

ALI ASGHAR TEXTILE MILLS LIMITED

FINANCIAL STATEMENTS

QUARTERLY ACCOUNTS

MARCH-2021





Ali Asghar Textile Mills Limited

Quarterly Report March 2021

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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. 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 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

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

DIRECTOR REPORT

The directors are pleased to declare the results for the period ended 31st March 2021.

In nine month, the Company made a PAT of Rs. 42.6 million compare to Rs. 58.5 million (SPLY). The logistics center with state of the art office building is 90% complete. Inspite of slump in business/logistic activity due to the 3rd wave of Corona Virus, management is getting a lot of interest from ecommerce and last mile delivery companies.

I would like to thank the employees and stakeholders for their hard work.



NADEEM ELLAHI SHAIKH
CHIEF EXECUTIVE

ڈائریکٹر کی رپورٹ

ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی مدت کے نتائج کے اعلان پر خوش ہیں۔

نو مہینے میں ، کمپنی نے بعد از ٹیکس منافع پچھلے سال کے 58.5 ملین کے مقابلے میں اس سال 42.6 ملین روپیے کمائے ہیں۔

اسٹیٹ آف دی آرٹ آفس عمارت والا لاجسٹک سنٹر 90% مکمل ہے۔
کورونا وائرس کی تیسری لہر کی وجہ سے کاروبار / لاجسٹک سرگرمی میں کمی کے باوجود مینجمنٹ کو ای کامرس اور آخری میل کی ترسیل کرنے والی کمپنیوں کی طرف سے بہت زیادہ دلچسپی مل رہی ہے۔
میں ملازم اور اسٹیک ہولڈرز کی ان کی محنت کے لئے شکریہ ادا کرنا چاہتا ہوں۔



ندیم الہی شیخ
چیف ایگزیکٹو

ALI ASGHAR TEXTILE MILLS LIMITED

Condensed Interim Profit and Loss Accounts (Un-Audited)

For the Nine Months Period and Quarter ended March 31, 2021

	Nine months period ended		Quarter Ended	
	31-Mar 2021 Rupees	31-Mar 2020 Rupees	31-Mar 2021 Rupees	31-Mar 2020 Rupees
Rental Income	-	2,335,760	-	-
Directly attributable cost	(11,024,150)	(14,813,977)	(309,637)	(7,647,644)
Gross Profit / (Loss)	(11,024,150)	(12,478,217)	(309,637)	(7,647,644)
Administrative Expenses	(15,111,145)	(12,116,700)	(9,136,187)	(2,281,970)
Other Expenses	-	(30,679,676)	-	(9,317,318)
Other Income/(Loss)	78,349,551	146,321,073	20,528,953	(11,896,949)
	63,238,406	103,524,698	11,392,766	(23,496,236)
Profit / (Loss) from Operation	52,214,256	91,046,481	11,083,129	(31,143,880)
Finance Cost	(81,394)	(31,849,589)	(25,667)	(18,460)
Profit / (Loss) before Taxation	52,132,862	59,196,892	11,057,462	(31,162,340)
Taxation				
Current	(9,482,557)	(638,073)	(2,876,780)	(282,263)
Prior Year Tax	-	-	-	-
	(9,482,557)	(638,073)	(2,876,780)	(282,263)
Profit / (Loss) After Taxation	42,650,305	58,558,819	8,180,682	(31,444,603)
(Loss)/Earning per share - basic and diluted	0.96	1.32	0.18	(0.71)



NADEEM E. SHAIKH
CHIEF EXECUTIVE



ABDULLAH MOOSA
DIRECOR



M.SULEMAN
CHIEF FINANCE OFFICER

ALI ASGHAR TEXTILE MILLS LIMITED**Condensed Interim Statement of Financial Position****As on March 31, 2021**

