

HALF YEARLY REVIEWED FINANCIAL STATEMENTS DECEMBER 2018



ALI ASGHAR TEXTILE MILLS LTD.

CONTENTS

	Page No
Vision Statement	1
Company Information	2
Directors Report	3
Auditor Review Report	5
Statement of Financial Position	7
Statement of Profit and Loss Accounts	8
Statement of Comprehensive Income	9
Statement of Changes in Equity	10
Cash Flow Statements	11
Notes to the Accounts	12

Vision Statement

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

Mission Statement

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

Ali Asghar Textile Mills Limited

COMPANY INFORMATION

Board of Directors

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

Mr. Muhammad Afzal (Chairman/Non-Executive)
Mr. Abdullah Moosa (Executive Director)
Mr. Ahmed Ali (Non-Executive Director)
Mr. Muhammad Suleman (Executive Director)
Mr. Sultan Mehmood (Non-Executive Director)
Mr. Muhammad Zubair (Independent Director)

Audit Committee

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

Human Resources & Remuneration (HR&R) Committee

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

CFO

Mr. Muhammad Suleman

Company Secretary

Mr. Abdullah Moosa

Auditor

M/s. Mushtaq & Co. Chartered Accountants

Banker

Habib Bank Ltd, Soneri Bank Ltd.
Habib Metropolitan Bank Limited
Bank Al-Habib Ltd, MCB Bank Limited

Shares Registrar

C. & K. Management Associates (Pvt) Ltd
404- Trade Tower, Abdullah Haroon Road
Metropole Hotel, Karachi-75530
Phone: 35687839, 3568593

Registered Office

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

Website Mills

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

ALI ASGHAR TEXTILE MILLS LIMITED
DIRECTOR REPORT

The Directors are pleased to report the results of the period ended 31st December 2018.

The company has (Loss)/Profit after Tax of Rs. (3.35) m (EPS/LPS -0.08) after charging for depreciation of 1.9 m. As stated in detail in director report in June 2018 Annual Report, the company has changed its principal line of of business and has gotten approval from SECP and company registrar accordingly, as per share holder direction.

As a result auditor qualification (c) in June 2018 audit review, on accounts not reflecting correctly the income from rent, has been removed. The company is engaged in carrying out implementation of the resolutions passed in the 29th October 2018. AGM by the shareholders. Negotiations with a local FMCG and Logistics company are nearing their final stage. The company has support of the directors/sponsors in the form of interest free loan.

In the end I would like to thanks all the employees, Stakeholder for their hard work.

By Order of the Board


NADEEM ELLAHI SHAIKH
Chief Executive

Karachi 15th February 2019

علی اصغر ٹیکسٹائل ملز لمیٹڈ
ڈائریکٹر کی رپورٹ

ڈائریکٹرز (منتظمین) 31 دسمبر 2018 کو ختم ہونے والے عرصے کے نتائج کو پیش کرتے ہوئے خوش ہیں۔

9.1 ملین فرسودگی شامل کرنے کے بعد کمپنی کو منافع/(خسارہ) بعد از ادائیگی ٹیکس (3.35) ملین (ای پی ایس / ایل پی ایس 0.08 -) ہوا ہے۔ جیسا کہ جون 2018 کی سالانہ رپورٹ میں ڈائریکٹر کی رپورٹ میں تفصیل سے بیان کیا گیا ہے، کمپنی نے کاروبار کی بنیادی لائن کو تبدیل کر دیا ہے اور حصص یا فٹگان کی ہدایت کے مطابق ایس ای سی پی اور کمپنی جسٹرار سے منظوری حاصل کر لی ہے۔

جس کے نتیجے میں جون 2018 کے اکاؤنٹس میں آڈیٹر کی کوالیفیکشن (سی) کرائے کی آمدنی درست طریقے سے عکاسی نہیں کرتی ہٹا دی گئی ہے۔ کمپنی 29 اکتوبر 2018 کی سالانہ جنرل میٹنگ میں حصص یا فٹگان کی منظور کردہ قراردادوں پر عملدرآمد کرنے میں مصروف ہے - مقامی ایف ایم سی جی اور لاجسٹکس کمپنی کے ساتھ بات چیت حتمی مرحلے کے قریب ہیں۔ کمپنی کو بلا سود قرض کی شکل میں ڈائریکٹرز / سپانسرز کی حمایت حاصل ہے

