

ANNUAL REPORT

2019



ALI ASGHAR TEXTILE MILLS LTD.



Ali Asghar Textile Mills Limited

Annual Report 2019

CONTENTS

	Page No
Company Information	1
Vision Statement	2
Directors Report	3
Chairman Review Report	11
Key Operating and Financial Results	13
Pattern of Shareholding	14
Notice of AGM	15
Statement of Compliance	17
Auditor Report	20
Statement of Financial Position	27
Statement of Profit and Loss Accounts	28
Statement of Comprehensive Income	29
Cash Flow Statements	30
Statement of Changes in Equity	31
Notes to the Accounts	32

COMPANY INFORMATION

Board of Directors

Mr. Nadeem Ellahi Shaikh (Chief Executive/ Executive Director)

Mr. Muhammad Afzal (Chairman/Non-Executive)

Mr. Abdullah Moosa (Executive Director)

Mr. Ahmed Ali (Non-Executive Director)

Mr. Muhammad Suleman (Executive Director)

Mr. Sultan Mehmood (Non-Executive Director)

Mr. Muhammad Zubair (Independent Director)

Audit Committee

Mr. Muhammad Zubair Chairman

Mr. Sultan Mehmood Member

Mr. Muhammad Afzal Member

Human Resources & Remuneration (HR&R) Committee

Mr. Ahmed Ali Chairman

Mr. Muhammad Afzal Member

Mr. Muhammad Zubair Member

CFO

Mr. Muhammad Suleman

Company Secretary

Mr. Abdullah Moosa

Auditor

M/s. Mushtaq & Co. Chartered Accountants

Banker

Habib Bank Ltd, Soneri Bank Ltd.

Habib Metropolitan Bank Limited

Bank Al-Habib Ltd, MCB Bank Limited

Shares Registrar

C. & K. Management Associates (Pvt) Ltd

404- Trade Tower, Abdullah Haroon Road

Metropole Hotel, Karachi-75530

Phone: 35687839, 3568593

Registered Office

Plot No. 6, Sector No. 25, Korangi Industrial

Area, Karachi. 74900

Website

www.aatml.com.pk

Mills

Plot 6, Sector No. 25 Korangi Industrial Area

Karachi. 74900

Vision Statement

To strive through excellence through Commitment, Integrity, Honesty and Team Work

Mission Statement

Operate state of the Art spinning machinery capable of producing high quality cotton and blended yarn for knitting and weaving

ALI ASGHAR TEXTILE MILLS LIMITED
DIRECTOR REPORT

The Directors are pleased to present 53rd Annual Report.

The results of the company are as follows:-

	2017	2018	2019
Profit/(Loss) after Tax	(Rs.11.36 Million)	(Rs.4.85 Million)	(Rs.(12.3) Million)

The loss after tax (Rs.4.85 million) has increased by Rs. 12.3 over SPLY due to a one-off payment for some charges. However the financial ratios like debt/equity and current ratio have improved.

In view of CPEC opportunities available in the logistics space, the management been aggressively trying to dispose of surplus land, after last year approval in AGM by shareholders, and use proceeds for investment in logistics oriented activities including but not limited to establishment of cool chain warehouse/office space for rental/e-commerce distribution platform. In textile space. Management is carefully reviewing government incentive for export oriented value added textile setups e.g. knitting fabric and bed sheet export setup. The new government has promised energy at world competitive prices and management will see if GOP fulfill its promises Regarding auditor qualification please see point wise responses to them.

- a) Sending and receiving third party confirmation (in this case, balance confirmation from First Dawood Investment Bank and Bank of Punjab) is one of the procedures applied by auditors to verify the balance pending. The management has not only disclosed each material fact about these liabilities under note number 20.2, 20.4, 27.1, 27.2 but also provided all documents relating to First Dawood Investment Bank Limited and Bank of Punjab liability which could help them verify such balances through other alternate audit procedures but the auditor still choose to qualify these liabilities because they couldn't satisfy themselves on the basis of their judgment.

- a. The Auditor's point about certain carrying revaluation of the Property Plant and Equipment is due to the on going process of machinery and equipment disposal. Hence, during this process, the revaluation might not have a meaningful reflection of company's assets.

- b. As the management has disclosed in the note number 15.1 and 15.2 of the financial statements, the management believes that the inflow of economic benefit from such assets is probable and could be measured reliably as at June 30, 2018 as this is the amount of claim pending before UK cotton exchange under international cotton rules and all the relating documents for verification has been provided to the auditors, but the amount still remain unverified in the matter of auditor's judgment.
- c. The management believes that the liability should not be recorded more than the probable outflow of economic benefit and in this case, as stated in note number 24.1, the management and the legal advisor firmly believes that the outflow won't be more than what already recorded in the books of the company and basing that, the management is of opinion that the markup of Bank of Punjab along with its pending liability is correctly recorded and properly disclosed in the financial statements.
- d. Regarding outstanding dividend of Rs. 239,589 the management is trying, with share registrar to identify the relevant shareholder. Due to unclaimed dividend been at least 15 years or more, the shareholders are not been identified.
- e. With reference to auditor point no ()The management will record depreciation on leased assets in first quarter accounts September 2019.
- f. With reference to auditor point no ()The management has decided to make valuation of employees benefits relating to gratuity by independent actuary which will be recorded in first quarter accounts September 2019.

Future Outlook:

As the government stabilization efforts are now almost at the their end and CPEC projects get implemented the logistic needs of the country will increase and development of SEZ will lead to higher industrial production. In view of these future development management is developing a plan to build high tech warehouses. For funding of these initiatives management is disposing of surplus land of the company, approval has already been taken from shareholders besides approaching financial institution for loans.

Regarding corporate governance points raised the company has separated the office of the CFO and company Secretary as per requirement Companies Act 2017. Note regarding CFO and company secretary not having proper certifications is noticed. However I would like to add that both individuals are working in senior positions at the company for more than 14 years a decade and have handled all financial issues and negotiations with banks and SECP, PSK diligently. As the company financial position further improves and it is in a position to afford higher salaries, it will appoint higher qualified individuals. Head of internal audit, Mr. Altaf Qadir is a certified ICMA qualified graduate. For director training management is contacting. Proper institutes to complete training of directors.

The management hopes that as the economy improves the textile industry will do better. The directors are pleased to report that your company has taken necessary steps to company with the provisions of the code of Corporate Governance as incorporated in the listing regulations of stock exchange.

In light of the company's overall objective, the Board of Directors regularly reviews the company's strategic direction. Annual plans and performance targets set for the business the Board is committed to maintain the high standards, of goods corporate governance. Given below is the statement of Corporate and financial Report Framework. These financial statements present fairly the state of affairs of the company, the results of its operations, cash flows and changes in equity. The Company has maintained proper books of accounts. Appropriate accounting policies have been consistently applied in preparation of these financial statements and accounting estimates are based on reasonable and prudent judgment. International accounting Standards as applicable in Pakistan has been followed in preparation of financial statement and any departure there form has been adequately disclosed.

The system of internal control, which was in palace, is being continuously reviewed by the management. The process of review and monitoring will continue with the object to improve it further. Hiring of appropriate staff to strengthen the internal audit functions is under consideration.

The management of your company is leaving no stone unturned to improve the financial and operational performance.

All liabilities in regard to the payment on account of taxes, duties, levies, and charges have been fully provided and will be paid in due course or where claim was not acknowledged as debt the same is disclosed as contingent liabilities in the notes to the accounts.

There is no doubt about the company's ability to continue as going concern.

There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations. The company operates un-funded gratuity scheme for its employees and provision has been made in the accounts accordingly. No trade in the shares of the company were carried out by the directors, CEO, CFO, Company Secretary and their spouses and minor children.

During the year, four Board Meetings were held, the attendance by each Director given below:-

S.No.	Name of Director	Number of meeting attended
1.	Mr. Nadeem Ellahi Shaikh	8
2.	Mr. Abdullah Moosa	8
3.	Mr. Ahmed Ali	7
4.	Mr. Muhammad Suleman	8
5.	Mr. Muhammad Afzal	7
6.	Mr. Sultan Mehmood	1
7.	Mr. Mohammad Zubair	8

Code of Ethics and Business practice has been developed and are now being communicated and acknowledged by each director and employee of the company.

The pattern of holding of the shares as on June 30, 2018 is annexed.

Retiring Auditors M/s. Mushtaq & Co. Chartered Accountants retire and being eligible offers themselves for re-appointment for the financial year ending June 30, 2019.

The Directors wish to place on record the highly dedicated services rendered by the employees and convey thanks to bankers for their valuable services.

