

**FINANCIAL STATEMENTS
QUARTERLY ACCOUNTS
MARCH 31, 2020**



ALI ASGHAR TEXTILE MILLS LTD.



Ali Asghar Textile Mills Limited

Quarter Ended March 2020

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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

Quarter Ended March 2020

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
Plot 6, Sector No. 25 Korangi Industrial Area
Karachi. 74900

DIRECTOR REPORT

The Directors are pleased to present the quarterly accounts to the shareholders for the period ended March 2020.

The company performance for the quarter ended 31 March 2020 was profit (loss) after tax (Rs. 22.1 million) compared to (Rs.1.5 million).

Due to the emergence of covid 19 and the resultant lockdown the investments of the company took a temporary hit. However with emergence of new therapies, markets are recovering and Management is confident of getting a good return on its investments.

As stated in director report of December 2019 accounts construction of “Logistics Hub” of the company is been Carried out and will hopefully be completed by July 2020. The push towards digitlization of society is now even faster and this will agur well for the digital warehouse concept that the management is aiming for in its business model

In view of the above there can be no doubt on AATML continuing as a profitable concern.

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



NADEEM ELLAHI SHAIKH
CHIEF EXECUTIVE.

ڈائریکٹر کی رپورٹ

ڈائریکٹرز مارچ 2020 کو ختم ہونے والی مدت کے لئے حصص داروں کو سہ ماہی اکاؤنٹ پیش کرنے پر خوش ہیں۔

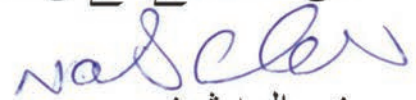
31 مارچ 2020 کو ختم ہونے والی سہ ماہی میں کمپنی کی کارکردگی ٹیکس کے بعد منافع (خسارہ) پچھلے سال (1.5 ملین روپے) کے مقابلے میں (22.1 ملین روپے) رہی۔

کوویڈ 19 کے ابھرنے اور اس کے نتیجے میں لاک ڈاؤن کی وجہ سے کمپنی کی سرمایہ کاری نے ایک عارضی دھچکا لگا۔ تاہم ، نئے معالجے کے ابھرنے کے ساتھ ہی ، مارکیٹیں ٹھیک ہو رہی ہیں اور مینجمنٹ کو اپنی سرمایہ کاری پر اچھی واپسی کا یقین ہے۔

جیسا کہ دسمبر 2019 کے ڈائریکٹر کی رپورٹ میں بتایا گیا ہے کہ کمپنی کے "لاجسٹک حب" کی تعمیر کا کام کرایا جا رہا ہے اور امید ہے کہ جولائی 2020 تک مکمل ہو جائے گا۔ معاشرے کو ڈیجیٹلائزیشن کی طرف بڑھانا اب تیزی سے تیز ہے اور اس سے ڈیجیٹل گودام کے تصور کو اچھا موقع ملے گا جسے انتظامیہ اپنے کاروباری ماڈل میں لانا چاہی ہے۔

مذکورہ بالا کے پیش نظر AATML کا منافع بخش کے طور پر جاری رہنے میں کوئی شک نہیں ہو سکتا ہے۔

انتظامیہ کو امید ہے کہ بہت جلد اس کی مشکلات ختم ہو جائیں گی۔ میں تمام ملازمین کی ان کی محنت کے لئے ان کا 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, 2020**

	Nine months period ended		Quarter Ended	
	31-Mar 2020 Rupees	31-Mar 2019 Rupees	31-Mar 2020 Rupees	31-Mar 2019 Rupees
Rental Income	2,335,760	7,912,180	-	2,515,620
Directly attributable cost	(14,813,977)	(4,634,800)	(7,647,644)	(59,364)
Gross Profit / (Loss)	(12,478,217)	3,277,380	(7,647,644)	2,456,256
Administrative Expenses	(12,116,700)	(8,166,586)	(2,281,970)	(4,056,120)
Other Expenses	(30,679,676)	-	(9,317,318)	-
Other Income/(Loss)	146,321,073	68,000	(11,896,949)	70,253
	103,524,698	(8,098,586)	(14,178,919)	(3,985,867)
Profit / (Loss) from Operation	91,046,481	(4,821,206)	(21,826,563)	(1,529,611)
Finance Cost	(31,849,589)	(22,764)	(18,460)	(19,120)
Profit / (Loss) before Taxation	59,196,892	(4,843,970)	(21,845,023)	(1,548,731)
Taxation				
Current	(638,073)	(61,737)	(282,263)	-
Prior Year Tax	-	-	-	-
	(638,073)	(61,737)	(282,263)	-
Profit / (Loss) After Taxation	58,558,819	(4,905,707)	(22,127,286)	(1,548,731)
(Loss)/Earning per share - basic and diluted	1.32	(0.11)	(0.50)	(0.03)



