

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

KSE/N-146

**NOTICE**

January 09, 2009

Reproduced hereunder letter received from **TOWELLERS LIMITED**, for information of members of the Exchange

PHONES : 6322500, 6323500, 6325500  
6322608, 6323434, 6323100  
6326600, 6326500

CABLE : " ABSORBENT "  
FAX : 21-6314884, 21-6312442  
E-MAIL: towellers @ attglobal.net

# Towellers Limited

OFFICE & FACTORY:  
W.S.A - 30, BLOCK -1,  
FEDERAL 'B' AREA,  
KARACHI - 75950.

January 05, 2009

Mr. Haroon Askari  
General Manager Operation,  
The 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 17<sup>th</sup> December, 2008. We have to state that:

1. The management of the company had launched an expansion programme for its manufacturing unit and up gradation of quality of the products. All the manufacturing facilities has been housed under one umbrella. Alhamudillah project has been completed and have gone into operation
2. Due to the expansion program of the company and high cost of production due to the cotton yarn prices rising to all time high including, rate of mark-up, utility bills, frequent power breakdown, cash flow position of the company is very tight.
3. Local and International recession in financial and economic sector alongwith deteriorating law and order situation are badly affecting the industry.
4. Due to above factors and prevailing market conditions, the directors have not recommended any dividend/bonus certificates.

We are taking all efforts to declare dividend in the year 2009 provided other sectors remains favourable.

We therefore, request you to please withdraw your show cause notice and oblige.  
Thanking you,

Yours truly,  
Towellers Limited