By Order of the Board



NADEEM ELLAHI SHAIKH
Chief Executive

Karachi

ڈائریکٹر رپورٹ

علی اصغر ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹرز 53 ویں سالانہ رپورٹ پیش کرتے ہوئے خوش ہیں۔

کمپنی کے نتائج درج ذیل ہیں:

2019	2018	2017	منافع/نقصان) بعد از ٹیکس
(12.3 ملین)	(4.85 ملین)	(4.85 ملین)	

کچھ چارجز کی ایک بار کی ادائیگی کی وجہ سے نقصان بعد از ٹیکس پچھلے سال کے مقابلے میں 4.88 سے کر 12.3 ملین تک بڑھ گیا ہے تاہم مالیاتی ریشوز جیسا کہ فرض/ایکوٹیٹی اور کرنٹ ریشوز درست ہو گیا ہے۔

سی پیک کی دستیابی کے مواقع کے پیش نظر لاجسٹک کی جگہ میں ، گذشتہ سال میں حصص یافتگان کے ذریعہ اے جی ایم میں منظوری کے بعد ، انتظامیہ اضافی زمین کو فروخت کی جارحانہ کوشش کر رہی ہے ، اور حاصل شدہ رقم کا استعمال لاجسٹک پر مبنی سرگرمیوں تک محدود نہیں بلکہ کول چین گودام / کرانے کے لیے دفتر کی جگہ / ای کامرس تقسیم پلیٹ فارم کے قیام میں سرمایہ کاری میں استعمال کرنا ہیں ۔

ٹیکسٹائل کی جگہ میں انتظامیہ حکومت کی برآمد مالیت سے متعلق ویلیو ایڈڈ ٹیکسٹائل سیٹ مثلا نیٹنگ فیبرک اور بیڈ شیٹ برآمدات کا بغور جائزہ لے رہی ہیں۔ نئی حکومت نے عالمی مسابقتی قیمتوں پر توانائی کا وعدہ کیا ہے اور انتظامیہ یہ دیکھے گی کہ آیا حکومت پاکستان اس وعدہ کو پورا کرتی ہیں یا نہیں ۔ آڈیٹر اہلیت کے حوالے براہ کرم نقطہ وار جوابات دیکھیں۔

تیسرے فریق کی تصدیق بھیجنا اور وصول کرنا (اس معاملے میں ، فرسٹ داؤد انویسٹمنٹ بینک اور بینک آف پنجاب سے بیلنس کی تصدیق) ایک طریقہ کار ہے آڈیٹرز زیر التواء بیلنس کی تصدیق کے لیے استعمال کرتا ہے۔ انتظامیہ نے نہ صرف نوٹ نمبر 20.2 ، 20.4 ، 27.1 ، 27.2 کی ذمہ داریوں سے متعلق نہ صرف اہم حقائق کو ظاہر کیا ہے بلکہ فرسٹ داؤد انویسٹمنٹ بینک لمیٹڈ اور بینک آف پنجاب کی ذمہ داری سے متعلق تمام دستاویزات بھی فراہم کیں جو دوسرے متبادل آڈٹ کے طریقہ کار کے ذریعے بیلنس کی تصدیق میں ان کی مدد کرسکتے ہیں لیکن آڈیٹر اب بھی ان ذمہ داریوں کو کوالیفی کے لیے انتخاب کرتے ہیں کیوں کہ وہ اپنے فیصلے کی بنیاد پر خود کو مطمئن نہیں کرسکتے ہیں۔

آڈیٹر کا نقطہ پر اپرٹی پلانٹ اور آلات کی ریویلیشن کے بارے میں ہیں جو کہ فروخت کے مراحل میں ہے، لہذا ، اس عمل کے دوران ریویلیشن کا کمپنی کے اثاثوں پر معنی خیز اظہار نہیں ہو سکتا ہے۔

چونکہ انتظامیہ نے مالی بیانات کے نوٹ نمبر 15.1 اور 15.2 میں انکشاف کیا ہے ، انتظامیہ کا خیال ہے کہ اس طرح کے اثاثوں سے معاشی فائدہ اٹھانا ممکن ہے اور 30 جون ، 2018 کو قابل اعتماد طریقے سے اس کی پیمائش کی جاسکتی ہے کیونکہ یہ

دعویٰ کی رقم برطانیہ کاٹن ایکسچینج میں بین الاقوامی قوانین کے تحت زیر التوا ہے اور تصدیق سے متعلق تمام دستاویزات آڈیٹرز کو فراہم کردی گئیں ، لیکن یہ رقم ابھی بھی آڈیٹر کے فیصلے کے معاملے میں غیر تصدیق شدہ ہے۔

انتظامیہ کا خیال ہے کہ معاشی فائدے کے امکانی بہاؤ سے زیادہ ذمہ داری ریکارڈ نہیں کی جانی چاہئے اور اس معاملے میں ، جیسا کہ نوٹ نمبر 24.1 میں کہا گیا ہے ، انتظامیہ اور قانونی مشیر پختہ یقین رکھتے ہیں کہ اخراج اس سے زیادہ نہیں ہوگا جو کمپنی کی کتابوں میں پہلے سے درج ہے اور اس کی بنیاد پر ، انتظامیہ کی رائے ہے کہ بینک آف پنجاب کا مارک اپ اس کے زیر التوا ذمہ داری کے ساتھ مالی بیانات میں صحیح طور پر ریکارڈ اور انکشاف کیا گیا ہے۔

بقایا ڈیویڈنڈ 589,239 روپے کے بارے میں انتظامیہ شیئر رجسٹرار کے ساتھ ، متعلقہ شیئر ہولڈر کی شناخت کے لئے کوشش کر رہی ہے۔ دعویدار منافع کو کم از کم 15 سال یا اس سے زیادہ عرصہ گزرنے کی وجہ سے ڈیویڈنڈ کا دعویٰ نہ ہونے کے سبب ، حصص یافتگان کی شناخت نہیں کی جاسکتی ہے۔

ای. آڈیٹر پوائنٹ نمبر () کے حوالے سے ، انتظامیہ ستمبر 2019 میں پہلی سہ ماہی کے کھاتوں میں لیز پر حاصل اثاثوں پر فرسودگی ریکارڈ کرے گی۔

آڈیٹر پوائنٹ نمبر () کے حوالے سے انتظامیہ نے آزاد ایکچوری کے ذریعہ گریجانٹی سے متعلق ملازمین کے فوائد کی قیمت لگانے کا فیصلہ کیا ہے جو ستمبر 2019 کی پہلی سہ ماہی کے کھاتوں میں ریکارڈ ہوگا

مستقبل پر نظر (اؤٹ لک):

چونکہ حکومتی استحکام کی کوششیں اب قریب قریب ہی ہیں اور سی پیک پروجیکٹس نافذ ہونے سے ملک کی لاجسٹک ضروریات میں اضافہ ہوگا اور ایس ای زیڈ کی ترقی اعلیٰ صنعتی پیداوار کا باعث بنے گی۔ ان مستقبل کے پیش نظر ترقیاتی انتظامیہ ہائی ٹیک گوداموں کی تعمیر کا منصوبہ تیار کر رہی ہے۔ ان اقدامات کی مالی اعانت کے لئے انتظامیہ کمپنی کی زائد زمین کو فروخت کر رہی ہے ، قرضوں کے لئے مالیاتی ادارے سے رجوع کرنے کے علاوہ حصص یافتگان سے منظوری لی جا چکی ہے۔

کارپوریٹ گورننس کے اٹھائے گئے پوائنٹس کے بارے میں کمپنی نے کمپنیز ایکٹ 2017 کے مطابق سی ایف او اور کمپنی سکرپٹری کا دفتر الگ کر دیا ہے۔ سی ایف او اور کمپنی سکرپٹری کے پاس مناسب سرٹیفیکیشن نہ ہونے سے متعلق نوٹ کر لیا ہے۔ تاہم ، میں یہ شامل کرنا چاہتا ہوں کہ دونوں افراد ایک دہائی '14 سال سے زیادہ عرصے سے کمپنی میں اعلیٰ عہدوں پر کام کر رہے ہیں اور انہوں نے تمام مالی امور اور بینکوں اور ایس ای سی پی ، پی ایس کے ساتھ بات چیت کو پوری طرح سے سنبھالا ہے۔ جیسے ہی کمپنی کی مالی حالت میں مزید بہتر ہوتی ہے اور وہ پوزیشن میں ہوجائے کہ وہ اعلیٰ تنخواہوں کے دینے کی متحمل ہوتی ہے ، یہ اعلیٰ اہل افراد کو مقرر کرے گی۔ اندرونی آڈٹ کے سربراہ ، جناب الطاف قادر آئی سی ایم اے کے ایک سند یافتہ گریجویٹ ہیں۔ ڈائریکٹر کی تربیت کے لئے 'انتظامیہ ڈائریکٹرز کی تربیت مکمل کرنے کے لئے مناسب اداروں سے رابطہ کر رہی ہے ۔

انتظامیہ کو امید ہے کہ جیسے جیسے معیشت میں بہتری آنے لگی ٹیکسٹائل کی صنعت میں بہتری آنے لگی۔ ڈائریکٹرز یہ اطلاع دیتے ہوئے خوش ہیں کہ آپ کی کمپنی نے کاڈ آف کارپوریٹ گورننس کی شرائط جو اسٹاک ایکسچینج کی فہرست سازی میں شامل ہیں ان کو پورا کرنے کے لیے ضروری اقدامات اٹھائے ہیں۔

کمپنی کے مجموعی مقصد کی روشنی میں ، بورڈ آف ڈائریکٹرز باقاعدگی سے کمپنی کی اسٹریٹجک سمت کا جائزہ لیتے ہیں۔ سالانہ منصوبوں اور کارکردگی کے اہداف جو کاروبار کے لیے تیار کیے ہیں بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پر عزم ہے۔ کارپوریٹ اور مالیاتی رپورٹ کے فریم ورک کا بیان ذیل میں دیا گیا ہے۔ یہ مالیاتی بیانات کمپنی کی امور کی منصفانہ حالت ، اس کے کام کے نتائج ، نقد بہاؤ اور ایکویٹی میں بدلاؤ پیش کرتے ہیں۔ کمپنی نے اکاؤنٹس کی مناسب کتابیں برقرار رکھی ہیں۔ ان مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔ مالی اعانت کی تیاری کے سلسلے میں بین الاقوامی اکاؤنٹنگ معیارات کی تعمیل کی گئی ہے اور وہاں کسی بھی طرح کی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔

اندرونی کنٹرول کے نظام ، جو موجود تھا ، انتظامیہ کی جانب سے مسلسل جائزہ لیا جا رہا ہے۔ نظر ثانی اور نگرانی کا عمل اس کو مزید بہتر بنانے جاری رکھیں گے۔ داخلی آڈٹ کے افعال کو مستحکم کرنے کے لئے مناسب عملے کی خدمات حاصل کرنے پر غور کیا جا رہا ہے۔

