

# ***ALI ASGHAR TEXTILE MILLS LIMITED***

***September 2020 (Un-Audited)***

***1<sup>st</sup> Quarter Ended Accounts***





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# **Ali Asghar Textile Mills Limited**

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**Quarterly Report September 2020**

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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](http://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

ALI ASGHAR TEXTILE MILLS LIMITED  
DIRECTOR REPORT

The directors are pleased to present the report for the quarter ended 30<sup>th</sup> September 2020.

The company made a PAT of Rs.6.2 million versus PAT of Rs. 0.35 million of in SPLY. The work on the logistic bub is progressing fast in spite of COVID related issues and resultants difficulties. The company investments are doing well. Due to increased demand of online e-commence sales the management is very hopeful of getting premium customers.

The management would like to thank the employees for their hard work.

Karachi  
Dated: 30-10-2020

By Order of the Board



NADEEM ELLAHI SHAIKH  
Chief Executive

علی اصغر ٹیکسٹائل ملز لمیٹڈ

ڈائریکٹر کی رپورٹ

ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے لئے رپورٹ پیش کرنے پر خوش ہیں۔ کمپنی نے پچھلے سال 0.35 ملین کے مقابلے میں اس سال بعد از ٹیکس منافع 6.2 ملین کمایا ہے۔ کووڈ کی مشکلات کے باوجود لاجسٹک حب پر کام تیزی سے جاری ہے۔ کمپنی کی سرمایہ کاری اچھی کارکردگی کا مظاہرہ کر رہی ہے۔ آن لائن ای-کامرس سیلز کی طلب میں اضافے کی وجہ سے انتظامیہ پریمیم کسٹمر حاصل کرنے کے لیے پر امید ہے۔ انتظامیہ ملازمین کا ان کی سخت محنت کے لئے ان کا شکریہ ادا کرنا چاہے گی۔

بحکم بورڈ

ندیم الہی شیخ



چیف ایگزیکٹو

کراچی: 30 اکتوبر 2020

# Ali Asghar Textile Mills Limited

## Condensed Interim Statement of Profit and Loss Account (Un-Audited)

For the First quarter ended September 30, 2020

	Note	September 30, 2020 Rupees	September 30, 2019 Rupees
Operating Income		-	4,000,000
Directly attributable Cost		(4,241,975)	(2,629,807)
<b>Gross Profit/(Loss)</b>		<b>(4,241,975)</b>	<b>1,370,193</b>
Administrative expenses		(2,467,026)	(728,104)
Other Expenses		-	-
Other income		15,000,000	-
		12,532,974	(728,104)
<b>(Loss)/Profit from operations</b>		<b>8,291,000</b>	<b>642,089</b>
Finance cost		(24,524)	(2,110)
<b>(Loss)/Profit before taxation</b>		<b>8,266,476</b>	<b>639,979</b>
<b>Taxation</b>			
Current		(2,048,880)	(283,443)
Deferred		-	-
		(2,048,880)	(283,443)
<b>(Loss)/Profit after taxation</b>		<b>6,217,596</b>	<b>356,536</b>
<b>(Loss)/Earning per share - basic and diluted</b>		<b>0.14</b>	<b>0.01</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 Financial Position As at September 30, 2020

	Note	(Un-Audited) September 30, 2020 Rupees	Audited June 30, 2020 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Operating Fixed Assets	5	766,786,021	768,161,724
Capital Work in progress		65,503,148	8,178,406
Long Term Investments		-	-
Long Term Deposits		3,850,387	3,850,387
Long Term Loans and Advances		3,537,181	3,117,771
		839,676,737	783,308,288
<b>CURRENT ASSETS</b>			
Loans and advances		77,363,674	5,663,791
Investments		748,071,185	886,753,103
Trade deposits and short term prepayments		1,611,230	1,611,230
Other receivables		-	213,854
Tax refunds due from Government		3,301,120	3,214,866
Cash and bank balances		2,709,434	1,822,305
		833,056,643	899,279,148
<b>TOTAL ASSETS</b>		<b>1,672,733,379</b>	<b>1,682,587,436</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
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		7,301,191	10,590,745
Surplus on Revaluation of Fixed Assets		682,474,489	682,474,489
Unappropriated Loss		548,641,171	538,423,575
		1,460,550,321	1,453,622,279
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		58,508,315	58,508,315
Long term Deposits		287,000	287,000
Deferred liabilities		1,725,717	1,906,239
		60,521,032	60,701,554
<b>CURRENT LIABILITIES</b>			
Trade and other payables		95,577,268	100,397,668
Unclaimed Dividend		239,589	239,589
Accrued Interest / mark-up		4,930,250	4,930,250
Book Overdrafts		42,362,471	54,143,648
Current portion of long term borrowings		8,552,448	8,552,448
		151,662,026	168,263,603
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,672,733,379</b>	<b>1,682,587,436</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, 2020

	September 30, 2020 Rupees	September 30, 2019 Rupees
(Loss)/Profit after taxation	6,217,596	356,536
Other comprehensive income	-	-
Unrealized Gain on remeasurement of Available for sale Investment	4,000,000	-
Total comprehensive (Loss)/Income for the Quarter ended 30 Sep 202	<u>10,217,596</u>	<u>356,536</u>

*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, 2020

	Note	September 30, 2020 Rupees	September 30, 2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/Profit before taxation		8,266,476	639,979
<b>Adjustments for:</b>			
Depreciation		1,465,874	2,078,060
Staff retirement benefits - gratuity		-	-
Unrealized Gain on Remeasurmen of Trading Securities		4,000,000	-
Finance cost		24,524	2,110
Loss / (gain) on disposal of property, plant and equipment		-	-
		5,490,398	2,080,170
Profit before working capital changes		13,756,874	2,720,149
<b>(Increase) / decrease in current assets</b>			
Inventory		-	-
Trade debts		-	-
Loans and advances		(71,699,883)	(2,134,645)
Investment		138,681,918	-
Trade deposits and short term prepayments		-	-
Other receivables		213,854	-
Other Financial Assets		-	-
		67,195,889	(2,134,645)
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		(4,820,400)	4,614
<b>Cash generated from operations</b>		76,132,363	590,118
Finance cost paid		(24,524)	(2,110)
Taxes refund/ (paid)		(2,135,134)	(28,798)
Staff retirement benefits gratuity paid		(180,522)	(464,969)
		(2,340,180)	(495,877)
<b>Net cash generated from operating activities</b>		73,792,184	94,241
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Long Term Investments		-	-
Long Term Deposits		(419,410)	(26,500)
Fixed capital expenditure		(57,414,914)	(179,900)
<b>Net cash used in investing activities</b>		(57,834,324)	(206,400)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds and repayment from long term financings - net		(3,289,554)	1,119,400
Deposit Received		-	-
Short term borrowings		(11,781,177)	162,510
<b>Net cash used in financing activities</b>		(15,070,731)	1,281,910
<b>Net increase / (decrease) in cash and cash equivalents</b>		887,129	1,169,751
<b>Cash and cash equivalents at the beginning of the year</b>		1,822,305	381,286
<b>Cash and cash equivalents at the end of the year</b>		2,709,434	1,551,037

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

## STATEMENT OF CHANGES IN EQUITY For the First quarter ended September 30, 2020

	Issued, subscribed and Paid up Capital	Interest free Dirctors and Others Loan	Reserves			Revaluation Surplus on Property Plant and Equipment	Total Equity
			Capital Reserve	Revenue Reserve	Sub Total		
			Share	Unappropriate			
R u p e e s							
Balance as at July 01, 2019	222,133,470	80,898,745	-	(257,100,050)	(257,250,497)	257,293,537	303,225,702
Total Comprehensive income/(Loss) for Quarter ended September 2019	-	-		356,536	356,536	-	
Transferred from Surplus on Revaluation -	-	-		209,962	209,962	(209,962)	209,962
Loan received from		1,119,400					
Balance as at Sep 30, 2019	222,133,470	82,018,145	-	(256,533,552)	(256,533,552)	257,083,575	304,701,638
Total Comprehensive income/(Loss) for the remaining period				134,176,058	134,176,058	-	134,176,058
Unrealized Gain/(Loss) on remeasurement of available for sale Investment				(22,005,286)	(22,005,286)		(22,005,286)
Surplus on Revaluation of Land				-	-	1,122,839,000	1,122,839,000
Reversal of Surplus on revaluation of Part of Land Disposed Off				682,807,500	682,807,500	(682,807,500)	-
Gain on remeasurement of Staff Retirement Benefits-Gratuity				188,817	188,817		188,817
Adjustment of Loss on revaluation of Building on Leasehold Land (Mill and Others)	-	-	-	(209,962)	(209,962)	(14,850,548)	(15,060,510)
Loan received from/(Paid) to Directors	-	(71,427,400)	-	-	-	-	(71,427,400)
Balance as at June 30, 2020	222,133,470	10,590,745	-	538,423,575	538,273,128	682,474,489	1,453,622,279
Total Comprehensive income/(Loss) for Quarter ended September 2020	-	-	-	6,217,596	6,217,596	-	6,217,596
Other comprehensive Loss for the year							
Unrealized Gain/(Loss) on remeasurement of available for sale Investment		-	-	4,000,000	4,000,000	-	4,000,000.00
Loan from directors	-	(3,289,554)	-	-	-	-	(3,289,554)
Balance as at Sep 30, 2020	222,133,470	7,301,191	-	548,641,171	548,490,724	682,474,489	1,460,550,321

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



NADEEM E. SHAIKH  
Chief Executive



Ali Asghar Textile Mills Limited  
Director



M.SULEMAN  
Chief Financial 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, 2020

### 1 THE COMPANY AND IT'S OPERATIONS

The Ali Asghar Textile Mills Limited (the Company) was incorporated in Pakistan on February 9, 1967 as a public limited company under the Companies Act, 1913. Registered office of the company is located at Uni Towers, I. I. Chundrigar Road, Karachi, Sindh. Its shares are quoted on Pakistan Stock Exchange Limited. The principal line of business is to provide the services of logistics, warehouse, construction, rental and allied business. The business premises of the Company is located at plot no.6, Korangi Industrial Area, Karachi, in the province of Sindh.

- 1.2 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. A state of the art automated logistic hub is been constructed with the help of kirby international Kuwait designed to provide modern support sources to e-commerce oriented companies, FMCG/Pharma.
- 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 directors of the company in a board of directors meeting held in year 2016, approved the business of logistics and warehousing. Equipment for prefabricated building is been installed and completion data is by end of december 2020.
- b) **Support of Directors and Sponsors**  
Directors and sponsors 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

#### Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### Accounting Convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in respective policies.

#### 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.

### ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

#### Standards, amendments or interpretations which became effective during the year.

IFRS 16 'Leases' became effective from 01 July 2019. IFRS 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. IFRS 16 has introduced a single, on-balance sheet accounting model for lessees. As a result, the entity, as a lessee has recognized right-of-use asset representing its rights to use the underlined assets and lease liabilities representing its obligation to make lease payments. The company adopted IFRS-16 using modified approach with the date of initial application of July-19. Under this method, the Standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Accordingly the information presented for prior year has not been restated.

### 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, 2020.

### 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, 2020. 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, 2020.

