

ALI ASGHAR TEXTILE MILLS LIMITED

Annual Report 2022





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Vision Statement

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

Mission Statement

To invest and operate successful logistic center and invest in high return ventures.

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	(Independent Director/NED)
Mr. Muhammad Zubair	(Independent Director/NED)

Audit Committee

Mr. Muhammad Zubair	Chairman
Mr. Sultan Mehmood	Member
Mr. Muhammad Afzal	Member

Human Resources & Remuneration (HR&R) Committee

Mr. Muhammad Zubair	Chairman
Mr. Muhammad Afzal	Member
Mr. Ahmed Ali	Member
Mr. Nadeem Ellahi	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

Room No. 306-308,3rd Floor Uni Tower I.I
Chundrigar Road, Karachi.

Website

www.aatml.com.pk

Mills

Plot 6, Sector No. 25 Korangi Industrial Area
Karachi. 74900

**PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS**

As on June 30, 2022

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%

DIRECTOR REPORT

The directors are pleased to presents the account for the year ended 30-06-2022.

The company PAT was 33 Million versus PAT of Rs.105 Million in SPLY.

Due to the political turmoil in the country, the equity market in which your company has a big stake suffered negatively. Hence PAT of this year is lower than last year. However the higher interest rate and inflation scenario has peaked out and future looks positive for the equity market.

The logistic center operated smoothly. Due to turmoil in international venture capital markets, a major client of the company went into financial troubles but management was successful in finding a new client.

Please find para wise reply to the Auditor qualifications:

- a. Sending and receiving third party confirmation (in this case, balance conformation 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 17.2, 17.3, 17.4, 23.1 & 23.2 but also provided all documents relating to first Dawood Investment Bank Limited and Bank of Punjab liability which could help them verify such balance through other alternate audit procedures but the auditors still choose to qualify these liabilities because they couldn't satisfy themselves on the basis of their judgment.
- b. The management believes that the liability should not be recorded more than the probable outflow of economic benefit and in the case, as stated in note number 23.1 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.
- c. Regarding outstanding dividend of Rs.239,589 the management is trying, with share register to identify the relevant shareholder. Due to unclaimed dividend been at least 15 years or more, the shareholders are not been identified.

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 15 years and have handled all financial issues and negotiations with banks and SECP, PSX diligently. As the company financial position further improves and it is in a position to afford higher salaries. It will appoint higher qualified individuals. For director training management is contacting proper institutes to complete training of directors.

In the end I would like to thank all the employees for their hard work and persistence, in wake of the serious corona virus threat. All employees have gotten vaccinations and are fully compliant with government SOP.

By order of the Board



NADEEM ELLAHI SHAIKH

Chief Executive

Karachi

Dated October 3, 2022

ڈائریکٹر رپورٹ

ڈائریکٹر 30-06-2022 کو ختم ہونے والے سال کا اکاؤنٹ پیش کرنے پر خوش ہیں۔

کمپنی کا منافع بعد از ٹیکس پچھلے سال 105 ملین روپے کے مقابلے میں اس سال 33 ملین روپے رہا ہے۔ ملک میں سیاسی ہنگامہ آرائی کی وجہ سے، ایکویٹی مارکیٹ، جس میں آپ کی کمپنی کا بڑا حصہ ہے منفی طور پر متاثر ہوا۔ اس لیے اس سال ک بعل از ٹیکس منافع پچھلے سال سے کم ہے۔ تاہم بلند شرح سود اور افراط زر کا منظر نامہ عروج پر ہے اور مستقبل ایکویٹی مارکیٹ کے لیے مثبت نظر آتا ہے۔

لاجسٹک سینٹر آسانی سے چل رہا تھا۔ بین الاقوامی وینچر کیپیٹل مارکیٹوں میں ہنگامہ آرائی کی وجہ سے، کمپنی کا ایک بڑا کلانٹ مالی پریشانیوں کا شکار ہو گیا لیکن انتظامیہ نئے کلانٹ کو تلاش کرنے میں کامیاب رہی۔

براہ کرم آڈیٹر کی اعتراضات کا پیرا وار جواب ملاحظہ فرما ہیں:

a. تھرڈ پارٹی کنفرمیشن بھیجنا اور وصول کرنا (اس معاملے میں، فرسٹ داؤد انویسٹمنٹ بینک اور بینک آف پنجاب سے بیلنس کنفرمیشن) آڈیٹر کے ذریعہ زیر التوا بیلنس کی تصدیق کے لیے لاگو کیے جانے والے طریقہ کار میں سے ایک ہے۔ انتظامیہ نے نوٹ نمبر 17.2، 17.3، 17.4، 23.1 اور 23.2 کے تحت نہ صرف ان ذمہ داریوں کے بارے میں ہر مادی حقیقت کو ظاہر کیا ہے بلکہ پہلے داؤد انویسٹمنٹ بینک لمیٹڈ اور بینک آف پنجاب کی ذمہ داری سے متعلق تمام دستاویزات بھی فراہم کی ہیں جو انہیں دوسرے کے ذریعے اس بیلنس کی تصدیق میں مدد دے سکتی ہیں۔ لیکن آڈیٹرز اب بھی ان ذمہ داریوں کو کوالیفائی کرنے کا انتخاب کرتے ہیں کیونکہ وہ اپنے فیصلے کی بنیاد پر خود کو مطمئن نہیں کر سکتے تھے۔

b - انتظامیہ کا خیال ہے کہ ذمہ داری معاشی فوائد کے ممکنہ اخراج سے زیادہ درج نہیں ہونی چاہیے اور اس معاملے میں، جیسا کہ نوٹ نمبر 23.1 میں بیان کیا گیا ہے، انتظامیہ اور قانونی مشیر کا پختہ یقین ہے کہ اخراج پہلے سے ریکارڈ شدہ سے زیادہ نہیں ہوگا۔

کمپنی کی کتابوں میں اور اس کی بنیاد پر ، مینجمنٹ کی رائے ہے کہ بینک آف پنجاب کا مارک اپ اس کی زیر التواء ذمہ داری کے ساتھ مالی طور پر ریکارڈ کیا گیا ہے اور بیانات میں مناسب طریقے سے ظاہر کیا گیا ہے۔

c-23589 روپے کے بقایا ڈیویڈنڈ کے حوالے سے انتظامیہ کوشش کر رہی ہے ، شیئر رجسٹر کے ساتھ متعلقہ شیئر ہولڈر کی شناخت کرے۔ غیر دعویٰ کردہ منافع کم از کم 15 سال یا اس سے زیادہ ہونے کی وجہ سے ، حصص یافتگان کی شناخت نہیں کی جاتی ہے۔ کارپوریٹ گورننس پوائنٹس کے حوالے سے کمپنی نے کمپنی ایکٹ 2017 کے مطابق سی ایف او اور کمپنی سیکریٹری کے دفتر کو الگ کر دیا ہے ، سی ایف او اور کمپنی سیکریٹری کے بارے میں نوٹ مناسب سرٹیفیکیشن نہ ہونے پر دیکھا گیا ہے۔ تاہم میں یہ شامل کرنا چاہوں گا کہ دونوں افراد 15 سال سے زائد عرصے سے کمپنی میں سینئر عہدوں پر کام کر رہے ہیں اور انہوں نے تمام مالی مسائل اور بینکوں اور ایس ای سی پی ، پی ایس ایکس کے ساتھ مذاکرات کو مستعدی سے سنبھالا ہے۔ جیسا کہ کمپنی کی مالی پوزیشن مزید بہتر ہوتی ہے اور یہ زیادہ تنخواہوں کے متحمل ہونے کی پوزیشن میں ہے۔ یہ اعلیٰ اہل افراد کا تقرر کرے گا۔ ڈائریکٹر ٹریننگ کے حوالے سے مینجمنٹ ڈائریکٹرز کی تربیت مکمل کرنے کے لیے مناسب ادارے سے رابطہ کر رہی ہے۔ آخر میں میں کورونا وائرس کے سنگین خطرے کے پیش نظر تمام ملازمین کی محنت اور استقامت کا شکریہ ادا کرنا چاہتا ہوں۔ تمام ملازمین نے ویکسینیشن حاصل کر لی ہے اور وہ حکومتی ایس او پی کے مطابق کام کر رہے ہیں۔

