

AYESHA TEXTILE MILLS LIMITED

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Hafiz Maqsood Munshi
Manager
Corporate & Securities Compliance -RAD
Pakistan Stock Exchange Limited
Karachi.

June 10, 2019

Your Ref: PSX/Gen-2400

Re: INDEPENDENT AUDITORS REPORT FOR THE YEAR ENDED JUNE 30, 2018

Dear Sir,

With reference to your notice dated May 30, 2019 regarding subject cited above, please note that the Company seized its operations due to adverse economic conditions in the country especially the textile industry in Pakistan was hit hard by the high cost of production, geo political issues, unprecedented hike of electricity, gas and uneven prices of cotton which forced the company closed down its commercial operations as it was unfeasible to continue operating. The board of directors of the Company is of the view that re-commencement of textile spinning operations will only result in losses to the Company which is not advisable for both the majority as well as minority shareholders. Any losses incurred by the Company shall only result in diminishing the share value and equity of the Company. Moreover, the Government is now proposing to withdraw the zero-rating regime of the textile sector, which will further have a negative impact on the textile industry in Pakistan, in fact it could be disastrous. However, the Board of Directors of the Company are committed to re-commence the operations once the business environment and mentioned factors are favorable for the textile industry.

The Board of Directors are very much committed to safeguard the interest of the minority shareholders, and hence they have initiated the process of voluntary delisting of securities from the Exchange and offer to purchase the shares from the minority shareholders which hopefully shall be completed soon. You are already aware that this process is in its final stages.

The Company duly transmitted the financial statements through PUCAR and has dispatched three (3) copies of annual audited financial statements as required. As required, please find enclosed cheque number 18799496 drawn on Silkbank Limited amounting to Rs 19,567/- against full and final settlement of outstanding surcharge(s) to the Pakistan Stock Exchange.

In lieu of above, you are requested to kindly take a lenient view as the Board of Directors is committed to make strict compliance with the regulations and also expedite the process of delisting.

Yours faithfully,
For Ayesha Textile Mills Limited

For and on behalf of
Ayesha Textile Mills Limited


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Authorised Signatory