آپ کی کمپنی کی انتظامیہ مالی اور آپریشنل کارکردگی کو بہتر بنانے میں کوئی کسر نہیں چھوڑ رہی ہے۔

ٹیکسوں ، ڈیوٹیوں ، محصولات ، اور چارجز کی وجہ سے ادائیگی کے سلسلے میں تمام ذمہ داریاں پوری طرح سے مہیا کر دی گئیں ہیں اور ان کا معقول معاوضہ ادا کیا جائے گا یا جہاں دعوے کو قرض تسلیم نہیں کیا گیا تھا اسے اکاؤنٹس کے نوٹ ہنگامی ذمہ داری میں انکشاف کیا گیا ہے ۔

کمپنی جاری رکھنے کی حیثیت کی تشویش کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔

کارپوریٹ گورننس کے بہترین طریق کار سے کسی قسم کی خامی نہیں ہو ہی ہے ، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔ کمپنی اپنے ملازمین کے لئے غیر مالی اعانت بخش گریجویٹی اسکیم چلاتی ہے اور اس کے مطابق اکاؤنٹس میں بھی فراہمی کی گئی ہے۔ ڈائریکٹرز ، سی ای او ، سی ایف او ، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں کے ذریعہ کمپنی کے حصص میں کوئی تجارت نہیں کی گئی۔

سال کے دوران ، بورڈ کے چار اجلاس ہوئے ، جن میں ہر ڈائریکٹر کی حاضری ذیل میں دی گئی تھی۔

سیریل نمبر	ڈائریکٹر کا نام	میٹنگ کی تعداد میں شرکت کی
1	جناب ندیم الہی شیخ	8
2	جناب عبد اللہ موسیٰ	8
3	جناب احمد علی	7
4	جناب محمد سلیمان	8

7	جناب محمد افضل	5
1	جناب سلطان محمود	6
8	جناب محمد زبیر	7

اخلاق اور کاروباری ضابطہ اخلاق تیار کیا گیا ہے اور اب اس کمپنی کے ہر ڈائریکٹر اور ملازم کے ذریعہ انہیں آگاہ کیا گیا ہے اور ان کا اعتراف کیا جا رہا ہے۔

30 جون ، 2018 تک حصص کے انعقاد کا انداز منسلک ہے۔

ریٹائرنگ آڈیٹرز میس۔ مشتاق اینڈ کمپنی چارٹرڈ اکاؤنٹنٹ ریٹائر ہو گئے اور اہل ہونے کے ناطے 30 جون 2019 کو ختم ہونے والے مالی سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

ڈائریکٹرز ملازمین کی طرف سے پیش کردہ انتہائی سرشار خدمات کو ریکارڈ پر رکھنا چاہتے ہیں اور بینکروں کو ان کی قیمتی خدمات کے لئے شکریہ ادا کرتے ہیں۔

بورڈ کے آرڈر کے ذریعے



ندیم الہی شیخ

چیف ایگزیکٹو

کراچی

ALI ASGHAR TEXTILE MILLS LIMITED CHAIRMAN REVIEW REPORT

I am pleased to present to the shareholders chairman review of the company performance for FY-19.

As Chairman of the Board, the board committee overseeing various functions carried out their duties and decisions were reported in time to the stock exchange and SECP Board committees were monitored to ensure they provided stability to company functions and adhered to all regulations.

The board performance was evaluated a satisfactory as all rules of code of corporate governance were applied.

During the year the board considered and approved may things including quarterly and annual financial statement appointment of eternal auditors and other financial matter.

I wish to thank the board of members for all their valuable input and time they gave.

CHAIRMAN OF THE BOARD



MUHAMMAD AFZAL

KARACHI

علی اصغر ٹیکسٹائل ملز لمیٹڈ

چیئرمین جائزہ رپورٹ

مجھے مالی سال 19 کے لئے کمپنی کی کارکردگی کا جائزہ حصص یافتگان کے سامنے پیش کرنے پر خوشی ہے۔

بورڈ کے چیئرمین کی حیثیت سے ، بورڈ کمیٹی نے مختلف فرائض کی نگرانی کرنے والے اپنے فرائض اور فیصلوں کی بروقت اسٹاک ایکسچینج کو اطلاع دی اور ایس ای سی پی بورڈ کمیٹیوں کی نگرانی کی گئی تاکہ وہ اس بات کو یقینی بنائے کہ کمپنی کے افعال کو استحکام فراہم کرے اور تمام قواعد و ضوابط پر قائم رہے۔

بورڈ کی کارکردگی کا اطمینان بخش جائزہ لیا گیا کیوں کہ کوڈ کارپوریٹ گورننس کے تمام قواعد پر عمل کیا گیا۔

سال کے دوران بورڈ نے بہت سی چیزوں سے ماہی اور سالانہ مالیاتی بیان خارجی آڈیٹرز کی تقرری اور دیگر مالی معاملات غور کیا اور منظوری دی۔

میں بورڈ کے ممبران کے ان کے تمام قیمتی ان پٹ اور وقت کے لئے ان کا شکریہ ادا کرنا چاہتا ہوں۔

بورڈ کے چیئرمین

محمد افضل

کراچی

KEY OPERATING AND FINANCIAL RESULTS
FROM 2012-2013 TO 2018-2019

ACCOUNTING YEAR	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
	'000	'000	'000	'000	'000	'000
OPERATING RESULTS						
Rental Income	11,173	12,134	5,723	3,637	3,046	4,034
Sales-Net	-	-	-	-	-	-
Gross Profit (Loss)	(7,558)	509	(6,161)	(8,372)	(12,378)	(13,690)
Net Profit (Loss) After Tax	(4,858)	(4,858)	(11,362)	(13,459)	(23,360)	(20,949)
FINANCIAL POSITION						
Assets Employed:						
Operating Assets	373,462	365,563	369,586	373,920	377,353	386,719
Current Assets	33,652	35,674	32,382	32,016	50,828	51,614
Other Assets	5,232	15,018	4,389	3,886	3,736	4,876
Deferred Cost	-	-	-	-	-	-
Assets Financed By:						
Shareholders Equity	319,112	317,186	255,743	268,014	20,655	42,834
Directors Loan	80,898	66,067	45,598	39,005	17,902	2
Surplus on revaluation of Fixed Assets	257,293	258,185	259,132	260,138	261,206	262,341
Long term Loan	60,886	60,886	108,642	100,755	78,835	62,185
Other Deferred Liability	1,725	1,544	2,785	1,492	1,329	1,161
Current Maturity	8,552	8,552	8,652	8,652	9,902	11,410
Other Current Liabilities	23,614	28,630	37,319	32,400	59,150	62,651
Key Ratios						
Gross Profit to Sales %	0	0	0	0	0	0
Net Profit (Loss) to Sales %	0	0	0	0	0	0
E.P.S	(0.29)	(0.11)	(0.26)	(0.30)	(0.53)	(0.47)
Current Ratio	1.05	0.93	0.77	0.78	0.86	0.82

**PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS**

As on June 30, 2019

No. of Shareholders	Shareholdings	Total Shares held
482	1	100
305	101	500
107	501	1000
149	1001	5000
22	5001	10000
10	10001	15000
5	15001	20000
3	20001	25000
1	30001	35000
1	35001	40000
3	40001	45000
1	45001	50000
2	70001	75000
1	3700001	3705000
2	10245001	40000000
		44,426,694
Director, Chief Executive Officer		
Nadeem Ellahi	18,293,275	41%
Marium Humayun	40,940	0.0922%
Raja Gazanfar Ali	1,000	0.0023%
Muhammad Suleman	1,000	0.0023%
Abdullah Moosa	1,000	0.0023%
Sultan Mehmood	1,000	0.0023%
Muhammad Azad Khan	1,000	0.0023%
Associated Company, Undertaking and related parties		
NIT & ICP (investment Companies)	4,800	0.0108%
Banks Development Financial Institutions, Joint stock, non Banking Financial and other Institutions		
Insurance Company	171,499	0.3860%
Modarabas and Mutual Funds		
Shareholding 10% - Naveed Ellahi	19,973,331	45%
General Public		
Local	5,937,849	13.3655%
Foreign		
Others		
		44,426,694
		100%

Nadeem Ellahi	41%
Naveed Ellahi	45%
Mrs. Gulnar Humayun	8%

ALI ASGHAR TEXTILE MILLS LIMITED
Notice of 53RD Annual General Meeting

Notice is hereby given that the 53RD annual general meeting of Ali Asghar Textile Mills Limited will be held at 306-308 Unitowers, I.I. Chundrigar road, Karachi on October 26, 2019 at 12:15 P.M. sharp to transact the following business:

ORDINARY BUSINESS

- 1. To confirm minutes of the last General Meeting held on 29th October 2018.**
- 2. To receive, consider and adopt audited Accounts for the year ended 30th June 2018 together with Auditor's and Director Report thereon.**
- 3. To appoint auditors for the year ending June 30, 2020 and to fix their remuneration.**
- 4. To update shareholder on progress on resolution passed in last AGM 29TH October 2018 regarding sale of surplus land for logistic hub financing and renew resolution passed.**

Dated: October 05, 2019

By the order of Board
Abdullah Moosa
Company Secretary

Notes:

The Share Transfer Books will remain closed and no transfer of shares will be accepted for registration from October 20TH to October 26th (both days inclusive).

1. Participation in the annual general meeting:

A member entitled to attend and vote at this meeting is entitled to appoint another member/any other person as his/her proxy to attend and vote.

