



# **AEL** TEXTILES

## **QUARTERLY ACCOUNTS**

FOR THE PERIOD ENDED  
30TH SEPTEMBER 2023





## COMPANY INFORMATION

### Board of Directors

Mr. Mustanser Ahmed	Director/Chairman
Mr. Awais Tariq	Director/CEO
Ms. Ayesha Naweed	Director
Mr. Abdul Rehman	Director
Mr. Aziz Ur Rehman	Director
Mr. Muhammad Nafees Khan	Director
Mr. Abdul Wahab	Director

### Audit Committee

Mr. Abdul Rehman	Chairman
Mr. Muhammad Nafees Khan	Member
Mr. Abdul Wahab	Member

### Human Resource & Remuneration Committee

Mr. Abdul Rehman	Chairman
Mr. Muhammad Nafees Khan	Member
Mr. Abdul Wahab	Member

### Chief Financial Officer

Mr. Aziz Ur Rehman

### Company Secretary

Mr. Tariq Majeed

### Web Presence

[www.aeltextiles.com](http://www.aeltextiles.com)

### Shares Registrar

F.D. Registrar Services (Pvt.) Limited  
Suite 1705-A 17th Floor, Saima Trade  
Tower, I.I. Chundrigar Road,  
Karachi  
(92-21) 32271905-6, 32213243

### Registered Office

19-A Commercial Area Izmir Town,  
Canal Bank Road Lahore

### Auditors

M/s. HLB Ijaz Tabaussum &  
Chartered Accountants  
Lahore

### Bankers

Meezan Bank Limited  
National Bank of Pakistan  
Habib Bank Limited  
AL Baraka Bank (Pakistan) Limited  
Bank Al Habib Limited  
United Bank Limited  
Bank Alfalah  
Habib Metropolitan Bank Limited



## DIRECTORS' REPORT

### For The Quarter Ended September 30, 2023

The Directors of AEL Textiles Limited are pleased to present their report together with the un-audited financial statements of the Company, for quarter ended on September 30, 2023.

The shareholders of the Company in EOGM held on July 18<sup>th</sup> 2023, approved the proposal for the merger of the Company and Stylers International Limited (SIL) a garment export Company. Upon sanction of the scheme of restructuring / arrangement by the Honorable Lahore High Court and filling of necessary documents and completing required formalities SIL shall become a company listed on Pakistan Stock Exchange (PSX) in place of AEL. Upon listing of SIL at PSX, the shareholders of AEL will become shareholder of SIL.

Financial performance of the Company for quarter ended September 30, 2023, is as under:

Description	QUARTER ENDED	
	September 30, 2023 (PKR)	September 30, 2022 (PKR)
Revenue	6,779,661	-
Cost of sales	(6,169,527)	-
Gross profit	610,134	-
Administrative / Other Expense	(1,434,817)	(931,653)
Other Income	2,905,480	-
Finance Cost	-	(147)
Profit / (loss) before Taxation	2,080,797	(931,800)
Profit / (loss) after Taxation	1,477,366	(931,800)
Earnings / (loss) per share (PKR)	0.18	(0.12)

The revenue for the quarter ended September 2023 was PKR 6.78m with gross profit of 0.61m in comparison to NIL sales in same quarter of last year. The Other Income essentially represents returns on fixed deposits. Profit before tax was PKR 2.08m as against loss of PKR 0.93m in July-September quarter of 2022. Consequently, EPS was PKR 0.18 / share in Q1 2023 as compared to negative EPS in Q1 of 2022.

Pakistan's economy is estimated to have contracted in FY23. Overall, real gross domestic product (GDP) is reckoned to have declined by 0.6 percent in FY23 after growing for two consecutive years. Pressures on domestic prices, unprecedented high interest rates, external and fiscal imbalances, dwindling foreign exchange reserves, slowdown of economic activity due to import controls and political uncertainty persists. Appreciation of PKR against all foreign currencies and improvement in PSX index are not good enough to restore public / business confidence in the economic scenario of Pakistan.

#### AEL Textiles Limited

Registered Office: 19-A, Commercial Area, Izmir Town, Canal Bank Road, Lahore

Phone No. 92-42 35961974, 0333-4225449

web address: [www.aeltextiles.com](http://www.aeltextiles.com)



The potential merger with a profitable export-oriented company is in final stages and the Board of Directors are confident that this landmark will bode well for all the patrons of the Company.

Your director's wish to thank all stakeholders for their hard work for the Company.