	Note	Un-Audited 31-Mar-21 Rupees	Audited 30-Jun-20 Rupees
Assets			
Non Current Assets			
PP&E	5	850,394,167	768,161,724
Capital Work in Progress		30,295,276	8,178,406
Long term Deposits		2,628,717	3,860,387
Long term Loans		3,320,187	3,117,771
		886,638,347	783,308,288
Current Assets			
Loans and advances		65,372,593	5,663,791
Investments		636,137,011	886,763,103
Trade deposits and short term prepayments		1,611,230	1,611,230
Other Receivables		1,578,263	213,854
Tax refunds and due from govt.		3,793,683	3,214,866
Cash and bank balances		39,766,817	1,822,305
		748,259,597	899,279,148
Total Assets		1,634,897,944	1,682,587,436
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 Director Loans		33,894,252	10,590,745
Surplus on Revaluation of Fixed Assets		682,474,489	682,474,489
Unappropriated Profit/ (Loss)		604,613,728	538,423,575
		1,543,115,939	1,453,622,279
Non-Current liabilities			
Long term financing		58,508,315	58,508,315
Long term deposits		287,000	287,000
Deferred liabilities		1,604,739	1,906,239
		60,400,054	60,701,554
Current liabilities			
Trade and other payables		17,659,664	100,397,668
Unclaimed Dividend		239,589	239,589
Accrued interest		4,930,250	4,930,250
Book overdraft		-	54,143,648
Current portion of non current liabilities		8,552,448	8,552,448
		31,381,951	168,263,603
Contingencies and commitments	6	-	-
Total equity and Liabilities		1,634,897,944	1,682,587,436



NADEEM E. SHAIKH
CHIEF EXECUTIVE



ABDULLAH MOOSA
DIRECOR



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, 2021**

	Nne Months Period Ended		Quarter Ended	
	March 31, 2021	March 31, 2020	March 31, 2020	March 31, 2020
	Rupees	Rupees	Rupees	Rupees
Profit / (Loss) After Taxation	42,650,305	58,558,819	8,180,682	(31,444,603)
Unrealized Gain on remeasurement of available for sale investment	23,539,848			
Other comprehensive income	-	-	-	-
Total comprehensive income	42,650,305	58,558,819	8,180,682	(31,444,603)

**NADEEM E. SHAIKH**
CHIEF EXECUTIVE**ABDULLAH MOOSA**
DIRECOR**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, 2021**

	March 31, 2021 Rupees	March 31, 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	52,132,862	59,196,892
Adjustments for:		
Depreciation	7,819,735	5,670,887
Staff retirement benefits-gratuity	-	-
Finance cost	81,394	31,788,197
Unrealized (Gain)/Loss on Securities	23,539,848	-
Liability no longer payable	-	(50,949)
Loss on Building Revaluation	-	9,317,318
Bad Debt Expenses	-	21,362,358
Gain on disposal of PPE	-	(156,293,133)
	<u>31,440,977</u>	<u>(88,205,322)</u>
Profit/ (Loss) before working capital changes	83,573,839	(29,008,431)
(Increase)/decrease in current assets		
Loan and advances	(59,911,218)	(14,457,437)
Investment	250,616,092	(798,101,916)
Trade deposits and short term prepayments	-	-
Other receivables	(1,364,409)	-
	189,340,465	(812,559,353)
Increase in current liabilities		
Trade and other payables	(82,738,004)	(1,956,428)
Cash used in operation	<u>190,176,300</u>	<u>(843,824,212)</u>
Finance cost paid	(81,394)	(61,392)
Taxes refund/(paid)	(10,061,374)	(2,774,306)
Deposits Paid	-	(171,000)
Staff retirement benefits gratuity paid	(301,500)	(464,969)
	<u>(10,444,268)</u>	<u>(3,471,667)</u>
Net cash used in operating activities	179,732,032	(847,295,879)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of PPE		839,100,633
Capital Work in Progress	(22,116,870)	(712,001)
Long term investments	-	8,884
Long term deposits	1,221,670	(1,503,935)
Fixed capital expenditure	(90,052,177)	(1,321,038)
Net cash flows from investing activities	(110,947,377)	835,572,543
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received from directors and sponsors	23,303,507	(40,218,000)
Book overdraft	(54,143,648)	82,564,199
Net cash flow from financing activities	(30,840,141)	42,346,199
Net increase in Cash and Cash equivalents	<u>37,944,512</u>	<u>30,622,865</u>
Cash and cash equivalent at the beginning of the period	<u>1,822,305</u>	<u>381,286</u>
Cash and cash equivalent at the end of the period	<u><u>39,766,817</u></u>	<u><u>31,004,151</u></u>

**NADEEM E. SHAIKH**
CHIEF EXECUTIVE**ABDULLAH MOOSA**
DIRECOR**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, 2021**

	Share Capital	Interest Free Directors and other loans	Revaluation Surplus on Property, Plant and Equipment	Unappropriated Loss	Total Equity
Rupees					
Balance as at June	222,133,470	80,898,745	257,293,537	(257,100,050)	303,225,702
Total comprehensive loss for the nine months periods ended March 31,2020	-	-	-	58,558,819	58,558,819
Surplus on revaluation of Land	-	-	1,122,839,000	-	1,122,839,000
Adjustment of Loss on revaluation of Building on Leasehold Land		(40,218,000)	(14,850,548)	-	(55,068,548)
Balance as at March 31, 2020 (Un-Audited)	222,133,470	40,680,745	1,365,281,989	(198,541,231)	1,429,554,973
Total comprehensive loss for the remaining period	-	-	-	75,973,775	75,973,775
Reversal of Surplus on revaluation of Land	-	-	(682,807,500)	682,807,500	-
Gain on remeasurement of staff retirement benefits	-	-	-	188,817	188,817
Unrealized Gain on remeasurement of available for sale investment	-	-	-	(22,005,286)	(22,005,286)
Transfer from Long term Loan	-	(30,090,000)	-	-	(30,090,000)
Balance as at June 30, 2020 (Audited)	222,133,470	10,590,745	682,474,489	538,423,575	1,453,622,279
Total comprehensive Income /(Loss) for the nine months periods ended March 31,2021	-	-	-	42,650,305	42,650,305
Unrealized Gain on remeasurement of available for sale investment				23,539,848	23,539,848
Transfer from surplus on revaluation of Land disposed off	-	-	-	-	-
Reversal of Revaluation Surplus due to Revaluatoion Loss on Buildings			-	-	-
Transfer from surplus on account of incremental dep on Building		-	-	-	-
Transfer from long term loan	-	23,303,507	-	-	23,303,507
Balance as at March 31, 2021 (Un-Audited)	222,133,470	33,894,252	682,474,489	604,613,728	1,543,115,939



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 NINE MONTHS PERIOD ENDED MARCH 31, 2021

1 THE COMPANY AND IT'S 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 profit Rs.604.6 million as at Mar 31, 2021. 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

(a) These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

(i) International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and;

(ii) Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(b) This condensed interim financial statement is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. This condensed interim financial statement does not contain all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the company for year ended 30 June 2020.

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, 2020.

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, 2019. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2019.

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, 2021 were as follows;

	March 31, 2021 Audited)	(Un-	March 31, 2020 Audited)	(Un-
	Additions	Disposal	Additions	Disposals
	(Cost in Rupees)		(Cost in Rupees)	
Factory Building	87,511,333	-	1,002,500	-
Generator	2,084,923	-	-	-
Office Equipment	211,500	-	318,538	-
Vehicle	244,421	-	-	-
	<u>90,052,177</u>	<u>-</u>	<u>1,321,038</u>	<u>-</u>

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 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.
- 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 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.
- 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.

	Note	March, 31 2021 Rupees	March, 31 2020 Rupees
6.3	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, 2021

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, 2021 Rupees	March 31, 2020 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	<u>18,255,061</u>	<u>2,922,125</u>
Sponsors	Significant Influence	<u>21,006,491</u>	<u>3,209,565</u>
		<u>39,261,552</u>	<u>6,131,690</u>

8 GENERAL

The figures have been rounded of to the nearest Rupee.

All significant changes since June 30, 2020 affecting the interim financial information have been disclosed in the relevent notes.

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 29th April 2021 by the board of directors of the Company.