آخر میں میں اپنے تمام ملازمین، اسٹیک ہولڈر کا ان کی سخت محنت کی وجہ سے شکریہ ادا کرنا چاہتا ہوں۔

بحکم بورڈ



ندیم الہی شیخ
چیف ایگزیکٹو
(سرپرست)

کراچی 15 فروری 2019

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 32638521-3

Branch Office: 19-B, Block-G, Gulberg-III, Lahore. Tel: 35884926

Email Address: mushtaq_vohra@hotmail.com



AUDITORS' REVIEW REPORT TO THE MEMBERS ON CONDENSED INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **Ali Asghar Textile Mills Limited** as at 31st December, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information), for the half year then ended. Management is responsible for preparation and presentation of this interim financial reporting in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31st December, 2018 and 2017 in the condensed interim profit and loss account have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of interim financial information performed by the independent Auditors of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BASIS OF CONCLUSION

The following observations come to our knowledge during our review of interim financial statement:

- a) The company has not carried out a revaluation of property, plant and equipment under International Accounting Standard (IAS) 16 "Property, Plant and Equipment". In the absence of revaluation figures, it is not possible to perform impairment test as suggested in the International Accounting Standards (IAS) 36 "Impairment of assets". Hence impact of the same on assets, revaluation surplus and on profit and loss account of the company cannot presently be determined.
- b) We are unable to verify the quality claim of Rs.7.362 million. Further, the company has filed a claim against the supplier of raw cotton for the price difference of Rs.14 million for non-supply of raw cotton. The supplier denied the claim.
- c) The company has not accounted for the finance cost amounting to Rs.6.319 million on outstanding balances in respect of long term loan from banks. Had this amount been recorded the profit would have decreased by the same amount.

[Handwritten signature]

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 32638521-3

Branch Office: 19-B, Block-G, Gulberg-III, Lahore. Tel: 35884926

Email Address: mushtaq_vohra@hotmail.com



CONCLUSION

Based on our review, with the exception of matter described in above paragraphs (a) to (c), nothing has come to our attention that causes us to believe that the accompanying interim financial information for the half year ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

EMPHASIS OF MATTER

The company has ceased the production since September 2011. During the half year period company have incurred loss of Rupees 3.357 million (31st December, 2017: profit of Rupees 1.653 million) & has accumulated losses of Rupees 232.012 million (June 30, 2018: Rupees 229.219 million). The company's current liabilities exceeded its current assets by Rupees 1,424,318 (June 30, 2018 Rupees 2,528,529). These conditions along with adverse key financial ratios, shows Company's inability to comply with loan agreements and pay debts on due dates. This shows company's inability to continue as going concern.

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

KARACHI:

Date: **15 FEB 2019**

MUSHTAQ & COMPANY
Chartered Accountants

ALI ASGHAR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Note	Un-Audited 31-Dec-18 Rupees	Audited 30-Jun-18 Rupees
Assets			
Non Current Assets			
Property plant & equipment	5	339,477,461	365,563,394
Capital Work in Progress		-	11,202,138
Investment Property	6	35,947,566	-
Long term Investment		12,399	14,652
Long term Deposits		2,336,169	2,336,169
Long Term Loans and advances		1,757,932	1,465,976
		379,531,527	380,582,329
Current Assets			
Inventories		1,980,000	1,980,000
Loans and advances		5,944,773	5,947,499
Trade deposits and short term prepayments		1,611,230	1,611,230
Other Receivables		21,362,358	21,362,359
Tax refunds and due from govt.		3,520,224	3,538,344
Cash and bank balances		2,440,066	235,350
		36,858,651	34,674,782
Total Assets		416,390,178	415,257,111
Equity and Liabilities			
Share capital and reserves			
Authorised share capital		250,000,000	250,000,000
Issued and paid up capital		222,133,470	222,133,470
Interest free directors & others loan		69,354,736	66,067,055
Surplus on revaluation of fixed assets		257,739,420	258,185,303
Unappropriated loss		(232,012,354)	(229,218,910)
		317,215,272	317,166,918
Non-Current liabilities			
Long term financing		58,508,315	58,508,315
Long term deposits		833,850	833,850
Deferred liabilities		1,549,772	1,544,717
		60,891,937	60,886,882
Current liabilities			
Trade and other payables		16,557,466	15,405,424
Unclaimed Dividends		239,589	239,589
Accrued interest		4,930,250	4,930,250
Book overdraft		8,003,216	8,075,600
Current portion of non current liabilities		8,552,448	8,552,448
		38,282,969	37,203,311
Contingencies and commitments	7	-	-
Total equity and Liabilities		416,390,178	415,257,111


