PAKISTAN STOCK EXCHANGE LIMITED

(formerly: Karachi Stock Exchange Limited)

PSX/N-4209 **NOTICE** **July 26, 2016**

Reproduced hereunder letter received from **DEWAN CEMENT 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).

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DEWAN CEMENT LIMITED

July 21, 2016

Mr. Abbas Mirza,
GM & Chief Compliance Officer
Pakistan Stock Exchange Limited,
Stock Exchange Building, Stock Exchange Road,
Karachi.

Reference: **Winding-up Petition filed against the Company by the lenders**

Dear Sir,

This refers to our hearing today on the subject matter, we would like to inform you that the various suits were filed against the Company several years back for the recovery of aggregate amount of PKR. 7,164.957 million and out of this total amount certain banks / financial institutions having suits to the extent of PKR. 1,198.827 million have filed the winding-up petitions against the Company under Section 305 of the Companies Ordinance, 1984. However, we are aggressively contesting the winding-up petitions in Honorable Court.

We are well aware of Corporate Responsibilities and respect regulatory bodies' regime and treat all shareholder at par and we have always been disclosing all the material information from time to time to the Commission and relevant Stock Exchanges in Pakistan. The said material information has also been disclosed in our financial statements. However, inadvertently if any information was missed from our side, we regret for such mistake and assure you that such an error was not mala fide and we will make sure that such things shall not be repeated and we will ensure the timely dissemination of price sensitive / material information to the Pakistan Stock Exchange.

We hope that exchange will not take any adverse action against the Company because of the followings.

DEWAN CEMENT LIMITED

1. No winding-up order has been issued by the Honorable Court despite the lapse of several years. It may be noted that 8 institutions out of 32 have filed winding up petitions claiming approximately PKR.1.2 billion.
2. Our intention has always been to settle all outstanding debts of banks and financial institutions amicably.
3. The Company is discharging its obligations and settling all the liabilities as we are fully committed to honor our obligations and commitments.
4. The Banks liabilities has been reduced by PKR.1.8 billion from PKR 8.865 billion outstanding in June 2008.
5. Debt to the tune of PKR.2.052 billion have already been restructured and being repaid as per agreed repayment schedule and the total payment of PKR.665.6 million has already been made.
6. This leaves with an un restructured loan of PKR.5.67 billion for which active negotiations are in progress.
7. The company is continuously in profit since half year ending Dec 31, 2011.
8. Suspension by the Exchange at this stage will jeopardize our efforts to protect the interest of our valuable shareholders and other stakeholders.
9. It may be noted that that our equity as of March 2016 is PKR 11.84 billion against the total debt of PKR.7.06 billion (debt 40:60 equity).

We are at an advanced stage of negotiations with the Lenders and the restructuring of the debts is in progress. Strategic plans have been finalized to address the same for which we have appointed M/S More Solutions (Pvt) Limited from our side to deal with the banks and M/s. Next Capital Limited has been appointed as transaction advisor. Once the restructuring of the Company's un restructured debt is agreed, in principle, with the steering committee of banks, we will immediately inform to the Commission / Pakistan Stock Exchange and the members of the Company accordingly.

In view of the above you are kindly requested to take into account the due minority and public interest in resolving the matter in the best interest of all the stake holders.

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We hope that the above explanation will suffice your observations of your letter no. PSX/C-618-5396 dated July 15, 2016.

Best Regards.

Muhammad Hanif German
Company Secretary

Haroon Iqbal
Director

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