ALI ASGHAR TEXTILE MILLS LIMITED

Annual Report 2023

CONTENTS

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	Plot 6, Sector No. 25 Korangi Industrial Area Karachi. 74900	
Website	www.aatml.com.pk	
Mills	Plot 6, Sector No. 25 Korangi Industrial Area Karachi. 74900	

THE DIRECTORS' REPORT

The Directors are pleased to present the audited financial statements of the company for the year ended 30th June 2023.

	2023	2022
Revenue-Logistic Center Service	63,796,495	52,585,949
Logistic Center Service Charges	(32,470,676)	(34,378,314)
Gross Profit	**31,325,819**	**18,207,635**
Administrative expenses	(19,747,733)	(18,976,047)
Other Operating expenses	(36,319,870)	(216,734)
Loss from operations	**(24,741,785)**	**(985,146)**
Other income	35,641,553	61,625,942
Finance cost	(211,036)	(200,132)
Profit before taxation	10,688,732	60,440,664
Taxation		
Current	(5,677,274)	(18,773,791)
Prior Year Tax	9,224,024	(8,637,619)
Profit after taxation	14,235,482	33,029,254
EPS	0.32	0.74

The company earned a profit after tax of Rs14.2m after the deduction of depreciation expenses of Rs 21.5m.The EPS was Rs 0.32.

The principal line of business is to provide the services of logistics, warehouse, construction, rental and allied business. During the year, the company provided these services to it main client a multinational grant.

The Financial year 2023 was fully of unprecedented challenges even by standards of the Pakistani economy. The country tethered on theVerge of default and a last minute effort by the prime minister helped Pakistan avert a default by the skin of it teeth. However this brinkman ship cost the country dearly and hence there was a 25% approx fall in the value of the rupee and a huge fall in market index at Pakistan stock exchange. Even with the IMF deal and the pain on the general population due to higher petrol and electricity prices , the economy is far from stabilized.

In the background of these challenges however your company marched along its objectives and was able to complete the installation / production and generation from its 250 kw Solar rooftop project Building upon that, the board of directors approved the acquisition of a company Fazal Solar Energy Pvt Limited which is a company with its primary business objective of setting up and operating solar Power projects.

The business plan for the company will be to set up a 1000 Kw solar plant to sell power generated to its neighbor Getz pharma for a 10 year period.

The company Fazal Solar energy will be a subsidiary company of AATML as the ownership Structure is 98% owned by AATML.

This is in line with the company (AATML) Strategy to diversify its business revenue stream and Invoice profitability . This investment will also help the surrounding environmental improve by reducing fossil fuel consumption.

The Financial profit of the company had a lackluster performance due to the reason mention as the Start of this report. However the management feels that after signing of the IMF 9th review and 9 monthstandby arrangements the market should have a stellar 5-8 months

A potential upside of 30 % to 40% in some of the investment scrip held by the company has been observed from June 23 till the signing of this report (sep 23)

If the government initiatives are implemented, the valuations of the company investments can increase manifolds

Hence the management feels that in FY 2024 the invested portfolio will have a higher dividend income and capital gain.

It would also be important to mention that management successfully negotiated its outstanding TFC with FDIBL and paid off the outstanding in 5 equal installments. This settlement lead to a one off gain in the profit and loss account.

For Dividends and profits distribution due to lower profitability and investments needs to grow future business, the management has decided not to declare any dividend this year.

During the year the following people were directors on the board.

1	MR. NADEEM ELLAHI SHAIKH
2	MR. MUHAHAMMAD SULEMAN
3	MR. ABDULLAH MOOSA
4	MR. MUHAMMAD AFZAL
5	MR. AHMED ALI
6	MR. MUHAMMAD ZUBAIR
7	MR. SULTAN MEHMOOD

The financial control of the company adequate and internal audit terms regularly does inspections.

Regarding Auditor points raised in the audit report, I would like to state the following.

Please find para wise reply to the Auditor qualifications:

a. Sending and receiving third party confirmation (in this case, balance conformation from 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 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.

Your company always ensures environment preservations and adopts all the possible means for the environment protection.

You company is fully aware of its corporate social responsibility and has been working positively to raise the educational, health and environmental standards of the country in general and local communities in particular.

Related party transactions are shown in relevant note to the financial statements as per IAS24.

Financial Risk and Risk Management

Liquidity Risk : Prudent liquidity risk management ensures availability of the sufficient funds for meeting contractual commitments. The Company's fund management strategy aims at managing liquidity risk through internal cash generation and committed credit lines with financial institutions.

Directors' Remuneration: Company has a formal policy and transparent procedure for the remuneration of its Directors in accordance with the Companies Act 2017 andth Listed Companies (Code of Corporate Governance) Regulations, 2019.

The CEO and Directors remuneration is disclosed in Note 29 of thefinancial statements.

Board of Directors as at June 30, 2023 consists of:
Number of Directors:

a) Male 07
b) Female 0

Composition of Board:	
Independent Directors:	02
Other Non-Executive Directors:	04
Executive Directors:	03

Board of Directors meetings: A total of 04 meetings of the board of directors held during the year from 1st July 2022 to 30th June 2023.

Committee of Board of Directors:

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

The Board of Directors is committed to maintaining high standards of Corporate Governance.

The board of directors is pleased to report that:

- The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows, and changes in equity
- Proper books of accounts have been maintained
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed

- The system of internal control is sound in design and has been effectively implemented and monitored
- There are no significant doubts on the ability of the Company to continue as a going concern
- There have been no departures from the best practices of corporate governance, as detailed in the listing regulations

The pattern of shareholding as on 30th June 2023 is annexed to this report.

Financial data for the last six year in summarized form is annexed to this report.

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

ABDULLAH MOOSA	NADEEM ELLAHI SHAIKH
DIRECTOR	CHIEF EXECUTIVE

Karachi

Dated 25th September, 2023

ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو پیش کرنے پر خوش ہیں۔

	2023	2022
Revenue-Logistic Center Service	63,796,495	52,585,949
Logistic Center Service Charges	(32,470,676)	(34,378,314)
Gross Profit	**31,325,819**	**18,207,635**
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Profit after taxation	**14,235,482**	**33,029,254**
EPS	**0.32**	**0.74**

کمپنی نے 21.5 ملین روپے کے فرسودگی کے اخراجات کی کٹوتی کے بعد 14.2 ملین روپے کا ٹیکس کے بعد منافع کمایا۔

ای پی ایس 0.32 روپے تھا۔

کاروبار کی اصل لائن لاجسٹکس، گودام، تعمیراتی، کرایہ اور متعلقہ کاروبار کی خدمات فراہم کرنا ہے۔

دوران سال کمپنی نے یہ خدمات اپنے ایک بڑے ملٹی نیشنل کلا ننٹ کو فراہم کی۔

مالی سال 2023 پاکستانی معیشت کے معیار کے لحاظ سے بھی مکمل طور پر بے مثال چیلنجوں سے بھرا تھا۔ ملک ڈیفالٹ کے دہانے پر کھڑا ہے اور وزیر اعظم کی آخری لمحات کی کوشش نے پاکستان کو اپنے ڈیفالٹ کو روکنے میں مدد کی۔ تاہم یہ برنک مین جہاز ملک کو مہنگا پڑا اور اسی وجہ سے روپے کی قدر میں تقریباً 25 فیصد کمی اور پاکستان اسٹاک ایکسچینج میں مارکیٹ انڈیکس میں زبردست گراوٹ ہوئی۔ یہاں تک کہ آئی ایم ایف کے معاہدے اور پیٹرول اور بجلی کی قیمتوں میں اضافے کی وجہ سے عام آبادی کو جو تکلیف پہنچ رہی ہے۔

ان چیلنجوں کے پس منظر میں تاہم آپ کی کمپنی اپنے مقاصد کے ساتھ آگے بڑھی اور اپنے 250 کلو واٹ کے روف ٹاپ پروجیکٹ بلڈنگ سے انسٹالیشن/ پروڈکشن اور جنریشن مکمل کرنے میں کامیاب رہی، اس پر بورڈ آف ڈائریکٹرز نے فضل سولر انرجی کمپنی کے حصول کی منظوری دی۔ کمپنی جس کا بنیادی کاروباری مقصد شمسی توانائی کے منصوبوں کو قائم کرنا اور چلانا ہے۔

کمپنی کا کاروباری منصوبہ 10 سال کی مدت کے لیے اپنے پڑوسی گیٹز فارما کو پیدا ہونے والی بجلی فروخت کرنے کے لیے 1000 کلو واٹ کا سولر پلانٹ لگانا ہے۔

کمپنی فضل سولر انرجی علی اصغر ٹیکسٹائل ملز کی ذیلی کمپنی ہوگی کیونکہ ملکیت کا ڈھانچہ 98 فیصد علی اصغر ٹیکسٹائل ملز کی ملکیت ہے۔

یہ ہماری کمپنی کی حکمت عملی کے مطابق ہے تاکہ اس کی کاروباری آمدنی اور انوائس کے منافع کو متنوع بنایا جا سکے۔

یہ سرمایہ کاری فوزل ایندھن کی کھپت کو کم کرکے ارد گرد کے ماحولیات کو بہتر بنانے میں بھی مدد کرے گی۔

