



**Nakshbandi
Industries Limited**

H-23/4A, Scheme # 3, Landhi Industrial Area, Karachi-22

TEL. # 5083641-48 (8 Lines) FAX # 5082826 & 5082827

28/6/10

SHARE/NK/K-S-E-19/10

The Deputy General Manager
~~Trading and Members Affairs Department~~
Karachi Stock Exchange
(Guarantee) Limited
Stock Exchange Building
Stock Exchange Road
Karachi

June 24, 2010

SHOW CAUSE NOTICE UNDER KSE LISTING REGULATION NO. 30(2)

Dear Sir,

We refer to your notice bearing # KSE/Gen-4414 dated June 22, 2010 and would like to inform you that the company was continuously suffering losses in the past 5 years and the accumulated losses presently stood at Rs. 659.802 million. The losses squeezed the company financially and liquidity also eroded. Hectic efforts were made to keep the company as going concern which included both the financial and technical restructuring. Inefficiencies were identified and efforts were made to eliminate those and reduce cost. Resultantly the Company closed its fabric division and related assets were disposed to pay off the bank's liability. Two right issues aggregating 178% were also made within a period of almost one year to pay off the banks liability and get out of default besides injecting funds through directors/sponsors loans.

Alhamdulillah, efforts put in last two years started to yield and Company has economically revived and based on 09 month results it is strongly hoped that the company will make profit in the financial year to end on June 30, 2010 after incurring losses for 5 consecutive years and we assure you that the Board of Directors will consider dividend while approving the results for the year ended June 30, 2010.

You will appreciate that the non compliance with the referred Listing Regulation of the Exchange was due to forced situation as explained above and it is not appropriate to mention that the Company has shown disregard to the Listing Regulations of the Exchange.

In view of above you are requested to allow us an extension upto October 31, 2010 and do not place the Company on non-compliant segment.

Thanking you

Yours faithfully
For NAKSHBANDI INDUSTRIES LIMITED

(Rehan Rahman)
Chief Executive