On behalf of the Board of Directors

Awais Tariq  
Chief Executive Officer  
Dated:- 25 October 2023

Muhammad Nafees Khan  
Director

## ڈائریکٹرز کی جائزہ رپورٹ

برائے سرمایہ 30 ستمبر 2023

AEL ٹیکسٹائل لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2023 کو ختم ہونے والی سرمایہ کے لیے کمپنی کے غیر جانچ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

18 جولائی 2023 کو منعقدہ EOGM میں کمپنی کے شیئرز ہولڈرز نے کمپنی اور ایک گارمنٹ ایکسپورٹ کمپنی اسٹاکرز انٹرنیشنل لمیٹڈ (SIL) کے انضمام کی تجویز منظور کی۔ معزز لاہور ہائی کورٹ کی طرف سے تنظیم نو/انتظامات کی اسکیم کی منظوری اور ضروری دستاویزات داخل کرنے اور مطلوبہ فارمیٹیز کو مکمل کرنے پر AEL کی جگہ SIL پاکستان اسٹاک ایکسچینج (PSX) میں مندرج کمپنی بن جائے گی۔ PSX میں SIL کی لسٹنگ کے بعد، AEL کے شیئرز ہولڈرز SIL کے شیئرز ہولڈرز بن جائیں گے۔

30 ستمبر 2023 کو ختم ہونے والی سرمایہ کے لیے کمپنی کی مالی کارکردگی درج ذیل ہے:

مختتمہ سرمایہ		تفصیل
30 ستمبر 2022 (پاکستانی روپے)	30 ستمبر 2023 (پاکستانی روپے)	
-	6,779,661	آمدنی
-	(6,169,527)	فروخت کی لاگت
-	610,134	مجموعی منافع
(931,653)	(1,434,817)	انتظامی/دیگر اخراجات
-	2,905,480	دیگر آمدنی
(147)	-	مالی لاگت
(931,800)	2,080,797	قبل از ٹیکس منافع (نقصان)
(931,800)	1,477,366	بعد از ٹیکس منافع (نقصان)
(0.12)	0.18	فی شیئر آمدنی (نقصان)

ستمبر 2023 کو ختم ہونے والی سرمایہ کی آمدنی گزشتہ سال کی اسی سرمایہ میں NIL فروخت کے مقابلے میں 0.61 ملین پاکستانی روپے کے مجموعی منافع کے ساتھ 6.78 ملین پاکستانی روپے رہی۔ دیگر آمدنی بنیادی طور پر گلسڈ ڈپازٹ پر منافع کی نمائندگی کرتی ہے۔ جولائی تا ستمبر 2023 سرمایہ میں ٹیکس سے پہلے منافع 2.08 ملین پاکستانی روپے رہا جو 2022 کی جولائی تا ستمبر سرمایہ میں 0.93 ملین پاکستانی روپے نقصان تھا۔ نتیجتاً، 2022 کی پہلی سرمایہ میں منفی EPS کے مقابلے میں 2023 کی پہلی سرمایہ میں EPS 0.18 پاکستانی روپے فی حصص تھا۔

پاکستان کی معیشت مالی سال 23 میں سکتا جانے کا اندازہ لگا یا گیا ہے۔ مجموعی طور پر، حقیقی مجموعی مقامی پیداوار (جی ڈی پی) کو لگا تار دو سالوں تک بڑھنے کے بعد مالی سال 23 میں 0.6 فیصد کمی کا اندازہ ہے۔ ملکی قیمتوں پر دباؤ، غیر معمولی زیادہ شرح سود، بیرونی اور مالیاتی عدم توازن، زرمبادلہ کے گرتے ہوئے ذخائر، درآمدی کنٹرول کی وجہ سے معاشی سرگرمیوں کی سست روی اور سیاسی غیر یقینی صورتحال برقرار ہے۔ تمام غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں اضافہ اور PSX انڈیکس میں بہتری پاکستان کے معاشی منظر نامہ میں عوام/کاروباری اعتماد کو بحال کرنے کے لیے کافی نہیں ہے۔

ایکسپورٹ پر مبنی منافع بخش کمپنی کے ساتھ ممکنہ انضمام آخری مراحل میں ہے اور بورڈ آف ڈائریکٹرز کو یقین ہے کہ یہ لینڈ مارک کمپنی کے تمام سرپرستوں کے لیے اچھا ثابت ہوگا۔

AEL Textiles Limited

Registered Office: 19-A, Commercial Area, Izmir Town, Canal Bank Road, Lahore

Phone No. 92-42 35961974, 0333-4225449

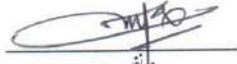
web address: www.aeltextiles.com


# AEL

اظہار تشکر:

آپ کے ڈائریکٹرز کمیٹی کے لیے انتھک محنت کے لیے تمام اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