کمپنی کے مالی منافع کی کارکردگی کمزور رہی اس کی وجہ کا ذکر رپورٹ کے آغاز میں کیا گیا ہے۔

تاہم انتظامیہ کا خیال ہے کہ آئی ایم ایف کے 9ویں جائزے اور 9 ماہ کے اسٹینڈ بائی انتظامات پر دستخط کرنے کے بعد مارکیٹ میں 5-8 ماہ کا شاندار ہونا چاہیے۔

ستمبر 2023 اس رپورٹ پر دستخط کے بعد 23 جون سے کمپنی کے پاس موجود سرمایہ کاری کے کچھ حصے میں(30 سے 40 فیصد) تک کا ممکنہ اضافہ دیکھا گیا ہے

اگر حکومت کی جانب سے اس پر عمل درآمد کیا جاتا ہے تو کمپنی کی سرمایہ کاری کی قدروں میں کئی گنا اضافہ ہو سکتا ہے۔

اس لیے انتظامیہ کو لگتا ہے کہ مالی سال 2024 میں سرمایہ کاری شدہ پورٹ فولیو میں ڈیویڈنڈ کی آمدنی اور کیپٹل گین زیادہ ہوگا۔

یہ بتانا بھی ضروری ہو گا کہ انتظامیہ نے کامیابی سے اور بقایا ٹی ایف سی اور بقایہ رقم 5 مساوی قسطوں میں فرسٹ داود انویسٹمنٹ بینک کو ادا کی۔ تصفیہ منافع یا نقصان کے کھاتے میں ایک بار پھر فائدہ پہنچاتا ہے۔

کم منافع کی وجہ سے منافع اور منافع کی تقسیم اور مستقبل کے کاروبار کو بڑھانے کے لیے سرمایہ کاری کی ضرورت ہے، انتظامیہ نے اس سال کسی بھی ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔

سال کے دوران مندرجہ ذیل لوگ بورڈ میں ڈائریکٹر تھے۔

1- جناب ندیم الہیٰ شیخ

2- جناب محمد سلیمان

3- جناب عبداللہ موسیٰ

4- جناب محمد افضل

5- جناب احمد علی

6- جناب محمد زبیر

7- جناب سلطان محمود

کمپنی کا مالی کنٹرول مناسب اور اندرونی آڈٹ کی شرائط باقاعدگی سے معائنہ کرتا ہے۔

آڈٹ رپورٹ میں اٹھائے گئے آڈیٹر کے نکات کے بارے میں، میں درج ذیل بیان کرنا چاہتا ہوں۔

:براہ کرم آڈیٹر کی اہلیت کا پیرا وار جواب تلاش کریں

فریق ثالث کی تصدیق بھیجنا اور وصول کرنا (اس معاملے میں بینک آف پنجاب سے بیلنس کی تشکیل) زیر التوا بیلنس کی تصدیق کے تحت نہ 22.1 ,20.1 ,16.2 کے لیے آڈیٹرز کے ذریعے لاگو کیے گئے طریقہ کار میں سے ایک ہے۔ انتظامیہ نے نوٹ نمبر صرف ان واجبات کے بارے میں ہر ایک مادی حقیقت کا انکشاف کیا ہے بلکہ بینک آف پنجاب کی ذمہ داری سے متعلق تمام دستاویزات بھی فراہم کی ہیں جو انہیں اس طرح کے بیلنس کی تصدیق کرنے میں مدد کر سکتے ہیں۔ متبادل آڈٹ کے طریقہ کار کا انتخاب کیا جا سکتا ہے لیکن آڈیٹرز پھر بھی اس پر اعترا ز کرتے ہیں کیونکہ وہ اپنے فیصلے کی بنیاد پر خود کو مطمئن نہیں کر سکتے تھے۔

انتظامیہ کا خیال ہے کہ ذمہ داری کو اقتصادی فائدے کے ممکنہ اخراج سے زیادہ ریکارڈ نہیں کیا جانا چاہیے اور اس جیسا کہ نوٹ نمبر22-1 میں بتایا گیا ہے، انتظامیہ اور قانونی مشیر کا پختہ یقین ہے کہ اخراج پہلے سے درج کیے گئے اخراجات سے زیادہ نہیں ہوگا۔ کمپنی کی کتابوں اور اس کی بنیاد پر، انتظامیہ کی رائے ہے کہ بینک آف پنجاب کا مارک اپ اور اس کی زیر التواء ذمہ داری کو درست طریقے سے ریکارڈ کیا گیا ہے اور مالیاتی گوشواروں میں مناسب طریقے سے ظاہر کیا گیا ہے۔

589،239 روپے کے بقایا ڈیویڈنڈ کے حوالے سے انتظامیہ متعلقہ شیئر ہولڈر کی شناخت کے لیے شیئر رجسٹر کے ساتھ کوشش کر رہی ہے۔ کم از کم 15 سال یا اس سے زیادہ عرصے کے غیر دعویدار ڈیویڈنڈ کی وجہ سے، شیئر ہولڈرز کی شناخت نہیں کی گئی ہے۔

اور کمپنی سیکرٹری CFO کارپوریٹ گورننس کے نکات کے بارے میں کمپنی نے کمپنیز ایکٹ 2017 کی ضرورت کے مطابق اور کمپنی سیکرٹری کے پاس مناسب سرٹیفیکیشن نہ ہونے کے بارے میں نوٹ کیا گیا ہے۔ CFOکے دفتر کو الگ کر دیا ہے، تاہم میں یہ شامل کرنا چاہوں گا کہ دونوں افراد کمپنی میں 15 سال سے زیادہ عرصے سے اعلیٰ عہدوں پر کام کر رہے ہیں اور انہوں نے تمام بینکوں کے مالی معاملات اور پی اس ایکس اور ایس ای سی پی کے معاملات سے کامیابی سے نمٹ رہے ہیں ۔ جیسا کہ کمپنی کی مالی حالت مزید بہتر ہوتی ہے اور وہ زیادہ تنخواہیں برداشت کرنے کی پوزیشن میں ہے۔ یہ اعلیٰ تعلیم یافتہ افراد کی تقرری کرے گا۔ ڈائریکٹر ٹریننگ کے لیے انتظامیہ ڈائریکٹرز کی تربیت مکمل کرنے کے لیے مناسب اداروں سے رابطہ کر رہی ہے۔

آپ کی کمپنی ہمیشہ ماحول کے تحفظ کو یقینی بناتی ہے اور ماحول کے تحفظ کے لیے تمام ممکنہ ذرائع اختیار کرتی ہے۔

آپ کی کمپنی اپنی کارپوریٹ سماجی ذمہ داری سے پوری طرح آگاہ ہے اور ملک کے تعلیمی، صحت اور ماحولیاتی معیار کو بالعموم اور مقامی کمیونٹیز کو بالخصوص بلند کرنے کے لیے مثبت طریقے سے کام کر رہی ہے۔

متعلقہ فریق کے لین دین کوآئی اے ایس 24 کے مطابق مالی بیانات کے متعلقہ نوٹ میں دکھایا گیا ہے۔

مالیاتی رسک اور رسک مینجمنٹ

لیکویڈیٹی رسک: پروڈنٹ لیکویڈیٹی رسک مینجمنٹ معاہدہ کے وعدوں کو پورا کرنے کے لیے کافی فنڈز کی دستیابی کو یقینی بناتا ہے۔ کمپنی کی فنڈ مینجمنٹ کی حکمت عملی کا مقصد اندرونی نقدی پیدا کرنے اور مالیاتی اداروں کے ساتھ پابند کریڈٹ لائنوں کے ذریعے لیکویڈیٹی رسک کا انتظام کرنا ہے۔

ڈائریکٹرز کا معاوضہ: کمپنی کے پاس کمپنیز ایکٹ 2017 اور فہرست شدہ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق اپنے ڈائریکٹرز کے معاوضے کے لیے ایک باضابطہ پالیسی اور شفاف طریقہ کار ہے۔

سی ای او اور ڈائریکٹرز کے معاوضے کا انکشاف مالی بیانات کے نوٹ 29 میں کیا گیا ہے۔

جون 30 2023 تک بورڈ آف ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹرز کی تعداد:
مرد: 07
خاتون: 0
بورڈ کی تشکیل:
آزاد ڈائریکٹرز: 02
دیگر غیر ایگزیکٹو ڈائریکٹرز: 04
ایگزیکٹو ڈائریکٹرز: 03

بورڈ آف ڈائریکٹرز کے اجلاس: یکم جولائی 2022 سے 30 جون 2023 تک بورڈ آف ڈائریکٹرز کی کل 04 میٹنگیں ہوئیں۔

:بورڈ آف ڈائریکٹرز کی کمیٹی
آڈٹ کمیٹی: جناب محمد زبیر چیئرمین
جناب سلطان محمود ممبر
محمد افضل ممبر

انسانی وسائل اور (HR&R) معاوضہ کمیٹی
جناب محمد زبیر چیئرمین
جناب محمد افضلؒ ممبر
جناب احمد علی ممبر
جناب ندیم الٰہی ممبر

بورڈ آف ڈائریکٹرر کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔

بورڈ آف ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہوئی ہے کہ :

انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ، اور ایکویٹی میں ہونے والی • تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔

کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں۔ •

مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول • اور دانشمندانہ فیصلے پر مبنی ہیں۔

بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور • وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔

اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔ •

ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی قابلیت پر کوئی خاص شک نہیں ہے۔ •

کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اخراج نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل دی گئی ہے۔

30 جون 2023 تک شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

گزشتہ چھ سال کا مالیاتی ڈیٹا خلاصہ شکل میں اس رپورٹ کے ساتھ منسلک ہے۔

آخر میں میں کورونا وائرس کے سنگین خطرے کے پیش نظر تمام ملازمین کا ان کی محنت اور استقامت کا شکریہ ادا کرنا چاہوں گا۔ تمام ملازمین نے حکومتی ایس او پی کے تحت حفاظتی ٹیکے لگوا لیے ہیں۔

بورڈ کے حکم سے

ندیم الہی

ندیم الہی شیخ (چیف ایگزیکٹو)

عبداللہ موسی (ڈائریکٹر)

کراچی

بتاریخ 25 ستمبر 2023

PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS
As on June 30, 2023

No. of Shareholders	Shareholdings			Total Shares held
482	1	-	100	43,563
305	101	-	500	96,010
107	501	-	1000	90,701
149	1001	-	5000	1,378,340
22	5001	-	10000	174,775
10	10001	-	15000	119,599
5	15001	-	20000	89,200
3	20001	-	25000	73,000
1	30001	-	35000	30,500
1	35001	-	40000	39,000
3	40001	-	45000	127,736
1	45001	-	50000	50,000
2	70001	-	75000	146,200
1	3700001	-	3705000	3,701,464
2	10245001	-	40000000	38,266,606
				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	171,499	0.3860%
Insurance Company		
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%

KEY OPERATING AND FINANCIAL RESULTS
FROM FY 2018 TO FY 2023

ACCOUNTING YEAR	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
	'000	'000	'000	'000	'000	'000
OPERATING RESULTS						
Logistic Center Service Reveune	63,796	52,586	8,892	3,855	11,173	12,134
Gross Profit (Loss)	31,325	18,207	116,523	(17,066)	(7,558)	509
Net Profit (Loss) After Tax	14,235	33,029	105,109	134,532	(4,858)	(4,858)
FINANCIAL POSITION						
Assets Employed:						
Operating Assets	953,094	968,946	839,417	768,161	373,462	365,563
Current Assets	694,860	669,839	800,169	899,279	33,652	35,674
Assets Financed By:						
Shareholders Equity	1,613,524	1,613,524	1,613,524	1,453,622	319,112	317,186
Directors Loan	15,639	2,837	6,686	10,590	80,898	66,067
Surplus on revaluation of Fixed Assets	682,474	682,474	682,474	682,474	257,293	258,185
Long term Loan	20,993	60,903	60,864	60,701	60,886	60,886
Other Deferred Liability	1,935	2,108	2,069	1,906	1,725	1,544
Current Maturity	-	8,552	8,552	8,552	8,552	8,552
Other Current Liabilities	78,620	43,328	19,911	159,711	23,614	28,630
Key Ratios						
E.P.S	0.32	0.74	2.37	3.03	(0.29)	(0.11)
Current Ratio	8.84	12.91	28.11	5.34	1.05	0.93

ALI ASGHAR TEXTILE MILLS LIMITED
CHAIRMAN REVIEW

I am pleased to present to the shareholders chairman review of the company performance for FY 2023. As chairman of the board, the board committee overseeing various functions carried out their dutiesand 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 may 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 BAORD

MUHAMMAD AFZAL

KARACHI

Dated: 25th September, 2023

علی اصغر ٹیکسٹائل ملز لمیٹڈ

چیئر مین کا جائزہ

مجھے شیئر ہولڈرز کو مالی سال 2023 کے لیے کمپنی کی کارکردگی پر چیرمین جائزہ پیش کرنے پر خوشی ہے۔ بورڈ کے چیئرمین 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 نےکہی چیزوں پر غور کیا اور ان کی منظوری دی ، بشمولسہ ماہی اور سالانہ مالیاتی سٹیٹمنز 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 چیئرمین۔

محمد افضل

کراچی مورخہ 25 ستمبر 2023

ALI ASGHAR TEXTILE MILLS LIMITED

306-308, Uni Tower,
I.I.Chundrigar Road, Karachi.
Phone : (9221) 32416060-2
32467853-5
Fax : (9221) 32416063
Email : aatml@cyber.net.pk
Website : www.aatml.com.pk

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

YEAR ENDED JUNE 30, 2023

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.

Mills : Plot No. 6, Sector No. 25, Korangi, Karachi. Phone : 35064489, 35059726 Fax: 35062796

306-308, Uni Tower,
I.I.Chundrigar Road, Karachi.
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32467853-5
Fax : (9221) 32416063
Email : aatml@cyber.net.pk
Website : www.aatml.com.pk

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.

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14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
    a) Audit Committee =4= Quarterly Meeting
    b) HR and Remuneration Committee =1= Annual Meeting

15. The Board has set-up an effective Internal Audit Function, which comprises of professionals, who are considered suitably qualified and experienced for the purpose and, are conversant with the policies and procedures of the Company.

16. The Statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan(ICAP) and registered with Audit Oversight Board of Pakistan, that they 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

Mr. Nadeem Ellahi Shaikh
Chief Executive

Karachi
Date: 25.09.2023

Mills : Plot No. 6, Sector No. 25, Korangi, Karachi. Phone : 35064489, 35059726 Fax: 35062796

ALI ASGHAR TEXTILE MILLS LIMITED

Notice of 57th Annual General Meeting

Notice is hereby given that the 57th annual general meeting of Ali Asghar Textile Mills Limited will be held at Plot # 6 , Sector 25, Korangi Industrial Area, Karachi on October 26, 2023 at 11 A.M. sharp to transact the following business:

ORDINARY BUSINESS

To confirm minutes of the last General Meeting held on October 26, 2022. To receive, consider and adopt audited Accounts for the year ended 30th June 2023 together with Auditor's and Director Report thereon.

1. To confirm minutes of the last Annual General Meeting held on 26th October 2022.
2. To receive, consider and adopt audited accounts for the year ended 30th June 2023 together with Auditor's and Director Report thereon.
3. To appoint auditors for the year ended June 30, 2024 and to fix their remuneration.
4. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

1) To consider and, if thought fit, pass with or without modification, the following special resolutions in terms of Section 12 and others of the Companies Act RESOLVED that the name of the company be and is hereby changed from Ali Asghar Textile Mills Limited to Ellahi Holdings Limited, subject to the approval of the Securities and Exchange Commission of Pakistan.
2) RESOLVED that the Board of Directors be and is hereby authorized to take all necessary steps to implement the foregoing resolution, including:
   - Filing an application with the Securities and Exchange Commission of Pakistan for approval of the change of name.
   - Amending the company's Memorandum and Articles of Association to reflect the change of name.
   - Notifying the relevant authorities, including the Pakistan Stock Exchange, of the change of name.
   - Making such other changes as may be necessary to implement the change of name.

3. To consider and, if thought fit, pass with or without modification, the following special resolutions in terms of Section 199 of the Companies Act, 2017, and Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012 for authorizing Investment amounting up to PKR 200,000,000/- (Rupees Two hundred million) including cost overrun being contingencies for interest and insurance in case of any delay during construction and considering expected fluctuation between PKR and USD parity.
4. A) RESOLVED that the Company be and is hereby authorized to make investment advance/loan amounting up to PKR 200,000,000/- including cost overrun being contingencies for interest and insurance in case of any delay during construction test run and operation of the project and considering expected fluctuation between PKR and USD parity in the associated company, M/s. Fazal solar energy private Limited for a Solar Power Project of 1 MW to be built on company property at Korangi industrial area.
5. (B) FURTHER RESOLVED that such investment be and is hereby made and retained by the Company initially for the life of the project, which is five years after the date of commercial operations and as the Directors deem appropriate and/or modify the same from time to time in accordance with the instructions of the Board.

6. **FURTHER RESOLVED** that, for the purpose of giving effect to the above resolution, the Chief Executive Officer of the Company or such person or persons as may be authorized by the Chief Executive Officer of the Company being authorized to do all such acts, deeds and things and to execute and deliver all such deeds, agreements, declarations, undertakings, guarantees, standby letters of credit including any ancillary document thereto or provide any such documentation for and on behalf and in the name of the Company as may be necessary or required or as they or any of them may think fit for or in connection with or incidental to the proposed investment advance/Loan upto PKR 200,000,000 in M/s. Fazal solar energy private Limited including without limiting the generality of the foregoing, the negotiation and finalization of the terms and conditions relating to such investment,

7. RESOLVED as and by way of Special Resolution THAT the Company be and is hereby authorized to provide financial assistance to its Associate company/Subsidiary company M/s. Fazal solar energy private Limited by way of creation of lien/charge over the current assets/fixed assets of the Company in terms whereof the financing Bank will be provided lien/charge on the current assets /fixed assets of the Company to raise and secure Finance under finance and to execute all necessary deeds, agreements, declarations, undertakings and documents required in connection therewith.
8. RESOLVED FURTHER, that Mr. Nadeem Ellahi Shaikh, Chief Executive Officer and Company secretary , [singly], be and are hereby authorized to execute and deliver all necessary deeds, agreements, declarations, undertakings and documents to the financing bank in relation to the creation of security/collateral over fixed assets /current assets in respect of the Banking Facilities of M/s. Fazal solar energy private Limited, which the financing bank may require in connection therewith and to make all necessary filings in respect thereof.
9. RESOLVED FURTHER, that the financing bank is hereby authorized to rely upon this resolution until written notice of revocation is served upon them.