NADEEM E. SHAIKH
Chief Executive

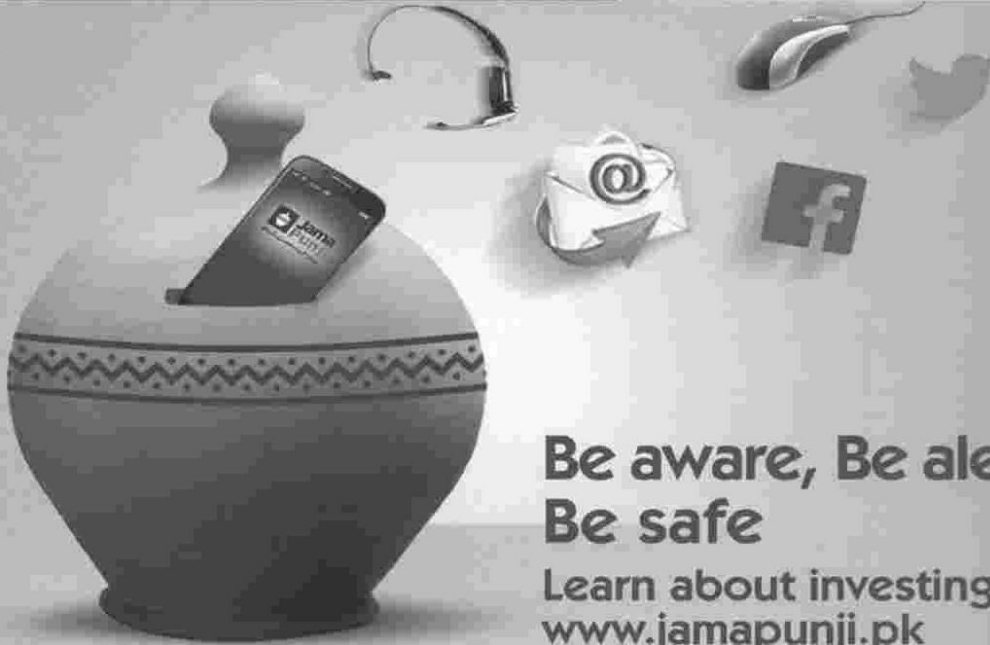


ABDULLAH MOOSA
Director



M. SULEMAN
Chief Finance Officer

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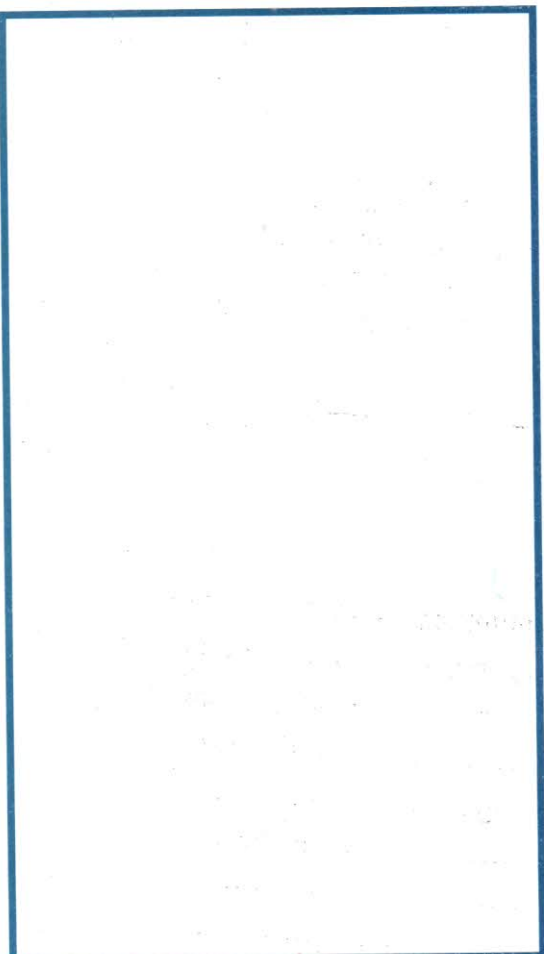
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