

**THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED**

March 09, 2009

KSE/N-1547

**N O T I C E**

Reproduced hereunder the letter received from **AYESHA TEXTILE MILLS LIMITED**  
for information of members of the Exchange.  
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**AYESHA TEXTILE MILLS LIMITED**

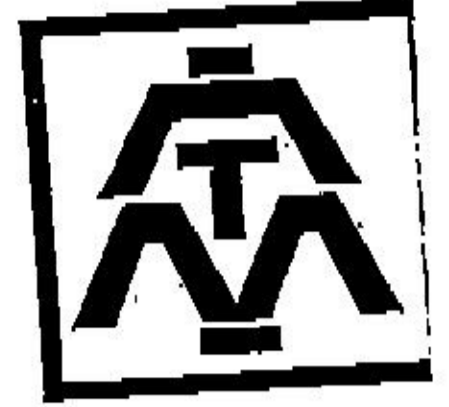
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March 07, 2009

Mr. Muhammad Ghufraan,  
Deputy General Manager,  
Companies Affairs,  
Karachi Stock Exchange (G) Limited,  
Karachi.

Subject: **REPLY TO YOUR SHOW CAUSE NOTICE**

Dear Sir,

Kindly refer to your letter dated January 28, 2009 bearing reference no. KSE/C-296-1135 along with copy of notice dated December 17, 2008 bearing reference no. KSE-Gen-11507 ( & our subsequent request for extension in filling of reply ) on the above mentioned subject that Ayesha Textile Mills Limited has failed to declare dividend and / or bonus certificates for five years and accordingly the company is liable for action under Listing Regulation No. 32(1)(b).

In this respect we would like to draw your attention towards Section 249 of the Companies Ordinance, 1984, which is reproduced as under:

**"Dividend to be paid only out of profits. - No dividend shall be paid by a company otherwise than out of profits of the company."**

The dividend has not been declared since the company was in loss. Ayesha Textile Mills Limited suffered after tax loss of Rs. 34.511 Million for the year ended June 30, 2008 and also suffered after tax loss of Rs. 51.056 Million for the year ended June 30, 2007.

The company is also under heavy debt burden in the form of long term and short term loans. The summary of borrowings during the last five years from the year 2004 to 2008 is as under: