

QUARTERLY ACCOUNTS FINANCIAL STATEMENTS March 31, 2018



ALI ASGHAR TEXTILE MILLS LTD.





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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



COMPANY INFORMATION

Board of Directors

Mr. Nadeem Ellahi Shaikh	(Chief Executive)
Mr. Abdullah Moosa	(Non-Executive Director & Chairman)
Mr. Ahmed Ali	(Non-Executive Director)
Mr. Muhammad Suleman	(Non-Executive Director)
Mr. Muhammad Afzal	(Non-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 & Company Secretary

Mr. Muhammad Suleman

Auditor

M/s. Mushtaq & Co. Chartered Accountants

Banker

Habib Bank Limited
Habib Metropolitan Bank Limited
Bank Al-Habib Ltd
National Bank of Pakistan

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 LTD.
QUARTERLY ACCOUNTS 2018



DIRETOR REPORT

FOR QUARTER ENDED 31ST MARCH 2018

I am pleased to present the results for the quarter ended 31st March 2018.

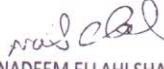
The profit after tax for the period ended is Rs.33,075 VS loss after tax of 819,365/- in SPLY The improved performance is due to higher rental revenue from company's push into logistics/warehousing catering to different segments of the business world. The profit after tax (PAT) for the nine months ended 31st March 2018 is Rs. 1,686,273 Versus Lat of Rs. (6,607,238) in SPLY.

The management as per the wishes and approval of the shareholders is pushing forward with development of warehousing space and negotiating long term contracts with logistics companies. Management is also looking at approaching venture capitalist firms to develop the company property and update existing infrastructure

As mentioned in detail in the last director report of 31st December 2017 the company had filed a review petition against the order of SECP dated 6th June 2016. The management is pleased to report that SECP vide its order dated 17th April 2018 has reversed it's original decision and have dropped the proceeding for winding up of AATML. SECP accepted the opinion of the learned counsel Mr. Rashid Sadiq of M/s. R.S. Corporate Advisory, who represented Ali Asghar Textile Mills Limited.

I would like to thank all the stakeholders and financial institutions for the their support and help in the revival of the company

By order of the Board


NADEEM ELLAHI SHAIKH
CHIEF EXECUTIVE

KARACHI
DATED 24TH April 2018

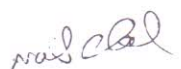
ALI ASGHAR TEXTILE MILLS LTD.
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ALI ASGHAR TEXTILE MILLS LIMITED

Condensed Interim Balance Sheet
 As on March 31, 2018

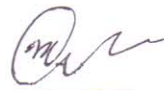
	Note	Un-Audited 31-Mar-18 Rupees	Audited 30-Jun-17 Rupees
Assets			
Non Current Assets			
PP&E	5	366,546,858	369,586,361
Capital Work in Progress		11,897,014	-
Long term Investment		14,630	14,630
Long term Deposits		2,336,169	2,336,169
Long term Loans		2,063,557	2,038,577
		382,858,228	373,975,737
Current Assets			
Inventories		2,921,269	941,269
Trade Debts		-	-
Loans and advances		6,530,422	5,288,055
Trade deposits and short term prepayments		1,611,230	1,611,230
Other Receivables		23,362,358	21,362,359
Tax refunds and due from govt.		3,353,731	2,210,872
Cash and bank balances		978,831	968,854
		38,757,841	32,382,639
Total Assets		421,616,069	406,358,376
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
Unappropriated loss		(223,126,139)	(225,522,657)
Loan from Directors/Sponsors		66,017,368	-
		65,024,699	(3,389,187)
Surplus on revaluation of PPE		258,422,051	259,132,296
Non-Current liabilities			
Long term financing		58,508,316	105,024,104
long term deposits		833,850	833,850
Deferred liabilities		1,740,848	2,785,015
		61,083,014	108,642,969
Current liabilities			
Trade and other payables		15,704,909	20,531,169
Accrued interest		4,930,250	4,930,250
Book overdraft		7,898,698	7,858,431
Current portion of non current liabilities		8,552,448	8,652,448
Provision for taxation		-	-
		37,086,305	41,972,298
Contingencies and commitments	6	-	-
Total equity and Liabilities		421,616,069	406,358,376



NADEEM E. SHAIKH
 CHIEF EXECUTIVE



ABDULLAH MOOSA
 DIRECTOR



M.SULEMAN
 CHIEF FINANCE OFFICER

ALI ASGHAR TEXTILE MILLS LTD.
QUARTERLY ACCOUNTS 2018

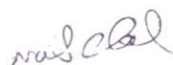


ALI ASGHAR TEXTILE MILLS LIMITED

Condensed Interim Profit and Loss Accounts (Un-Audited)

