

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-186

NOTICE

January 12, 2009

Reproduced hereunder letter received from RAVI TEXTILE MILLS LIMITED for information of members of the Exchange

REF/RTM/7231

Dated January 06, 2008

The General Manager *opentext*

Haroon Askari

Karachi Stock Exchange (G) Limited,

Stock Exchange Building,

Karachi.

Subject: **SHOW CAUSE NOTICE**

Dear Sir,

Kindly refer to your letter REF/KSE/GEN-11507 dated December 17, 2008 received on December 24, 2008 wherein you have pointed out the violation regarding failure to declare dividend and/or bonus certificates for five years. In response thereof we would like to submit few facts for your kind consideration and sympathetic action.

As you are aware of the fact that we are the new management of the company has taken over the charge of management during the month of January 2008 from its ex-sponsor directors under the law of listed companies (Substantial Acquisition and Voting Shares and Takeovers) Ordinance, 2002. The company under reference had closed its mills operation on 26-12-2006 with accumulated loss Rs 199.871 million and reasons were explained in the Directors' Report to the Shareholders Annual Report 2007. (Copy is enclosed herewith for ready reference). The old management could not distribute any dividend to the shareholders of the company during last five years due to continue losses and ultimately the company faced force closure.

After take over the charge the new management of the company has succeeded to restore the operation of the mills from the month of June 2008 and started the production/sale of yarn in same month after major replacements, repair and maintenance of plant and machinery and equipment etc. It became possible when new sponsor directors and associated undertaking injected their equity amounting to Rs.179.620 million and purchased the shares of company at par without offering right shares to existing shareholders after approval of Federal Government /Securities Exchange Commission of Pakistan and consequently increased the paid up capital from Rs.70.380 million to Rs.250.000 million details are available for your perusal in Annual Report 2008 and Condensed Interim Financial Information for the Quarter ended 30 September 2008. (Copy of Annual Report 2008 and Interim Information for Quarter ended 30 September 2008 are enclosed)

Keeping in view of above facts you are requested to please kindly defer/stop the proceeding under Listing Regulation No.32(1)(b) for the period the company would be able to earn the profit from its operation.

Thanking You,

Yours Faithfully,

For Ravi Textile Mills Limited.

Ta3 Dada
CORPORATE SECRETARY



**RAVI TEXTILE MILLS
LIMITED**

HEAD OFFICE: 5/79, USMAN BLOCK,
NEW GARDEN TOWN
LAHORE-PAKISTAN.
TEL: +92-42-5886724-26
FAX: +92-42-5886729
E-mail: info@ravitextile.com