10. To transact any other business with the permission of the chair. Statements as required under section 134(3) of the Companies Act, 2017 in respect of the special business to be considered at the meeting is being sent to the shareholders with this notice
11. **Resolved by** way of special resolution that consent and approval of Ali Asghar Textile mills Limited (the "Company") be and is hereby accorded under Section 199 of the Companies Act, 2017 (the "Act") for investment in the form of loans / advances from time to time to **Ellahi Capital Private Limited,** an associated company/related party, up to an aggregate sum of **Rs. 400 million** (Rupees one thousand million only) for a period of three year commencing November 01, 2023 to October 31, 2026 (both days inclusive) at the mark-up rate of three percent above three months **KIBOR** or one percent above the average borrowing cost of the Company, whichever is higher.
12. **Resolved further** that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized **singly** to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the associated company but not limited to filing of all the requisite statutory forms and all other documents with the Securities and Exchange Commission of Pakistan, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

13. 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
14. (i)RESOLVED THAT the related parties transactions conducted during the year as disclosed in the note 30 of the financial statements for the year ended June 30, 2023 be and are hereby ratified, approved and confirmed.
15. (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, 2024.

"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 1th October 2023

Notes:
The Share Transfer Books will remain closed and no transfer of shares will be accepted for registration from 20th October 2023 to 26th October 2023 (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, Metro pole 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 2023 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 from 10:00 am 10:30 a.m. on October 26, 2023 enabling the participants to join the proceedings which will start at 11:00 p.m. sharp.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 AND INFORMATIONS REQUIRED UNDER S.R.O. 27(I)/2012ARE PROVIDED BELOW

(A) Investment and lien of company assets for lenders to Fazal solar energy Power Limited:

Sr. No.	Description	Information Required	
(i)	Name of the related party or Associated/ subsidiary undertaking along with criteria based on which the subsidiary relationship is established.	Fazal solar energy Power Limited due to Common Directorshipby the following: 1) Mr. Nadeem Ellahi Shaikh 2) Ali Asghar textile mills holding 98% of the equity 3) Mr.Naveed Ellahi, Director of fazal solar is also substantial shareholder in Ali Asghar textile mills Ltd.	
(ii)	Purpose, benefits and period of investment advance/loan.	**Nature**	**Loan / advance**
		Purpose	**To earn mark-up / profit on loan / advance being provided to Fazal Solar energy which** long-term strategy for diversification and increasing shareholders' value
		Period	**Five Year**
		Rate of Mark-up	**three percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.**
		Repayment	**Principal plus mark-up / profit upto October 31,2028**

		Penalty , charges — **@ 3-months KIBOR plus three percent in addition to the outstanding amount(s).**
(iii)	Maximum amount of investment advance /loan.	Long term funding investment advance/loan up to PKR 200,000,000/- (Rupees seven hundred and twenty million) including cost overrun being contingencies for interest and insurance in case of any delay during construction operation of the plant and maintenance and considering the expected fluctuation between PKR and USD parity
(vi)	Number of securities and percentage thereof held before and after the proposed investment.	98% of equity before investment and no change in number of securities held afterwards.
(v)	Earnings per share of the associate company/ subsidiary undertaking for the last three years.	M/s. Fazal solar energy Power Limited has not yet commenced commercial operations and the project is under developmentphase. Expenses have incurred so far. Hence, Loss per share for the period ended June 30, 2023 was PKR Nil

Sr. No.	Description	Information Required
(vi)	Sources of fund from which investment loan/advance will be.	Surplus funds of the Company/ Banking limits/sale of liquid assets.
(vii)	Where the given to be acquiredusing borrowed funds: (I) Justification for investment through borrowing; and	
	(II) Detail of guarantees and assets pledged for obtaining such funds	Ali Asghar textile mills will provide necessary lien on it assets to financial institutions
(viii)	Salient features of the agreement(s), if any, entered into with its subsidiary / associated undertaking with regards to the proposed loan and advance	No separate agreement
(xi)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the subsidiary or associated undertaking or the transaction under consideration.	Director of Ali Asghar textile mills Limited on the Board of Fazal solar energy Power Limited are: 1. Mr. NAdeem Ellahi Shaikh He has no direct or indirect interest except to the extent of 1% shareholding in Fazal Solar energy and Ali Asghar textile mills shareholding in the investing company.
(x)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; Any others important details necessary for the members to understand the transaction	**Purpose** :The Company is intending to invest in an associate company /subsidiary company, for the development of a 1 MW Solar Power Project in the context that the country is facing severe shortage of electricity and Government of Pakistan is encouraging investment in power sector, especially in Renewable Energy Sector, the benefits to the company are: **Benefits:** (i) High return on its investment. (ii) 10 years steady cash flow stream. (iii) Guaranteed off take of power produced from the project **Period**: Initially For a period of five year from November 01, 2023 or subject to NEPRA approval and availability of funding to October 31, 2028

3(1)(c) Investments in the form of loans,		
Ref. No.	Requirement	Information
(i)	Category-wise amount of investment;	Long term loan for To earn mark-up / profit on investment loan / advance being provided to Fazal Solar energy also for diversification and increasing shareholders' value Requirement for a period of five year as dilated in preamble.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant and conventional products rate of return for unfunded facilities, as the case may be, for the	Average borrowing cost of the Company is KIBOR + 2.5% for the year ended June 30, 2023.
iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from Fazal solar energy at three percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral is considered necessary since Fazal Solar energy is a holding company of the Company..
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(vi)	Repayment schedule and terms and conditions of investment loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of five years from November 01, 2023 to October 31, 2028 (both days inclusive). Fazal Solar energy will pay interest / mark-up on demand basis whereas repayment of principal amount shall be on or before October 31, 2028.

Disclosure under Regulation 4(1):

Two Directors shares in the associate company / subsidiary company i.e. *Fazal Solar energy* are also the members of the Company and interested to the extent of their shareholding as under:

Name	%age of shareholding in Fazal Solar	%age of shareholding in the Company
Mr. Naveed Ellahi	1%	45%
Mr . Nadeem Ellahi	1%	41%

Disclosure **under Regulation 4(2):**

Name of Investee Company	**Fazal solar energy private Limited**
Total Investment Approved:	Nil
Amount of Investment Made to date:	Investment has been Rs.98000 made yet to date.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Fazal solar energy was not in operation.
Material change in financial statements of associated company or undertaking since date of the resolution passed for approval of investment in such company	N/A

As mentioned above and as per the disclosure requirements of Regulation 4(1) of the Companies (Investment in Associated/subsidiary Companies or Associated Undertakings) Regulations 2012, it is informed that the following directors of the company are also the directors of the Investee Company:

1) Mr. Nadeem Ellahi Shaikh

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 26, 2023.

AGENDA ITEM NO. 11 OF THE NOTICE – Provision of Loan and advance to Ellahi capital private limited:

ELLAHI CAPITAL PRIVATE LIMITED**("ELLAHI CAPITAL PRIVATE LIMITED"), the related party, having its Registered Office at** 306-308 UNITOWER I.I CHUNDIRGARH Road Karachi , is investing company.

The Board of Directors of the Company in their meeting held on 25 September, 2023 has approved upto Rs. 400 million as loans / advances, being a reciprocal facility, to ELLAHI CAPITAL PRIVATE LIMITED on the basis of satisfactory profit trend of ELLAHI CAPITAL PRIVATE LIMITED subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to ELLAHI CAPITAL PRIVATE LIMITED in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

The Directors have carried out necessary due diligence for the proposed investment and duly signed recommendations of the due diligence report / undertaking have been kept at the Registered Office of the Company for inspection and shall also be available for inspection of members in the general meeting along with the latest audited and interim financial statements of the associated company.

(B) Transaction with Ellahi Capital private Limited:

Ref. No.	Requirement	**Information**
(i)	Name of associated company or associated undertaking;	**Ellahi capital private Limited** (the "Ellahi capital")
(ii)	Basis of relationship;	Ellahi capital private Limited a related party due to Sponsor by the following: 1) Mr. Naveed Ellahi Shaikh director of Ellahi capital is a major shareholder of Ali Asghar textile mills . "Company").
(iii)	Earnings per share for the last three **years;**	**(Rupees)** Year Basic Diluted **30.06.2020 (2045.21) (2045.21)** **30.06.2021 397.87 397.87** **30.06.2022 2872.66 2872.66**

(iv)	Break-up value per share, based on latest audited financial statements;	As on June 30, 2022 With revaluation surplus Rs. 2458Without revaluation surplus Rs. 2458
(v)		**Based on the audited financial statements for the financial year ended 30 June 2022, the financial position of Ellahi capital is as under: -** **Particulars** **Amount** **Rupees** **Paid up capital** **27,000** **Reserves** **9,973,000** **Total Equity** **66,356,005** **Current liabilities** **378,039,913** **Current assets** **430,458,981** **Revenue** **13,809,458** **Gross Profit** **9,204,700** **Operating Profit** **9,204,700** **Net Profit** **7,756,183** **Earnings per share (Rs.)** **2872.66**

General Disclosure

Ref. No.	**Requirement**	**Information**
(i)	Maximum amount of investment to be made;	Rs. 400 million (Rupees four hundred million)

<table>
<tr><td>(ii)</td><td>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;</td><td colspan="2">Purpose: To earn income on the loans and/or advances to be provided to Ellahi capital from time to time for working capital requirements of Ellahi capital.

