

# **Quarterly Report March 31, 2019**

**Ayesha Textile Mills  
Limited**

**Directors' Report**

The Directors are pleased to present their report on the operational results of the Company for the quarter ended March 31, 2019.

**Financial summary of the current quarter is as follow:**

	31 March 2019	
	NINE MONTHS ENDED	QUARTER ENDED
SALES	0	0
COST OF SALES	(11,154)	(3,718)
GROSS LOSS	(11,154)	(3,718)
DISTRIBUTION COST	0	0
ADMINISTRATIVE EXPENSES	(6,396)	(2,353)
<b>OPERATING LOSS</b>	<b>(17,550)</b>	<b>(6,071)</b>
OTHER INCOME	20,446	6,680
FINANCE CHARGES	(7)	(2)
LOSS BEFORE TAXATION	2,889	607
TAXATION	0	0
PROFIT AFTER TAXATION	<u>2,889</u>	<u>607</u>

**Future Outlook:**

The management expects some improvement in the overall business scenario in the future. We expect to close the year in a positive note.

**Acknowledgment:**

We would like to thank the Board of Directors for their guidance at all times to all employees and shareholders for their cooperation.

For and On behalf of Board of Directors

**Chief Executive**  
**April 30, 2019**  
**Lahore**

**Director**

**AYESHA TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2019**

NOTE	(Un-audited) Mar-19 Rupees 000	(Audited) Jun-18 Rupees 000
<b>CAPITAL AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
<b>Authorized capital</b>		
5,000,000 (2018: 5,000,000) ordinary shares of Rs.10/- each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital	14,000	14,000
Reserves	77,627	77,627
Un appropriated Loss	<u>(280,562)</u>	<u>(283,451)</u>
	<b>(188,935)</b>	<b>(191,824)</b>
Surplus on revaluation of property ,plant and equipment	<b>295,338</b>	295,338
<b>NON CURRENT LIABILITIES</b>		
Long term finance	187,661	195,336
Deferred liabilities	30,972	30,972
	<b>218,633</b>	<b>226,308</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	249,595	243,698
Accrued interest / mark up	32,272	32,272
Short term borrowings from banking companies	239,511	239,511
Short term borrowings from associated undertakings	49,899	49,899
Current portion of non current liabilities	<u>161,491</u>	<u>161,491</u>
	<b>732,768</b>	<b>726,871</b>
<b>CONTIGENICES AND COMMITMENTS</b>		
	-	-
	<u><b>1,057,804</b></u>	<u><b>1,056,693</b></u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property ,plant and equipment	980,305	991,459
Long term deposits	9,647	9,302
	<b>989,952</b>	<b>1,000,761</b>
<b>CURRENT ASSTS</b>		
Trade debts	1,650	1,500
Loans and advances	850	782
Tax refund due from government	53,404	53,369
Cash and bank balances	<u>11,948</u>	<u>281</u>
	<b>67,852</b>	<b>55,932</b>
	<u><b>1,057,804</b></u>	<u><b>1,056,693</b></u>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
**CHIEF EXECUTIVE**

\_\_\_\_\_  
**DIRECTOR**

**AYESHA TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-audited)**  
**FOR THE QUARTER ENDED MARCH 31, 2019**

NOTE	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)
	Mar-19	Mar-18	Mar-19	Mar-18
	QUARTER ENDED	QUARTER ENDED	NINE MONTHS ENDED	NINE MONTHS ENDED
	000	000	000	000
SALE- NET	-	-	-	-
COST OF GOODS SOLD	(3,718)	(4,758)	(11,154)	(14,275)
GROSS LOSS	(3,718)	(4,758)	(11,154)	(14,275)
ADMINISTRATIVE EXPENSES	(2,353)	2,500	(6,396)	(6,957)
OPERATING LOSS	(6,071)	(2,259)	(17,550)	(21,232)
OTHER INCOME	6,680	4,006	20,446	12,073
DISTRIBUTION COST	-	(267)	-	-
PROFIT / (LOSS) BEFORE INTEREST AND TAXATION	609	1,480	2,896	(9,159)
FINANCIAL CHARGES	(2)	(3)	(7)	(6)
PROVISION FOR TAXATION	607	1,477	2,889	(9,165)
	-	-	-	(1,745.00)
PROFIT / (LOSS) AFTER TAXATION	607	1,477	2,889	(10,910)
LOSS PER SHARE- BASIC & DILUTED	0.43	1.06	2.06	(7.79)

