

OLYMPIA**SPINNING & WEAVING MILLS LTD**

OSWM/KSE/06/2010

June 09, 2010

Mr Haroon Askari,
General Manager Operations
Karachi Stock Exchange (Guarantee) Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: **SHOW CAUSE NOTICE**


Dear Sir,

With reference to your letter no.KSE/Gen-4042, dated June 04, 2010 regarding placement of our company on Non-Compliant Segment of KSE Kindly note that we are currently incurring heavy losses due to worst conditions for spinning sector and most of the medium size textiles are incurring similar heavy losses. The main reason for this is imposition of quota restriction & regulatory duty, high inflation rate, increasing cost of cotton (local & imported), utilities and labor that will add additional short term borrowing for which we are paying high markup and stiff competition in local and International markets.

Since the company is passing through a lean period we request you not to place our company on the Defaulters Counters' & allow us some time for full recovery. We will distribute appropriate profit when the company starts to earn some profit.

Thanking you,

Yours faithfully,
For Olympia Spinning & Weaving Mills Limited


M. Waqar Monnoo
Chief Executive



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