Sakrand Sugar Mills Limited

SSML/Acc/244/ 2017

August 08, 2017

Mr. Muhammad Ghufran
DGM Corporate Affairs
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road
Karachi.

Dear Sir,

MATERIAL INFORMATION

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:

In reference to the ongoing financial restructuring of the Company, the management is proud to announce the approval of a settlement agreement with Industrial Development Bank Limited (the bank).

As per the approval granted, the bank has approved final settlement of entire liability at PKR 97.2 Million vide their letter No. HO/RM/846 dated July 20, 2017. The Company has accordingly made payment (s) as per the required schedule approved by the bank.

Further, the bank will issue an NOC in favour of banking syndicate to create a First Pari Passu charge for disbursement of long term loan of PKR 1,000 Million. It is on record that the Company and the bank were under counter litigation in the banking courts over the dispute of compounded mark-up since 2005 for a total case value of PKR 296 Million. The Company is now proceeding for legal documentation for a compromise in the banking courts and litigations shall be withdrawn by both parties.

This is a great achievement on part of the management and shows confidence in the Company by banking Companies and investors alike.

Thanking you

SAKRAND SUGAR MILLS LIMITED

Amad Uddin
Chief Finance Officer &
Company Secretary

CC: **Executive Director (Enforcement Department)**
Securities & exchange Commission of Pakistan

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