NADEEM E. SHAIKH
 Chief Executive


ABDULLAH MOOSA
 Director



M. SULEMAN
 Chief Finance Officer

ALI ASGHAR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Six months period ended		Quarter Ended	
	31-Dec 2018 Rupees	31-Dec 2017 Rupees	31-Dec 2018 Rupees	31-Dec 2017 Rupees
Rental Income	5,396,560	7,650,429	2,096,560	7,650,429
Directly attributable cost	(4,575,436)	(3,965,063)	(2,337,285)	(2,184,018)
Gross Profit/ (Loss)	821,124	3,685,366	(240,725)	5,466,411
Administrative Expenses	(4,110,466)	(4,713,460)	(3,128,890)	(1,971,424)
Other Income/(Loss)	(2,253)	2,113,925	(2,253)	113,925
	(4,112,719)	(2,599,535)	(3,131,143)	(1,857,499)
Profit / (Loss) from Operation	(3,291,596)	1,085,832	(3,371,869)	3,608,913
Finance Cost	(3,644)	(17,962)	6,356	(6,076)
(Loss) / Profit before Taxation	(3,295,240)	1,067,870	(3,365,513)	3,602,837
Taxation	(61,737)	585,329	(9,237)	666,604
(Loss) / Profit After Taxation	(3,356,977)	1,653,199	(3,374,750)	4,269,441
Earning / (loss) per share - Basic	(0.08)	0.04	(0.08)	0.10


NADEEM E. SHAIKH
 CHIEF EXECUTIVE


ABDULLAH MOOSA
 Director


M. SULEMAN
 Chief Finance Officer

ALI ASGHAR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Six Months Period Ended		Quarter Ended	
	Dec 31,2018	Dec 31,2017	Dec 31,2018	Dec 31,2017
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) after taxation	(3,356,977)	1,653,199	(3,374,750)	4,269,441
Actuarial Gain / (Loss) for the Year	117,650	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(3,239,327)	1,653,199	(3,374,750)	4,269,441



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director



M. SULEMAN
Chief Finance Officer

ALI ASGHAR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Share Capital	Interest free Directors' and others loan	Revaluation Surplus on P,P & E	Unappropriated Loss	Total Equity
	Rupees				
Balance as at July 01, 2017 (Audited)	222,133,470	-	259,132,296	(225,522,657)	255,743,109
Total comprehensive loss for the half year ended Dec 31, 2017	-	-	-	1,653,199	1,653,199
Transfer from surplus on revaluation-incremental	-	-	(473,496)	473,496	-
Transfer from long term loan	-	-	-	-	-
Balance as at Dec 31, 2017 (Unaudited)	222,133,470	-	258,658,800	(223,395,962)	257,396,308
Total comprehensive loss for the remaining period	-	-	-	(6,296,445)	(6,296,445)
Transferred from long term loan		66,067,055			66,067,055
Transfer from surplus on revaluation - incremental	-	-	(473,497)	473,497	-
Balance as at June 30, 2018 (Audited)	222,133,470	66,067,055	258,185,303	(229,218,910)	317,166,918
Total comprehensive Profit for the half year ended Dec 31, 2018	-	-	-	(3,239,327)	(3,239,327)
Transfer from surplus on revaluation-incremental	-	-	(445,883)	445,883	-
Transferred from long term loan	-	3,287,681		-	3,287,681
Balance as at Dec 31, 2018 (Unaudited)	222,133,470	69,354,736	257,739,420	(232,012,354)	317,215,272