- 2. Duly completed instrument of proxy, and the other authority under which it is signed, thereof, must be lodged with the secretary of the company at the company's registered office at least 48 hours before the time of the meeting.**

3. Necessary Provision of email and physical mailing address and other material information:

As per SRO 787(I)/2014 of SECP, each TRE Holder/Shareholder who desire to receive soft copy of accounts is requested to update his/her email address with the share registrar and opt for the soft copy of financial results of The Company, so all the results and material information could be transferred in more quicker and better way and any change of address of TRE Certificate holder

should be immediately notified to the company's share registrars, C&K Management Associates (PVT) Limited, Address: 404- Trade Tower, Abdullah Haroon Road Near, Metropole Hotel, Karachi-75530, Phone: 35687839, 3568593

4. The CDC account holders will further have to follow the under-mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For attending the meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

B. For appointing proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport
- iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted along with proxy form to the company.

5. Accounts of the company and other material information should be provided on the website www.aatml.com.pk

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF COMPLIANCE
WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2017

YEAR ENDED JUNE 30, 2019

The Company has complied with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) in the following manner:

1. The total number of Directors are Seven (7) as per the following:

- a. Male : 7
- b. Female: 0

2. The composition of board is as follows:

Category	Names
Independent Director	Mr. Muhammad Zubair
Executive Director	Mr. Nadeem Ellahi Sheikh
Non-Executive Director	Mr. Ahmed Ali
Executive Director	Mr. Muhammad Suleman
Non-Executive Director	Mr. Muhammad Afzal
Non-Executive Director	Mr. Sultan Mehmood
Executive Director	Mr. Abdullah Moosa

3. The Directors have confirmed that none of them are serving as a director in more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a code of conduct and ensures that appropriate steps have been taken to disseminate it through the company along with its supporting policies and procedure.
5. The Board has developed a vision and mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for his purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The board arranged in house orientation courses for its directors during the year to appraise them of their duties and responsibilities and to brief them regarding amendments in the companies ordinance/corporate laws.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements of the Company before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

Name of Director	Designation
Mr. Muhammad Zubair.	Chairman
Mr. Sultan Mehmood	Member
Mr. Muhammad Afzal	Member

b) HR and Remuneration Committee:

Name of Director	Designation
Mr. Ahmed Ali	Chairman
Mr. Muhammad Afzal	Member
Mr. Muhammad Zubair	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.

14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
- | | |
|----------------------------------|-------------------|
| a) Audit Committee | Quarterly Meeting |
| b) HR and Remuneration Committee | Annual Meeting |
15. The Board has set-up an effective Internal Audit Function managed by suitably qualified and experienced personnel who are involved in the internal audit function and are conversant with the policies and procedures of the Company.
16. The Statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan(ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with the International Federation of Accountants(IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

On behalf of the Board of
Directors



Nadeem Ellahi
Chief Executive
Karachi

Date: 03.10.2019

REVIEW REPORT TO THE MEMBERS

On the Statement of Compliance with Best Practices of the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Ali Asghar Textile Mills Limited** (the Company) for the year ended **June 30, 2019** in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

We observed non-compliance with the requirements of CCG as under:

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2017.	Non-Compliance
01	The company has no female director.
02	The company has 3 executive directors, which is more than one third of board composition.
02	The company has only one independent director instead of two.
09	The company is not meeting the requirement of director training program criteria.
10	CFO and Company Secretary are not meeting the criteria of CCG.
12	The chairman of HR and Remuneration committee is not an independent director.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Karachi:
Date: 04 Oct, 2019



Mushtaq Ahmed Vohra
MUSHTAQ & COMPANY
Chartered Accountants
Engagement Partner:
Mushtaq Ahmed Vohra
FCA

Independent Auditors' Report

To the Members of Ali Asghar Textile Mills Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of **Ali Asghar Textile Mills Limited**, which comprise the statement of financial position as at **June 30, 2019** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in the paragraph (a to f), the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion and after due verification we report that:

- a) As disclosed in note no 17.1, balance payable to First Dawood Investment Bank Ltd amounting Rs. 47.64 million, Bank of Punjab amounting Rs.18 77 million and Bank Alfalah Limited amounting Rs.653,750 in respect of long term financing remains unconfirmed. We were also unable to satisfy ourselves as to the correctness of the reported balances by performing other alternate auditing procedures.
- b) The company has not carried out revaluation of property, plant and equipment under International Accounting Standard (IAS) 16 "Property, Plant and Equipment" since June 2011. In the absence of latest revaluation figures, it is not possible to perform impairment test as suggested in the International Accounting Standards (IAS) 36 "Impairment of assets". Hence impact of the same on financial statement cannot be determined.



- c) As disclosed in note 4.1, the company has not charged depreciation on its leased plant and machinery costing Rs.138.17 million since many years.
- d) The company has made provision for staff gratuity on the basis of one month salary of the employee after every one year rather than on the basis of actuarial valuation by professional valuer, which is in contradiction to International Accounting Standard (IAS-19 Employee Benefits). The quantification of the difference in provision made and required as per IAS-19 cannot be made due to non-availability of actuarial valuation.
- e) The company has not accounted for markup amounting Rs.2.4 million approximately on outstanding balance in respect of long term loan from the Bank of Punjab. Had the company been accounted for markup, the loss for the current year would have been higher by the same amount. Consequently the aggregate amount of accrued markup would have been increased by Rs.2.4 million approximately and aggregate accumulated loss would have been higher by the same amount.
- f) The company has unclaimed dividend amounting Rs.239,589 as disclosed in note 20. The company has not complied with the requirement of Section 244 of the Companies Act, 2017 which states that the shares along with any dividend which remained unclaimed for a period of three years or more, are to vest with the Federal Government.

Material uncertainty relating to going concern

As disclosed in note no.1.2, the company has suspended its textile operation since September, 2011 and has sold a substantial portion of its Property Plant & Equipment. During the year the company has incurred net loss amounting Rs 12.89 million and has accumulated loss of Rs. 241.21 million as at June 30, 2019. Management assesses the reliability of going concern assumption in preparation of these financial statements and concluded that, it is still in going concern based on following mitigating factors. However, the Company has presented rental income as its main source of income from principal line of business in the statement of profit or loss. Also the company has disclosed significant legal cases and other contingencies in Note 23.1 to 23.4.

Our opinion is not qualified in respect of above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Following is the key audit matters:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<i>Revenue recognition</i> Refer Rental income in the financial statements and the accounting policy in note 3.12 to the	Our audit procedures to assess the timing of revenue recognized included the following:

	<p>financial statements.</p> <p>The Company generates revenue from renting out of company's fixed assets.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the company which gives rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>Obtained an understanding of the processes relating to the recognition of revenue and accessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue.</p> <p>Comparing a sample of revenue transactions recognized during the year with the rent agreement, receipts and other relevant underlying documentations to access if the related revenue was recorded in the appropriate accounting period.</p>
--	--	---

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises information obtained prior to the date of auditor's report, and information expected to be made available to us after the date of auditor's report; but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Mushtaq Ahmed Vohra**, FCA.



Karachi.
Dated: 04 Oct, 2019




MUSHTAQ & COMPANY
Chartered Accountants

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	4	373,462,286	365,563,394
Capital Work in Progress	5	-	11,202,138
Long Term Investments	6	8,884	14,652
Long Term Deposits	7	2,336,169	2,336,169
Long Term loans and advances	8	2,887,194	1,465,976
		378,694,533	380,582,329
CURRENT ASSETS			
Inventory	9	-	1,980,000
Loans and advances	10	7,803,087	5,947,499
Trade deposits and short term prepayments	11	1,611,230	1,611,230
Other receivables	12	21,362,359	21,362,359
Tax refunds due from Government	13	2,494,277	3,538,344
Cash and bank balances	14	381,286	235,350
		33,652,238	34,674,782
TOTAL ASSETS		412,346,772	415,257,111
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 50,000,000 (2019: 50,000,000) ordinary shares of Rs. 5 each		250,000,000	250,000,000
Issued, subscribed and paid-up capital	15	222,133,470	222,133,470
Interest free Directors Loans		80,898,745	66,067,055
Surplus on Revaluation of Fixed Assets	16	257,293,537	258,185,303
Unappropriated Loss		(241,213,218)	(229,218,910)
		319,112,534	317,166,918
NON-CURRENT LIABILITIES			
Long term financing	17	58,508,315	58,508,315
Long term Deposits		833,850	833,850
Deferred liabilities	18	1,725,717	1,544,717
		61,067,882	60,886,882
CURRENT LIABILITIES			
Trade and other payables	19	13,011,250	15,405,424
Unclaimed Dividends	20	239,589	239,589
Accrued Mark-up	21	4,930,250	4,930,250
Book overdrafts	22	5,432,819	8,075,600
Current portion of long term borrowings	17.1	8,552,448	8,552,448
		32,166,356	37,203,311
CONTINGENCIES AND COMMITMENTS	23	-	-
TOTAL EQUITY AND LIABILITIES		412,346,772	415,257,111

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


NADEEM E. SHAIKH
Chief Executive


ABDULLAH MOOSA
Director


M. SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Revenue from Rental Income		11,173,280	12,134,101
Directly attributable Cost	24	(18,732,266)	(11,624,222)
Gross (Loss)/ Profit		(7,558,986)	509,879
Administrative expenses	25	(5,859,880)	(7,300,123)
Other expenses	26	(5,768)	(941,269)
Other income	27	1,772,568	2,157,647
		(4,093,080)	(6,083,745)
Loss from operations		(11,652,067)	(5,573,866)
Finance cost	28	(38,559)	(15,369)
Loss before taxation		(11,690,626)	(5,589,235)
Taxation			
Current		(1,133,711)	(210,000)
Prior Year Tax		(61,737)	920,690
Loss after taxation		(12,886,074)	(4,878,545)
Loss per share - basic and diluted	29	(0.29)	(0.11)