بورڈ کے حکم سے



ندیم الہی شیخ۔

چیف ایگزیکٹو

کراچی

بتاریخ 3 اکتوبر 2022

ALI ASGHAR TEXTILE MILLS LIMITED

CHAIRMAN REVIEW

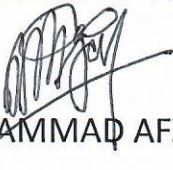
I am pleased to present to the shareholders chairman review of the company performance for FY22. As chairman of the board, the board committee overseeing various functions carried out their duties and decisions were reported in time to the stock exchange and SECP. Board committees were monitored to ensure they provided stability to company functions and adhered to all regulations. All shareholder queries were answered promptly.

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 many things, including quarterly and annual financial statement appointment of external 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

Dated: October 03, 2022

علی اصغر ٹیکسٹائل ملز لمیٹڈ چیئر مین کا جائزہ

مجھے شیئر ہولڈرز کو مالی سال 2022 کے لیے کمپنی کی کارکردگی پر چیئر مین کا جائزہ پیش کرنے پر خوشی ہے۔ بورڈ کے چیئر مین کی حیثیت سے ، بورڈ کی کمیٹی مختلف کاموں کی نگرانی کرتی تھی اور اپنے فیصلوں سے اسٹاک ایکسچینج اور ایس ای سی پی کو بروقت رپورٹ کیا گیا۔ بورڈ کمیٹیوں کی نگرانی کی گئی تاکہ یہ یقینی بنایا جا سکے کہ وہ کمپنی کے افعال کو استحکام فراہم کرے اور تمام قواعد و ضوابط پر عمل پیرا رہے۔ تمام شیئر ہولڈرز کے سوالات کا فوری جواب دیا گیا۔

بورڈ کی کارکردگی کو تسلی بخش قرار دیا گیا کیونکہ کارپوریٹ گورننس کے کوڈ کے تمام قواعد لاگو تھے۔

سال کے دوران بورڈ نے کہی چیزوں پر غور کیا اور ان کی منظوری دی ، بشمول سہ ماہی اور سالانہ مالیاتی سٹیٹمنٹ بیرونی آڈیٹرز کی کی تقرری اور دیگر مالی معاملات۔

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

بورڈ کا چیئر مین۔


محمد افضل

کراچی مورخہ 03 اکتوبر 2022

ALI ASGHAR TEXTILE MILLS LTD
STATEMENT OF COMPLIANCE
WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019

YEAR ENDED JUNE 30, 2022

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/Non Executive	Mr. Muhammad Zubair
Chief Executive/Executive Director	Mr. Nadeem Ellahi Sheikh
Non-Executive Director	Mr. Ahmed Ali
Executive Director	Mr. Muhammad Suleman
Non-Executive Director	Mr. Muhammad Afzal
Independent Director/Non Executive	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 seven listed companies, including this Company.
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. Muhammad Zubair	Chairman
Mr. Ahmed Ali	Member
Mr. Muhammad Afzal	Member
Mr. Nadeem Ellahi	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, the chief internal auditor is suitable qualified and experienced person.
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 and all their partners are in compliance with the International Federation of Accountants(IFAC) guidelines on the Code of Ethics as adopted by the ICAP and that and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non- dependent children) of the chief executive officer, chief finance officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except n 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.



Mr. Muhammad Afzal
Chairman



Nadeem Ellahi
Chief Executive

Karachi
Date: 03.10.2022

ALI ASGHAR TEXTILE MILLS LIMITED
Notice of 56th Annual General Meeting

Notice is hereby given that the 56th annual general meeting of Ali Asghar Textile Mills Limited will be held at 306-308 Unitowers, I.I. Chundrigar road, Karachi on October 26, 2022 at 2 P.M. sharp to transact the following business:

ORDINARY BUSINESS

To confirm minutes of the last General Meeting held on October 28, 2021. To receive, consider and adopt audited Accounts for the year ended 30th June 2022 together with Auditor's and Director Report thereon.

1. To confirm minutes of the last Annual General Meeting held on 28th October 2021.
2. To receive, consider and adopt audited accounts for the year ended 30th June 2022 together with Auditor's and Director Report thereon.
3. To appoint auditors for the year ended June 30, 2023 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

5. To approve by way of special resolution with or without modification the following resolution in respect of related party transaction in terms of Section 208 of the Companies ACT. 2017.
6. (i)RESOLVED THAT the related parties transactions conducted during the year as disclosed in the note 31 of the unconsolidated financial statements for the year ended June 30, 2022 be and are hereby ratified, approved and confirmed.

(ii)RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transaction to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2023.

"FURTHER RESOLVED that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval

By the order of Board

Abdullah Moosa
Company Secretary

Dated: October 3th October 2022

Notes:

The Share Transfer Books will remain closed and no transfer of shares will be accepted for registration from 20th October 2022 to 26th October 2022 (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

6. COVID 19 Related Contingency Planning for AGM:

In view of the prevailing and worsening situation and ensuring the health safety of our shareholder due to pandemic COVID-19 and in line with the direction issued to listed companies by the Securities & Exchange Commission of Pakistan vide is Circular No.4 of 2021 dated February 15, 2021 and subsequent Circular No.6 of 2021 dated March 03, 2021, the company intend to convene this AGM virtually via video conference facility which ensuring compliance with the quorum requirements and request to the Members to consolidate their attendance and voting at the AGM through proxy To special arrangement for attending the AGM through electronic means will be as under:

- a) AGM will be held through Zoom application via a video link facility.
- b) Shareholder/proxy holders interested in attending the AGM through Zoom application are hereby requested to get themselves registered with the Company Secretary office by sending an e-mail with subject: "Registration for AGM" at the earliest but not later than 19th October 2022 on email (abdullahmoosa@aatml.com.pk) along with a valid copy of both side of CNIC.

Shareholder/Proxy holders are advice to mention their Name, Folio/CDC Account Number, CNIC Number and Cell number.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their email address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smart phones/computer devices. The login facility will be opened at 1:30 p.m. on October 26, 2022 enabling the participants to join the proceedings which will start at 2:00 p.m. sharp.

STATEMENT MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

1. Relating to item Number 5(i) of the notice-Ratification and approval of the related party transactions.

The company carries out transaction with its associates and related parties in accordance with its policies, applicable laws, regulations and with approval of board of directors of the company. However, during the year some of the Company's Directors are interested in certain transactions (by virtue of being the shareholder of common directorship), therefor due to absent of requisite quorum for approval in Board of Directors meeting, these transactions are being placed for the approval by shareholders in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in the note 31 to the unconsolidated financial statements for the year ended 30th June 2022.

The company carries out transactions with its related parties on an arm's length as per the approved policy with respect to 'transactions with related parties' in the normal

course of business and periodically reviewed by the Board Audit Committee. Upon the recommendation of the board, Audit Committee, Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, but are not limited to, sale and purchase of goods, dividends paid and received, investments made (in accordance with the approval of shareholders and board where applicable) and sharing of common expenses.

The nature of relationship with these related parties has also been indicated in the note 31 to the unconsolidated financial statements for the year ended 30th June 2022.

2. Relating to Item Number 5 (ii) of the notice- Authorization for the Board of Directors to approve the related party transaction during the year ending 30th June 2023.

The Company shall be conducting transactions with its related parties during the year ended 30th June 2023 on an arm's length basis as per the approved policy with respect to 'transaction with related parties' in the normal course of business some Directors are interested in these transactions due to their common directorship substantial shareholding in the subsidiary/associated companies. In order to promote transparent business practices, the Board of Directors seeks authorization from the shareholders to approve transactions with the related parties from time-to-time on case to case basis for the year ended 30th June, 2023 and such transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

KEY OPERATING AND FINANCIAL RESULTS
FROM 2015-2016 TO 2020-2021

ACCOUNTING YEAR	2020-2021	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
	'000	'000	'000	'000	'000	'000
OPERATING RESULTS						
Logistic Center Service Revenue	52,586	8,892	3,855	11,173	12,134	5,723
Sales-Net	-	-	-	-	-	-
Gross Profit (Loss)	60,641	116,523	(17,066)	(7,558)	509	(6,161)
Net Profit (Loss) After Tax	33,029	105,109	134,532	(4,858)	(4,858)	(11,362)
FINANCIAL POSITION						
Assets Employed:						
Operating Assets	968,946	839,417	768,161	373,462	365,563	369,586
Current Assets	669,839	800,169	899,279	33,652	35,674	32,382
Other Assets	6,721	63,266	15,146	5,232	15,018	4,389
Deferred Cost	-	-	-	-	-	-
Assets Financed By:						
Shareholders Equity	1,532,722	1,613,524	1,453,622	319,112	317,186	255,743
Directors Loan	2,837	6,686	10,590	80,898	66,067	45,598
Surplus on revaluation of Fixed Assets	682,474	682,474	682,474	257,293	258,185	259,132
Long term Loan	60,903	60,864	60,701	60,886	60,886	108,642
Other Deferred Liability	2,108	2,069	1,906	1,725	1,544	2,785
Current Maturity	8,552	8,552	8,552	8,552	8,552	8,652
Other Current Liabilities	43,328	19,911	159,711	23,614	28,630	37,319
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	0.74	2.37	3.03	(0.29)	(0.11)	(0.26)
Current Ratio	12.91	28.11	5.34	1.05	0.93	0.77

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ALI ASGHAR TEXTILE MILLS LIMITED

On the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulation, 2019.

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Ali Asghar Textile Mills Limited** (the Company) for the year ended **June 30, 2022** in accordance with the requirements of regulation 36 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.

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Following instances of non-compliance with the requirements of the Code were observed which are stated as under:

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019.	Non-Compliances
01	The company has no female director.
02	The company has 3 executive directors, which is more than one third of board composition.
02	Independent Directors are not meeting the criteria as required u/s 166 of Companies Act, 2017 and Regulation.
09	Company is not meeting the requirement of director training program criteria. Half of the total directors are not trained up to 30.06.2022, as required by the Code.
10	Chief Financial Officer and Company Secretary are not meeting the eligibility criteria.

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, 2022.

Karachi:

Date: 4th October, 2022

UDIN: CR202210043wsHChDRi8



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Chartered Accountants

Engagement Partner:

Zahid Hussain Zahid, FCA

Independent Auditors' Report

To the Members of Ali Asghar Textile Mills Limited

Report on the Audit of the Financial Statements

Qualified 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, 2022**, 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, except for the effects of the matters described in the paragraph (a to c), 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 conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified 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 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 accounted for markup amounting Rs.2.84 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.9.59 million approximately and aggregate accumulated loss would have been higher by the same amount.

- c) 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.

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.	<p>Defined Benefit Obligations (Gratuity)</p> <p>Refer to note no. 18.1 to the audited financial statements.</p> <p>The Company operates an unfunded gratuity plan, giving rise to net liability of Rs.2.108 million, which is significant in the context of the overall balance sheet of the Company.</p> <p>The valuation of liability requires judgment and technical expertise in choosing appropriate assumptions. Changes in a number of the key assumptions, including:</p> <ul style="list-style-type: none">- salary increase and inflation;- discount rate; and- mortality. <p>All can have a material impact on the calculation of the liability. The Company uses external actuaries to assist in assessing these assumptions and calculations of these liabilities.</p> <p>The use of these actuaries increases the risk of error as data is passed to third parties for analysis and calculation purposes.</p>	<p>We evaluated the qualification of actuary and assessed, whether the assumptions used in valuation report for calculating the gratuity plan liabilities, including salary increases, inflation, mortality rate and discount rate assumptions, were reasonable and consistent with based on national and industry data. We were satisfied that the rates used fell within acceptable ranges.</p> <p>We understood and tested key controls over the completeness and accuracy of data extracted and supplied to the Company's actuary</p> <p>We also performed sample testing to agree underlying employee data, supporting human resources documentation and assessed the appropriateness of the closing liability based on known movements and assumptions. No issues were identified to raise concerns over the valuation of the gratuity liability.</p> <p>We also read and assessed the disclosures made in the financial statements, including disclosures of the assumptions and restated figures of prior years and found them to be appropriate.</p>

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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:

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- 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;

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- 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).

Engagement partner on the audit resulting in this independent auditor's report is Zahid Hussain Zahid, FCA.

Karachi.

Dated: 4th October, 2022

UDIN: AR202210043YbloUfH82



Mushtaq & Co.


MUSHTAQ & CO.
Chartered Accountants



ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Operating fixed assets	4	968,946,069	839,416,938
Capital Work in Progress	5	-	53,659,238
Long Term Deposits	6	2,650,247	6,392,630
Long Term loans and advances	7	4,071,009	3,213,980
		975,667,325	902,682,786
CURRENT ASSETS			
Loans and advances	8	3,577,137	3,488,137
Investments	9	267,395,192	683,418,811
Trade deposits and short term prepayments	10	20,182,639	51,400,505
Other receivables	11	369,433,862	153,758
Tax refunds due from Government	12	8,685,532	4,681,626
Cash and bank balances	13	564,520	57,026,178
		669,838,883	800,169,015
TOTAL ASSETS		1,645,506,208	1,702,851,801
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (2021: 50,000,000) ordinary shares of Rs. 5 each		250,000,000	250,000,000
Issued, subscribed and paid-up capital	14	222,133,470	222,133,470
Interest free loan from directors	15	2,837,047	6,685,507
Surplus on Revaluation of Fixed Assets	16	682,474,489	682,474,489
Unappropriated Profit/ (Loss)		692,927,915	665,200,814
Un-realised gain/loss on Investment		(67,650,656)	37,029,465
		1,532,722,265	1,613,523,745
NON-CURRENT LIABILITIES			
Long term financing	17	58,508,315	58,508,315
Long term Deposits		287,000	287,000
Staff retirement benefits	18	2,108,173	2,069,150
		60,903,488	60,864,465
CURRENT LIABILITIES			
Trade and other payables	19	30,304,647	14,741,304
Unclaimed Dividends	20	239,589	239,589
Accrued Mark-up	21	4,941,393	4,930,250
Book overdrafts	22	7,842,378	-
Current portion of long term borrowings	17	8,552,448	8,552,448
		51,880,455	28,463,591
CONTINGENCIES AND COMMITMENTS	22	-	-
TOTAL EQUITY AND LIABILITIES		1,645,506,208	1,702,851,801