### 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, 2020 were as follows.

	September 30, 2020 (Un-Audited)		September 30, 2019 (Un-Audited)	
	Additions	Disposals	Additions	Disposals
	(Cost in Rupees)		(Cost in Rupees)	
Building on Leasehold Land-Others	-	-	-	-
Office Equipment	110,171	-	109,200	-
Vehicle	-	-	-	-
	<u>110,171</u>	<u>-</u>	<u>109,200</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, 2020 Rupees	September 30, 2019 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 2020 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



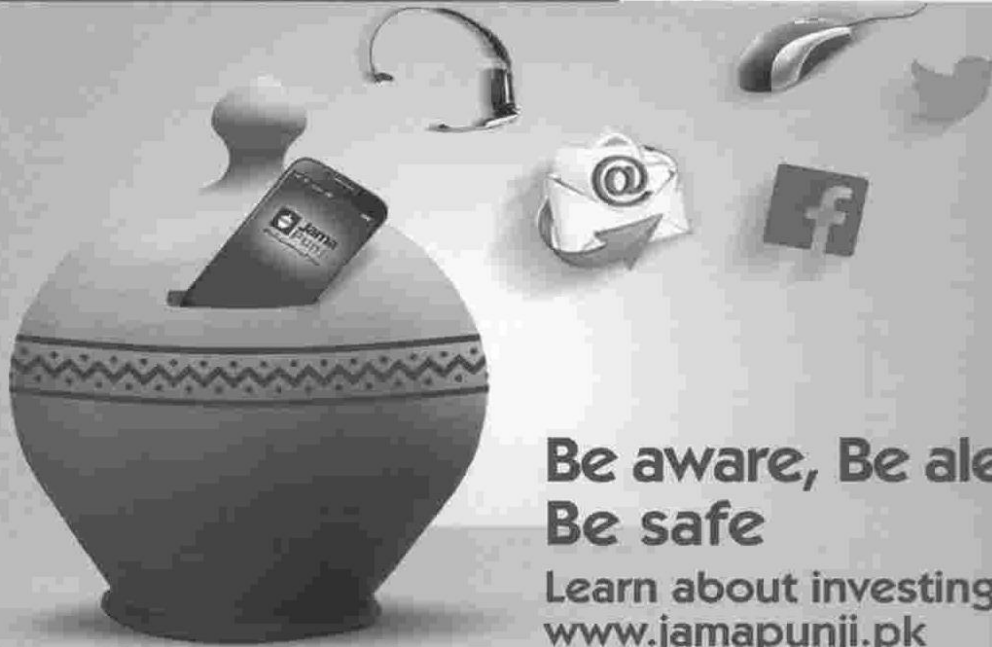
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DIRECTOR



**M. SULEMAN**  
Chief Finance Officer



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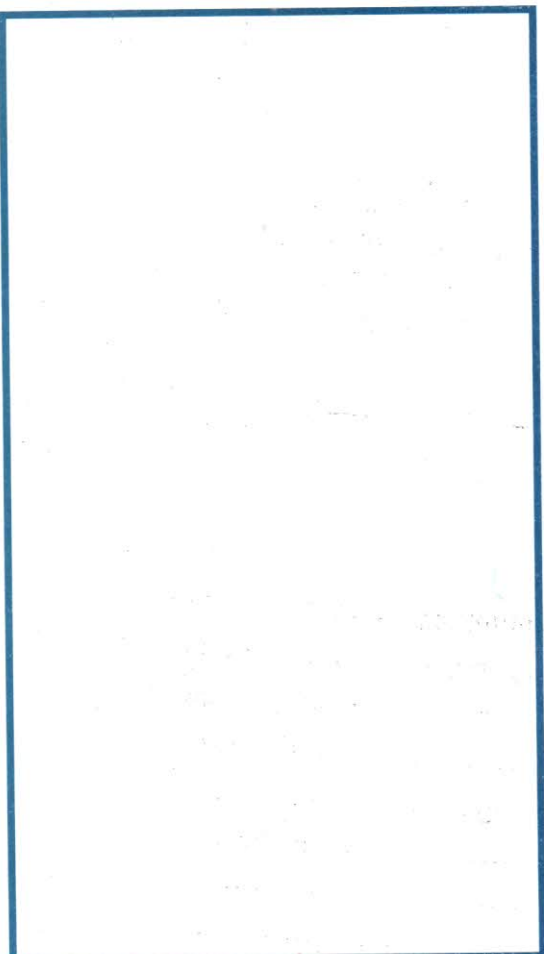
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