For the Nine Months Period and Quarter ended March 31, 2018


	Nine months period ended		Quarter Ended	
	31-Mar 2018 Rupees	31-Mar 2017 Rupees	31-Mar 2018 Rupees	31-Mar 2017 Rupees
Rental Income	11,899,597	-	4,249,168	-
Cost of Services	(5,340,750)	(3,856,370)	(1,375,687)	(1,444,727)
Gross Profit / (Loss)	6,558,847	(3,856,370)	2,873,481	(1,444,727)
Administrative Expenses	(7,540,635)	(6,868,363)	(2,827,175)	(1,326,153)
Other Income	2,113,925	4,145,370	-	1,962,507
	(5,426,710)	(2,722,993)	(2,827,175)	636,354
Profit / (Loss) from Operation	1,132,137	(6,579,363)	46,306	(808,373)
Finance Cost	(22,596)	(27,875)	(4,634)	(10,992)
Profit / (Loss) before Taxation	1,109,541	(6,607,238)	41,672	(819,365)
Taxation				
Current	(343,958)	-	(8,597)	-
Prior Year Tax	920,690	-	-	-
	576,732	-	(8,597)	-
Profit / (Loss) After Taxation	1,686,273	(6,607,238)	33,075	(819,365)
(Loss)/Earning per share - basic and diluted	0.04	(0.15)	0.00	(0.02)



NADEEM E. SHAIKH
CHIEF EXECUTIVE



ABDULLAH MOOSA
DIRECTOR



M.SULEMAN
CHIEF FINANCE OFFICER

ALI ASGHAR TEXTILE MILLS LTD.
QUARTERLY ACCOUNTS 2018



ALI ASGHAR TEXTILE MILLS LIMITED

Condensed Interim Statement of Comprehensive Income (Un-Audited)
For the Nine Months Period and Quarter ended March 31, 2018

	Nne Months Period Ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) After Taxation	1,686,273	(6,607,238)	33,075	(819,365)
Other comprehensive income	-	-	-	-
Total comprehensive income	1,686,273	(6,607,238)	33,075	(819,365)

naeem e. shaiikh

NADEEM E. SHAIKH
CHIEF EXECUTIVE

abdullah moosa

ABDULLAH MOOSA
DIRECTOR

m. suleman

M. SULEMAN
CHIEF FINANCE OFFICER

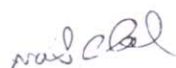
ALI ASGHAR TEXTILE MILLS LTD.
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ALI ASGHAR TEXTILE MILLS LIMITED

Condensed Interim Statement of Changes in Equity
 For the Nine Months Periods Ended March 31, 2018

	Share Capital	Interest Free Directors and other loans	Unappropriated Loss	Total Equity
	Rupees			
Balance as at June 30, 2016 (Audited)	222,133,470	-	(214,257,211)	7,876,259
Total comprehensive loss for the nine months periods ended March 31, 2017	-	-	(6,607,238)	(6,607,238)
Transfer from surplus on revaluation-incremental	-	-	754,313	754,313
Balance as at March 31, 2017 (Un-Audited)	222,133,470	-	(220,110,136)	2,023,334
Total comprehensive loss for the remaining period	-	-	(5,663,958)	(5,663,958)
Transfer from surplus on revaluation - incremental	-	-	251,437	251,437
Balance as at June 30, 2017 (Audited)	222,133,470	-	(225,522,657)	(3,389,187)
Total comprehensive Income /(Loss) for the nine months periods ended March 31, 2018	-	-	1,686,273	1,686,273
Transfer from surplus on revaluation-incremental	-	-	710,245	710,245
Transfer from long term loan	-	66,017,368	-	66,017,368
Balance as at March 31, 2018 (Un-Audited)	222,133,470	66,017,368	(223,126,139)	65,024,699



NADEEM E. SHAIKH
 CHIEF EXECUTIVE



ABDULLAH MOOSA
 DIRECTOR



M.SULEMAN
 CHIEF FINANCE OFFICER

ALI ASGHAR TEXTILE MILLS LTD.
QUARTERLY ACCOUNTS 2018



ALI ASGHAR TEXTILE MILLS LIMITED

Condensed Interim Statement of Cash flows (Un-Audited)
For the Nine Months Periods Ended March 31, 2018