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, 2022

	<u>Note</u>	<u>2022</u> <u>Rupees</u>	<u>2021</u> <u>Rupees</u>
Logistic Center Service Revenue		52,585,949	8,892,400
Logistic Center Service Charges	23	(34,378,314)	(20,543,173)
Gross Profit / (Loss)		18,207,635	(11,650,773)
Administrative expenses	24	(18,976,047)	(14,001,755)
Other expenses	25	(161,934)	-
Other income	26	61,571,142	142,313,188
		42,433,161	128,311,433
Profit from operations		60,640,796	116,660,660
Finance cost	27	(200,132)	(138,094)
Profit before taxation		60,440,664	116,522,566
Taxation			
Current		(18,773,791)	(12,423,905)
Prior Year Tax		(8,637,619)	1,010,780
Profit after taxation		33,029,254	105,109,441
Earning per share - basic and diluted	28	0.74	2.37

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, 2022

	<u>Note</u>	<u>2022 Rupees</u>	<u>2021 Rupees</u>
Profit after taxation		33,029,254	105,109,441
Other comprehensive (loss) / income			
<i>Items that may be reclassified subsequently to profit or loss account:</i>			
Unrealized loss on remeasurement of available for sale investment		(110,433,973)	59,034,751
<i>Items that cannot be reclassified subsequently to profit or loss account:</i>			
Unrealized gain on remeasurement of staff retirement benefits	18.1	451,699	(337,488)
Total comprehensive (Loss) / Profit for the year		<u><u>(76,953,020)</u></u>	<u><u>163,806,704</u></u>


 NADEEM E. SHAIKH
 Chief Executive


 ABDULLAH MOOSA
 Director


 M. SULEMAN
 Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	60,440,664	116,522,566
Adjustments for:		
Depreciation	15,671,302	7,930,449
Loss on Building Revaluation	-	-
Staff retirement benefits - gratuity	574,972	501,173
Gain on disposal of PPE	-	(22,808)
Unrealized Gain on remeasurement of trading securities	(110,433,973)	59,034,751
Finance cost	200,132	138,094
Liability no longer payable	-	-
Loss on Inventory Write Off	-	-
	(93,987,567)	67,581,659
(Loss) / Profit before working capital changes	(33,546,903)	184,104,225
(Increase) / decrease in current assets		
Loans and advances	(89,000)	(47,767,379)
Investment in Mutual Funds and Shares	416,023,619	203,334,292
Other Receivables	(369,280,104)	213,854
Trade deposits and short term prepayments	31,217,866	-
	77,872,381	155,780,767
(Decrease) / increase in current liabilities		
Trade and other payables	15,563,343	(85,656,364)
Accrued Mark-up	11,143	-
Cash generated from operations	59,899,964	254,228,628
Finance cost paid	(200,132)	(138,094)
Taxes paid	(31,415,316)	(12,767,386)
Staff retirement benefits gratuity paid	(84,250)	(675,750)
	(31,699,698)	(13,581,230)
Net cash generated from operating activities	28,200,266	240,647,398
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term Loans	(857,029)	(96,209)
Long Term Deposits	3,742,383	(2,542,243)
Capital Work in Progress	53,659,238	(45,480,832)
Long term investment	-	-
Fixed capital expenditure	(145,200,432)	(79,387,854)
Net cash used in investing activities	(88,655,840)	(127,507,138)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Disposal of PPE	-	112,500
Interest free directors and other loan	(3,848,460)	(3,905,238)
Deposit Paid	-	-
Book overdraft	7,842,378	(54,143,648)
Net cash used in financing activities	3,993,918	(57,936,386)
Net increase in cash and cash equivalents	(56,461,658)	55,203,873
Cash and cash equivalents at the beginning of the year	57,026,178	1,822,305
Cash and cash equivalents at the end of the year	13 564,520	57,026,178

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

ALL ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT JUNE 30, 2022

	Issued, subscribed and Paid up Capital	Loan from directors and others	Reserves			Total Equity
			Revenue Reserve Unappropriated Profit/ (Loss)	Revaluation Surplus on Property Plant and Equipment	Unrealised gain/loss on fairvalue	
R u p e e s						
Balance as at July 1, 2020	222,133,470	10,590,745	560,428,861	682,474,489	(22,005,286)	1,453,622,279
Profit/(Loss) for the year	-	-	105,109,441	-	-	105,109,441
Other comprehensive income/ (loss) for the year	-	-	-	-	-	-
Unrealized loss on remeasurement of available for sale investment	-	-	-	-	59,034,751	59,034,751
Gain on remeasurement of staff retirement benefits-gratuity	-	-	(337,488)	-	-	(337,488)
Loan from directors and others (Note 16)	-	(3,905,238)	-	-	-	(3,905,238)
Balance as at June 30, 2021	222,133,470	6,685,507	665,200,814	682,474,489	37,029,465	1,613,523,745
Balance as at July 1, 2021	222,133,470	6,685,507	665,200,814	682,474,489	37,029,465	1,613,523,745
Profit for the year	-	-	33,029,254	-	-	33,029,254
Other comprehensive loss for the year:						
Unrealized loss on remeasurement of available for sale investment	-	-	-	-	(110,433,973)	(110,433,973)
Gain on remeasurement of staff retirement benefits-gratuity	-	-	451,699	-	-	451,699
Loan from directors and others (Note 16)	-	(3,848,460)	-	-	-	(3,848,460)
Transfer to retained earnings	-	-	(5,753,852)	-	5,753,852	-
Balance as at June 30, 2022	222,133,470	2,837,047	692,927,915	682,474,489	(67,650,656)	1,532,722,265



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, 2022

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. Registered office of the company is located at Uni Towers, I. I. Chundrigar Road, Karachi, 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 In the AGM held in October 2016 presented shareholders with a new business plan and detailed cash flows. After approval the management has started hiring new employees and started business activities. A state of the art automated logistic hub is been constructed with the help of kirby international Kuwait designed to provide modern support sources to e-commerce oriented companies, FMCG/Pharma.

1.3 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. Accordingly, these financial statements have been prepared on going concern assumption.

a) Logistic Hub and Warehousing Business

The directors of the company in a board of directors meeting held in year 2016, approved the business of logistics and warehousing. Equipment for prefabricated building has been installed and completed.

b) Support of Directors and Sponsors

Directors and sponsors 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision 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.

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2.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS
2.5.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 7	Financial Instruments : Disclosures (Amendments)	January 1, 2021
IFRS 9	Financial Instruments (Amendments)	January 1, 2021
IFRS 16	Leases (Amendments)	January 1, 2021

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 17	Insurance contracts

The following interpretation issued by the IASB has been waived off by SECP:

IFRIC 12	Service concession arrangements
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As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/ 2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

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 leasehold land, which is stated at revalued amount less impairment loss, if any. Building on leasehold land is stated at revalued amount less accumulated depreciation and impairment loss, if any. Cost comprises acquisition and other directly attributable costs.