Benefits: The Company will receive markup at the rate of three percent above three months KIBOR or one percent above its average borrowing cost, whichever is higher. This shall benefit the Company's cash flow by earning profit on idle funds.

Period: For a periodof three year from

November 01, 2023 to October 31, 2026.</td></tr>
<tr><td>(iii)</td><td>Source of funds to be utilized for investment and

where the investment is intended to be made using borrowed funds, -

(I) Justification for investment through borrowings;
(II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
(III) <u>Cost benefit analysis;</u></td><td colspan="2">Loan and/or advance will be given out of own funds of the Company.

N/A</td></tr>
<tr><td>(iv)</td><td>Salient features of agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;</td><td>Nature</td><td>Loan / advance</td></tr>
<tr><td></td><td></td><td>Purpose</td><td>To earn mark-up / profit on loan / advance being provided to Ellahi capital which will augment the Company's cash</td></tr>
<tr><td></td><td></td><td>Period</td><td>Three Year</td></tr>
<tr><td></td><td></td><td>Rate of Mark-up</td><td>three percent above three months KIBOR or one percent above the average borrowing cost of the

Company, whichever is</td></tr>
<tr><td></td><td></td><td>Repayment</td><td>Principal plus mark-up / profit upto October 31,2026</td></tr>
<tr><td></td><td></td><td>Penalt y, charge</td><td>@ 3-months KIBOR plus three percent in addition to the</td></tr>
</table>

(v)	**Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;**	Sponsor of Ellahi capital private Limited are: 1) Mr. NAveed Ellahi Shaikh 2) Mrs Gulnar Humanyun Mr Naveed Ellahi is the brother of CEO of Ali Asghar textile Mills Mr NAdeem Ellahi and Mrs Gulnar Humanyun is Mother of Mr Nadeem Ellahi other than that no direct or indirect interest
(vi)	**In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and**	**. There is no impairment and/or write off against the above facility.**
(vii)	**Any other important details necessary for the members to understand the transaction;**	

3(1)(c) Investments in the form of loans,

Ref. No.	Requirement	[1] Information
(viii)	Category-wise amount of investment;	Long term loan for working capital Requirement for a period of three year as dilated in preamble.
(xi)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant and conventional and products rate of return for unfunded facilities, as the case may be, for the relevant period;	Average borrowing cost of the Company is three month KIBOR + 2.5% for the year ended June 30, 2023.
x)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Mark-up will be charged from Ellahi Capital at three percent above three months KIBOR or one percent above the average borrowing cost of the Company, whichever is higher.
(xi)	Particulars of collateral or security to be obtained in relation to the proposed investment;	No collateral.
(xii)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place the time when the conversion may be exercisable; and	N/A
(xiii)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The loan / advance would be for a period of three year from November 01, 2023 to October 31, 2026 (both days inclusive). ELLAHI CAPITAL will pay interest / mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2026.

Disclosure under Regulation 4(1):

One Directors including Sponsors of the associated company i.e. Ellahi capital are also the members of the Company and interested to the extent of their shareholding as under:

Name	%age of shareholding in Ellahi capital	%age of shareholding in the Company
Mr. Naveed Ellahi	50%	45%
Mrs . Gulnar Humayun	50%	8%

Disclosure **under Regulation 4(2):**

Name of Investee Company	**Ellahi capital private Limited**
Total Investment Approved:	N/A
Amount of Investment Made to date:	N/A.
Reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	N/A.
Material change in financial statements of associated company or undertaking since date of the resolution passed for approval of investment in such company	N/A

1. Relating to item Number 12 of the notice-Ratification and approval of the related party transactions.
2. 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 2023.

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 2023.

3. Relating to Item Number 11 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, 2024 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.

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ALI ASGHAR TEXTILE MILLS LIMITED

Review Report 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, 2023** 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. 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.

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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.
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, 2023.

MUSHTAQ & CO.
Chartered Accountants
Engagement Partner:
Zahid Hussain Zahid, FCA

Karachi:
Date: September 27, 2023
UDIN: CR202310043FXJjVSewf

Independent Auditors' Report

To the Members of Ali Asghar Textile Mills Limited

Report on the Audit of the Financial Statements

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, 2023**, 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, 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

a) As disclosed in note 16.1 Bank of Punjab amounting to 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.12.43 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 19. 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.	**Defined Benefit Obligations (Gratuity)** Refer to note no. 17.1 to the audited financial statements. The Company operates an unfunded gratuity plan, giving rise to net liability of Rs.1.935 million, which is significant in the context of the overall balance sheet of the Company. The valuation of liability requires judgment and technical expertise in choosing appropriate assumptions. Changes in a number of the key assumptions, including: – salary increase and inflation; – discount rate; and – mortality. 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. The use of these actuaries increases the risk of error as data is passed to third parties for analysis and calculation purposes.	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. We understood and tested key controls over the completeness and accuracy of data extracted and supplied to the Company's actuary 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. 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.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

MUSHTAQ & CO.
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Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

MUSHTAQ & CO. KARACHI Chartered Accountants

MUSHTAQ & CO.
Chartered Accountants

Karachi.
Dated: September 27, 2023
UDIN: AR202310043bvaoCchiQ

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	953,094,760	968,946,069
Long Term Deposits	5	2,630,217	2,650,247
Long Term loans and advances	6	3,608,084	4,071,009
		959,333,061	975,667,325
CURRENT ASSETS			
Loans and advances	7	3,666,190	3,577,137
Investments	8	255,132,710	267,395,192
Trade deposits and short term prepayments	9	20,950,639	20,182,639
Other receivables	10	-	369,433,862
Tax refunds due from Government	11	12,346,494	8,685,532
Cash and bank balances	12	402,764,296	564,520
		694,860,329	669,838,883
TOTAL ASSETS		1,654,193,390	1,645,506,208
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
50,000,000 (2022: 50,000,000) ordinary shares of Rs. 5 each		250,000,000	250,000,000
Issued, subscribed and paid-up capital	13	222,133,470	222,133,470
Loan from directors and others	14	15,639,785	2,837,047
Surplus on Revaluation of Fixed Assets	15	682,474,489	682,474,489
Unappropriated Profit		706,435,548	692,927,915
Un-realised loss on Investment		(72,103,832)	(67,650,656)
		1,554,579,460	1,532,722,265
NON-CURRENT LIABILITIES			
Long term financing	16	18,770,615	58,508,315
Long term Deposits		287,000	287,000
Staff retirement benefis	17	1,935,401	2,108,173
		20,993,016	60,903,488
CURRENT LIABILITIES			
Trade and other payables	18	72,854,679	30,304,647
Unclaimed Dividends	19	239,589	239,589
Accrued Mark-up	20	4,930,250	4,941,393
Book overdrafts	21	596,396	7,842,378
Current portion of long term borrowings	16	-	8,552,448
		78,620,914	51,880,455
CONTINGENCIES AND COMMITMENTS	22	-	-
TOTAL EQUITY AND LIABILITIES		1,654,193,390	1,645,506,208

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

ALI ASGHAR TEXTILE MILLS LTD. KARACHI

NADEEM ELAHI SHAIKH	ABDULLAH MOOSA	MUHAMMAD SULEMAN
Chief Executive	Director	Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Revenue-Logistic Center Service		63,796,495	52,585,949
Logistic Center Service Charges	*23*	*(32,470,676)*	*(34,378,314)*
Gross Profit		31,325,819	18,207,635
Administrative expenses	24	(19,747,733)	(18,976,047)
Other Operating expenses	25	(36,319,870)	(216,734)
		(56,067,603)	(19,192,781)
Loss from operations		**(24,741,785)**	(985,146)
Other income	26	35,641,553	61,625,942
Finance cost	27	(211,036)	(200,132)
Profit before taxation		10,688,732	60,440,664
Taxation			
Current		(5,677,274)	(18,773,791)
Prior Year Tax		9,224,024	(8,637,619)
Profit after taxation		**14,235,482**	33,029,254
Earning per share - basic and diluted	28	**0.32**	0.74

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

ALI ASGHAR TEXTILE MILLS LTD. KARACHI

NADEEM ELAHI SHAIKH
Chief Executive

ABDULLAH MOOSA
Director

MUHAMMAD SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Profit after taxation		14,235,482	33,029,254
Other comprehensive (loss) / income			
Items that may be reclassified subsequently to profit or loss account:			
Unrealized (loss) on remeasurement of available for sale investment		(5,478,589)	(110,433,973)
Items that cannot be reclassified subsequently to profit or loss account:			
Unrealized gain on remeasurement of staff retirement benefits	17.2	297,565	451,699
Total comprehensive Profit / (Loss) for the year		**9,054,458**	**(76,953,020)**