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director




M. SULEMAN
Chief Finance Officer

ALI ASGHAR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018


	31-Dec 2018 Rupees	31-Dec 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,295,240)	1,067,870
Adjustments for:		
Depreciation	1,925,719	2,052,936
Unrealized Gain/(Loss) on Trading Securities	2,253	-
Staff retirement benefits-gratuity	122,705	-
Finance cost	3,644	17,962
	2,054,321	2,070,898
Loss before working capital changes	(1,240,919)	3,138,768
(Increase)/decrease in current assets		
Inventory	-	(1,980,000)
Capital work in Progress	11,202,138	-
Loan and advances	2,726	(1,273,444)
	11,204,864	(3,253,444)
Increase in current liabilities		
Trade and other payables	1,152,042	(4,373,881)
Cash used in operation	11,115,987	(4,488,557)
Finance cost paid	(3,644)	(17,962)
Taxes refund/(paid)	(43,617)	(238,506)
Staff retirement benefits gratuity paid	-	(1,035,500)
	(47,261)	(1,291,968)
Net cash used in operating activities	11,068,726	(5,780,525)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits	(11,687,146)	(113,000)
Fixed capital expenditure	(100,205)	(5,424,761)
Net cash flows from investing activities	(11,787,351)	(5,537,761)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received from directors and sponsors	-	(46,515,789)
Interest free directors and other loan	3,287,681	56,035,028
Loan repaid	-	(100,000)
Loans and advances	(291,956)	609,817
Deposits received	-	-
Book overdraft	(72,384)	1,058,939
Net cash flow from financing activities	2,923,341	11,087,995
Net increase in Cash and Cash equivalents	2,204,716	(230,291)
Cash and cash equivalent at the beginning of the period	235,350	968,854
Cash and cash equivalent at the end of the period	2,440,066	738,563



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director



M. SULEMAN
Chief Finance Officer

ALI ASGHAR TEXTILE MILLS LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 THE COMPANY AND ITS OPERATIONS

1.1 Ali Asghar Textile Mills Limited (the Company) was incorporated in Pakistan on February 9, 1967 as a public limited company having its registered office at Uni Towers, I. I. Chundrigar Road, Karachi in the province of Sindh. Its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. The principal activity of the Company is to manufacture and sale of yarn. However, in a proposed EOGM, to be held in March 2018, the objective clause is proposed to be changed to incorporate logistic hub and warehousing business as a principal activity. The facilities of the Company are located at Korangi Industrial Area, Karachi in the province of Sindh.

1.2 The Company has temporarily suspended its textile operation since September, 2011 and has sold a substantial portion of its Property Plant & Equipment. The Company has accumulated losses of Rs. 232 million as at Dec 31, 2018 and current liabilities exceeds its current assets by Rs.1.424 million as at Dec 31, 2018. 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.

1.3 Management assesses the reliability of going concern assumption in preparation of these financial statements and concluded that, it is still in going concern based on following mitigating factors. Accordingly, these financial statements have been prepared on going concern assumption.

a Logistic Hub and Warehousing Business

The company has rented out its surplus property to companies. The directors of the company in a board of directors meeting held in year 2016, approved the business of logistics and warehousing. This year the company entered into contracts with leading companies for rentals. The cash flow is coming in regular installments and marketing teams are pitching to new customers and warehousing agents.

b Support of Directors and Sponsors

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

Effective 30 May 2017, the companies Act, 2017 (The Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No.23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard-34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ the provision of or directive issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the company is assessing the impact of these requirement on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the company.

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Finance Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2018.

2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except for measurement of certain financial assets and financial liabilities at fair value and recognition of employee benefits at present value.

2.3 Functional and presentation currency

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

IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entity will recognize transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation which have been used in the preparation of this interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2018.

4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2018.

