



Balochistan Glass Limited



June 21, 2010

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

Subject: NON PAYMENT OF DIVIDEND - DEFAULT OF LISTING REGULATION

Dear Sir,

Refer to your letter dated June 04, 2010 bearing reference no. KSE/Gen - 4042 regarding the above subject.

It is respectfully submitted that company has not declared dividend because it is suffering heavy operational losses during recent past and current periods.

One unit of company is closed since last eighteen months and other two were operating at low efficiencies. However, after successful completion of BMR Plan of Unit - III, as was communicated to you last year, this unit has started operating at good efficiencies and initial results are good. The effect of this can be seen in our latest quarterly accounts which shows our losses has reduced by 19.68 % from the comparative quarter.

The directors and sponsors are committed for the revival of other two units of the company also and for this purpose they had extended Loans of about Rs. 1.5 billion. The unit - II furnace is in the process of rebuilding and some of the bricks have reached at the plant. Unit - I is currently producing beverage containers (flint) and it is decided to convert it into pharma as soon as unit - II will resume production. We hope that our BMR of remaining two units shall be completed by the end of next half of the calendar year and by the grace of Allah we shall start operating profitably.

Our major lenders have also restructured the loans extended by them which will be an added benefit for the smooth operations of the company and we also have plans to issue some equity instruments which shall be badly affected by the action mentioned in your letter.

Further submitted that we at Balochistan Glass Ltd have a culture of abiding by all the applicable laws and regulations and we had never defaulted in complying with other regulations of the exchange. In present situation we are unable to comply with the said regulations.

Keeping in view the above submissions and our current operational conditions we request your good self to further allow us one year time for complying with the said regulations of the exchange and normal trading of the shares be allowed for future benefit of our shareholders and to help us in complying with our plans to revive the company.

Best Regards


Company Secretary

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