

THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-30

NOTICE

January 02, 2009

Reproduced hereunder letter received from **TAHA SPINNING MILLS LIMITED**
for information of members of the Exchange

Taha Spinning Mills Limited

406 Commerce Centre, Hasrat Mohani Road, Karachi, Pakistan
Tel: 2638521-4 Fax: 2639843 E.mail: hmi@cyber.net.pk

31st December, 2008

The General Manager Operation,
Karachi Stock Exchange (Guarantee) Ltd.,
Stock Exchange Bldg.,
Stock Exchange Road,
Karachi.

Dear Sir,

Sub: Show Cause Notice

Please refer to your show cause notice No.KSDE/Gen-11507 dated 17th December, 2008.
We have to state that:

1. Textile industry is in crisis since long due to overburdened with high cost of production including high rate of interest, high utility charges, frequent power breakdown, liquidity crunch and hostile international climate for Pakistan.
2. International recession in financial and economic sector accompanied with deteriorating local economic, political and law and order situation are badly affecting all sectors but specially the textile sector.
3. Our mills godowns were put on fire last year on the assassination of Mathurma BeNazir Bhutto on the mid night of Dec.27/28, 2007. We suffered loss of Rs.162.463 million. The incident was brought to the notice of SECP, Stock Exchange and our members.
4. Our claim is still under settlement with insurance company. Due to above incident we are facing liquidity problems and operation of the mill is suspended.
5. Due to above factors and heavy losses of the company, the directors have not recommended any dividend/bonus certificates.

We are trying our best to restart the operation of the mills and assure you that if the textile industry comes back on track, we expect better results in future.

Keeping in view the, we request you to withdraw your show cause notice and oblige.

Thanking you,

Yours truly,
Taha Spinning Mills Ltd