Depreciation is provided on a reducing balance method and charged to profit or 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 to 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.

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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 or 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 subject to finance lease

Assets subject to finance lease are initially recorded at the lower of present value of minimum lease payment under the lease agreement and the fair value of the leased asset. The related obligations under the lease less financial charges allocated to future period are shown as a liability. Financial charges are allocated to accounting period in a manner to provide constant periodic rate of charge on the outstanding liability. Capitalized or leased assets are depreciated on the same basis and on the same rate as owned assets. Income arising from sales and lease back transaction, if any, is deferred and is amortized equally over the lease period.

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments received under operating leases are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

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 and represents expenditure on fixed assets in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use intended.

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.

3.3 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 against

3.4 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.

3.5 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.

3.6 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, 2022 using the "Projected Unit Credit Method".

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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.

3.7 Trade and other payables

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

3.8 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.

Deferred tax

The company has provided for the current tax based on normal provisions of the income tax ordinance 2001. However, the Company has not provided for deferred tax since the Company's management expects that in consonance with the past trends, future tax liabilities would continue to be finalized and taxed as Separate block of income for Income from Property. Therefore, any timing differences arising during the year are not expected to reverse in future periods.

3.9 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.

3.10 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.

3.11 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:

- i. Rental income is recognized on 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.
- ii. Interest income is recognized as it accrues using the effective interest rate method.
- iii. Dividend income is recognized when the right to receive dividend is established
- iv. According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.
- v. Revenue from Service income is recognised when service are rendered.

3.12 IFRS 9 "Financial Instruments"

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement bringing together aspects of the accounting for financial instruments: classification and measurement and impairment.

Classification and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in unappropriated profit as of July 1, 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Company's financial statements are described below:

This new standard requires the Company to assess the classification of financial assets in its statement of financial position in accordance with the cash flow characteristics of the financial assets and the relevant business model that the Company has for a specific class of financial asset.

IFRS 9 no longer has an "Available for Sale" classification for financial assets. IFRS 9 has different requirements for debt and equity financial assets.

Debt instrument should be classified and measured at either:

- (i) amortized cost, where the effective interest rate method will apply;
- (ii) fair value through other comprehensive income (FVTOCI), with subsequent recycling to the profit or loss upon disposal of the financial asset; or
- (iii) fair value through profit or loss (FVTPL).

Investment in equity instruments, other than those to which consolidation or equity accounting applies should be classified and measured at:

- (i) fair value through other comprehensive income (FVTOCI), with no subsequent recycling to the profit or loss upon disposal of the financial

Financial instruments

All financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprises the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specific in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement

Financial assets

Classification

- a) Amortized cost where the effective interest rate method will apply;
- b) fair value through profit or loss;
- c) fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Company reclassifies debt investments when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

b) Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit or loss and recognized in other income/charges. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/charges and impairment expenses are presented as separate line item in the statement of profit or loss.

c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is substantially measured at FVTPL is recognized in statement of profit or loss and presented net within other operating gains/(losses) in the period in which it

De-recognition of financial assets

A financial asset (or, where applicable part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the assets, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the assets.

In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments there are subject to the ECL model:

- Trade debts
- Loans, advances, deposits, prepayments and other receivables
- Short term investments
- Cash and bank balance

Simplified approach for trade debts

The Company recognizes life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of further economic conditions.

Trade debts are separately assessed for ECL measurement. The lifetime expected credit losses are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Recognition of loss allowance

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Write off

The company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

Financial liabilities**Classification, initial recognition and subsequent**

The Company classifies its financial liabilities in the following categories:

- a fair value through profit or loss; and
- Other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

b) Amortized cost

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

De-recognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liabilities is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss.

Off-Setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to set off the recognized amounts, and the Company either intends to settle on a net basis, or realize the asset and settle the liability simultaneously. Legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability ; or

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized with the fair value hierarchy,

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.13 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.

3.14 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 of all dilutive potential ordinary shares.

3.15 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.

3.16 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further, the company is not subject to externally imposed capital requirements.

4 PROPERTY, PLANT AND EQUIPMENT

	Note	2022 Rupees	2021 Rupees
Operating fixed assets	4.1	968,946,069	839,416,938
Capital work in progress	4.4	-	-
		<u>968,946,069</u>	<u>839,416,938</u>

4.1 Operating fixed assets

2022											
Cost as at July 01, 2021	Additions/ Transferred from CWIP	Adjustments	Revaluation surplus/ (loss)	(Disposal)	Cost as at June 30, 2022	Accumulated depreciation as at July 01, 2021	Depreciation charge for the year	Adjustments/ (Disposal)	Accumulated depreciation as at June 30, 2022	Book value as at June 30, 2022	Annual depreciatio n rate %
Rupees											

Owned Assets

Leasehold land	682,807,500			-	-	682,807,500	-	-	-	-	682,807,500	-
Building on leasehold land-Mill	1,541,886	-		-	-	1,541,886	149,756	97,449	-	247,205	1,294,681	7%
Building on leasehold land-others	76,711,807	87,330,838		-	-	164,042,645	2,402,737	4,224,883	-	6,627,620	157,415,025	5%
Plant and machinery	117,178,828	-		-	-	117,178,828	91,647,349	1,787,204	-	93,434,552	23,744,276	7%
Electric Fittings	2,990,757	6,538,020		-	-	9,528,777	2,204,894	131,287	-	2,336,181	7,192,596	7%
Solar System	-	18,855,420	-	-	-	18,855,420	-	70,970	-	70,969	18,784,451	7%
Generator	6,000,565	-		-	-	6,000,565	395,266	392,371	-	787,637	5,212,928	7%
Office Equipments	7,418,759	421,154	-	-	-	7,839,913	5,046,921	172,570	-	5,219,490	2,620,423	7%
Furniture & Fixture	2,240,174	-		-	-	2,240,174	2,005,963	16,395	-	2,022,358	217,816	7%
Vehicle	6,575,736	32,055,000	-	-	-	38,630,736	594,161	5,950,315	-	6,544,476	32,086,260	20%

Right to use assets

Plant and Machinery	138,173,171	-	-	-	-	138,173,171	97,775,198	2,827,858	-	100,603,056	37,570,115	7%
30.06.2021	1,041,639,183	145,200,432	-	-	-	1,186,839,615	202,222,245	15,671,302	-	217,893,547	968,946,069	

