

# QUARTER ACCOUNTS

*September 2018*

(UN-AUDITED)



## ALI ASGHAR TEXTILE MILLS LTD.



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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

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## **Ali Asghar Textile Mills Limited**

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Quarterly Accounts 2018

### **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

## **DIRECTOR REPORT**

The Director are pleased to Submit report for period ended 30<sup>th</sup> September 2017. The company earned a profit of Rs.17,773 after account for depreciation of Rs.961,106/-.

The management as explained in detail in the director report of June 2018, logistics is a growing segment that AATML is targeting for revenue growth. With devaluation of the rupee against the US\$ TEXTILE INDUSTRY IN Pakistan is also showing revival.

Management will keep shareholders update on any key developments.



**NADEEM ELLAHI SHAIKH**

CHIEF EXECUTIVE

KARACHI

**Ali Asghar Textile Mills Limited****Condensed Interim Statement of Financial Position  
As at September 30, 2018**

|                                                                      | Note | (Un-Audited)<br>September 30, 2018<br>Rupees | Audited<br>June 30, 2018<br>Rupees |
|----------------------------------------------------------------------|------|----------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                                        |      |                                              |                                    |
| <b>NON-CURRENT ASSETS</b>                                            |      |                                              |                                    |
| Property, plant and equipment                                        | 5    | 364,678,888                                  | 365,563,394                        |
| Capital Work in progress                                             |      | 11,414,026                                   | 11,202,138                         |
| Long Term Investments                                                |      | 14,652                                       | 14,652                             |
| Long Term Deposits                                                   |      | 2,336,169                                    | 2,336,169                          |
| Long Term Loans and Advances                                         |      | 1,465,976                                    | 1,465,976                          |
|                                                                      |      | 379,909,711                                  | 380,582,329                        |
| <b>CURRENT ASSETS</b>                                                |      |                                              |                                    |
| Stores, spares and Loose Tools                                       |      | -                                            | -                                  |
| Inventory                                                            |      | 1,980,000                                    | 1,980,000                          |
| Loans and advances                                                   |      | 6,015,244                                    | 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 due from Government                                      |      | 3,486,889                                    | 3,538,344                          |
| Cash and bank balances                                               |      | 1,643,643                                    | 235,350                            |
|                                                                      |      | 36,099,365                                   | 34,674,782                         |
| <b>TOTAL ASSETS</b>                                                  |      | <b>416,009,076</b>                           | <b>415,257,111</b>                 |
| <b>EQUITY AND LIABILITIES</b>                                        |      |                                              |                                    |
| <b>SHARE CAPITAL AND RESERVES</b>                                    |      |                                              |                                    |
| Authorized share capital<br>50,000,000 ordinary shares of Rs. 5 each |      | 250,000,000                                  | 250,000,000                        |
| Issued, subscribed and paid-up capital                               |      | 222,133,470                                  | 222,133,470                        |
| Interest free Directors Loans                                        |      | 67,367,055                                   | 66,067,055                         |
| Surplus on Revaluation of Fixed Assets                               |      | 257,962,362                                  | 258,185,303                        |
| Unappropriated Loss                                                  |      | (228,978,196)                                | (229,218,910)                      |
|                                                                      |      | 318,484,691                                  | 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                                             |      | 14,951,864                                   | 15,405,424                         |
| Unclaimed Dividend                                                   |      | 239,589                                      | 239,589                            |
| Accrued Interest / mark-up                                           |      | 4,930,250                                    | 4,930,250                          |
| Book Overdrafts                                                      |      | 7,963,352                                    | 8,075,600                          |
| Current portion of long term borrowings                              |      | 8,552,448                                    | 8,552,448                          |
|                                                                      |      | 36,637,503                                   | 37,203,311                         |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 |      |                                              |                                    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                  |      | <b>416,009,076</b>                           | <b>415,257,111</b>                 |

The annexed notes form an integral part of these financial statements.



NADEEM E. SHAIKH  
CHIEF EXECUTIVE



ABDULLAH MOOSA  
DIRECTOR



M. SULEMAN  
Chief Finance Officer

## Ali Asghar Textile Mills Limited

### Condensed Interim Statement of Profit and Loss Account (Un-Audited) For the first quarter ended September 30, 2018

|                                                     | Note | September 30, 2018<br>Rupees | September 30, 2017<br>Rupees<br>(Restated) |
|-----------------------------------------------------|------|------------------------------|--------------------------------------------|
| Rental Income                                       |      | 3,300,000                    | 2,000,000                                  |
| Directly attributable Cost                          |      | (2,238,151)                  | (1,781,045)                                |
| <b>Gross Profit/(Loss)</b>                          |      | <b>1,061,849</b>             | <b>218,955</b>                             |
| Administrative expenses                             |      | (981,576)                    | (2,742,036)                                |
| Other Expenses                                      |      | -                            | -                                          |
| Other income                                        |      | -                            | -                                          |
|                                                     |      | (981,576)                    | (2,742,036)                                |
| <b>(Loss)/Profit from operations</b>                |      | <b>80,273</b>                | <b>(2,523,081)</b>                         |
| Finance cost                                        |      | (10,000)                     | (11,886)                                   |
| <b>(Loss)/Profit before taxation</b>                |      | <b>70,273</b>                | <b>(2,534,967)</b>                         |
| <b>Taxation</b>                                     |      |                              |                                            |
| Current                                             |      | (52,500)                     | (81,275)                                   |
| Deferred                                            |      | -                            | -                                          |
|                                                     |      | (52,500)                     | (81,275)                                   |
| <b>(Loss)/Profit after taxation</b>                 |      | <b>17,773</b>                | <b>(2,616,242)</b>                         |
| <b>(Loss)/Earning per share - basic and diluted</b> |      | <b>0.00</b>                  | <b>(0.06)</b>                              |

The annexed notes form an integral part of these financial statements.



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 first quarter ended September 30, 2018**

|                                                                    | September 30, 2018<br>Rupees | September 30, 2017<br>Rupees |
|--------------------------------------------------------------------|------------------------------|------------------------------|
| (Loss)/Profit after taxation                                       | 17,773                       | (2,616,242)                  |
| Other comprehensive income                                         | -                            | -                            |
| Total comprehensive (Loss)/Income for the Quarter ended 30 Sep 201 | 17,773                       | (2,616,242)                  |

The annexed notes form an integral part of these financial statements.

  
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 first quarter ended September 30, 2018

|                                                            | Note    | September 30, 2018<br>Rupees | September 30, 2017<br>Rupees |
|------------------------------------------------------------|---------|------------------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |         |                              |                              |
| (Loss)/Profit before taxation                              |         | 70,273                       | (2,534,967)                  |
| Adjustments for:                                           |         |                              |                              |
| Depreciation                                               |         | 961,106                      | 1,026,311                    |
| Staff retirement benefits - gratuity                       |         | -                            | -                            |
| Finance cost                                               |         | 10,000                       | 11,886                       |
| Loss / (gain) on disposal of property, plant and equipment |         | -                            | -                            |
|                                                            |         | 971,106                      | 1,038,197                    |
| Profit before working capital changes                      |         | 1,041,379                    | (1,496,770)                  |
| (Increase) / decrease in current assets                    |         |                              |                              |
| Inventory                                                  |         | -                            | -                            |
| Trade debts                                                |         | -                            | -                            |
| Loans and advances                                         |         | (67,745)                     | (336,051)                    |
| Trade deposits and short term prepayments                  |         | -                            | -                            |
| Other receivables                                          |         | -                            | -                            |
| Other Financial Assets                                     |         | -                            | -                            |
|                                                            |         | (67,745)                     | (336,051)                    |
| (Decrease) / increase in current liabilities               |         |                              |                              |
| Trade and other payables                                   |         | (453,560)                    | 1,276,993                    |
| Cash generated from operations                             |         | 520,074                      | (555,828)                    |
| Finance cost paid                                          |         | (10,000)                     | (11,886)                     |
| Taxes refund/ (paid)                                       |         | (1,046)                      | (18,330)                     |
| Staff retirement benefits gratuity paid                    |         | -                            | (336,550)                    |
|                                                            |         | (11,046)                     | (366,766)                    |
| Net cash generated from operating activities               |         | 509,028                      | (922,594)                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |         |                              |                              |
| Proceeds from sale of property, plant and equipment        |         | -                            | -                            |
| Long Term Investments                                      |         | -                            | -                            |
| Long Term Deposits                                         |         | -                            | -                            |
| Fixed capital expenditure                                  |         | (288,488)                    | (41,450)                     |
| Net cash used in investing activities                      |         | (288,488)                    | (41,450)                     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |         |                              |                              |
| Proceeds and repayment from long term financings - net     |         | 1,300,000                    | 2,320,000                    |
| Deposit Received                                           |         | -                            | -                            |
| Short term borrowings                                      |         | (112,248)                    | -                            |
| Net cash used in financing activities                      |         | 1,187,752                    | 2,320,000                    |
| Net increase / (decrease) in cash and cash equivalents     | 1408293 | 1,408,293                    | 1,355,956                    |
| Cash and cash equivalents at the beginning of the year     |         | 235,350                      | 968,854                      |
| Cash and cash equivalents at the end of the year           |         | 1,643,643                    | 2,324,811                    |

The annexed notes form an integral part of these financial statements.



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 first quarter ended September 30, 2018**

|                                                                    | Share Capital | Interest free Directors Loan | Revaluation Surplus on Property Plant and Equipment | Unappropriated Loss | Total Equity |
|--------------------------------------------------------------------|---------------|------------------------------|-----------------------------------------------------|---------------------|--------------|
|                                                                    | <b>Rupees</b> |                              |                                                     |                     |              |
| <b>Balance as at July 01, 2017 (Audited)</b>                       | 222,133,470   | -                            | -                                                   | (225,522,657)       | (3,389,187)  |
| Total comprehensive income for quarter ended September 30, 2017    | -             | -                            | -                                                   | (2,616,242)         | (2,616,242)  |
| Transferred from Surplus on Revaluation - Incremental Depreciation | -             | -                            | -                                                   | 236,748             | 236,748      |
| <b>Balance as at September 30, 2017</b>                            | 222,133,470   | -                            | -                                                   | (227,902,151)       | (5,768,681)  |
| Impact of Restatement                                              | -             | -                            | 258,895,548                                         | -                   | -            |
| Total comprehensive (Loss) for the remaining period                | -             | -                            | -                                                   | (2,027,004)         | (2,027,004)  |
| Transfer from long term loan                                       | -             | 66,067,055                   | -                                                   | -                   | -            |
| Transferred from Surplus on Revaluation - Incremental Depreciation | -             | -                            | (710,245)                                           | 710,245             | -            |
| <b>Balance as at June 30, 2018 (Audited)</b>                       | 222,133,470   | 66,067,055                   | 258,185,303                                         | (229,218,910)       | 317,166,918  |
| Total comprehensive income for quarter ended September 30, 2018    | -             | -                            | -                                                   | 17,773              | 17,773       |
| Transferred from Surplus on Revaluation - Incremental Depreciation | -             | -                            | (222,941)                                           | 222,941             | -            |
| Loan received from Directors                                       | -             | 1,300,000                    | -                                                   | -                   | -            |
| <b>Balance as at September 30, 2018 (Un-Audited)</b>               | 222,133,470   | 67,367,055                   | 257,962,362                                         | (228,978,196)       | 318,484,691  |

The annexed notes form an integral part of these financial statements.

*NADEEM E. SHAIKH*

**NADEEM E. SHAIKH**  
CHIEF EXECUTIVE

*ABDULLAH MOOSA*

**ABDULLAH MOOSA**  
DIRECTOR

*M. SULEMAN*

**M. SULEMAN**  
Chief Finance Officer



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# Ali Asghar Textile Mills Limited

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## Notes to the Condensed Interim Financial Statements (Un-Audited)

For the first quarter ended September 30, 2018

### 1 THE COMPANY AND ITS OPERATIONS

- 1.1 The 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. The manufacturing 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. 229.2 million as at September 30, 2018. Current liabilities exceeds its current assets by Rs.0.5 million.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

This condensed interim financial information of the Company for the first quarter ended September 30, 2018 is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) 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 as at and for the year ended June 30, 2017. This condensed 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 statements 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 condensed 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 condensed 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 as at and 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 first quarter ended September 30, 2018 were as follows.

|                                   | September 30, 2018 (Un-Audited) |           | June 30, 2017 (Audited) |           |
|-----------------------------------|---------------------------------|-----------|-------------------------|-----------|
|                                   | Additions                       | Disposals | Additions               | Disposals |
|                                   | (Cost in Rupees)                |           | (Cost in Rupees)        |           |
| Building on Leasehold Land-Others | -                               | -         | -                       | -         |
| Office Equipment                  | 76,600                          | -         | 41,450                  | -         |
| Vehicle                           | -                               | -         | -                       | -         |
|                                   | <u>76,600</u>                   | <u>-</u>  | <u>41,450</u>           | <u>-</u>  |

6 **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                 | September 30, 2018<br>Rupees | September 30, 2017<br>Rupees |
|--------------------------------|----------------------------------------|------------------------------|------------------------------|
| <u>Rent and other expenses</u> |                                        |                              |                              |
| Gulnar Humayun                 | Significant Influence over the company | <u>156,090</u>               | <u>156,090</u>               |

7 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 30th October 2018 by the Board of Directors of the Company.

8 **GENERAL**

The figure have been rounded off to the nearest Rupee.



NADEEM E. SHAIKH  
CHIEF EXECUTIVE



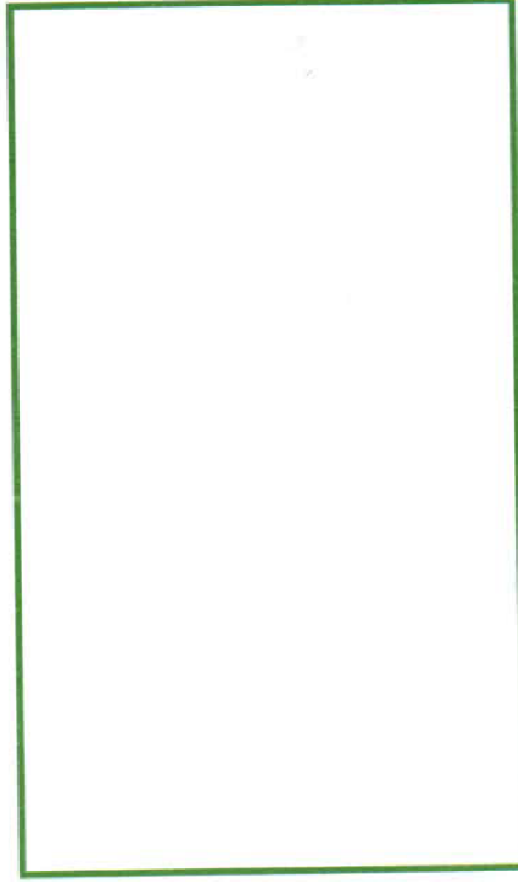
ABDULLAH MOOSA  
DIRECTOR



M. SULEMAN  
Chief Finance Officer

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