



CHAKWAL SPINNING MILLS LTD.



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June 24, 2010

Mr. Haroon Askari,
General Manager (Operations)
The Karachi Stock Exchange
(Guarantee) Limited,
KARACHI

Dear Sir,

PLACEMENT ON THE NON-COMPLAINT SEGMENT OF THE EXCHANGE ON ACCOUNT OF DEFAULT OF THE LISTING REGULATION

Please refer to your letter Ref.No. KSE/Gen-4042 dated June 4, 2010 on the subject, we have been directed to submit as follows-

1. The situation of most of the business sectors in our country is worst since last few years while textile sector is particularly one of the leading victims of the condition.
2. Position of the company up to the year ended June 30, 2009 was not so effective where EPR registered at (1.13) as compared to the EPR at 0.03 in the year 2008
3. Management of the company is struggling hard, taking every possible steps to compete international as well as domestic market for making the company profitable and up to third quarters of March 31, 2010 net profit of Rs. 30.114 millions has been witnessed which is expected to be increased at the end of current fiscal year.
4. Although there are still huge loses of prior years but management of the company is of the view that higher demands and prices of yarn in the international market will helpful to enhance the profit earning ratio in the coming quarters.

In view of the above the management is very much in a position to consider declaration of dividend or bonus in next coming annual general meeting scheduled to be held during last week of October this year.

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