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


NADEEM E. SHAIKH
CHIEF EXECUTIVE


ABDULLAH MOOSA
Director


M.SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Loss after taxation	(12,886,074)	(4,878,545)
Other comprehensive income		
<i>Items that will not be reclassified to profit and loss account</i>		
Gain on remeasurement of staff retirement benefits	-	235,299
Surplus on revaluation of property, plant and equipment	-	-
Total comprehensive Loss for the year	<u>(12,886,074)</u>	<u>(4,643,246)</u>

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



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director

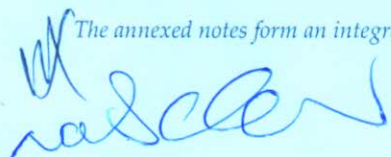


M.SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(11,690,626)	(5,589,235)
Adjustments for:		
Depreciation	4,472,620	4,114,466
Staff retirement benefits - gratuity	-	245,501
Unrealized gain on trading securities	5,768	(22)
Finance cost	38,559	15,369
Loss on Inventory Write Off	-	941,269
	<u>4,516,947</u>	<u>5,316,583</u>
Profit before working capital changes	(7,173,679)	(272,652)
(Increase) / decrease in current assets		
Loans and advances	(1,855,588)	(659,444)
Inventory	1,980,000	(1,980,000)
	<u>124,412</u>	<u>(2,639,444)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(2,394,174)	(5,125,745)
Unclaimed dividend	-	239,589
	<u>(2,394,174)</u>	<u>(4,886,156)</u>
Cash generated from operations	<u>(9,443,441)</u>	<u>(7,798,252)</u>
Finance cost paid	(38,559)	(15,369)
Taxes paid	(151,381)	(616,782)
Staff retirement benefits gratuity paid	181,000	(1,250,500)
	<u>(8,940)</u>	<u>(1,882,651)</u>
Net cash generated from operating activities	<u>(9,452,382)</u>	<u>(9,680,903)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term Loans	(1,421,218)	572,601
Fixed capital expenditure	(1,169,374)	(11,293,638)
Net cash used in investing activities	<u>(2,590,592)</u>	<u>(10,721,037)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds and repayment from long term financings - net	-	(46,615,789)
Interest free directors and other loan	14,831,690	66,067,055
Book overdraft	(2,642,781)	217,169
Net cash generated from financing activities	<u>12,188,909</u>	<u>19,668,436</u>
Net increase in cash and cash equivalents	<u>145,936</u>	<u>(733,505)</u>
Cash and cash equivalents at the beginning of the year	<u>235,350</u>	<u>968,854</u>
Cash and cash equivalents at the end of the year	<u>381,286</u>	<u>235,350</u>

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



NADEEM E. SHAIKH
Chief Executive Officer



ABDULLAH MOOSA
Director



M. SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019

	Issued, subscribed and Paid up Capital	Interest free Directors and Others Loan	Reserves			Revaluation Surplus on Property Plant and Equipment	Total Equity
			Capital Reserve	Revenue Reserve	Sub Total		
			Share Premium	Unappropriate d Loss			
R u p e e s							
Balance as at June 30, 2017	222,133,470	-	-	(225,522,657)	(225,522,657)	259,132,296	255,743,109
Loss for the year				(4,878,545)	(4,878,545)	-	(4,878,545)
Other comprehensive income/ (loss) for the year				235,299	235,299	-	235,299
Transferred from Surplus on Revaluation - Incremental Depreciation	-	-	-	946,993	946,993	(946,993)	-
Transfer from Long Term Loan	-	66,067,055	-	-	-	-	66,067,055
Balance as at June 30, 2018	222,133,470	66,067,055	-	(229,218,910)	(229,218,910)	258,185,303	317,166,918
Loss for the year	-	-	-	(12,886,074)	(12,886,074)	-	(12,886,074)
Other comprehensive loss for the year	-	-	-	-	-	-	-
Transferred from Surplus on Revaluation - Incremental Depreciation	-	-	-	891,766	891,766	(891,766)	-
Loan from directors	-	14,831,690	-	-	-	-	14,831,690
Balance as at June 30, 2019	222,133,470	80,898,745	-	(241,213,218)	(241,213,218)	257,293,537	319,112,534

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



NADEEM E. SHAIKH
Chief Executive

ABDULLAH MOOSA
Director



M.SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1 THE COMPANY AND IT'S OPERATIONS

1.1 The Ali Asghar Textile Mills Limited (the Company) was incorporated in Pakistan on February 9, 1967 as a public limited company under the Companies Act, 1913 (Replaced with the Companies Ordinance, 1984 and Companies Act, 2017). Registered office of the company is located at Uni Towers, I. I. Chundrigar Road, Karachi in the province of Sindh. Its shares are quoted on Pakistan Stock Exchange Limited. The principal line of business is to provide the services of logistics, warehouse, construction, rental and allied business. The business premises of the Company is located at plot no.6, Korangi Industrial Area, Karachi, in the province of Sindh.

1.2 The Company has suspended its textile operation since September, 2011 and has sold a substantial portion of its Property Plant & Equipment. During the year the company has incurred net loss amounting Rs.12.89 million (2018: Rs.4.88 million) and accumulated loss of Rs. 241.21 million (2018: Rs. 229.22 million) as at June 30, 2019. Management assesses the reliability of going concern assumption in preparation of these financial statements and concluded that, it is still in going concern based on following mitigating factors.

a) Logistic Hub and Warehousing Business

The company has rented out its surplus property to companies. The directors of the company in a board of directors meeting held in October 2016, approved the business of logistics and warehousing. The cash in flow is coming in regular installments and marketing teams are pitching to new customers and warehousing agents.

b) Support of Directors and Sponsors

Directors of the company have committed that if in case any additional funds are required for running the business of the company; it will be provided by the sponsors and directors.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in respective policies.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest rupee.

2.4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

2.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING

2.5.1 Standards, amendments or interpretations which became effective during the year

Following standards, amendments and interpretations are effective for the year beginning on or after July 01, 2018. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model.

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

IFRS 15 'Revenue from contracts with customers' – This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, The changes laid down by these standards do not have any significant impact on these financial statements of the Company. However, related changes to the accounting policies have been made in these financial statements.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on January 1, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

2.5.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company.

Following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 1, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the balance sheet date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has yet to assess the impact of this standard on its financial statements.

IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after January 01, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and

2.5.3 There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the Company and therefore have not been presented here.

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

3 SUMMARY OF 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.

3.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land and leasehold land, which are stated at cost less impairment losses, if any. Cost comprises acquisition and other directly attributable costs.

Depreciation is provided on a reducing balance method and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life at the rates specified in relevant note. Depreciation on addition in property, plant and equipment is charged from the month of addition while no depreciation is charged in the month of disposal.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized, if any. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the profit and loss account.

The Company reviews the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge.

Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability.

Finance cost under lease agreements are allocated to the periods during the lease term so as to produce a constant periodic rate of finance cost on the remaining balance of principal liability for each period.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Derecognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost accumulated up to the balance sheet date less accumulated impairment losses, if any. Capital work-in-progress is recognized as an operating fixed asset when it is made available for intended use.

3.2 Investments

Investments intended to be held for less than twelve months from the statement of financial position date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

3.3 Inventories

Inventories, except for stock in transit and waste stock, are stated at lower of cost and net realizable value. Cost is determined as:

a) Stock in trade

Cost of raw material, work-in-process and finished goods is determined as follows:

- (i) For raw materials: Annual average basis
- (ii) For work-in-process and finished goods: Average manufacturing cost including portion of production overheads

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

3.4 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently measured at cost less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the trade debts. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy of financial reorganization, and default or delinquency in making payments are considered indicators that the trade debt is doubtful and the provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

3.6 Borrowings

Borrowings are initially recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

3.7 Staff Retirement Benefit

Defined benefits plans

The company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Contributions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. The most recent valuation was carried out on June 30, 2019 using the "Projected Unit Credit Method".

The company has adopted IAS 19, (Revised) 'Employee Benefits'. The amendments in the revised standard require the company to eliminate the corridor approach and recognize all actuarial gains and losses (now called 'remeasurements', that result from the remeasurement of defined benefits obligations and fair value of plan assets at the balance sheet date) in other comprehensive income as they occur, immediately recognize all past service costs and replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefits liability / asset.

3.8 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

3.9 Taxation

Current year

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

3.10 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which they are approved by the shareholders and therefore, they are accounted for as non-adjusting post balance sheet event.

3.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.12 Revenue recognition

Revenue is recognized to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duties. The company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements.

The following are the specific recognition criteria that must be met before revenue is recognized:

Rental income is recognized at straight-line basis over the lease term except for contingent rental income which is recognized when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognized as an expense over the lease term on the same basis as the lease income. Incentives for lease to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise the option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognized in the statement of comprehensive income when the right to receive them arises.

Revenue from sale of goods is recognized when control of goods is transferred to customers.

Interest income is recognized as it accrues using the effective interest rate method.

Operating lease rentals are recorded in profit and loss account on a time proportion basis over the term of the lease arrangements.

Dividend income and entitlement of bonus shares are recognized when right to receive such dividend and bonus shares is

3.13 Financial Instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, loans and advances, other receivables, cash and bank balances, long-term financing, liabilities against assets subject to finance lease, short-term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instruments at fair value through profit or loss" which are initially measured at fair value.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and de-recognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each

3.14 Foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currencies during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses are recorded in profit or loss account.

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

3.15 Impairment

a) Financial Assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics

b) Non Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

3.16 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.17 Derivative financial instruments

Derivative that do not qualify for hedge accounting are recognized in the balance sheet at estimated fair value with corresponding effect to profit and loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

3.18 Earnings per share - basic and diluted

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects

3.19 Related party transactions

All transactions with related parties are carried out by the Company at arms' length price using the method prescribed under the Companies Act, 2017. Nature of the related party relationship as well as information about the transactions and outstanding balances are disclosed in the relevant notes to the financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2019 Rupees	2018 Rupees
Operating fixed assets	4.1	373,462,286	365,563,394
Capital work in progress	4.3	-	11,202,138
		<u>373,462,286</u>	<u>365,563,394</u>

4.1 Operating fixed assets

2019									
Cost as at July 01, 2018	Additions/ Transferred from CWIP	(Disposal)	Cost as at June 30, 2019	Accumulated depreciation as at July 01, 2018	Depreciation charge for the year	(Disposal)	Accumulated depreciation as at June 30, 2019	Book value as at June 30, 2019	Annual depreciatio n rate %
Rupees									

Owned Assets

Leasehold land	242,776,000	-	-	242,776,000	-	-	-	242,776,000	-
Building on leasehold land-Mill	13,327,055	-	-	13,327,055	7,897,305	380,083	8,277,388	5,049,668	7%
Building on leasehold land-others	34,467,460	12,208,957	-	46,676,417	14,959,038	1,585,869	16,544,907	30,131,510	5%
Plant and machinery	117,178,828	-	-	117,178,828	85,437,352	2,221,903	87,659,255	29,519,573	7%
Electric Fittings	2,990,757	-	-	2,990,757	2,013,750	68,390	2,082,140	908,617	7%
Generator	520,565	-	-	520,565	289,686	16,162	305,848	214,717	7%
Office Equipments	6,547,666	113,555	-	6,661,221	4,457,790	154,240	4,612,030	2,049,191	7%
Furniture & Fixture	2,240,174	-	-	2,240,174	1,948,995	20,383	1,969,378	270,796	7%
Vehicle	296,471	49,000	-	345,471	217,520	25,590	243,110	102,361	20%

Leased assets

Plant and Machinery	138,173,171	-	-	138,173,171	75,733,316	-	75,733,316	62,439,855	0%
30.06.2019	<u>558,518,147</u>	<u>12,371,512</u>	<u>-</u>	<u>570,889,659</u>	<u>192,954,752</u>	<u>4,472,620</u>	<u>197,427,372</u>	<u>373,462,286</u>	

2018

Cost as at July 01, 2017	Additions	(Disposal)	Cost as at June 30, 2018	Accumulated depreciation as at July 01, 2017	Depreciation charge for the year	(Disposal)	Accumulated depreciation as at June 30, 2018	Book value as at June 30, 2018	Annual depreciatio n rate %
--------------------------------	-----------	------------	--------------------------------	---	-------------------------------------	------------	---	---	--------------------------------------

Rupees

Owned Assets

Leasehold land	242,776,000	-	-	242,776,000	-	-	-	242,776,000	-
Building on leasehold land-Mill	13,327,055	-	-	13,327,055	7,488,615	408,691	7,897,305	5,429,750	7%
Building on leasehold land-others	34,467,460	-	-	34,467,460	13,932,279	1,026,759	14,959,038	19,508,422	5%
Plant and machinery	117,178,828	-	-	117,178,828	83,048,208	2,389,143	85,437,352	31,741,475	7%
Electric Fittings	2,990,757	-	-	2,990,757	1,940,212	73,538	2,013,750	977,007	7%
Generator	520,565	-	-	520,565	272,308	17,378	289,686	230,879	7%
Office Equipments	6,500,166	47,500	-	6,547,666	4,300,488	157,302	4,457,790	2,089,876	7%
Furniture & Fixture	2,240,174	-	-	2,240,174	1,927,078	21,917	1,948,995	291,179	7%
Vehicle	252,471	44,000	-	296,471	197,782	19,738	217,520	78,951	20%

Leased assets

Plant and Machinery	138,173,171	-	-	138,173,171	75,733,316	-	75,733,316	62,439,855	7%
Vehicles	-	-	-	-	-	-	-	-	20%

30.06.2018

	558,426,647	91,500	-	558,518,147	188,840,287	4,114,466	192,954,753	365,563,394	
--	-------------	--------	---	-------------	-------------	-----------	-------------	-------------	--

4.2 Depreciation for the period has been allocated as under.

	Note	2019 Rupees	2018 Rupees
Directly Attributable Cost	24	4,204,016	3,841,971
Administrative expenses	25	268,603	272,495
		<u>4,472,620</u>	<u>4,114,466</u>

4.3 Capital work in progress-at cost

Building-Mill	4.4	-	##### ###
---------------	-----	---	-----------

4.4 Movement in Capital work in progress as follows:

Opening balance	11,202,138	-
<i>Addition during the year:</i>		
Building- Mill	1,006,819	11,202,138
	12,208,957	11,202,138
Transfer to operating fixed assets	(12,208,957)	-
Closing balance	-	11,202,138

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
5 CAPITAL WORK IN PROGRESS		-	11,202,138
		-	11,202,138
6 LONG TERM INVESTMENTS			
Investment in Shares-			
Engro Power Generation Qadirpur Limited	6.1	8,884	14,652
6.1 Number of shares: 434, Rs.20.47/- each (2018: 434, Rs.33.76)			
7 LONG TERM DEPOSITS			
Utilities		886,169	886,169
Leasing Companies		1,450,000	1,450,000
		2,336,169	2,336,169
8 LONG TERM LOANS AND ADVANCES			
<i>Considered good-unsecured</i>			
Advance to staff		3,327,194	1,905,976
Less: Current Portion of loans and advances	10	(440,000)	(440,000)
		2,887,194	1,465,976
9 INVENTORY			
Yarn		-	1,980,000
Yarn was bought for trading purposes as management wanted to trade in cotton yarn to test market for new business			
10 LOANS AND ADVANCES			
<i>Considered good-unsecured</i>			
Advance to suppliers		7,363,087	4,399,681
Advances to Staff-			
Advance for Imprest- petty cash		-	1,107,818
Current portion		440,000	440,000
		7,803,087	5,947,499
11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Infrastructure fee	11.1	1,611,230	1,611,230
11.1 This represent 50% payment made to Excise and Taxation Department of Government of Sindh against levy of Infrastructure Fee. (refer note 19.3)			
12 OTHER RECEIVABLES			
Quality claim receivable	12.1	7,362,359	7,362,359
Price difference claim	12.2	14,000,000	14,000,000
		21,362,359	21,362,359

	Note	2019 Rupees	2018 Rupees
12.1	The company has recorded quality claim against raw cotton purchase.		
12.2	The company filed a claim against the supplier of raw cotton for the price difference of Rs. 14 million for non-supply of raw cotton and has gone to arbitration as supplier denied to admit claim.		
13	TAX REFUND DUE FROM GOVERNMENT		
Income Tax Refundable	13.1	1,214,820	2,329,784
Sales tax refundable		1,259,853	1,193,213
FED receivable		19,604	15,347
		<u>2,494,277</u>	<u>3,538,344</u>
13.1	Income tax refundable		
Opening balance		2,329,784	14,275,928
Addition during the period		80,484	72,629
		2,410,268	14,348,557
Less:			
Opening provision for tax liability		-	(12,729,463)
Provision for current year		(1,133,711)	(210,000)
Prior year tax adjustment		(61,737)	920,690
		(1,195,448)	(12,018,773)
Closing balance		<u>1,214,820</u>	<u>2,329,784</u>
14	CASH AND BANK BALANCES		
Cash in Hand			
-at Mill		80,588	19,718
-at Head office		40,000	50,000
		120,588	69,718
Cash at Banks - Current Accounts		260,697	165,632
		<u>381,285</u>	<u>235,350</u>
15	Issued, subscribed and paid-up capital		
	2019	2018	
	Number of shares		2019 Rupees
			2018 Rupees
38,298,874	38,298,874	Ordinary shares of Rs. 5 each allotted for consideration paid in cash	191,494,370
6,127,820	6,127,820	Ordinary shares of Rs. 5 each issued as	30,639,100
			30,639,100
	<u>44,426,694</u>	<u>44,426,694</u>	<u>222,133,470</u>
			<u>222,133,470</u>

	Note	2019 Rupees	2018 Rupees
16 SURPLUS ON REVALUATION OF FIXED ASSETS			
Balance as at July 01,			
Land		242,442,989	242,442,989
Building - Mill		5,232,526	5,626,372
Building - Other		10,509,788	11,062,935
		258,185,303	259,132,296
Less: Incremental depreciation			
Building - Mill		(366,277)	(393,846)
Building - Others		(525,489)	(553,147)
Balance as at June 30,		257,293,537	258,185,303

16.1 The valuation has been performed on the basis of current market value. Latest revaluation of Land, Building and Plant & Machinery was carried out on June 30, 2011 by M/s Asif Associates (Pvt.) Ltd and before that on June 30, 2006 by M/s Consultancy Support and Services. Revaluation of Land was carried out on March 14, 2005 by Consultancy Support and Services, and revaluation was carried out on April 1, 1994 on the basis of market value determined by Eastern Surveyors.

17 LONG TERM FINANCING

Loans from banking companies and redeemable capital	17.1	58,508,315	58,508,315
17.1 Loans from banking companies and Redeemable Capital - secured			
Redeemable Capital	17.2	47,636,398	47,636,398
Bank Alfalah Limited	17.3	653,750	653,750
Bank of Punjab	17.4	18,770,615	18,770,615
		67,060,763	67,060,763
Less: Current portion shown under current liabilities		(8,552,448)	(8,552,448)
		58,508,315	58,508,315

	Lenders	Particulars	Mark-up rate p.a (%)	No. of instalments outstanding	Date of final repayment
17.2	First Dawood Investement Bank	These are 5 Term Finance Certificates (TFCs) amounting to Rs. 91.3 million and are secured by the ownership right over the leased asset, personal guarantee of directors and post dated cheques. The TFC started from December 01, 2011 and will be matured after 9.7 years. The liability of these TFCs are recorded at the present value of future	-	-	2021
17.3	Bank Alfalah Limited	As per order of Honorable Court, The company has to pay Rs. 6,030,000 in eight bi-annual equal installments of Rs. 753,750 each.	-	1 semi annual installments	2015
17.4	Bank of Punjab	This liability is against leasing facility. Case filed by the bank of punjab, See Note 23.1	-	-	-

	Note	2019 Rupees	2018 Rupees
18 DEFERRED LIABILITIES			
Staff retirement benefits - gratuity	18.1	1,544,717	1,544,717
		-	1,544,717
18.1 Staff retirement benefits			
Movement in Balance sheet liability			
Opening Balance		1,544,717	2,785,015
Expense for the year	18.2	181,000	245,501
Remeasurements recognised - (Gains) / losses	18.2	-	(235,299)
		1,725,717	2,795,217
Benefits paid during the year		-	(1,250,500)
Closing balance		1,725,717	1,544,717
Movements in present value of defined benefits			
PVDBO - opening		-	2,785,015
Current service cost		-	128,572
Interest cost		-	116,929
Remeasuremhts (gains)/losses		-	(235,299)
Benefits paid in the year		-	(1,250,500)
PVDBO - closing		-	1,544,717
18.2 Expense for the year			
Profit and Loss Account			
Current service cost		181,000	128,572
Interest cost		-	116,929
		181,000	245,501
Other Comprehensive Income			
Remeasurements in the year		-	(235,299)
Total		181,000	10,202
18.3 Other Information to be Disclosed			
Principal actuarial assumption			
Assumptions			
Discount rate		9.00%	9.00%
Average Rate of increment in salary		10.00%	10.00%
Expected year of services (years)		12	12
Estimated charge to P&L for June 30, 2020 Rs. 254,899			
The weighted average duration of defined benefit obligation is '6 years.			

	Note	2019 Rupees	2018 Rupees
Sensitivity analysis for actuarial assumptions			
The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / decreased as a result of change in respective assumptions by 100 basis point.			
		Increase in assumptions	Decrease in assumptions
		----- Rupees -----	
Discount rate		50,217	50,217
Increase in future salaries		(51,720)	(51,720)

Historical information

	2019	2018	2017	2016	2015
	----- R U P E E S -----				
Present value of defined benefit obligation	-	1,544,717	2,785,015	1,492,000	1,329,000

19 TRADE & OTHER PAYABLES

Trade creditors		5,108,027	9,958,660
Accrued liabilities		6,289,567	3,833,108
Advance from customers		2,426	2,426
	19.3	1,611,230	1,611,230
		13,011,250	15,405,424

- 19.1** Trade creditors include loan from M/s Premium Exports, sponsor, Rs.9,902,145 (2018: Rs.4,978,189).
- 19.2** Accrued liabilities include loan from Mrs. Gulnar Humayun, sponsor, Rs.5,367,301 (2018:Rs.917,301).
- 19.3** The Company has filed a suit against levy of Infrastructure fee, decision of the Honourable Sindh High Court dated 17 September 2008 in which the imposition of levy of infrastructure cess before 28 December 2006 has been declared as void and invalid. However, the Excise and Taxation Department has filed an appeal before the Honourable Supreme Court of Pakistan against the order of the Honourable Sindh High Court. During the current year, the Honourable Supreme Court of Pakistan has disposed off the appeal with a joint statement of the parties that during the pendency of the appeal, another law i.e. fifth version came into existence which was not the subject matter of in the appeal hence the case was referred back to High Court of Sindh with right to appeal to Supreme Court. On May 31, 2011, the High Court of Sindh has granted an interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignment released up to December 27, 2006 and any bank guarantee / security furnished on consignment released after December 27, 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with balance kept intact till the disposal of petition. In case the High Court upholds the applicability of fifth version of the law and its retrospective application the authorities are entitled to claim the amounts due under the said law with the right to appeal available to petitioner.

	Note	2019 Rupees	2018 Rupees
20 UNCLAIMED DIVIDENDS			
Unclaimed Interim Dividend 1995-1996		27,875	27,875
Unclaimed Interim Dividend 1996-1997		95,664	95,664
Unclaimed Interim Dividend 1999-2000		116,050	116,050
		<u>239,589</u>	<u>239,589</u>
21 ACCRUED MARK-UP			
Accrued mark-up on long term financing		<u>4,930,250</u>	<u>4,930,250</u>
21.1	This balance includes markup payable to Bank of Punjab amounting to Rs. 4,930,250 (2018: Rs. 4,930,250), see note 23.1.		
22 BOOK OVERDRAFT			
Book overdraft	22.1	<u>5,432,819</u>	<u>8,075,600</u>
22.1	Cheques issued by the Company in excess of balance at banks which remained unrepresented till June 30, 2019.		
23 CONTINGENCIES & COMMITMENTS			
Contingencies			
23.1	The Bank of Punjab has filed suit 62 of 12 before Honorable Banking Court NO. V, Karachi against the company for recovery of Rs. 42.35 million (Principal Rs. 17.1 million alongwith Markup Rs. 25.241 million) as outstanding dues against the leasing facilities provided by the bank. The company has filed an application for leave to defend on 07.02.2013. The company has also provided liabilities amounting to Rs. 18.77 million along with markup Rs. 4.93 million. The management believes that there wont be any outflow of economic benefit more than what it has already recorded and disclosed. In the opinion of Legal advisors of the company, the aforementioned amount of Rs. 42.35 million is exaggerated and is not supported by the statement of account filed by the Bank of Punjab before the learned		
23.2	The company has suit No. B-102 of 13. First Dawood Investment Bank Versus Ali Asghar Textile Mills Limited pending before Honorable Highcourt of Sindh at Karachi. The company trying to settle its TFCs amounting to Rs.89.609 million with First Dawood Bank Limited.The First Dawood Investment Bank has filed suit for the recovery of 89.609 million against lease finance which was converted to TFC's.The company has counter filed case against First Dawood Investment and defending the case and in the opinion of Legal advisor, the management of the company is trying to settle its TFCs with First Dawood Bank Limited at its earliest and is taking all the steps to conclude the		
23.3	The company has CP no. D-1009 of 12. Ali Asghar Textile Mills Limited Versus Fed. of Pakistan pending before Honorable High Court of Sindh at Karachi. The company trying to settle it at its earliest and in the opinion of Legal advisor, The merits of the case pending are in the favor of the company as it is taking all the steps to conclude the		
23.4	The amount stated in 12.1 Quality claim receivable Rs. 7,362,358 and note 12.2 Price difference claim Rs. 14,000,000. The management believes that inflow of economic benefit from such is probable.		
23.5	Guarantees issued by banks on behalf of the Company	<u>1,611,230</u>	<u>1,611,230</u>
23.6	There are no commitments of the company as at June 30, 2019.		

	Note	2019 Rupees	2018 Rupees
24 DIRECTLY ATTRIBUTABLE COST			
Salaries, wages and benefits	24.1	3,594,899	6,369,286
Land Bifurcation Charges		9,104,400	-
Power		63,190	46,683
Repairs and maintenance		185,979	205,591
Depreciation	4.2	4,204,016	3,841,971
Utilities		265,254	479,115
Printing and Stationery		2,040	6,266
Conveyance charges mill		57,899	95,510
Security Expenses Mill		498,725	579,800
Entertainment		54,225	-
Vehicle running and maintenance		701,639	-
		<u>18,732,266</u>	<u>11,624,222</u>
24.1 Salaries, Wages and Benefits include Rs. 181,000 (2018: Rs. 245,501) in respect of staff retirement benefits-Gratuity.			
25 ADMINISTRATIVE EXPENSES			
Directors' remuneration and other benefits		123,604	56,000
Travelling and conveyance		207,993	247,920
Rent, rates and taxes		-	624,360
Utilities		1,551,698	1,147,743
Postage and telephone		732,060	455,777
Printing and stationery		159,193	263,757
Vehicles running and maintenance		988,214	1,712,566
Fees and subscription		261,261	551,591
Entertainment		290,745	328,680
Legal and professional		237,878	451,546
Auditors' remuneration	28.1	180,000	200,000
Repairs and maintenance		375,383	527,045
Depreciation	4.2	268,603	272,495
Advertisement		49,369	103,015
Insurance		331,826	339,478
Security Expenses		-	18,150
Miscellaneous Expenses		102,053	-
		<u>5,859,880</u>	<u>7,300,123</u>
28.1 Auditors' remuneration			
Annual audit		130,000	150,000
Half yearly review		50,000	50,000
		<u>180,000</u>	<u>200,000</u>
26 OTHER EXPENSES			
Loss on trading securities		5,768	-
Loss on Inventory write Off		-	941,269
		<u>5,768</u>	<u>941,269</u>

	Note	2019 Rupees	2018 Rupees
27 OTHER INCOME			
Scrap sales		74,200	157,625
Liability no longer payable		-	2,000,000
Rent payable waived off		1,698,368	-
Gain on trading securities		-	22
		<u>1,772,568</u>	<u>2,157,647</u>
28 FINANCE COST			
Bank charges		<u>38,559</u>	<u>15,369</u>
29 LOSS PER SHARE			
Basic Loss Per Share			
Profit after taxation		<u>(12,886,074)</u>	<u>(4,878,545)</u>
Weighted average number of ordinary shares		<u>44,426,694</u>	<u>44,426,694</u>
Loss per share - basic and diluted		<u>(0.29)</u>	<u>(0.11)</u>
Dilutive Earning Per Share			

29.1 There is no dilutive effect on basic earnings per share.

30 RELATED PARTY DISCLOSURE

The related parties comprise associated companies (due to common directorship), wholly owned subsidiary, directors and key management personnel. Amounts due to/from related parties are shown in the relevant notes to the financial statements. The Company in the normal course of business carries out transactions with various related parties. Significant balances and transactions with related parties are as follows.

