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NOTICE

To: Chief Executive Officer Al-Azhar Textile Mills Ltd.

Cc: Executive Director (SMD-South) Securities and Exchange Commission of Pakistan
Managing Director The Karachi Stock Exchange (Guarantee) Limited
Managing Director Lahore Stock Exchange (Guarantee) Limited
Chief Executive Officer National Clearing Company of Pakistan Limited
CDS Elements Account Holders/ Participants/ Eligible Pledgees

From: Kamran Qazi
CFO & Company Secretary

Date: November 17, 2007

Subject: NOTICE OF INTENTION TO SUSPEND THE CDS ELIGIBILITY OF ORDINARY SHARES OF AL-AZHAR TEXTILE MILLS LIMITED

This is with reference to your letter bearing reference no. AZTM/CDC/031 dated November 07, 2007, stating reasons for not complying with the requirement of Regulation 13.7.1 of the Central Depository Company of Pakistan Limited Regulations ("CDC Regulations") with respect to the CDS Eligibility of ordinary shares of Al-Azhar Textile Mills Limited ("the Issuer"), which Regulation requires the Issuer to submit RT/A Reconciliation Report to CDC in the manner stipulated under the said Regulation.

As stated in your letter under reference, presently your company does not have access to the relevant records to carryout statutory obligations including compliance of CDC Regulations. The current position gives rise to Regulation 5.3.1 (a) of the CDC Regulations where the Issuer becomes unable or in any respect fails to comply with the CDC Regulations.

In view of above, it is hereby notified under Regulation 5.3.2, that consequent to failure by the Issuer to comply with Regulation 13.7.1 of the CDC Regulations requiring submission of RT/A Reconciliation Report", CDC intends to suspend the CDS Eligibility of ordinary shares of the Issuer with effect from **Friday, November 30, 2007**. The Issuer is therefore advised to comply with the aforesaid regulatory requirement before the said date to avoid suspension as aforesaid.

As required by the said Regulation 5.3.2 of the CDC Regulations, a copy of this notice is being sent to the Stock Exchanges where the ordinary shares of the Issuer are listed.

Regards,

Note: CDS Participants are required to forthwith inform their relevant Sub-Account Holders regarding issuance of this notice.

(Marketing & CDS Department)
19 NOV 2007
10:45
TIME SIGNATURE