



N.P. SPINNING MILLS LIMITED

Manufacturers, Spinners and Exporters of Cotton / Polyester Yarn
and Textile All Sorts

MILLS

1.5 Km. Lallyani Road,
Opp. Raiwind Grid Station, Raiwind.
Phone: 042-35391557-8

HEAD OFFICE:

703, Uni-Tower, I.I. Chundrigar Road, Karachi-Pakistan.
Phone : (92-21) 32427202-5
Fax : (92-21) 32427210
E-mail : info@npsm.com.pk, np.purchase@gmail.com

SECY/13/16

June 07, 2016

(1) The Commissioner (Enforcement)

**Securities and Exchange
Commission of Pakistan,**
7th Floor, NIC Building,
63-Jinnah Avenue Blue Area,
Islamabad.

(2) The General Manager,

Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi-74000.

SUB: MATERIAL INFORMATION

Dear Sir,

In compliance with the requirement of the Securities Act-2015 and Clause 15.19.13 (c) of the Code of Corporate Governance contained in the Rule Book of the Exchange, we would like to inform you that the Board of Directors of the Company in its meeting held on 07-06-2016 with regard to Company Operations, has decided as under:-

In order to save the Company from accumulation of further losses, the operations of the Mills are being suspended temporarily till further notice. The main reasons for this suspension are as under:-

- i. Unfavorable market conditions in spinning sector during the period of more than 2 years.
- ii. Non – availability of necessary utilities (acute shortage of electric & gas) particularly in the Province of Punjab.
- iii. High Cost of limited supply of the utilities, in comparison to other Provinces.
- iv. Acute shortage of Cotton in the country, and high cost factor involved to import the same.
- v. Shortage of working capital and extreme monetary crunch due to unfavourable selling prices.

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- vi. Due to import of Yarn from India and China, the consumption of local products have been reduced tremendously and resultantly the selling prices thereof have adversely been affected.
- vii. Lowest selling price in comparison to high operating expenses, which accumulated losses day to day.

The aforementioned step of temporary suspension of the operations of the Mills is to find out a suitable solution for revival of the project and to make the same viable if the operations are resumed in future, and therefore, with immediate effect, the entire work force (except the Security, Admin and Head Office Staff) within the Project premises have been relieved with intention to minimize the operating expenses during the period of suspension of business operation.

We hope that with the cooperation of the financial institutions / banks, the Management would be able to find out a better solution for future prosperity of the said Project which is otherwise very much viable if the aforementioned shortcomings could be over-come properly.

Thanking you.

Yours faithfully,
For N. P. Spinning Mills Limited,

(Muhammad Siddique)
Company Secretary