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR

**AYESHA TEXTILE MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)**  
**FOR THE QUARTER ENDED MARCH 31, 2019**

	Share Capital	Reserves	Un-appropriated Profit/ loss	Total
			Rupees '000	
<b>Balance as at June 30, 2018</b>	14,000	77,627	(283,451)	(191,824)
Total comprehensive income for the period	-	-	2,889	2,889
<b>Balance as at March 31, 2019</b>	<b>14,000</b>	<b>77,627</b>	<b>(280,562)</b>	<b>(162,776)</b>

The annexed notes form an integral part of these financial statements.

\_\_\_\_\_  
**Chairman/Chief Executive**

\_\_\_\_\_  
**Director**

**AYESHA TEXTILE MILLS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED MARCH 31, 2019**

**1 STATUS AND ACTIVITIES**

Ayesha Textile Mills Limited is a public limited company incorporated under the Companies Acts, 1913 (now Companies Ordinance, 1984) and listed at Karachi and Lahore stock exchanges of Pakistan. The Registered office of the company is situated at 97-B, Gulberg II, Lahore. The company is engaged in the manufacturing and sale of cotton and PC yarn.

**1.1 GOING CONCERN ASSUMPTION**

Spinning units located in the province of Punjab suffered severe energy crisis in the form of unscheduled and unprecedented gas and electricity load shedding which catastrophically impaired the production of the company resulting in a major production short fall as compared to the last year. During the year the company has ceased the production of unit-II situated at nine kilometer, Faisalabad Road Kharianwala, Sheikhupura since April 2015. Employee and other technical staff of the Kharianwala unit have been fired by the company.

- a) The management has prepared a five years future plan showing profitability.
- b) The Sponsoring Directors have given a written commitment stating that they will provide out of Private Sources working capital as required by the Company.

- c) The management has also undertaken adequate steps towards the reduction of fixed cost and expenses which are at various stages of implementation. Such steps include, but not limited to, rightsizing of the man power, resource conservation, close monitoring of other fixed cost estate management is certain to generate sufficient savings as consequences of adopting all such measures.

- d) During the year directors and sponsors have waived off their loans in the best interest of the company.

- e) United-1 located at 32 KM Lahore road, Ismail Abad Sheikhupura is running on full capacity. Management is also considering different options to revive the production of closed units and management is very much confident that production of the closed units will be revived in few months.

- 1.2** The management anticipates that above steps will not only bring the company out of the existing financial crisis but also contribute significantly towards the improvement of the Company's Financial Position in the foreseeable future.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such international Financial Reporting Standards (IFRS) issued by the international Accounting Standard Board and Islamic Financial Accounting Standards (IFAS) issued by the institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017. Provisions of and directives issued under the Companies Act, 2017. Wherever the requirements of the Companies Act, 2017 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Act, 2017 or the requirements of the said directives prevail.

## 3 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except that freehold land, factory building on freehold land, plant and machinery have been included at the revalued amount as referred to in note 5, revaluation of certain financial instruments at fair value and recognition of certain staff retirement benefits at net present value.

## 4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	(Un-audited) Mar-19	(Un-audited) Jun-18
	QUARTER ENDED (RUPEES IN "000")	QUARTER ENDED (RUPEES IN "000")
350,000 (June 30, 2017: 350,000) ordinary shares of Rs. 10/- each fully paid in cash	3,500	3,500
1,050,000 (June 30, 2017: 1,050,000) ordinary shares of Rs. 10/- each issued as bonus shares	10,500	10,500
	<u>14,000</u>	<u>14,000</u>

## 6 PROPERTY PLANT & EQUIPMENT

Opening written down value	991,459	1,010,493
Addition	-	-
Less: Depreciation	(11,154)	(19,035)
	<u>980,305</u>	<u>991,459</u>

## 7 DATE FOR AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on \_\_\_\_\_ by the board of directors of the company.

## 8 GENERAL

Figures have been rounded off to the nearest thousand of rupees.

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR