

FINANCIAL STATEMENTS  
QUARTERLY ACCOUNTS  
March 31, 2019



**ALI ASGHAR TEXTILE MILLS LTD.**



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**Ali Asghar Textile Mills Limited**

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Quarterly Accounts 31 March, 2019

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## **Ali Asghar Textile Mills Limited**

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Quarterly Accounts 31 March, 2019

### **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

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# Ali Asghar Textile Mills Limited

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Quarterly Accounts 2018

## 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](http://www.aatml.com.pk)  
Plot 6, Sector No. 25 Korangi Industrial Area  
Karachi. 74900

## DIRECTORS REPORT

The directors are pleased to present the account for the period ended 31 March 2019.

The company generated revenue of Rs. 7.9 m and loss after tax of Rs. -4.9m.

The strategic direction of the company is advancing as per plan and talks with many interested logistics/FMCG companies regarding future space to be constructed/ecommerce dedicated warehousing space is been finalized.

The management is hopeful that its hard work will pay off very shortly. I would like to thank all the employees for their hard work.



NADEEM ELLAHI SHEIKH  
CHIEF EXECUTIVE OFFICER

## ڈائریکٹر کی رپورٹ

ڈائریکٹرز 31 مارچ 2019 کو ختم ہونے والی مدت کے اکاؤنٹ پیش کرتے ہوئے خوش ہیں۔

کمپنی نے 7.9 ملین کی آمدنی کما لی اور ٹیکس کے بعد نقصان (4.9) ملین رہا۔

کمپنی کا اسٹریٹجک رخ منصوبہ بندی کے مطابق آگے بڑھ رہا ہے اور لاجسٹک / ایف ایم سی جی کمپنیوں کے ساتھ مذاکرات جگہ کی تعمیرات اور ای۔ کامرس وقف ویئر ہاؤس کی جگہ کے حوالے سے اختتام تک آ رہے ہیں۔

انتظامیہ پر امید ہے کہ اس کی محنت بہت جلد ہی فائدہ دے گی۔

میں تمام ملازمین کا ان کی سخت محنت کے لئے کا شکریہ ادا کرتا ہوں۔



ندیم الہی شیخ

چیف ایگزیکٹو آفیسر

**ALI ASGHAR TEXTILE MILLS LIMITED**

**Condensed Interim Profit and Loss Accounts (Un-Audited)**

For the Nine Months Period and Quarter ended March 31, 2019

	Nine months period ended		Quarter Ended	
	31-Mar 2019 Rupees	31-Mar 2018 Rupees	31-Mar 2019 Rupees	31-Mar 2018 Rupees
Rental Income	7,912,180	11,899,597	2,515,620	4,249,168
Directly attributable cost	(4,634,800)	(5,340,750)	(59,364)	(1,375,687)
Gross Profit / (Loss)	3,277,380	6,558,847	2,456,256	2,873,481
Administrative Expenses	(8,166,586)	(7,540,635)	(4,056,120)	(2,827,175)
Other Income/(Loss)	68,000	2,113,925	70,253	-
	(8,098,586)	(5,426,710)	(3,985,867)	(2,827,175)
Profit / (Loss) from Operation	(4,821,206)	1,132,137	(1,529,611)	46,306
Finance Cost	(22,764)	(22,596)	(19,120)	(4,634)
Profit / (Loss) before Taxation	(4,843,970)	1,109,541	(1,548,731)	41,672
Taxation				
Current	(61,737)	(343,958)	-	(8,597)
Prior Year Tax	-	920,690	-	-
	(61,737)	576,732	-	(8,597)
Profit / (Loss) After Taxation	(4,905,707)	1,686,273	(1,548,731)	33,075
(Loss)/Earning per share - basic and diluted	(0.11)	0.04	(0.03)	0.00



NADEEM E. SHAIKH  
CHIEF EXECUTIVE



ABDULLAH MOOSA  
DIRECTOR





M. SULEMAN  
CHIEF FINANCE OFFICER




**ALI ASGHAR TEXTILE MILLS LIMITED**
**Condensed Interim Balance Sheet**
**As on March 31, 2019**

	Note	Un-Audited 31-Mar-19 Rupees	Audited 30-Jun-18 Rupees
<b>Assets</b>			
<b>Non Current Assets</b>			
PP&E	5	338,794,630	365,563,394
Capital Work in Progress		360,305	11,202,138
Investment Property		35,123,682	-
Long term Investment		12,399	14,652
Long term Deposits		2,336,169	2,336,169
Long term Loans		2,013,438	1,465,976
		378,640,623	380,582,329
<b>Current Assets</b>			
Inventories		1,980,000	1,980,000
Loans and advances		7,056,260	5,947,499
Trade deposits and short term prepayments		1,611,230	1,611,230
Other Receivables		21,362,359	21,362,359
Tax refunds and due from govt.		3,545,814	3,538,344
Cash and bank balances		90,658	235,350
		35,646,321	34,674,782
<b>Total Assets</b>		<b>414,286,945</b>	<b>415,257,111</b>
<b>Equity and Liabilities</b>			
<b>Share capital and reserves</b>			
Authorised share capital		250,000,000	250,000,000
Issued and paid up capital		222,133,470	222,133,470
Interest free Director Loans		72,198,745	66,067,055
Surplus on Revaluation of Fixed Assets		257,516,478	258,185,303
Unappropriated loss		(233,455,792)	(229,218,910)
		318,392,901	317,166,918
<b>Non-Current liabilities</b>			
Long term financing		58,508,315	58,508,315
long term deposits		833,850	833,850
Deferred liabilities		1,544,717	1,544,717
		60,886,882	60,886,882
<b>Current liabilities</b>			
Trade and other payables		20,845,705	15,405,424
Unclaimed Dividend		239,589	239,589
Accrued interest		4,930,250	4,930,250
Book overdraft		439,170	8,075,600
Current portion of non current liabilities		8,552,448	8,552,448
		35,007,162	37,203,311
<b>Contingencies and commitments</b>	6	-	-
<b>Total equity and Liabilities</b>		<b>414,286,945</b>	<b>415,257,111</b>

  
**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 Nine Months Period and Quarter ended March 31, 2019**

	Nne Months Period Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) After Taxation	(4,905,707)	1,686,273	(1,548,731)	33,075
Other comprehensive income	-	-	-	-
Total comprehensive income	(4,905,707)	1,686,273	(1,548,731)	33,075



**NADEEM E. SHAIKH**  
CHIEF EXECUTIVE



**ABDULLAH MOOSA**  
DIRECTOR



**M. SULEMAN**  
CHIEF FINANCE OFFICER

**ALI ASGHAR TEXTILE MILLS LIMITED**
**Condensed Interim Statement of Cash flows (Un-Audited)**  
**For the Nine Months Periods Ended March 31, 2019**

	March 31, 2019 Rupees	March 31, 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/ (Loss) before taxation	(4,843,970)	1,109,541
<b>Adjustments for:</b>		
Depreciation	2,883,317	3,068,549
Staff retirement benefits-gratuity	-	(1,044,167)
Finance cost	22,764	22,596
Unrealized Gain / Loss on Trading Securities	2,253	-
Gain on disposal of PPE	-	-
	2,908,334	2,046,978
Profit/ (Loss) before working capital changes	(1,935,636)	3,156,519
<b>(Increase)/decrease in current assets</b>		
Inventory	-	(1,980,000)
Trade debts	-	-
Loan and advances	(1,656,223)	(1,267,347)
Trade deposits and short term prepayments	-	-
Other receivables	-	(2,000,000)
	(1,656,223)	(5,247,347)
<b>Increase in current liabilities</b>		
Trade and other payables	5,440,281	(4,826,260)
<b>Cash used in operation</b>	1,848,422	(6,917,088)
Finance cost paid	(22,764)	(22,596)
Taxes refund/(paid)	(2,101)	576,732
Staff retirement benefits gratuity paid	-	(1,044,167)
	(24,865)	(490,031)
<b>Net cash used in operating activities</b>	1,823,557	(7,407,119)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of PPE	-	-
Capital Work in Progress	(360,305)	(11,897,014)
Long term investments	-	-
Long term deposits	-	-
Fixed capital expenditure	(103,205)	(127,738)
<b>Net cash flows from investing activities</b>	(463,510)	(12,024,752)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans received from directors and sponsors	6,131,690	66,017,368
Long Term Finance	-	(46,515,788)
Loan repaid	-	(100,000)
Deposits received	-	-
Bank overdraft	(7,636,430)	40,267
<b>Net cash flow from financing activities</b>	(1,504,740)	19,441,847
<b>Net increase in Cash and Cash equivalents</b>	(144,692)	9,977
Cash and cash equivalent at the beginning of the period	235,350	968,854
Cash and cash equivalent at the end of the period	90,658	978,831

NADEEM E. SHAIKH  
CHIEF EXECUTIVE

ABBULLAH MOOSA  
DIRECTOR

M. SULEMAN  
CHIEF FINANCE OFFICER

**ALI ASGHAR TEXTILE MILLS LIMITED**

**Condensed Interim Statement of Changes in Equity  
For the Nine Months Periods Ended March 31, 2019**

	Share Capital	Interest Free Directors and other loans	Revaluation Surplus on Property, Plant and Equipment	Unappropriated Loss	Total Equity
	Rupees				
Balance as at June 30, 2017 (Audited)	222,133,470	-	259,132,296	(225,522,657)	255,743,109
Total comprehensive 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	-
Balance as at March 31, 2018 (Un-Audited)	222,133,470	-	258,422,051	(223,126,139)	257,429,382
Total comprehensive loss for the remaining period	-	-	-	(6,329,519)	(6,329,519)
Transfer from surplus on revaluation - incremental	-	66,067,055	(236,748)	236,748	66,067,055
Balance as at June 30, 2018 (Audited)	222,133,470	66,067,055	258,185,303	(229,218,910)	317,166,918
Total comprehensive Income /(Loss) for the nine months periods ended March 31, 2018	-	-	-	(4,905,707)	(4,905,707)
Transfer from surplus on revaluation-incremental	-	6,131,690	(668,825)	668,825	-
Transfer from long term loan	-	6,131,690	-	-	6,131,690
Balance as at March 31, 2019 (Un-Audited)	222,133,470	78,330,435	257,516,478	(233,455,792)	318,392,901



NADEEM E. SHAIKH  
CHIEF EXECUTIVE



ABDULLAH MOOSA  
DIRECTOR



M. SULEMAN  
CHIEF FINANCE OFFICER



**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 company has changed its principle line of the business, the objective clause has 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. 233.4 million as at Mar 31, 2019 and current assets exceeds its current liabilities by Rs.0.6 million as at March 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 instalments 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 the nine month period ended, March 31, 2019 were as follows:

	March 31, 2019 (Un-Audited)		June 30, 2018 (Audited)	
	Additions	Transfers	Additions	Disposals
	(Cost in Rupees)		(Cost in Rupees)	
Factory Building -NBV	-	24,938,172	-	-
Office Equipment	103,205	-	47,500	-
Vehicle	-	-	44,000	-
	<u>103,205</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	9/31/2019 Rupees	June 30, 2018 (Audited) Rupees
Net carrying value as at July 01		-	-
Transferred form PPE		24,938,172	-
Addition During the period		11,202,138	-
Depreciation charged during the		(1,016,628)	-
Net book value as at Dec 31		<u>35,123,682</u>	<u>-</u>
Gross carrying value as at Dec 31			
Cost		36,140,310	-
Accumulated Depreciation		(1,016,628)	-
Net book value as at June 30		<u>35,123,682</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>1,016,628</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	9/31/2019 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 March 31, 2019.

## 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	9/31/2019	March 31, 2018
		Rupees	Rupees
<b>Rent and other expenses</b>			
Gulnar Humayun	Significant Influence	312,180	312,180
<b>Loan received from directors &amp; Sponsors</b>			
Directors	Control and Significant Influence	2,922,125	39,456,124
Sponsors	Significant Influence	3,209,565	26,561,244
		6,131,690	66,017,368

## 9 GENERAL

The figures have been rounded off 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

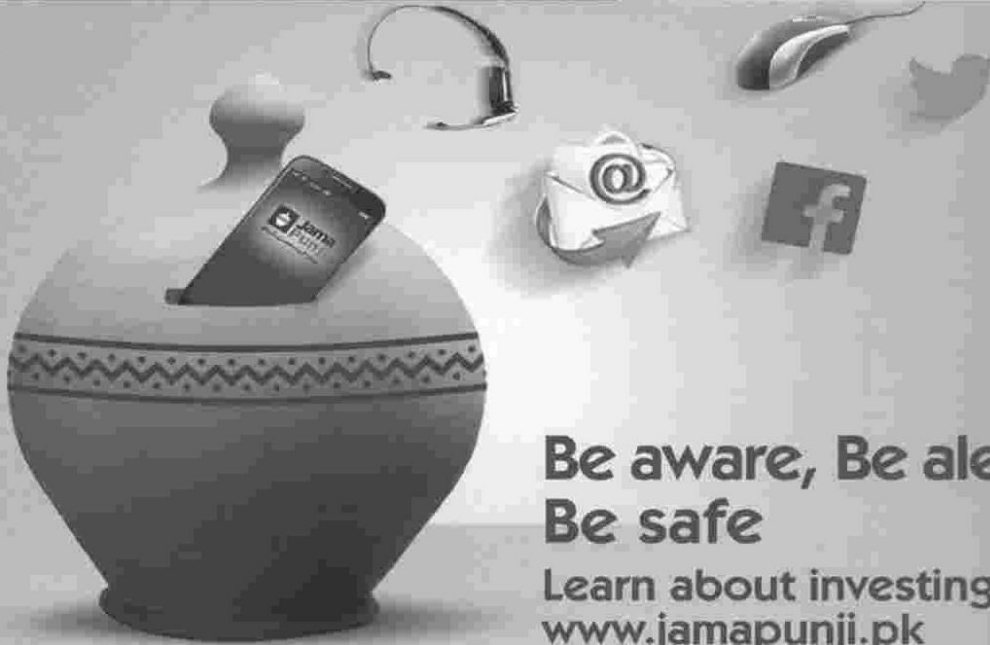
These financial statements were authorized for issue on \_\_\_\_\_ by the board of directors of the Company.

NADEEM E. SHAIKH  
Chief Executive

ABDULLAH MOOSA  
Director

M. SULEMAN  
Chief Finance Officer

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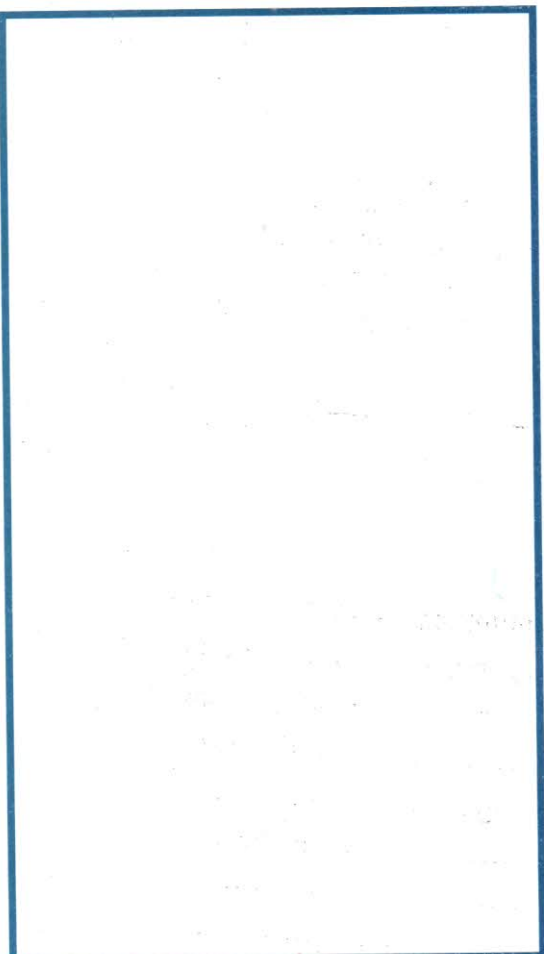
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