NADEEM ELAHI SHAIKH
Chief Executive

ABDULLAH MOOSA
Director

MUHAMMAD SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscirbed and Paid up Capital	Loan from directors and others	Reserves			Total Equity
			Unappropriated Profit	Revaluation Surplus on Property Plant and Equipment	Unrealised gain/loss on fairvalue	
	Rupees					
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 income/ (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)
Tranfer 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
Balance as at July 1, 2022	222,133,470	2,837,047	692,927,915	682,474,489	(67,650,656)	1,532,722,265
Profit for the year	-	-	14,235,482	-		14,235,482
Other comprehensive loss for the year:						
Unrealized (loss) on remeasurement of available for sale investment	-	-	-	-	(5,478,589)	(5,478,589)
Gain on remeasurement of staff retirement benefits-gratuity	-	-	297,565	-	-	297,565
Loan from directors and others (Note 14)	-	12,802,738	-	-	-	12,802,738
Tranfer to retained earnings	-	-	(1,025,413)	-	1,025,413	-
Balance as at June 30, 2023	222,133,470	15,639,785	706,435,548	682,474,489	(72,103,832)	1,554,579,460

ALI ASGHAR TEXTILE MILLS LTD. KARACHI

NADEEM ELAHI SHAIKH
Chief Executive

ABDULLAH MOOSA
Director

MUHAMMAD SULEMAN
Chief Financial Officer

ALI ASGHAR TEXTILE MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		10,688,732	60,440,664
Adjustments for:			
Depreciation		21,581,194	15,671,302
Damages loss on building		15,078,430	-
Staff retirement benefits - gratuity		567,542	574,972
Unrealized Gain on remeasurement of trading securities		(5,478,589)	(110,433,973)
Finance cost		211,036	200,132
		31,959,613	(93,987,567)
Profit / (loss) before working capital changes		42,648,345	(33,546,903)
(Increase) / decrease in current assets			
Loans and advances (Current Assets)		(89,053)	(89,000)
Investment in Mutual Funds and Shares		12,262,482	416,023,619
Other Receivables		369,433,861	(369,280,104)
Trade deposits and short term prepayments		(768,000)	31,217,866
		380,839,290	77,872,381
(Decrease) / increase in current liabilities			
Trade and other payables		42,550,031	15,563,343
Accrued Mark-up		(11,143)	11,143
Cash generated from operations		466,026,523	59,899,964
Finance cost paid		(211,036)	(200,132)
Taxes paid		(114,212)	(31,415,316)
Staff retirement benefits gratuity paid		(442,750)	(84,250)
		(767,998)	(31,699,698)
Net cash generated from operating activities		465,258,526	28,200,266
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term Loans and Advances		462,925	(857,029)
Long Term Deposits		20,030	3,742,383
Capital Work in Progress		(1,024,742)	53,659,238
Fixed capital expenditure		(19,783,573)	(145,200,432)
Net cash (used in) investing activities		**(20,325,360)**	**(88,655,840)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest free diredtors and other loan		12,802,738	(3,848,460)
Payment of Long term loans		(48,290,147)	-
Book overdraft		(7,245,982)	7,842,378
Net cash (used in) financing activities		**(42,733,391)**	**3,993,918**
Net increase in cash and cash equivalents		402,199,776	(56,461,658)
Cash and cash equivalents at the beginning of the year		564,520	57,026,178
Cash and cash equivalents at the end of the year	12	402,764,296	564,520

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

KARACHI

NADEEM ELAHI SHAIKH	ABDULLAH MOOSA	MUHAMMAD SULEMAN
Chief Executive Officer	Director	Chief Financial Officer

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, 2017. Registered office of the company is located at Plot 6, Sector 25, Korangi Industrial Area, 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.

1.4 The leasehold land comprising plot 1,5,2,6 were allotted in 1968 to Ali Asghar Textile Mills Ltd. As per lease.
Subsequently Ali Asghar Textile Mills Ltd sold these plots.
Only Plot 6 remains in possession of Ali Asghar Textile Mills currently.

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.

2.5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD

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
IFRS 9	Financial Instruments (Amendments)	January 1, 2023
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2023
IFRS 7	Financial Instruments	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024

2.5.2 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements

Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2023

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

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.

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.

Operatin

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.

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 in uncollectible, it is written off against the provision.

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, 2023 using the "Projected Unit Credit Method".

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

3.7 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 Unclaimed dividend

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 Contingent liabilities

A contingent liabiltily is disclosed when the company has a possible obligation as a result of past events,whose existence will be confirmed only by the occurrence or non-occurrence,of one or more uncertain future events not wholly within the control of the company;or the company has a present legal or contructive obligation that arises from past events,but it is not probable that an outflow of resources embodying economis benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliabilty.

3.11 Provisions

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

3.12 Revenue recognition

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

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

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 recognisd 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 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 asset; or

(ii) fair value through profit or loss (FVTPL).

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 losses 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 of profit or loss.

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 follows.

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), transection costs that are directly attributable to the acquisition of the financial asset. Transection costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirely 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 arises.

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 an 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 lability 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 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 reply.

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 reply the amount.

Financial liabilities

Classification, initial recognition and subsequent

The Company classifies its financial labilities 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 labilities , also include directly attributable transaction costs. The subsequent measurement of financial labilities depends on their classification, as follows:

a) Fair value through profit or loss

Financial labilities at fair value through profit or loss include financial labilities held-trading and financial labilities 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 labilities 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 lability 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 lability 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 lability, 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 labilities;
- 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 labilities 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 labilities. 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	2023 Rupees	2022 Rupees
Operating fixed assets	4.1	952,070,018	968,946,069
Capital work in progress	4.4	1,024,742	-
		953,094,760	968,946,069

4.1 Operating fixed assets

	2023											
	Cost as at July 01, 2022	Additions/ Transferred from CWIP	Adjustments	Revaluation surplus/ (loss)	(Disposal)	Cost as at June 30, 2023	Accumulated depreciation as at July 01, 2022	Depreciation charge for the year	Adjustments/ (Disposal)	Accumulated depreciation as at June 30, 2023	Book value as at June 30, 2023	Annual depreciation 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	247,205	90,628	-	337,833	1,204,053	7%
Building on leasehold land-others	164,042,645	-	(15,078,430)	-	-	148,964,215	6,627,620	7,116,830	-	13,744,450	135,219,765	5%
Plant and machinery	255,351,999	-		-	-	255,351,999	194,037,609	4,292,007	-	198,329,616	57,022,383	7%
Electric Fittings	9,528,777	546,873		-	-	10,075,650	2,336,181	513,052	-	2,849,233	7,226,417	7%
Solar System	18,855,420	4,140,200	-	-	-	22,995,620	70,969	1,459,819	-	1,530,788	21,464,832	7%
Generator	6,000,565	-		-	-	6,000,565	787,637	364,905	-	1,152,542	4,848,023	7%
Office Equipments	7,839,913	58,500	-	-	-	7,898,413	5,219,491	184,937	-	5,404,428	2,493,985	7%
Furniture & Fixture	2,240,174	-		-	-	2,240,174	2,022,358	15,247	-	2,037,605	202,569	7%
Vehicle	38,630,736	15,038,000	-	-	-	53,668,736	6,544,476	7,543,769	-	14,088,245	39,580,491	20%
30.06.2023	1,186,839,615	19,783,573	(15,078,430)	-	-	1,191,544,758	217,893,546	21,581,194	-	239,474,740	952,070,018	

	2022											
	Cost as at July 01, 2021	Additions	Adjustments	Revaluation surplus	(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 depreciation 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	-	93,434,553	23,744,275	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	-	5,219,491	2,620,422	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%
Leased assets												
Plant and Machinery	138,173,171	-	-	-	-	138,173,171	97,775,198	2,827,858	-	100,603,056	37,570,115	7%
30.06.2022	1,041,639,183	145,200,432	-	-	-	1,186,839,615	202,222,245	15,671,302	-	217,893,547	968,946,069	

4.2 Depreciation for the period has been allocated as under.

	Note	2023 Rupees	2022 Rupees
Directly Attributable Cost	23	13,324,188	9,400,735
Administrative expenses	24	8,257,005	6,270,567
		21,581,194	15,671,302

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:**

	2023	2022
Opening balance	-	53,659,238
Addition during the year:		
Building- Mill	1,024,742	33,671,600
	1,024,742	87,330,838
Transfer to operating fixed assets	-	(87,330,838)
Closing balance	1,024,742	-

4.5 During the year Building on leasehold land-others has been impaired and accounted for accordingly by the management of the company.

