

QUARTERLY ACCOUNTS

March 31, 2014

(UN-AUDITED)



ALI ASGHAR TEXTILE MILLS LTD.



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VISION STATEMENT

*To strive for 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)
 Mst. Marium Humayun (Executive Director)
 Mr. Muhammad Suleman (Non Executive Director)
 Mr. Raja Ghanzafar Ali (Non Executive Director)
 Mr. Sultan Mehmood (Non Executive Director)
 Mr. Muhammad Azad Khan (Independent Director)

Audit Committee

Mr. Muhammad Suleman	Chairman
Mr. Sultan Mehmood	Member
Mr. Raja Ghanzafar Ali	Member

**Human Resources &
Remuneration (HR&R)
Committee**

Ms. Marium Humayun	Chairman
Mr. Raja Ghanzafar Ali	Member
Mr. Muhammad Azad Khan	Member

**Chief Financial Officer/
Company Secretary**

Mr. Salman Khimani

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 Near
 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



DIRECTORS' REPORT

The directors are pleased to present the report to the shareholders for the period January to March 2014. During the period the company incurred a loss of Rs. 4.68 million after incorporating Rs. 2.69 million depreciation charges.

As approved by the shareholders in the last AGM, the management has successfully rented out certain available godown place and unused storage facilities on medium to long term rental contracts.

The revenue generated is been used to meet monthly expenses related to Administration, Security and other expenses.

The process of disposal of plant and machinery is still going on. I am pleased to report that an amicable solution was reached with Saudi Pak Leasing and the entire liability was paid off.

I would like to thank all the employees for their support.

On behalf of the Board

Karachi.

Dated: 30th April 2014

Nadeem Ellahi Shaikh
Chief Executive

ALI ASGHAR TEXTILE MILLS LTD.
QUARTERLY ACCOUNTS 2014



Ali Asghar Textile Mills Limited

Condensed Interim Balance Sheet
As at March 31, 2014

	Note	(Un-Audited) March 31, 2014 Rupees	Audited June 30, 2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	390,104,065	401,684,281
Long term investments		3,750,000	3,750,000
Long term deposits		2,454,169	2,681,769
		396,308,234	408,116,050
CURRENT ASSETS			
Inventories		1,622,118	1,622,118
Trade debts		922,932	911,932
Loans and advances		13,749,142	10,758,350
Trade deposits and short term prepayments		1,960,367	1,669,828
Other receivables		21,808,146	21,866,240
Tax refunds due from Government		14,027,333	15,468,742
Cash and bank balances		2,553,349	7,186,002
		56,643,377	59,483,212
TOTAL ASSETS		452,951,611	467,599,262
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		250,000,000	250,000,000
50,000,000 ordinary shares of Rs. 5 each			
Issued, subscribed and paid-up capital		222,133,470	222,133,470
Unappropriated loss		(172,443,475)	(159,511,171)
		49,689,995	62,622,299
Surplus on revaluation of property, plant and equipment		262,599,889	263,546,736
NON-CURRENT LIABILITIES			
Redeemable capital		39,737,700	39,737,700
Long term financing		25,179,916	26,246,536
Long term deposits		634,000	432,000
Deferred liabilities		2,814,170	2,131,011
		68,365,785	68,547,247
CURRENT LIABILITIES			
Trade and other payables		37,822,329	36,652,483
Accrued interest / mark-up		4,930,250	5,063,387
Bank overdraft		10,160,649	11,028,323
Current portion of non-current liabilities		9,902,448	10,656,198
Provision for taxation		9,480,266	9,482,589
		72,295,941	72,882,980
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		452,951,611	467,599,262

The annexed notes form an integral part of these condensed interim financial information.

Karachi
Dated: April 30, 2014

Naheed E. Shaikh
NADEEM E. SHAIKH
CHIEF EXECUTIVE

Mohammad Suleman
MOHAMMAD SULEMAN
DIRECTOR

ALI ASGHAR TEXTILE MILLS LTD.
QUARTERLY ACCOUNTS 2014



Ali Asghar Textile Mills Limited

Condensed Interim Profit and Loss Account (Un-Audited)
 For the Nine Months Period and Quarter ended March 31, 2014

	Nine Months Period Ended		Quarter Ended	
	March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2013 Rupees	March 31, 2013 Rupees
Sales	-	4,478,389	-	-
Cost of sales	(9,516,831)	(12,248,849)	(2,643,956)	(1,056,217)
Gross loss	(9,516,831)	(7,770,460)	(2,643,956)	(1,056,217)
Administrative expenses	(9,142,481)	(9,836,665)	(3,457,129)	(2,353,473)
Other expenses	(783,799)	-	(783,799)	-
Other income	5,587,335	16,285,078	1,930,410	1,423,301
	(4,338,945)	6,448,413	(2,310,518)	(930,172)
(Loss)/profit from operations	(13,855,776)	(1,322,047)	(4,954,474)	(1,986,389)
Finance cost	(23,376)	(175,085)	(3,096)	(4,020)
(Loss)/profit before taxation	(13,879,151)	(1,497,132)	(4,957,569)	(1,990,409)
Taxation				
Current	-	(438,693)	278,713	(197,402)
Deferred	-	-	-	-
	-	(438,693)	278,713	(197,402)
(Loss)/profit after taxation	(13,879,151)	(1,935,825)	(4,678,856)	(2,187,811)
(Loss)/earnings per share - basic and diluted	(0.31)	(0.04)	(0.11)	(0.05)

The annexed notes form an integral part of these condensed interim financial information.

Karachi
 Dated: April 30, 2014

NADEEM E. SHAIKH
 NADEEM E. SHAIKH
 CHIEF EXECUTIVE

MOHAMMAD SULEMAN
 MOHAMMAD SULEMAN
 DIRECTOR

ALI ASGHAR TEXTILE MILLS LTD.
QUARTERLY ACCOUNTS 2014



Ali Asghar Textile Mills Limited

Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the Nine Months Period and Quarter ended March 31, 2014

	Nine months Period Ended		Quarter Ended	
	March 31, 2014 Rupees	March 31, 2013 Rupees	March 31, 2014 Rupees	March 31, 2013 Rupees
(Loss)/profit after taxation	(13,879,151)	(1,935,825)	(4,678,856)	(2,187,811)
Other comprehensive income				
Total comprehensive (loss)/income for the year	<u>(13,879,151)</u>	<u>(1,935,825)</u>	<u>(4,678,856)</u>	<u>(2,187,811)</u>

The annexed notes form an integral part of these condensed interim financial information.

Karachi
 Dated: April 30, 2014


 NADEEM E. SHAIKH
 CHIEF EXECUTIVE


 MOHAMMAD SULEMAN
 DIRECTOR



Ali Asghar Textile Mills Limited

**Condensed Interim Statement of Changes in Equity
For the Nine Months Period ended March 31, 2014**

	Share Capital	Unappropriated Loss	Total Equity
	R u p e e s		
Balance as at June 30, 2012 (Audited)	222,133,470	(145,726,359)	76,407,111
Total comprehensive income for the nine months period ended March 31, 2013	-	(1,935,825)	(1,935,825)
Transferred from surplus on revaluation - incremental	-	658,150	658,150
Balance as at March 31, 2013 (Un-Audited)	222,133,470	(147,004,034)	75,129,436
Total comprehensive loss for the remaining period	-	(13,086,696)	(13,086,696)
Transferred from surplus on revaluation - incremental	-	579,559	579,559
Balance as at June 30, 2013 (Audited)	222,133,470	(159,511,171)	62,622,299
Total comprehensive income for the nine months period ended March 31, 2014	-	(13,879,151)	(13,879,151)
Transferred from surplus on revaluation - incremental	-	946,847	946,847
Balance as at March 31, 2014 (Un-Audited)	222,133,470	(172,443,475)	49,689,995

The annexed notes form an integral part of these condensed interim financial information.

Karachi
Dated: April 30, 2014

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NADEEM E. SHAIKH
CHIEF EXECUTIVE

M. Suleman
MOHAMMAD SULEMAN
DIRECTOR

ALI ASGHAR TEXTILE MILLS LTD.

QUARTERLY ACCOUNTS 2014



Ali Asghar Textile Mills Limited

Notes to the Condensed Interim Financial Information (Un-Audited)
For the Nine Months Period ended March 31, 2014

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. The manufacturing facilities of the Company are located at Korangi Industrial Area, Karachi in the province of Sindh.
- 1.2 The Company has closed its operation in September, 2011 and has sold a substantial portion of its property plant and equipment. The Company has accumulated losses of Rs. 172,443 million as at March 31, 2014. Current liabilities exceeds its current assets by Rs. 13,879 million.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company for the nine months period ended March 31, 2014 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard IAS 34 "Interim Financial Reporting" and provisions of and directives issued by the Securities and Exchange Commission of Pakistan under the Companies Ordinance, 1984 (the Ordinance). 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 for the year ended June 30, 2013. This interim financial information is being submitted to the shareholders as required by the Listing Regulations of Karachi Stock Exchange and section 245 of the Ordinance.

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, 2013.

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, 2013. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2013.

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, 2014 were as follows:

	March 31, 2014 (Un-Audited)		June 30, 2013 (Audited)	
	Additions	Disposals	Additions	Disposals
	(Cost in Rupees)		(Cost in Rupees)	
Plant and Machinery	-	(8,004,737)	-	(31,076,987)
Generator	90,000	-	-	-
Vehicle	-	(879,000)	-	(66,500)
Office Equipment	91,000	(14,450)	-	-
	<u>181,000</u>	<u>(8,898,237)</u>	<u>-</u>	<u>(31,143,487)</u>

ALI ASGHAR TEXTILE MILLS LTD.
QUARTERLY ACCOUNTS 2014



6 CONTINGENCIES AND COMMITMENTS

Contingencies

- 6.1 The Bank of Punjab has filed suit 62 of 2012 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 the case before Honorable Banking Court No. Karachi. The company has also provided liabilities amounting to Rs. 18.77 million along with markup Rs. 4.85 million. The outcome of the case is not ascertainable as at March 31, 2014.
- 6.2 An Appeal (Appeal No. K469/2009) was filed under section 194A of Customs Act, 1969 before the Honorable Custom Appellate Tribunal Karachi Bench, Karachi against the recovery of Rs. 29,112,294 in respect of non-achievement of export targets in terms of concessionary SRO 554(1)/98 dated 12.06.1998 by Model Customs Collectorate of Exports Customs House, Karachi and was vehemently contested on the behalf of the Company. Hearing has been concluded and judgement reserved by the Honorable Customs Appellate Tribunal Karachi Bench, Karachi and the decision awaited. In the opinion of legal advisor, the merits of the case are in the favour of the company and there is no like hood that the company will incur any financial loss.

Commitments

There are no commitments of the company as at March 31, 2014.

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, 2014 Rupees	March 31, 2013 Rupees
<u>Rent and other expenses</u>			
Guinar Humayun	Significant Influence over the company	440,010	387,000

8 RECLASSIFICATION

Rs. 39,737,700 long term financing from First Dawood Investment Bank Limited has been re-classified to redeemable capital for better presentation

9 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 30th April 2014 by the board of directors of the Company.

Karachi
Dated: April 30, 2014

NADEEM E. SHAIKH
CHIEF EXECUTIVE

MOHAMMAD SULEMAN
DIRECTOR

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.