2021

	Cost as at July 01, 2020	Additions	Adjustments	Revaluation surplus	(Disposal)	Cost as at June 30, 2021	Accumulated depreciation as at July 01, 2020	Depreciation charge for the year	Adjustments /(Disposal)	Accumulated depreciation as at June 30, 2021	Book value as at June 30, 2021	Annual depreciatio n rate %
Rupees												
Owned Assets												
Leasehold land	682,807,500	-	-	-	-	682,807,500	-	-	-	-	682,807,500	-
Building on leasehold land-Mill	1,541,886	-	-	-	-	1,541,886	44,972	104,784	-	149,756	1,392,130	7%
Building on leasehold land-others	9,200,474	67,511,333	-	-	-	76,711,807	268,347	2,134,390	-	2,402,737	74,309,070	5%
Plant and machinery	117,178,828	-	-	-	-	117,178,828	89,725,625	1,921,724	-	91,647,349	25,531,479	7%
Electric Fittings	2,990,757	-	-	-	-	2,990,757	2,145,743	59,151	-	2,204,894	785,863	7%
Generator	520,565	5,480,000	-	-	-	6,000,565	320,878	74,388	-	395,266	5,605,299	7%
Office Equipments	7,262,759	156,000	-	-	-	7,418,759	4,871,842	175,079	-	5,046,921	2,371,838	7%
Furniture & Fixture	2,240,174	-	-	-	-	2,240,174	1,988,334	17,629	-	2,005,963	234,211	7%
Vehicle	587,215	6,240,521	-	-	(252,000)	6,575,736	241,372	402,597	(49,808)	594,161	5,981,575	20%
Leased assets												
Plant and Machinery	138,173,171	-	-	-	-	138,173,171	94,734,490	3,040,708	-	97,775,198	40,397,973	7%
30.06.2020	962,503,329	79,387,854	-	-	(252,000)	1,041,639,183	194,341,604	7,930,450	(49,808)	202,222,244	839,416,938	

4.2 Depreciation for the period has been allocated as under.

	Note	2022 Rupees	2021 Rupees
Directly Attributable Cost	23	9,400,735	7,275,994
Administrative expenses	24	6,270,567	654,457
		<u>15,671,302</u>	<u>7,930,450</u>

4.3 Particular of Immovable Asset in the name of the Company are as follows:

Location	Address	Total Area (Square yards)
Karachi	Sector 25, Korangi Industrial Area Karachi.	15173.61

4.4 Movement in Capital work in progress as follows:

Opening balance	53,659,238	8,178,406
<i>Addition during the year:</i>		
Building- Mill	33,671,600	112,992,165
	87,330,838	121,170,571
Transfer to operating fixed assets	(87,330,838)	(67,511,333)
Closing balance	<u>-</u>	<u>53,659,238</u>

4.5 Disposal of property, plant and equipment

Particulars	Particulars of buyer	Cost	Accumulated depreciation	Written down value	Gain/(Loss)	Proceeds	Mode of disposal
2022				-	-		Negotiation
				-	-	-	Negotiation
		-	-	-	-	-	
2021		252,000	(49,808)	202,192	22,808	225,000	

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 Rupees	2021 Rupees
5 CAPITAL WORK IN PROGRESS		-	53,659,238
		<u>-</u>	<u>53,659,238</u>
6 LONG TERM DEPOSITS			
Utilities		1,200,247	4,942,630
Leasing Companies		1,450,000	1,450,000
		<u>2,650,247</u>	<u>6,392,630</u>
7 LONG TERM LOANS AND ADVANCES			
<i>Considered good-secured</i>			
Loan to staff		4,511,009	3,653,980
Less: Current Portion	8	(440,000)	(440,000)
		<u>4,071,009</u>	<u>3,213,980</u>
7.1 Loan to staff is secured against gratuity.			
8 LOANS AND ADVANCES			
<i>Considered good-unsecured</i>			
Advance to suppliers		3,137,137	3,048,137
Current portion of loan to staff		440,000	440,000
		<u>3,577,137</u>	<u>3,488,137</u>

			Note	2022 Rupees	2021 Rupees
9 INVESTMENTS- Fair Value through Other Comprehensive Income					
	No. of Shares/ Units	Cost	Fair value adustment	Fair value 2022	Book value 2021
Investments in Equity shares					
Adamjee Insurance Company Limited.	271,000	11,368,349	(2,815,587)	8,552,762	20,237,361
Altern Energy Limited.	172,000	3,711,595	(995,699)	2,715,896	26,226,766
Agriauto Industries Limited.	118,300	26,914,274	(11,062,029)	15,852,245	39,320,132
Archroma Pakistan Limited.	-	-	-	-	2,433,125
Fauji Cement Company Limited.	253,000	6,156,652	(2,571,641)	3,585,011	5,819,001
Habib Metropolitan Bank Limited.	275,500	10,186,965	571,310	10,758,275	11,185,300
Engro Corporation Limited.	-	-	-	-	13,767,126
United Bank Limited.	419	59,058	4,120	63,178	97,651,084
Bank Al Habib Limited.	1,277,264	82,386,523	(8,228,837)	74,157,686	211,031,207
Habib Bank Limited.	802,902	96,300,647	(22,964,105)	73,336,542	123,663,476
Nishat Power Limited.	8,500	174,930	(9,180)	165,750	19,424,025
Fauji Fertilizer Company Limited.	214,605	22,888,770	764,990	23,653,760	10,026,449
BANK AL FALAH	328,243	11,165,506	(661,728)	10,503,778	18,286,062
Cherat packages	21,000	4,959,673	(2,588,352)	2,371,321	4,177,111
Descon Oxchem Limited	674,500	18,533,657	(7,944,011)	10,589,646	4,294,399
First Dawood	500	1,015	(9)	1,006	1,466
International Industries	-	-	-	-	9,073,859
K-Electric	3,528,500	14,759,480	(4,032,840)	10,726,640	14,758,460
Nishat Chunian Limited	-	-	-	-	11,742,637
Synthetic Polymer	211,680	4,442,347	(1,459,777)	2,982,570	4,214,979
Hub power	171,000	12,267,576	(610,511)	11,657,065	-
Aisha steel	166,000	3,399,230	(1,564,930)	1,834,300	-
Airlink comuunication Limited	55,965	3,722,360	(1,461,931)	2,260,429	-
	<u>8,550,878</u>	<u>333,398,606</u>	<u>(67,630,747)</u>	<u>265,767,859</u>	<u>647,334,023</u>
Investments in AMC's					
Faysal halal amdani fund	-	-	-	-	2,859
Faysal Islamic saving and growth fund	-	-	-	-	7,605
Faysal money market fund	-	-	-	-	8,689
NBP money market fund	69,278	688,657	(1,066)	687,591	1,394,014
UBL Government securities fund	1,463	149,054	5,837	154,891	-
MCB cash management optimizer	2,687	272,909	(516)	272,393	6,057,507
NBP stock fund	-	-	-	-	28,058,015
UBL stock advantage fund	1,610	99,940	11,951	111,891	126,430
UBL Cash fund fund	252	25,742	(506)	25,236	321,272
MCB Pakistan stock market fund	2,071	214,592	(35,614)	178,978	108,396
JS cash fund	637	65,225	112	65,337	-
MCB Pakistan cash Fund	2,596	131,020	(106)	130,914	-
	<u>80,595</u>	<u>1,647,139</u>	<u>(19,909)</u>	<u>1,627,230</u>	<u>36,084,787</u>
MCB term deposit receipt (TDR).	-	-	-	-	-
	<u><u>8,631,473</u></u>	<u><u>335,045,745</u></u>	<u><u>(67,650,656)</u></u>	<u><u>267,395,090</u></u>	<u><u>683,418,811</u></u>

10 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Infrastructure fee	10.1	1,611,230	1,611,230
Other Prepayments		18,571,409	49,789,275
		<u>20,182,639</u>	<u>51,400,505</u>

10.1 This represent 50% payment made to Excise and Taxation Department of Government of Sindh against levy of Infrastructure Fee. (refer note 19.3)