		Note	2023 Rupees	2022 Rupees
5	**LONG TERM DEPOSITS**			
	Utilities		1,180,217	1,200,247
	Leasing Companies		1,450,000	1,450,000
			2,630,217	2,650,247
6	**LONG TERM LOANS AND ADVANCES**			
	Considered good-secured			
	Loan to staff	6.1	4,048,084	4,511,009
	Less: Current Portion		(440,000)	(440,000)
			3,608,084	4,071,009

6.1 Loan to staff is secured against gratuity.

		Note	2023 Rupees	2022 Rupees
7	**LOANS AND ADVANCES**			
	Considered good-unsecured			
	Advance to suppliers		3,226,190	3,137,137
	Current portion of loan to staff		440,000	440,000
			3,666,190	3,577,137

			Note	2023 Rupees	2022 Rupees

8 INVESTMENTS- Fair Value through Other Comprehensive Income

	No. of Shares/ Units	Cost	Fair value adustment	Fair value 2023	Book value 2020
Investments in Equity shares					
Adamjee Insurance Company Limited.	132,500	5,516,466	(2,517,991)	2,998,475	8,552,762
Altern Energy Limited.	99,000	1,900,595	(467,075)	1,433,520	2,715,896
Agriauto Industries Limited.	147,875	26,914,274	(17,738,630)	9,175,644	15,852,242
Fauji Cement Company Limited.	356,625	7,024,927	(2,831,017)	4,193,910	3,585,011
Habib Metropolitan Bank Limited.	358,500	12,945,671	(2,111,801)	10,833,870	10,758,275
United Bank Limited.	419	59,058	(9,809)	49,249	63,178
Bank Al Habib Limited.	2,227,264	121,767,876	(25,505,526)	96,262,350	74,157,686
Habib Bank Limited.	464,135	41,744,140	(7,755,534)	33,988,606	73,337,069
Nishat Power Limited.	8,500	174,930	(30,855)	144,075	165,750
Fauji Fertilizer Company Limited.	14,605	1,601,375	(163,659)	1,437,716	23,653,763
BANK AL	2,109,107	63,670,893	530,324	64,201,217	10,503,778
Cherat packages	24,255	4,959,673	(2,597,479)	2,362,194	2,371,320
Descon Oxchem Limited	674,500	18,533,657	(2,197,267)	16,336,390	10,589,650
First Dawood	500	1,015	(215)	800	1,006
K-Electric	528,500	2,228,120	(1,319,100)	909,020	10,726,640
Meezan Bank Limited	40,000	3,605,400	(150,600)	3,454,800	-
Synthetic Polymer	211,680	4,442,347	(2,240,875)	2,201,472	2,982,570
Hub power	34,000	2,309,905	55,815	2,365,720	11,657,065
Aisha steel	166,000	3,399,230	(2,502,830)	896,400	1,834,300
Airlink comuunication Limited	55,965	3,722,360	(2,612,574)	1,109,786	2,260,429
	7,653,930	326,521,911	(72,166,697)	254,355,214	265,767,859
Investments in AMC's					
NBP money market fund	22,541	203,207	21,744	224,951	688,006
UBL Government securities fund	1,653	149,054	26,095	175,149	154,890
MCB cash management optimizer	568	57,589	42	57,631	272,239
UBL stock advantage fund	1,610	99,940	11,549	111,489	111,891
UBL Cash fund fund	290	25,742	3,292	29,034	25,250
MCB Pakistan stock market fund	-	-	-	-	178,978
JS cash fund	787	81,098	144	81,242	65,337
MCB Pakistan cash Fund	-	-	-	-	131,014
	27,449	616,630	62,866	679,496	1,627,230
Investment in subsidiary					
Fazal Solar Power Pvt. Ltd. (Subsidiary)(9800@10)				98,000	-
	7,691,179	327,138,541	(72,103,831)	255,132,710	267,395,090

8.1 Investment in subsidiary has been measured at cost.

		Note	2023 Rupees	2022 Rupees
9	**TRADE DEPOSITS AND SHORT TERM PREPAYMENTS**			
	Infrastructure fee	9.1	1,611,230	1,611,230
	Other Prepayments		19,339,409	18,571,409
			20,950,639	20,182,639

9.1 This represent 50% payment made to Excise and Taxation Department of Government of Sindh against levy of Infrastructure Fee. (refer note 18.3)

		Note	2023 Rupees	2022 Rupees
10	**OTHER RECEIVABLES**			
	Others		-	369,433,862
			-	369,433,862
11	**TAX REFUND DUE FROM GOVERNMENT**			
	Income tax refundable	11.1	7,576,196	(2,743,251)
	Sales tax refundable		4,700,303	11,358,788
	FED receivable		69,995	69,995
			12,346,494	8,685,532
11.1	**Income tax refundable**			
	Opening balance		(2,743,251)	2,561,666
	Tax deducted during the year		6,772,697	22,106,493
			4,029,446	24,668,159
Less:				
	Provision for current year		(5,677,274)	(18,773,791)
	Prior year tax adjustment		9,224,024	(8,637,619)
			3,546,750	(27,411,410)
	Closing balance		7,576,196	(2,743,251)
12	**CASH AND BANK BALANCES**			
	Cash in Hand			
	-at Mill		131,371	36,846
	-at Head office		707,683	92,229
			839,054	129,075
	Cash at Banks - Current Accounts		401,925,242	435,445
			402,764,296	564,520

13 **ISSUED SUBSCRIBED AND PAID UP CAPITAL**

2023	2022		2023	2022
Number of shares			Rupees	Rupees
38,298,874	38,298,874	Ordinary shares of Rs. 5 each allotted for consideration paid in cash	191,494,370	191,494,370
6,127,820	6,127,820	Ordinary shares of Rs. 5 each issued as right shares	30,639,100	30,639,100
44,426,694	44,426,694		222,133,470	222,133,470

13.1 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.

		2023	2022
14	**LOAN FROM DIRECTORS AND OTHERS**		
	Loan from directors	15,639,785	2,837,047

14.1 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 Accountatnts of Pakistan, these loans have been treated as part of equity.

		Note	2023 Rupees	2022 Rupees
15	**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,		**682,474,489**	682,474,489

15.1 The company revalued its Land & Building on market value basis on 18th Feburary 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.

		Note	2023 Rupees	2022 Rupees
16	**LONG TERM FINANCING**			
	Loans from banking companies and redeemable capital	16.1	**18,770,615**	58,508,315
16.1	**Loans from banking companies and Redeemable Capital - secured**			
	Redeemable Capital-First Dawood Investment Bank Ltd		-	47,636,398
	Bank Alfalah Limited		-	653,750
	Bank of Punjab	16.2	18,770,615	18,770,615
			18,770,615	67,060,763
	Less: Current portion shown under current liabilities		-	(8,552,448)
			18,770,615	58,508,315

16.2 This liability is against leasing facility. Case filed by the bank of punjab, See Note 22.1

		Note	2023 Rupees	2022 Rupees
17	**DEFFERED LIABILITIES**			
	Staff retirement benefits - gratuity	17.1	1,935,401	2,108,173
			1,935,401	**2,108,173**
17.1	**Staff retirement benefits**			
	Movement in the net liability recognized in balance sheet			
	Opening net liability		2,108,173	2,069,150
	Expense for the year	17.2	567,543	574,972
	Remeasurement (Gains) recognized in OCI	17.2	(297,565)	(451,699)
			2,378,151	2,192,423
	Benefits paid during the year		(442,750)	(84,250)
	Closing net liability		**1,935,401**	**2,108,173**
	Movements in present value of defined benefits			
	PVDBO - opening		2,108,173	2,069,150
	Past service cost		-	-
	Current service cost		345,265	371,823
	Interest cost		222,277	203,149
	Remeasurements losses		(297,565)	(451,699)
	Benefits paid in the year		(442,750)	(84,250)
	PVDBO - closing		**1,935,401**	**2,108,173**

		Note	2023 Rupees	2022 Rupees
17.2	**Expense recognized in profit or loss account**			
	Current service cost		345,265	371,823
	Interest cost		222,277	203,149
			567,542	**574,972**
	Expense recognized in other comprehensive income			
	Net acturial loss recognized		(297,565)	(451,699)
	Total		**269,977**	**123,273**

17.3 General description

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

Principal actuarial assumption

	2023	2022
Discount rate	16.25%	10.25%
Average Rate of increment in salary	10.00%	10.00%
Expected year of services (years)	9	10

Estimated charge to P&L for June 30, 2024 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	Decrease in assumptions
	-------- Rupees --------	
Discount rate	**62,475**	(65,479)
Future salaries	**(68,653)**	66,529

Historical information

	2023	2022	2021	2020	2019
			RUPEES		
Present value of defined benefit obligation	1,935,401	2,108,173	2,069,150	1,880,956	1,711,000

18	**TRADE & OTHER PAYABLES**	Note	2023	2022
	Other creditors		32,676,054	447,691
	Accrued liabilities	**18.1**	21,824,969	12,397,950
	Advance from customers	**18.2**	16,742,426	15,847,776
	Excise and Taxation	**18.3**	1,611,230	1,611,230
			72,854,679	30,304,647

	Note	2023 Rupees	2022 Rupees

18.1 Accrued liabilities include loan from Ellahi Capital/ Premium Exports Pvt. Ltd. Associate and other related party, Rs. 5 million (2022: Rs. Nill). Accrued liabilities include loan from Mrs. Gulnar Humayun, sponsor, Rs.1.9 million (2022: Nil)

18.2 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

18.3 The Company has filed a suit against levy of Infrastructure fee, decision of the Honourable Sindh High Court dated 17 September 2008 in which the imposition of levy of infrastructure cess before 28 December 2006 has been declared as void and invalid. However, the Excise and Taxation Department has filed an appeal before the Honourable Supreme Court of Pakistan against the order of the Honourable Sindh High Court. During the current year, the Honourable Supreme Court of Pakistan has disposed off the appeal with a joint statement of the parties that during the pendency of the appeal, another law i.e. fifth version came into existence which was not the subject matter of in the appeal hence the case was referred back to High Court of Sindh with right to appeal to Supreme Court. On May 31, 2011, the High Court of Sindh has granted an interim relief on an application of petitioners on certain terms including discharge and return of bank guarantees / security furnished on consignment released up to December 27, 2006 and any bank guarantee / security furnished on consignment released after December 27, 2006 shall be encashed to extent of 50% of the guaranteed or secured amount only with balance kept intact till the disposal of petition. In case the High Court upholds the applicability of fifth version of the law and its retrospective application the authorities are entitled to claim the amounts due under the said law with the right to appeal available to petitioner.