	March 31, 2018 Rupees	March 31, 2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	1,109,541	(6,607,238)
Adjustments for:		
Depreciation	3,068,549	1,295,527
Staff retirement benefits-gratuity	(1,044,167)	-
Finance cost	22,596	27,875
Gain on disposal of PPE	-	-
	<u>2,046,978</u>	<u>1,323,402</u>
Profit/ (Loss) before working capital changes	3,156,519	(5,283,836)
(Increase)/decrease in current assets		
Inventory	(1,980,000)	-
Trade debts	-	-
Loan and advances	(1,267,347)	(2,078,304)
Trade deposits and short term prepayments	-	-
Other receivables	(2,000,000)	-
	<u>(5,247,347)</u>	<u>(2,078,304)</u>
Increase in current liabilities		
Trade and other payables	(4,826,260)	11,576,632
Cash used in operation	<u>(6,917,088)</u>	<u>4,214,492</u>
Finance cost paid	(22,596)	(27,875)
Taxes refund/(paid)	576,732	(112,210)
Staff retirement benefits gratuity paid	(1,044,167)	-
	<u>(490,031)</u>	<u>(140,085)</u>
Net cash used in operating activities	<u>(7,407,119)</u>	<u>4,074,407</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of PPE	-	-
Capital Work in Progress	(11,897,014)	-
Long term investments	-	-
Long term deposits	-	(2,000)
Fixed capital expenditure	(127,738)	(117,700)
Net cash flows from investing activities	<u>(12,024,752)</u>	<u>(119,700)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received from directors and sponsors	66,017,368	43,815,788
Long Term Finance	(46,515,788)	(39,921,828)
Loan repaid	(100,000)	-
Deposits received	-	-
Book overdraft	40,267	(5,731,544)
Net cash flow from financing activities	<u>19,441,847</u>	<u>(1,837,584)</u>
Net increase in Cash and Cash equivalents	<u>9,977</u>	<u>2,117,124</u>
Cash and cash equivalent at the beginning of the period	968,854	341,520
Cash and cash equivalent at the end of the period	<u><u>978,831</u></u>	<u><u>2,458,644</u></u>

NADEEM E. SHAIKH

NADEEM E. SHAIKH
CHIEF EXECUTIVE

ABDULLAH MOOSA

ABDULLAH MOOSA
DIRECTOR

M. SULEMAN

M. SULEMAN
CHIEF FINANCE OFFICER

ALI ASGHAR TEXTILE MILLS LTD.

QUARTERLY ACCOUNTS 2018



Ali Asghar Textile Mills Limited

Notes to the Condensed Interim Financial Information (Un-Audited) For the Nine Months Period ended March 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 under the Companies Act, 1913 (Now Companies Ordinance, 1984) 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 4th quarter 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 and Equipment. The Company has accumulated losses of Rs. 223.126 million as at March 31, 2018 and Current assets exceed its current liabilities by Rs. 1.67 million as at March 31, 2018. In the AGM held in October 2018 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, which then also approved by shareholders in the AGM. 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 Supports of Directors and Sponsors

Directors of the company have committed that 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, 2017.

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.

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, 2017.

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 recognised 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, 2017. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2017.

5 ACQUISITION AND DISPOSAL OF PROPERTY PLANT AND EQUIPMENTS

The cost of additions and disposals to operating fixed assets during the nine months period ended, March 31, 2017 were as follows:

	March 31, 2018 (Un-Audited)		June 30, 2017 (Audited)	
	Additions	Disposals	Additions	Disposals
	(Cost in Rupees)		(Cost in Rupees)	
Building on Leasehold Land- Others	-	-	-	-
Plant and Machinery	-	-	-	-
Generator	-	-	-	-
Vehicle	44,000	-	-	-
Furniture & Fixture	-	-	-	-
Office Equipment	83,738	-	54,200	-
	<u>127,738</u>	<u>-</u>	<u>54,200</u>	<u>-</u>

ALI ASGHAR TEXTILE MILLS LTD.

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6 CONTINGENCIES AND COMMITMENTS

Contingencies

- 6.1 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 won't 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.
- 6.2 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 TFCs. 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.
- 6.3 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.

	March 31, 2018	June 30, 2017 (Audited)
Note	Rupees	Rupees
6.3 Guarantees issued by banks on behalf of the Company	1,611,230	1,611,230

Commitments

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

7 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	March 31, 2018	March 31, 2017
		Rupees	Rupees
Rent and other expenses			
Gulnar Humayun	Significant Influence	468,270	468,270
Loan received from directors & Sponsors			
Directors	Control and Significant Influence	39,456,124	22,424,544
Sponsors	Significant Influence	26,561,244	21,391,244
		66,017,368	43,815,788

8 GENERAL

The figures have been rounded off to the nearest Rupee.

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 24th April 2018 by the board of directors of the Company.

Naadeem E. Shaikh

NADEEM E. SHAIKH
CHIEF EXECUTIVE

Abdullah Moosa

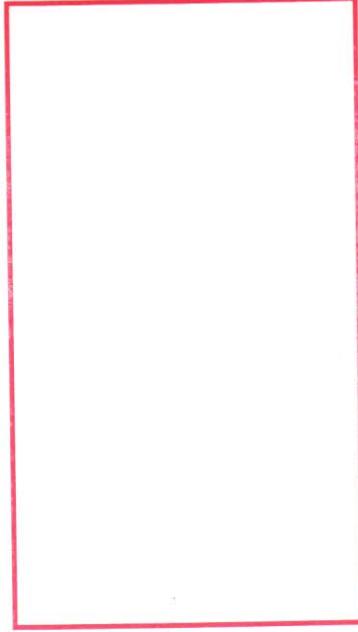
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DIRECTOR

M. Suleman

M. SULEMAN
CHIEF FINANCE OFFICER

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