5 ACQUISITION AND DISPOSAL OF PROPERTY PLANT AND EQUIPMENTS

The cost of additions and disposals to operating fixed assets during the half year ended, December 31, 2018 were as follows;

	December 31, 2018 (Un-Audited)		June 30, 2018 (Audited)	
	Additions	Transfers	Additions	Disposals
	(Cost in Rupees)		(Cost in Rupees)	
Factory Building -NBV	-	24,938,172		
Office Equipment	100,205	-	47,500	-
Vehicle	-	-	44,000	-
	<u>100,205</u>	<u>24,938,172</u>	<u>91,500</u>	<u>-</u>

- 5.1 As mentioned in note 1.1 that during current year the Company has changed it principle line of business. Company has rented out its Godowns having net book value of Rs.5,429,750/- as at June 30, 2018. As on July 01, 2018, the company has transferred this carrying value of Godowns to Investment Property as per requirement of IAS 40. Refer to note 6.

6 INVESTMENT PROPERTY - At Cost

	Note	December 31, 2018 Rupees	June 30, 2018 (Audited) Rupees
Net carrying value as at July 01		-	-
Transferred form PPE		24,938,172	-
Addition During the period		11,687,146	-
Depreciation charged during the		(677,752)	-
Net book value as at Dec 31		<u>35,947,566</u>	<u>-</u>
Gross carrying value as at Dec 31			
Cost		36,625,318	-
Accumulated Depreciation		(677,752)	-
Net book value as at June 30		<u>35,947,566</u>	<u>-</u>
6.1 Depreciation is charged by reducing balance method at annual rate of		5% - 7%	-
6.2 Depreciation charge for the year has been allocated as follows:			
Directly attributable cost		<u>677,752</u>	<u>-</u>

- 6.3 Investment property represents the factory building on lease hold land mill and others.
6.4 Fair value of investment property was not available.

7 CONTINGENCIES AND COMMITMENTS

Contingencies

- 7.1 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 along with Markup Rs. 25.241 million) as outstanding dues against the leasing facilities provided by the bank. The company has filed an application for leave to defend on 07.02.2013. The company has also provided liabilities amounting to Rs. 18.77 million along with markup Rs. 4.93 million. The management believes that there wont be any outflow of economic benefit more than what it has already recorded and disclosed. In the opinion of Legal advisors of the company, the aforementioned amount of Rs. 42.35 million is exaggerated and is not supported by the statement of account filed by the Bank of Punjab before the learned banking court.
- 7.2 The company has suit No. B-102 of 13. First Dawood Investment Bank Versus Ali Asghar Textile Mills Limited pending before Honorable Highcourt of Sindh at Karachi. The company trying to settle its TFCs amounting to Rs.89.609 million with First Dawood Bank Limited. The First Dawood Investment Bank has filed suit for the recovery of 89.609 million against lease finance which was converted to TFC's. The company has counter filed case against First Dawood Investment and defending the case and in the opinion of Legal advisor, the management of the company is trying to settle its TFCs with First Dawood Bank Limited at its earliest and is taking all the steps to conclude the aforementioned case.
- 7.3 The company has CP no. D-1009 of 12. Ali Asghar Textile Mills Limited Versus Fed. of Pakistan pending before Honorable Highcourt 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.

	Note	December 31, 2018 Rupees	June 30, 2018 (Audited) Rupees
7.3 Guarantees issued by banks on behalf of the Company		<u>1,611,230</u>	<u>1,611,230</u>

Commitments

There are no commitments of the company as at December 31, 2018.

8 TRANSACTION WITH RELATED PARTY

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

Nature of transaction	Nature of Relationship	December 31, 2018	December 31, 2017
		Rupees	Rupees
Rent and other expenses			
Gulnar Humayun	Significant Influence	<u>312,180</u>	<u>312,180</u>
Loan received from directors & Sponsors			
Directors	Control and Significant Influence	40,111,209	30,923,784
Sponsors	Significant Influence	<u>29,243,526</u>	<u>25,111,244</u>
		<u>69,354,735</u>	<u>56,035,028</u>

9 GENERAL

The figures have been rounded of to the nearest Rupee.

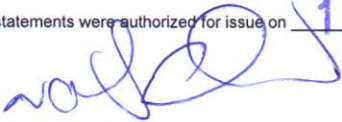
All significant changes since June 30, 2018 affecting the interim financial information have been disclosed in the relevant notes.

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 15 FEB 2019 by the board of directors of the Company.