	Note	2022 Rupees	2021 Rupees
11 OTHER RECEIVABLES			
Others		369,433,862	153,758
		369,433,862	153,758
11.1	The company has written off quality claim and price claim receivable as bad debt expense.		
12 TAX REFUND DUE FROM GOVERNMENT			
Income tax refundable	12.1	(2,743,251)	2,561,666
Sales tax refundable		11,358,788	2,049,965
FED receivable		69,995	69,995
		8,685,532	4,681,626
12.1 Income tax refundable			
Opening balance		2,561,666	1,483,022
Tax deducted during the period		22,106,493	12,491,769
		24,668,159	13,974,791
Less:			
Provision for current year		(18,773,791)	(12,423,905)
Prior year tax adjustment		(8,637,619)	1,010,780
		(27,411,410)	(11,413,125)
Closing balance		(2,743,251)	2,561,666
13 CASH AND BANK BALANCES			
Cash in Hand			
-at Mill		36,846	56,168
-at Head office		92,229	23,842
		129,075	80,010
Cash at Banks - Current Accounts		435,445	56,946,168
		564,520	57,026,178
14 Issued, subscribed and paid-up capital			
	2022	2021	
	Number of shares		
	2022	2021	
	Rupees		Rupees
	38,298,874	38,298,874	Ordinary shares of Rs. 5 each allotted for consideration paid in cash
	6,127,820	6,127,820	Ordinary shares of Rs. 5 each issued as
	44,426,694	44,426,694	222,133,470
	222,133,470	222,133,470	
14.1	The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry "one vote" per share without restriction.		
15 Loan from directors and others			
Loan from directors and others		2,837,047	6,685,507
15.1	These are unsecured and interest free loans repayable on the discretion of the company. In compliance with TR-32 issued by The Institute of Chartered Accountants of Pakistan, these loans have been treated as part of equity.		

	Note	2022 Rupees	2021 Rupees
16 SURPLUS ON REVALUATION OF FIXED ASSETS			
Balance as at July 01,			
Land		682,474,489	682,474,489
Building - Mill		-	-
Building - Other		-	-
		682,474,489	682,474,489
Less: Incremental depreciation			
Building - Mill		-	-
Building - Others		-	-
Balance as at June 30,		<u>682,474,489</u>	<u>682,474,489</u>

16.1 The company revalued its Land & Building on market value basis on 18th February 2020 by Anderson Consulting (Pvt) Ltd , an independent valuer which result in downward valuation of **Rs 24.057 million**. Previously it 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	<u>58,508,315</u>	<u>58,508,315</u>
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
		<u>67,060,763</u>	<u>67,060,763</u>
Less: Current portion shown under current liabilities		(8,552,448)	(8,552,448)
		<u>58,508,315</u>	<u>58,508,315</u>

	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 outflows.	-	-	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	-	-	-

18 DEFERRED LIABILITIES

Staff retirement benefits - gratuity	18.1	<u>2,108,173</u>	<u>2,069,150</u>
		<u>2,108,173</u>	<u>2,069,150</u>

	Note	2022 Rupees	2021 Rupees
18.1 Staff retirement benefits			
Movement in the net liability recognized in balance sheet			
Opening net liability		2,069,150	1,906,239
Expense for the year	18.2	574,972	501,173
Remeasurement (Gains) recognized in OCI	18.2	(451,699)	337,488
		2,192,423	2,744,900
Benefits paid during the year		(84,250)	(675,750)
Closing net liability		2,108,173	2,069,150
Movements in present value of defined benefits			
PVDBO - opening		2,069,150	1,906,239
Past service cost		-	-
Current service cost		371,823	344,375
Interest cost		203,149	156,798
Remeasurements (gains)/losses		(451,699)	337,488
Benefits paid in the year		(84,250)	(675,750)
PVDBO - closing		2,108,173	2,069,150
18.2 Expense recognized in profit or loss account			
Current service cost		371,823	344,375
Interest cost		203,149	156,798
		574,972	501,173
Expense recognized in other comprehensive income			
Net actuarial loss/(gain) recognized		(451,699)	337,488
Total		123,273	838,661

18.3 General description

The scheme provides for terminal for all its permanent employees who attain the minimum qualifying period. Annual charge is made using the actuarial technique of Projected Unit Credit Method.

Principal actuarial assumption

Discount rate	13.25%	10.00%
Average Rate of increment in salary	10.00%	10.00%
Expected year of services (years)	10	10

Estimated charge to P&L for June 30, 2023 Rs. 651,155

The weighted average duration of defined benefit obligation is '8 years.

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 ----- Rupees -----	Decrease in assumptions
Discount rate	73,208	(77,052)
Future salaries	(78,655)	75,988

Historical information

	2022	2021	2020	2019	2018
	----- R U P E E S -----				
Present value of defined benefit obligation	2,108,173	2,069,150	1,906,239	1,880,956	1,711,000

	Note	2022 Rupees	2021 Rupees
19 TRADE & OTHER PAYABLES			
Other creditors	19.1	447,691	478,343
Accrued liabilities	19.2	12,397,950	8,203,105
Advance from customers	19.3	15,847,776	4,448,626
Excise and Taxation	19.4	1,611,230	1,611,230
		<u>30,304,647</u>	<u>14,741,304</u>

19.1 Trade creditors include loan from M/s. Premium Exports, sponsor, Rs. Nill (2021: Rs.25,598)

19.2 Accrued liabilities include loan from Mrs. Gulnar Humayun, sponsor, Rs.Nill (2021: Rs. Nil).

19.3 Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. Nill has been recognised in current year in respect of advance from customers at the beginning of the

19.4 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.

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 short term financing		11,143	-
Accrued mark-up on long term financing		4,930,250	4,930,250
		<u>4,941,393</u>	<u>4,930,250</u>

21.1 This balance includes markup payable to Bank of Punjab amounting to Rs. 4,930,250 (2021: Rs. 4,930,250), see note 22.1.

21.2 This balance includes markup payable to JS Bank on running finance facility of RS. 50m.

22 BOOK OVERDRAFT

Bank Alfalah - Letter of Guarantee	22.1	-	-
Book overdraft	22.1	7,842,378	54,143,648

22.1 This Balance has been transferred to Long Term Loan as per the settlement agreement.

22.1 This represents Cheques issued in excess of bank balance. Since there was no banking facility, this has been grouped under Book overdraft.

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 banking court.

