

Haji Mohammad Ismail Mills Limited
408 Commerce Centre, Hasrat Mohani Road, Karachi- 74200
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30th June, 2010

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-4414 dated 22nd June, 2010,
We have to state that:


1. Textile industry in general and open end yarn industry in particular is under crisis since long due to overburdened with high cost of production including high rate of mark up, high utility charges, electric and gas load shedding, liquidity crunch and hostile international climate for Pakistan.
2. Deteriorating local economic, political and law and order situation are badly affecting all sectors but particularly textile sector.
3. Due to heavy losses, Electric Power Generators break down, adverse market conditions, shortage of liquidity and increase in financial cost forced the management to suspend the yarn production operation on 1.10.207. All these factors were brought to the notice of SECP, Stock Exchange and our members.
4. Due to above factors we are facing liquidity problems and financial constrains, therefore 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 open end industry comes back on track we expect better results in future.

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

Thanking you,

Yours truly
Haji Mohammad Ismail Mills Ltd


Chief Executive



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