Nature of transaction	Nature of Relationship	2019	2018
		RUPEES	
Rent and other expenses	Sponsor	-	624,360
Loan received From directors	Director	14,831,690	20,468,567
Short term loan received from Mrs. Gulnar Humayun	Sponsor	4,450,000	-
Short term loan repaid-net to Premium exports	Sponsor	4,924,226	-

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

Chief Executive

Remuneration	-	-
Other benefits-Utilities	1,544,488	1,147,743
	<u>1,544,488</u>	<u>1,147,743</u>
Number of person	<u>1</u>	<u>1</u>

Directors

Remuneration	56,000	56,000
Other benefits	67,604	-
	<u>123,604</u>	<u>56,000</u>
Number of persons	<u>5</u>	<u>5</u>

31.1 The chief executive of the company is provided with company maintained car and utilities at residence. Directors have waived their remuneration.

32 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

The company has exposure to the following risks from its use of financial instruments

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

The board of directors has overall responsibility for the establishment and oversight of company's risk management framework. The board is also responsible for developing and monitoring the company's risk management policies.

32.1 Credit risk

Credit risk represents the accounting loss that would be recognized at reporting date if counter-parties failed completely to perform as contracted. Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. Management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

32.2 Exposure to credit risk

The maximum exposure to credit risk at the reporting date was as follows:

	30th June	30th June
	2019	2018
	PKR	
Long term Investment	8,884	14,652
Long term deposits	2,336,169	2,336,169
Loans and advances	7,803,087	5,947,499
Trade deposits and short term prepayments	1,611,230	1,611,230
Other receivables	21,362,359	21,362,359
Cash and bank balances	381,286	235,350
	33,503,015	31,507,259

Credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or to historical information about counterparty default rate.

Due to Company's long standing business relationship with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company.

32.3 The aging of trade debtors at the close of the balance sheet date is as follows:-

Not past due	-	-
0 - 30 days past due	-	-
31 - 90 days past due	-	-
90 - 1 year past due	-	-
Over one year	-	-
Impairment	-	-
	-	-

32.4 Based on the past experience, sales volume, consideration of financial position, past track records and recoveries, economic conditions of particularly the textile sectors and generally the industry, the company believes that it is prudent to provide trade.

32.5 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

The Company manages liquidity risk by maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities. Management believes the liquidity risk to be low.

Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows.

Contractual maturities of financial liabilities as at June 30, 2019:

June 30, 2019					
Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	Two to five years	More than five years
-----PKR-----					

Non derivative financial liabilities:-

Long term financing	58,508,315	-	-	-	58,508,315	-
Long term loans from directors	-	-	-	-	-	-
Long Term Deposits	833,850	-	-	-	833,850	-
Trade and other payables	13,011,250	-	-	-	13,011,250	-
Accrued mark up & interes	4,930,250	-	-	-	4,930,250	-
	77,283,665	-	-	-	77,283,665	-

Contractual maturities of financial liabilities as at June 30, 2018:

June 30, 2018					
Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	Two to five years	More than five years
-----PKR-----					

Non derivative financial liabilities:-

Long term financing	58,508,315	-	-	-	58,508,315	-
Long term loans from directors	-	-	-	-	-	-
Long Term Deposits	833,850	-	-	-	833,850	-
Trade and other payables	15,405,424	-	-	-	15,405,424	-
Accrued mark up & interes	4,930,250	-	-	-	4,930,250	-
	79,677,839	-	-	-	79,677,839	-

32.6 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark up rates effective as at June 30. The rates of mark up have been disclosed in relevant notes to these financial statements.

32.7 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instruments, changes in market sentiments, speculative.

32.8 Currency risk

Currency risk is the risk that the fair value or the future cash flows of the financial instrument will fluctuate because of the changes in the foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is not exposed to any currency risk arising from various currency exposures

32.9 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate of changes in market price (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to commodity price.

32.10 Interest Rate Risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. Majority of the interest rate arises from short and long term borrowings from bank.

	2019	2018
	RUPEES	
Fixed rate instruments		
Financial assets	8,884	14,652
Financial liabilities	5,432,819	8,075,600
Variable rate instruments		
Financial assets	-	-
Financial liabilities	58,508,315	58,508,315

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit and loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
	-----PKR-----			
Cash sensitivity analysis				
Variable rate instruments 2019	585,083	(585,083)	-	-
Cash sensitivity analysis				
Variable rate instruments 2018	585,083	(585,083)	-	-

32.11 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

32.12 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

32.13 Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observed.

Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2017 other financial assets was categorized in level 1.

There were no transfers between Level 1 and 2 in the year.

32.14 Capital risk management

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term financing from directors and others and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

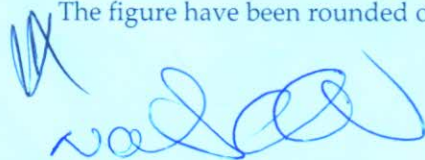
33 NUMBER OF EMPLOYEES	2019	2018
Total number of employees as at June 30	28	28
Average number of employees during the year	27	27

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04 OCT 2019 by the Board of Directors of the Company.

35 GENERAL


The figure have been rounded off to the nearest Rupee.



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director



M.SULEMAN
Chief Finance Officer

32.12 Fair value of financial assets and liabilities

The carrying value of all financial instruments reflected in the financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

32.13 Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observed.

Level 1 fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurement are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2017 other financial assets was categorized in level 1.

There were no transfers between Level 1 and 2 in the year.

32.14 Capital risk management

The company's prime object when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as total borrowings divided by total capital employed. Borrowings represent long term financing, long term financing from directors and others and short term borrowings. Total capital employed includes total equity as shown in the balance sheet plus borrowings.

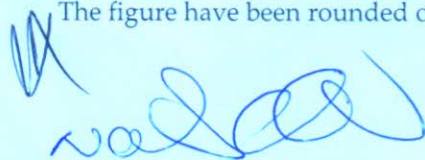
33 NUMBER OF EMPLOYEES	2019	2018
Total number of employees as at June 30	28	28
Average number of employees during the year	27	27

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 04 OCT 2019 by the Board of Directors of the Company.

35 GENERAL


The figure have been rounded off to the nearest Rupee.



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director



M.SULEMAN
Chief Finance Officer

www.jamapunji.pk



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQs Answered
- Online Quizzes

- Stock trading simulator
(based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

[jamapunji.pk](https://www.facebook.com/jamapunji.pk)

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

PROXY FORM

I/We
of being a member of
ALI ASGHAR TEXTILE MILLS LIMITED and a holder of ordinary shares
as per Share Register Folio No.
(in case of Central Depository System Account Holder A/c No.
Participant I.D.NO.) hereby appoint
of another member of the Company as per
Register Folio No. or (failing him / her)
of another member of the Company) as my / our Proxy
to attend and vote for me/us and on my/our behalf at 48th Annual General Meeting of the Company
to be held on Thursday, October 30, 2014 at 1:00 p.m. at Plot 2&6 Sector No.25 Korangi Industrial
Area Karachi and at any adjournment thereof.

(Member's Signature)

Witness(1): _____

NIC #. _____

Address _____

Witness(2): _____

NIC #. _____

Address _____

Place _____ Date _____

Affix Rs. 5/-
Revenue Stamp

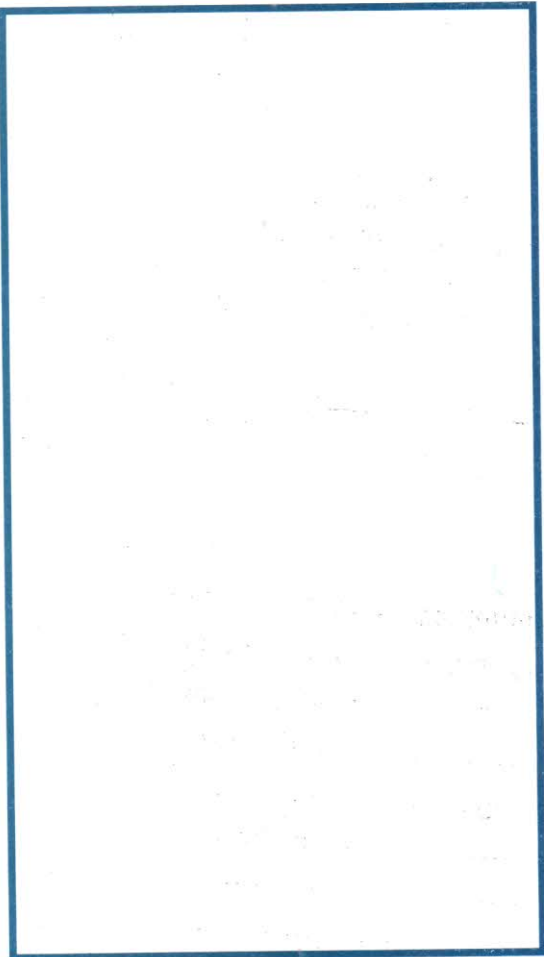
(Signature should agree with the
specimen signature registered in
the Company)

NOTE:

1. The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.
2. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy to attend and instead of him/her.
3. In case of Central Depository System Account Holder, an attested copy of identify card should be attached to this Proxy Form.
4. Proxies, in order to be effective, must be duly stamped, signed and witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned.

BOOK POST

PRINTED MATTER



If undelivered please return to:-

ALI ASGHAR TEXTILE MILLS LTD.

306-8, Third Floor, Uni Tower Building,
I.I.Chundrigar Road, Karachi.