  
محمد نفیس خان  
ڈائریکٹر

  
اولیس طارق  
چیف ایگزیکٹو آفیسر

تاریخ: 25 اکتوبر 2023ء

AEL Textiles Limited

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# **AEL TEXTILES LIMITED**

**Condensed Interim  
Financial Statements  
for the Quarter Ended  
30 September 2023**

**AEL TEXTILES LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	Unaudited 30 Sep 2023 Rupees	Audited 30 June 2023 Rupees	Unaudited 30 Sep 2023 Rupees	Audited 30 June 2023 Rupees
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorized share capital				
10 000 000 (2022: 10 000 000) ordinary shares of Rupees 10 each	100,000,000	100,000,000	44,794	49,426
<b>Issued, subscribed and paid up share capital</b>				
Reserves	80,000,000	80,000,000	4,152,932	4,140,722
Total equity	(12,457,801)	(13,935,167)	-	130,301
	67,542,199	66,064,833	455,367	-
			64,446,757	62,651,761
			69,055,056	66,922,784
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Staff retirement gratuity	-	-		
Deferred taxation	5,868	5,868		
<b>CURRENT LIABILITIES</b>				
Trade and other payables	591,797	544,954		
Unclaimed dividend	31,348	31,348		
Current portion of non-current liability	-	-		
Taxation - net	928,638	325,207		
<b>TOTAL LIABILITIES</b>	1,551,783	901,509		
	1,557,651	907,377		
<b>CONTINGENCIES AND COMMITMENTS</b>				
<b>TOTAL EQUITY AND LIABILITIES</b>	69,099,850	66,972,210	69,099,850	66,972,210
			69,099,850	66,972,210

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**AEL TEXTILES LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS**  
**FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023**

	Three Months ended 30 Sep 2023 Rupees	Three Months ended 30 Sep 2022 Rupees
Sales	6,779,661	-
Cost of sales	(6,169,527)	-
Gross profit/(loss)	<u>610,134</u>	<u>-</u>
Administrative expenses	(1,434,817)	(931,653)
Other expenses	-	-
	(1,434,817)	(931,653)
	(824,683)	(931,653)
Other income	2,905,480	-
Profit / (loss) from operations	2,080,797	(931,653)
Finance cost	-	(147)
Profit / (loss) before taxation	<u>2,080,797</u>	<u>(931,800)</u>
Taxation	(603,431)	-
Profit / (loss) after taxation	<u>1,477,366</u>	<u>(931,800)</u>
Earnings / (loss) per share - basic and diluted (Rupees)	<u>0.18</u>	<u>(0.12)</u>



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**AEL TEXTILES LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	30 Sep 2023 Rupees	30 Sep 2022 Rupees
<b>PROFIT / (LOSS) AFTER TAXATION</b>	1,477,366	(931,800)
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified to profit or loss:		
Gain on revaluation of property, plant and equipment	-	-
Remeasurement of staff retirement gratuity	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>	<u>1,477,366</u>	<u>(931,800)</u>

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

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

  
 \_\_\_\_\_  
 DIRECTOR

  
 \_\_\_\_\_  
 CHIEF FINANCIAL OFFICER

**AEL TEXTILES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 SEPTEMBER 2023**

SHARE CAPITAL	RESERVES						TOTAL	TOTAL EQUITY
	CAPITAL RESERVES			REVENUE RESERVES				
	Premium on issue of right shares	Surplus on revaluation of property, plant and equipment	Sub total	General	Accumulated loss	Sub total		
80,000,000	-	-	80,000,000	14,408,600	(110,781,854)	(96,373,254)	(16,373,254)	63,626,746
-	-	-	-	-	2,438,087	2,438,087	2,438,087	2,438,087
-	-	-	-	-	2,438,087	2,438,087	2,438,087	2,438,087
80,000,000	-	-	80,000,000	14,408,600	(108,343,767)	(93,935,167)	(13,935,167)	66,064,833
-	-	-	-	-	1,477,366	1,477,366	1,477,366	1,477,366
-	-	-	-	-	1,477,366	1,477,366	1,477,366	1,477,366
80,000,000	-	-	80,000,000	14,408,600	(106,866,401)	(92,457,801)	(12,457,801)	67,542,199

Rupees

**Balance as at 30 June 2022**

Profit for the year ended 30 June 2023  
 Other comprehensive income for the year ended 30 June 2023  
 Total comprehensive income for the year ended 30 June 2023

**Balance as at 30 June 2023**

Profit for the quarter ended 30 September 2023  
 Other comprehensive income for quarter ended 30 September 2023  
 Total comprehensive income for quarter ended 30 September 2023

