the lenders and sponsoring directors by providing funds/loans. The overall condition of Textile Industry is getting more aggravated day by day and now the sponsoring directors & their family associates are finding it difficult to provide further funds to support the Company.

Due to adverse business condition prevailing in the market, a number of textile mills have already shutdown while remaining are forced to close down one shift to mitigate losses. Consequently, the prices of textile machineries have substantially reduced because of less prospective buyers for textile machineries/assets in the market these days. Conversely, due to long outstanding litigations with the banks and in order to fulfill the commitments made through out of court settlement agreements with the banks, the Directors/family associates have also provided funds/loans to the company.

The detail of settlement amounts fully paid recently is as under:

Description	Status	Outstanding Amount (Rs. in million)	Already Paid (Rs. in million)	Balance Amount (Rs. in million)
Industrial Development Bank Ltd. (Formerly IDBP)	Fully Paid	12.807	12.807	-
NIB Bank (Formerly PICIC)	Fully Paid	110.924	110.924	-
The Bank of Punjab	Fully Paid	38.827	38.827	-
Total		162.558	162.558	-

The detail of outstanding loans payable is as under:

Description	Status	Outstanding Amount (Rs. in million)	Already Paid (Rs. in million)	Balance Amount (Rs. in million)
Habib Bank Limited	Settled & Partially paid	130.000	118.800	11.200
National Bank of Pakistan	Settled & yet to be paid	57.213	-	57.213
First National Bank Modaraba	Not Settled yet	18.083	-	18.083
Loan from Directors/Family Associates		336.875	-	336.875
Total		542.171	118.800	423.371

The detail of assets to be disposed-off, as required to be provided under SRO 1227/2005 dated December 12, 2005 issued by SECP is as under:

Description of Assets	Total Land (20 Acres [approx], located at 48.5 Km Lahore-Multan Road), Building and remaining Spinning and other plant & machinery along with auxiliary machinery/parts in different sections.
Book Value as on December 31, 2016	Rs. 388.61 million
Fair Market Value (approx)	Rs. 360.44 million (As per valuation report by Hamid Mukhtar & Co. (Pvt.) Ltd.)

The Land, Building and remaining plant & machinery shall be disposed off after completing all the legal formalities to make payments of loans to the Banks/Directors & Family Associates through tender in newspapers/negotiations with the interested parties at best available and quoted market price. The management is hopeful and shall try to fetch the best possible prices than the above market value.

Out of loans from Directors/Family associates, a balance of Rs. 80.00 million is available with the Company in its bank accounts for onward payments to the above mentioned banks against their outstanding loans and other payables/expenditures. The Directors/Family associates intend to defer the repayment of their loans to some extent in case the management does not succeed to fetch the prices over and above the said market value.

By disposal of the above mentioned assets, the Company will have the following benefits:

- Litigations with the banks shall be closed.
- Bank loans/liabilities shall be fully paid.
- The Company will be able to reduce loss being incurred due to non-availability of working capital and wear & tear of the old machinery.

Future Plan:

- The Company intends to do Trading business in Textile products.
- Total cost of the proposed trading business shall be around 100.00 million, which shall hopefully be available with the Company after making payments to the banks and by deferring the repayment of the loan by the Directors as mentioned above. However, the Directors/family associates can also provide funds in the future (if needed) to do the trading business.
- The Company intends to start the trading business immediately after the repayment of its above mentioned loans/liabilities.

After the execution of the sale transaction, a report regarding sale proceeds and its utilization shall be submitted to the Commission on quarterly basis.

The Directors of the Company are interested in the business to the extent of their shareholding/loans to the Company.