19 UNCLAIMED DIVIDENDS

	Note	2023 Rupees	2022 Rupees
Unclaimed Interim Dividend		239,589	239,589

20 ACCRUED MARK-UP

	Note	2023 Rupees	2022 Rupees
Accrued mark-up on short term financing		-	11,143
Accrued mark-up on long term financing		4,930,250	4,930,250
		4,930,250	4,941,393

20.1 This balance includes markup payable to Bank of Punjab amounting to Rs. 4,930,250 (2022: Rs. 4,930,250), see note 22.1.

21 BOOK OVERDRAFT

	Note	2023 Rupees	2022 Rupees
Book overdraft	21.2	596,396	7,842,378

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

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

22 CONTIGENCIES & COMMITMENTS

Contingencies

22.1 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

	Note	2023 Rupees	2022 Rupees

22.2 The company filed CP No. D-1009 of 12. against Federation. of Pakistan in the 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.

22.3 With reference to FBR Notice 138(1) (notice to pay overdue tax payable) it is established that the sum of Rs.121.5 million due from AATML on account of tax However, the management of the company has started process for rectification appeal at FBR Appellate Tribunal.The matter is sub judice before the Appellate Tribunal for rectification purpose.

		2023	2022
22.4 Guarantees issued by banks on behalf of the Company		1,611,230	1,611,230

22.5 There were no commitments as on year end (2022: Nil).

23 LOGISTIC CENTER SERVICE CHARGES

	Note	2023	2022
Salaries, wages and benefits	23.1	12,812,369	11,820,637
Power		5,541,997	7,848,323
Repairs and maintenance		588,539	345,026
Depreciation	4.2	13,324,188	9,400,735
Utilities		-	3,202,684
Printing and stationery		5,770	45,974
Conveyance charges		2,700	12,940
Security expenses		153,783	480,973
Entertainment		41,330	47,390
Legal and professional charges		-	1,173,632
		32,470,676	34,378,314

23.1 Salaries wages and benefits include Rs. 567,542/- (2022: 574,972) in respect of staff retirement benefits gratuity.

24 ADMINISTRATIVE EXPENSES

	Note	2023	2022
Directors' remuneration and other benefits		1,500,000	1,500,000
Travelling and conveyance		439,060	2,346,605
Rent expenses		624,360	572,330
Utilities		500,902	399,926
Postage and telephone		537,582	478,660
Printing and stationery		407,658	357,987
Vehicles running and maintenance		2,778,422	1,914,616
Fees and subscription		287,791	269,212
Entertainment		512,737	516,685
Legal and professional		679,810	869,407
Auditors' remuneration	24.1	255,000	250,000
Repairs and maintenance		899,522	402,429
Depreciation	4.2	8,257,005	6,270,567
Advertisement		85,750	122,600
Insurance		1,592,730	1,351,992
Miscellenious expenses		119,381	264,864
Brokerage		214,332	799,141
Others		55,691	289,026
		19,747,733	18,976,047

24.1 Auditors' remuneration

	2023	2022
Annual audit	210,000	200,000
Half yearly review	45,000	50,000
	255,000	250,000

		Note	2023 Rupees	2022 Rupees
25	**OTHER OPERATING EXPENSES**			
	Loss on disposal of trading securities		(36,319,870)	(54,800)
	Bad debts expenses		-	(161,934)
			(36,319,870)	(216,734)
26	**OTHER INCOME**			
	Scrap sales		-	220,300
	Dividend income		26,216,000	61,393,863
	Relief From Bank on Settlement		7,636,398	-
	Relief on Electricity Consumption		1,656,603	-
	CGT Refund Adjustment		132,552	-
	Capital Refund		-	11,779
			35,641,553	61,625,942
27	**FINANCE COST**			
	Bank charges		61,929	188,989
	Markup Charges		149,107	11,143
			211,036	200,132
28	**EARNING PER SHARE-BASIC AND DILUTED**			
	Basic Earning Per Share			
	Earning for the year		14,235,482	33,029,254
	Weighted average number of ordinary shares		44,426,694	44,426,694
	Earning per share - basic and diluted		0.32	0.74
	Dilutive Earning Per Share			

28.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2023 and June 30, 2022.

29 **REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES**

	2023 Rupees	2022 Rupees
Chief Executive		
Remuneration	1,440,000	1,440,000
Other benefits-Utilities	1,431,062	-
	2,871,062	1,440,000
Number of person	1	1
Directors		
Remuneration	60,000	60,000
Other benefits	-	-
Number of persons	60,000	60,000
	7	7
Executives		
Remuneration	-	-
Other benefits	-	-
	-	-

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

29.2 Directors have waived their remuneration except stated above.

	Note	2023 Rupees	2022 Rupees

30 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:

Name of the Related Party	Nature of the Relationship	Nature of the Transactions	Transactions
NADEEM ELLAHI	Director	Loan received	3,509,500 Dr 9,106,918 Cr.
NAVEED ELLAHI	Sponsor	Loan received	3,500,000 Dr. 10,705,320 Cr.
ELLAHI CAPITAL/PREMIUM EXPORT	Associated and other related parties	Normal Course of Business	121,579,500 Dr. 496,011,532 Cr.
MRS. GULNAR HUMAYUN	Major Shareholder	Rental Agreement	- Dr 624,360 Cr.
FAZAL SOLAR ENERGY (PVT.) LTD	Subsidiary	Proposed Investment in Subsidiary	98,000 Dr

30.1 During the year the company made an investment in Fazal Solar Energy (Pvt.) ltd against cash consideration which represents the 98% shareholding of the Ali Asghar Textile mills ltd.

31 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

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

31.1 Credit risk

31.2 Liquidity risk

31.3 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

31.1 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

31.1.1 Exposure to credit risk

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

	30th June 2023	30th June 2022
	PKR	
Long term Investment	-	-
Long term deposits	2,630,217	2,650,247
Loans and advances	3,666,190	3,577,137
Trade deposits and short term prepayments	20,950,639	20,182,639
Other receivables	-	369,433,862
Cash and bank balances	402,764,296	564,520
	430,011,342	**396,408,405**

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.

31.1.2 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	-	-
	-	-

31.1.3 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.

31.2 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, 2023:

	June 30, 2023					
	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	18,770,615	-	-	-	18,770,615	-
Long term loans from directors	-	-	-	-	-	-
Long Term Deposits	287,000	-	-	-	287,000	-
Trade and other payables	72,854,678	-	-	-	72,854,678	-
Accrued mark up	4,930,250	-	-	-	4,930,250	-
	96,842,543	-	-	-	**96,842,543**	-

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**	-

31.2.1 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.

31.3 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.

31.3.1 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

31.3.2 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.

31.3.3 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.

	2023	2022
Fixed rate instruments	RUPEES	
Financial assets	-	-
Financial liabilities	-	-
Variable rate instruments		
Financial assets	255,132,710	267,395,192
Financial liabilities	18,770,615	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 2023	2,363,621	(2,363,621)	-	-
Cash sensitivity analysis Variable rate instruments 2022	2,088,869	(2,088,869)	-	-

31.3.4 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.

31.3.5 **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.

31.3.6 **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 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).

31.3.7 **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

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 EMPLOYEES	2023	2022
Total number of employees as at June 30	28	28
Average number of employees during the year	27	27

32.1 The employees other than gratuity report are on contractual basis.

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.

35 RECLASSIFICATION

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

36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25 September, 2023 by the Board of Directors of the Company.

37 GENERAL

The figure have been rounded off to the nearest Rupee.

ALI ASGHAR TEXTILE MILLS LTD. KARACHI

NADEEM ELAHI SHAIKH	ABDULLAH MOOSA	MUHAMMAD SULEMAN
Chief Executive	Director	Chief Finance Officer


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PROXY FORM

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

(Member's Signature)

Witness(1): ____________________

NIC #. ____________________

Address ____________________

Witness(2): ____________________

NIC #. ____________________

Address ____________________

Place ________ Date ________

Affix Rs. 5/-
Revenue Stamp

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

NOTE:

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