**Balance as at 30 September 2023**

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

  
 CHIEF EXECUTIVE OFFICER

  
 CHIEF FINANCIAL OFFICER

**AEL TEXTILES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

	30 SEP 2023 RUPEES	30 SEP 2022 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	2,080,797	(931,800)
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	4,632	-
Provision for staff retirement gratuity	-	-
Finance cost	-	147
<b>CASH USED IN OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES</b>	<u>2,085,429</u>	<u>(931,653)</u>
<b>Working capital changes:</b>		
(Increase) / decrease in current assets:		
Loans and advances	-	-
Other receivables	(337,276)	8,728,642
	(337,276)	8,728,642
Increase / (decrease) in trade and other payables	46,843	(799,611)
Increase / (decrease) against staff retirement gratuity	-	(8,345,000)
<b>Cash generated from / (used in) operations</b>	<u>1,794,996</u>	<u>(1,347,622)</u>
Finance cost paid	-	(147)
<b>Net cash generated from / (used in) operating activities</b>	<u>1,794,996</u>	<u>(1,347,769)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings received	-	-
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>1,794,996</u>	<u>(1,347,769)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>62,651,761</u>	<u>2,184,931</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>64,446,757</u>	<u>837,162</u>

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

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**AEL TEXTILES LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

**1 THE COMPANY AND ITS OPERATIONS**

AEL Textiles Limited (the Company) is a public limited company incorporated in Pakistan on 20 February 1994 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange Limited (PSX). The principal activity of the Company is textile trading and manufacturing and ancillary matters. Registered Office of the Company is located at 19A Commercial Area, Izmir Town Lahore.

During the year, the Company has started business operations in new principal line of business of the Company and made gross sales of Rupees 6.779 million for the quarter ended 30 September 2023. The new management of the Company is confident that the Company will earn more profits with increased sales volume. The new sponsor of the Company is committed to support the Company both operationally and financially. Hence, these financial statements have been prepared using going concern basis of accounting.

The Board of Directors of the Company on 07 June 2023 approved the Scheme of Arrangement for merger between the Company and Stylers International Limited - associated company (SIL) (the "Proposed Merger"). Pursuant to the Order of the Honourable Lahore High Court, Lahore dated 14 June 2023, the shareholders of the Company in their extraordinary general meeting duly held on 18 July 2023 also approved the Scheme of Arrangement. Order of the Honourable Lahore High Court, Lahore approving the Scheme of Arrangement is now awaited. In terms of the Scheme of Arrangement approved by directors and shareholders of the Company: (i) the Company (together with all its assets, rights, privileges (including status of listing on Pakistan Stock Exchange Limited and eligibility for induction with Central Depository Company) and all its liabilities and obligations) will be merged with and into SIL (the Proposed Merger); (ii) shares of SIL will be issued and allotted to the members of the Company as consideration for the Proposed Merger and the shares of SIL will stand listed on the Pakistan Stock Exchange ("PSX") as a result of the Proposed Merger by filing of requisite documents/information with the PSX; and (iii) as a consequence of the Proposed Merger and upon listing of the shares of SIL on PSX, the Company will be de-listed from the PSX and will be dissolved without winding up, as more particularly described in the Scheme of Arrangement, and each in accordance with the Scheme of Arrangement.

**2 BASIS OF PREPARATION**

2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are un-audited and do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023.

**3 ACCOUNTING CONVENTION**

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2023. These condensed interim financial statements have been prepared under the historical cost convention.

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, there are no significant judgments made by the management in applying the Company's accounting policies and there are no key sources of estimation and uncertainty.

#### 5 CONTINGENCIES AND COMMITMENTS

There was no contingent liability and commitment as at 30 September 2023 (30 June 2023: Rupees Nil)

#### 6 REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross revenue  
Less: Sales tax

THREE MONTH ENDED	
30 September 2023	30 September 2022
----- RUPEES -----	

8,000,000	-
1,220,339	-
<u>6,779,661</u>	<u>-</u>

#### 7 COST OF SALES

Purchase of garments

THREE MONTH ENDED	
30 September 2023	30 September 2022
----- RUPEES -----	

<u>6,169,527</u>	<u>-</u>
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#### 8 PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic loss per share which is based on:

Profit / (Loss) attributable to ordinary shareholders	(Rupees)	<u>1,477,366</u>	<u>(931,800)</u>
Weighted average number of ordinary shares	(Numbers)	<u>8,000,000</u>	<u>8,000,000</u>
Loss per share	(Rupees)	<u>0.18</u>	<u>(0.12)</u>

#### 9 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

**10 CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-measured, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

**11 GENERAL**

Figures have been rounded off to the nearest of Rupee unless otherwise stated.

**12 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue by the Board of Directors on 25 October 2023.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



19-A COMMERCIAL AREA IZMIR TOWN,  
CANAL BANK ROAD LAHORE