	Note	2022 Rupees	2021 Rupees
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 aforementioned case.		
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 aforementioned case.		
23.4	Guarantees issued by banks on behalf of the Company	1,611,230	1,611,230
23.5	There were no commitments as on year end (2021: Nil).		
24 LOGISTIC CENTER SERVICE CHARGES			
	Salaries, wages and benefits	24.1 11,820,637	10,264,971
	Power	7,848,323	180,313
	Repairs and maintenance	345,026	236,411
	Depreciation	4.2 9,400,735	7,275,994
	Utilities	3,202,684	207,979
	Printing and stationery	45,974	2,370
	Conveyance charges	12,940	101,345
	Security expenses	480,973	1,203,170
	Entertainment	47,390	55,620
	Vehicle running and maintenance	-	-
	Fees and Subscriptions	-	315,000
	Legal and professional charges	1,173,632	700,000
		34,378,314	20,543,173
24.1	Salaries and wages include Rs.574,972/- (2021: Rs. 501,173) in respect of staff retirement benefits gratuity.		
25 ADMINISTRATIVE EXPENSES			
	Directors' remuneration and other benefits	1,500,000	1,500,000
	Travelling and conveyance	2,346,605	230,735
	Rent expenses	572,330	624,360
	Utilities	399,926	2,243,301
	Postage and telephone	478,660	466,333
	Printing and stationery	357,987	304,451
	Vehicles running and maintenance	1,914,616	1,299,205
	Fees and subscription	269,212	1,395,602
	Entertainment	516,685	391,735
	Legal and professional	869,407	241,145
	Auditors' remuneration	25.1 250,000	225,000
	Repairs and maintenance	402,429	425,237
	Depreciation	4.2 6,270,567	654,455
	Advertisement	122,600	50,430
	Insurance	1,351,992	923,225
	Miscellaneous expenses	264,864	778,713
	Brokerage	799,141	2,247,828
	Others	289,026	-
		18,976,047	14,001,755

	Note	2022 Rupees	2021 Rupees
25.1 Auditors' remuneration		53,354,360	
Annual audit		200,000	175,000
Half yearly review		50,000	50,000
		250,000	225,000
26 OTHER EXPENSES			
Loss on disposal of vehicle		-	-
Loss on revaluation of building (mill and others)		-	-
Bad debts expenses		161,934	-
		161,934	-
27 OTHER INCOME			
Gain on disposal of leasehold land		-	-
Scrap sales		220,300	178,850
Loss on disposal of trading securities		(54,800)	95,213,458
Dividend income		61,393,863	46,756,710
TDR Income		-	98,162
Insurance Claim		-	43,200
Gain on Disposal of Vehicle		-	22,808
		-	-
Capital Refund		11,779	-
		61,571,142	142,313,188
28 FINANCE COST			
Bank charges		188,989	138,094
Markup Charges		11,143	-
		200,132	138,094
29 EARNING PER SHARE			
Basic Earning Per Share			
Earning for the year		33,029,254	105,109,441
Weighted average number of ordinary shares		44,426,694	44,426,694
Earning per share - basic and diluted		0.74	2.37
Dilutive Earning Per Share			
29.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2022 and June 30, 2021.			
30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES			
Chief Executive			
Remuneration	25		1,440,000
Other benefits-Utilities	25		1,984,324
		-	3,424,324
Number of person		1	1
Directors			
Remuneration	25	-	60,000
Other benefits		-	-
		-	60,000
Number of persons		5	5
Directors			
Remuneration	25	-	-
Other benefits		-	-
		-	-

30.1 The chief executive of the company is provided with company maintained car and utilities at residence.

31 RELATED PARTY DISCLOSURE

The related parties comprises directors and key management personnel. Amounts due to related parties are shown in the relevant notes to the financial statements. Transactions with related parties are disclosed below:

Nature of transaction	Nature of Relationship	Note	2022 RUPEES	2021
Loan (repaid)/ received From directors	Director	15	(3,847,960)	-
Short term loan repaid to Mrs. Gulnar Humayun	Sponsor	19.2	-	-
Short term loan-net (repaid) to Premium	Sponsor	19.1	-	-
Loan (repaid)/ received From Related Parties	Associated Company	11	69,457,032	-
Atif Butt	Sponsor		-	(40,200,000)
Ayesha Sohail	Sponsor		-	(42,300,000)

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
	2022	2021
	----- PKR -----	
Long term Investment	-	-
Long term deposits	2,650,247	6,392,630
Loans and advances	3,577,137	53,431,170
Trade deposits and short term prepayments	20,182,639	1,611,230
Other receivables	369,433,862	-
Cash and bank balances	564,520	57,026,178
	396,408,405	118,461,208

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, 2022:

June 30, 2022						
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	287,000	-	-	-	287,000	-
Trade and other payables	30,304,647	-	-	-	30,304,647	-
Accrued mark up	4,941,393	-	-	-	4,941,393	-
	94,041,355	-	-	-	94,041,355	-

Contractual maturities of financial liabilities as at June 30, 2021:

June 30, 2021						
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	287,000	-	-	-	287,000	-
Trade and other payables	14,741,304	-	-	-	14,741,304	-
Accrued mark up	4,930,250	-	-	-	4,930,250	-
	78,466,869	-	-	-	78,466,869	-

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.

33.10 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.

	2022	2021
	RUPEES	
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Variable rate instruments		
Financial assets	267,395,192	683,418,811
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 or loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
	-----PKR-----			
Cash sensitivity analysis				
Variable rate instruments 2022	2,088,869	(2,088,869)	-	-
Cash sensitivity analysis				
Variable rate instruments 2021	(6,249,105)	(585,083)	-	-

33.11 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.

33.12 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.

33.13 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).

33.14 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.

32 NUMBER OF	2022	2021
Total number of employees as at June 30	28	28
Average number of employees during the year	27	27

33 SUBSEQUENT EVENT

No subsequent events were identified during the period.

34 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation and comparison, the effects of which are not material.

RECLASSIFICATION

Corresponding figures have been rearranged and reclassified to reflect more appropriate presentation of events and transactions of the purposes of comparison. Significant reclassifications made the as following:

Note	From	Note	To	Reason	Rupees
8	Loans and advances	10	Trade deposits and short term prepayments	Better presentation	49,789,275
8	Loans and advances	11	Other receivables	Better presentation	153,758

35 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 4th **October, 2022** by the Board of Directors of the Company.

36 GENERAL

The figure have been rounded off to the nearest Rupee.



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director



M.SULEMAN
Chief Finance Officer

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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 _____

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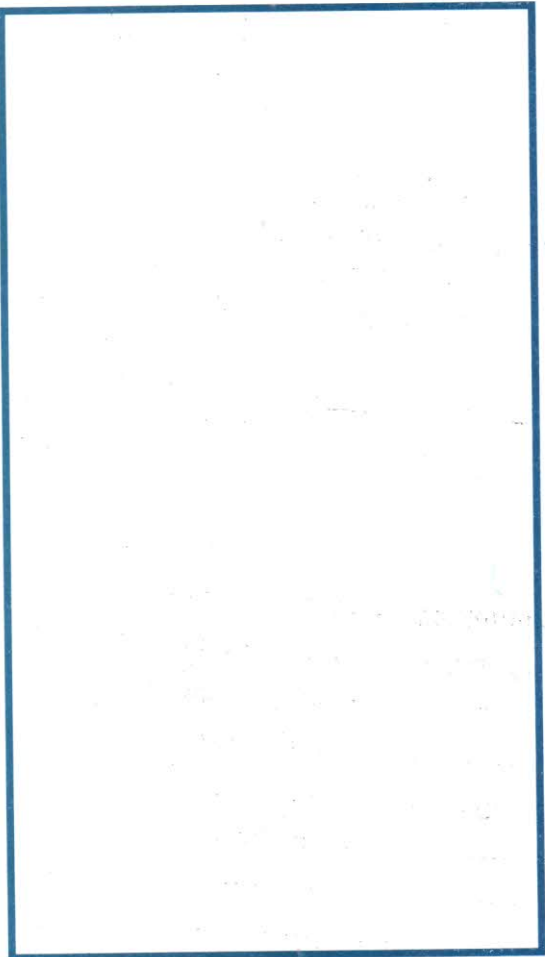
(Signature should agree with the
specimen signature registered in
the Company)

NOTE:

1. The Proxy should be deposited at the Registered Office of the Company not later than 48hours 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.

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