



Nazir Cotton Mills Ltd.

MANUFACTURER & EXPORTERS OF COTTON YARN

Ref: NCML/10/23
October 22, 2019

The Manager
Compliance and Securities Compliance-RAD
Pakistan Stock Exchange Limited
KARACHI.

Submission Regarding Notice for Non-Compliance of Clause 5.11.1(b) and (i) of the PSX Regulation

Attn: Hafiz Maqsood Munshi

Dear Sir,

This is with reference to your letter No. PSX-Gen-3433 dated Aug 05, 2019, PSX-Gen-3556 dated August 09, 2019 and PSX/N-1199 dated September 27, 2019 and further notices in this regard regarding Non-compliance of 5.11.1(b) and (i) of the PSX Regulation. In this context, we submit as under:-

1. The sponsor directors have obtained orders of the Honorable High Court for reconnection of electricity of the Mill, by their firm determination to restart the Commercial production. The Wapda is still not obeying the order of the Honorable Lahore High Court Lahore, for which the company has file the application for contempt of court against Wapda. According to the information available through media, Government has strong feelings that some practical steps need to be taken to solve the textile industry problems. But it is possible only when the secure reconnection of Electricity.
2. The company plans to boost its financial resources through disposal of its surplus/idle assets in the form of certain plots owned by it and the old machinery. For this purpose, the company has call EOGM which was held on May 22, 2019. In the EGM, it was resolved that The Company had already suspended its manufacturing operations since December 2006 due to shortage of working capital, unfavorable market conditions and continuous losses. At the balance sheet date, the Company's accumulated losses stood at Rs. `450.22 million. The Management has now re-assessed the market conditions in view of the efforts of the present Government and reconfirmed their previous decision to dispose of the Scrapped Machinery and Land situated at Moza Jamber District Pattoki of the Company and also suggested a Business Plan. Financial Projection of the proposed business plan is attached with this Notice as Annexure 'A'. The Board of Directors considered the plan and after discussion approved the aforesaid disposal plan.

HEAD OFFICE:

61 - K, Gulberg III, Lahore.

Telephones:

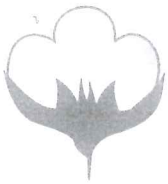
Phone : +92 - 42 - 35763736, 35773742

Fax : +92 - 42 - 35763768

E-mail : nazir@nazircotton.com

Mills:

Aslamabad, Kharianwala
8 KM Faisalabad Road, Sh
Phone/Fax: 056 - 3544054



Nazir Cotton Mills Ltd.

MANUFACTURER & EXPORTERS OF COTTON YARN

Further Resolved that a Committee of the following three directors will finalize and decide the sale price of the Scrapped Machinery and Land situated at Moza Jamber District Pattoki.

- Mian Shahzad Aslam -Chairman
- Mian Amir Naseem -Member
- Maqbool Husain Bhutta -Member

Further resolved that Mian Shahzad Aslam will be authorized person on Behalf of the Company for the disposal of Scarped Machinery and Land.

3. At present, the scraped machinery has been disposed of and funds amounting to Rs. 26 Million have been generated. The Directors has invested an interest free loan of Rs. 4.8 Million in the company. The farm has been initially started on a trial Basis by the purchase of 20 cow/ buffalos.
4. The construction of Farm has been initiated which may take approximately 60 days after which the complete Dairy Farm will be started.
5. The negotiation regarding the sale of a piece of land situated at Pattoki.
6. Moreover, we will provide the further progress regarding the above farm as the progress is made in future.

It is clear from the above that the company did not make any default in this regard. So it is requested to kindly remove the name of the company from default segment and wait until the outcome of the coming EOGM of the company and case of Honorable Lahore High Court is decided.

We assure you our best of co-operation

Thanking you.

Yours faithfully,
For NAZIR COTTON MILLS LTD


Maqbool Husain Bhutta
CFO

Encl. as above

HEAD OFFICE:

61 - K, Gulberg III, Lahore.

Telephones:

Phone : +92 - 42 - 35763736, 35773742

Fax : +92 - 42 - 35763768

E-mail : nazir@nazircotton.com

Mills:

Aslamabad, Kharianwala
8 KM Faisalabad Road, Sheikhpura.
Phone/Fax: 056 - 3544054