NADEEM E. SHAIKH
Chief Executive

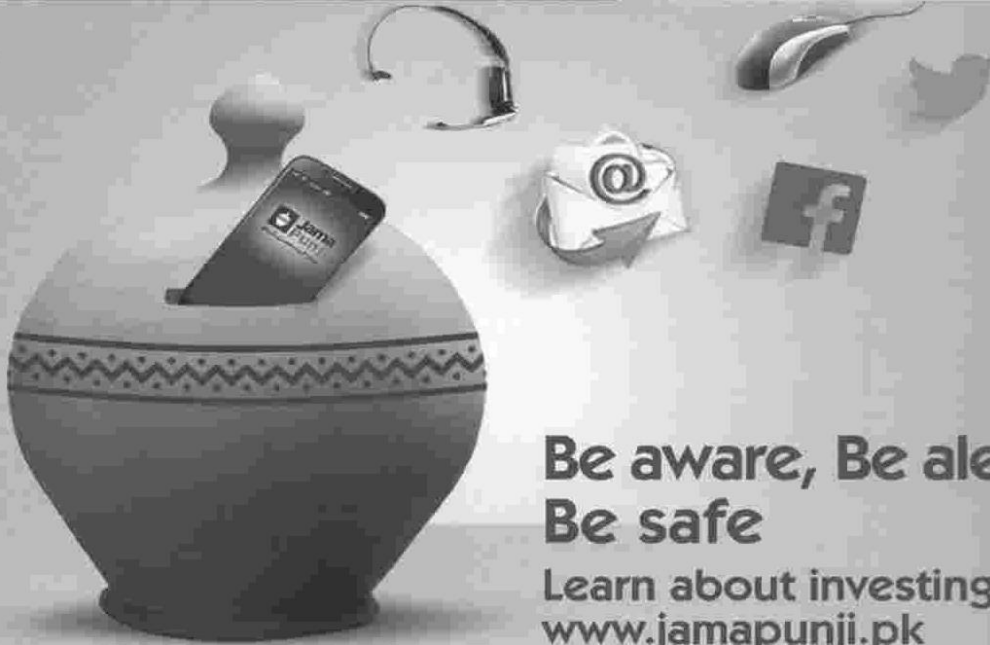


ABDULLAH MOOSA
Director



M. SULEMAN
Chief Finance Officer

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

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

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



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

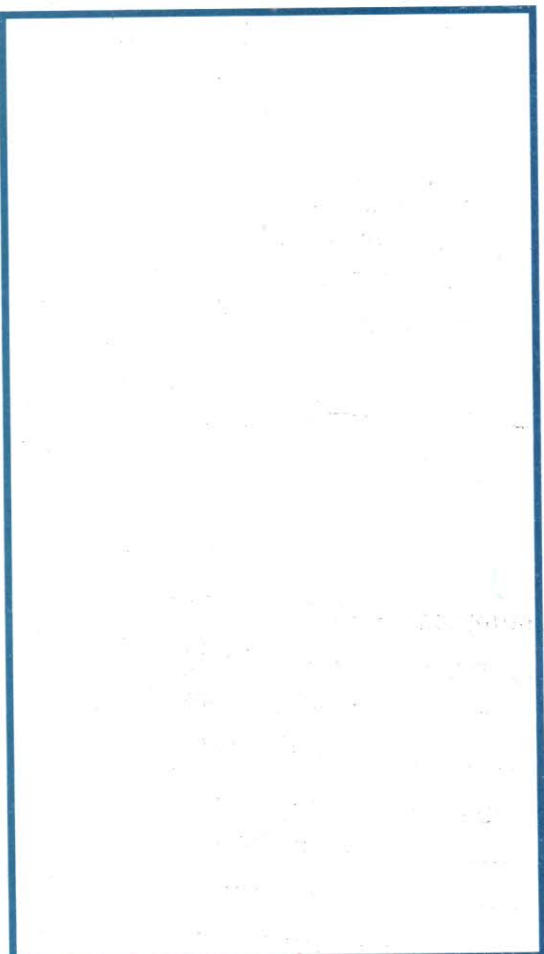
jamapunji.pk

@jamapunji_pk

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

BOOK POST

PRINTED MATTER



If undelivered please return to:-

ALI ASGHAR TEXTILE MILLS LTD.

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