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 on March 31, 2020

	Note	Un-Audited 31-Mar-20 Rupees	Audited 30-Jun-19 Rupees Restated
Assets			
Non Current Assets			
PP&E	5	769,356,816	357,730,691
Capital Work in Progress		712,001	-
Long term Investment		-	8,884
Long term Deposits		3,840,104	2,336,169
Long term Loans		4,307,865	2,887,194
		778,216,786	362,962,938
Current Assets			
Inventories		-	-
Loans and advances		21,139,853	7,803,087
Investments		798,101,916	-
Trade deposits and short term prepayments		1,611,230	1,611,230
Other Receivables		-	21,362,358
Tax refunds and due from govt.		4,630,510	2,494,277
Cash and bank balances		31,004,151	381,286
		856,487,660	33,652,238
Total Assets		1,634,704,447	396,615,177
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		40,680,745	80,898,745
Surplus on Revaluation of Fixed Assets		682,474,489	257,293,537
Unappropriated Profit/ (Loss)		484,421,506	(256,944,813)
		1,429,710,210	303,380,939
Non-Current liabilities			
Long term financing		87,896,512	58,508,315
Long term deposits		662,850	833,850
Deferred liabilities		1,260,748	1,725,717
		89,820,110	61,067,882
Current liabilities			
Trade and other payables		11,054,823	13,011,250
Unclaimed Dividend		239,589	239,589
Accrued interest		7,330,250	4,930,250
Bank overdraft		87,997,018	5,432,819
Current portion of non current liabilities		8,552,448	8,552,448
		115,174,128	32,166,356
Contingencies and commitments			
	6	-	-
Total equity and Liabilities		1,634,704,447	396,615,177


 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, 2020**

	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	58,558,819	(4,905,707)	(22,127,286)	(1,548,731)
Other comprehensive income	-	-	-	-
Total comprehensive income	58,558,819	(4,905,707)	(22,127,286)	(1,548,731)

NADEEM E. SHAIKH
CHIEF EXECUTIVEABDULLAH MOOSA
DIRECORM.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, 2020**

	March 31, 2020 Rupees	March 31, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	59,196,892	(4,843,970)
Adjustments for:		
Depreciation	5,670,887	2,883,317
Staff retirement benefits-gratuity	-	-
Finance cost	31,788,197	22,764
Unrealized (Gain)/Loss on Securities	-	2,253
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)	-
	(88,205,322)	2,908,334
Profit/ (Loss) before working capital changes	(29,008,431)	(1,935,636)
(Increase)/decrease in current assets		
Loan and advances	(14,757,437)	(1,656,223)
Investment	(798,101,916)	-
Trade deposits and short term prepayments	-	-
Other receivables	-	-
	(812,859,353)	(1,656,223)
Increase in current liabilities		
Trade and other payables	(1,956,428)	5,440,281
Cash used in operation	(843,824,212)	1,848,422
Finance cost paid	(61,392)	(22,764)
Taxes refund/(paid)	(2,774,306)	(2,101)
Deposits Paid	(171,000)	-
Staff retirement benefits gratuity paid	(464,969)	-
	(3,471,667)	(24,865)
Net cash used in operating activities	(847,295,879)	1,823,557
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of PPE	839,100,633	-
Capital Work in Progress	(712,001)	(360,305)
Long term investments	8,884	-
Long term deposits	(1,503,935)	-
Fixed capital expenditure	(1,321,038)	(103,205)
Net cash flows from investing activities	835,572,543	(463,510)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received from directors and sponsors	(40,218,000)	6,131,690
Book overdraft	82,564,199	(7,636,430)
Net cash flow from financing activities	42,346,199	(1,504,740)
Net increase in Cash and Cash equivalents	30,622,865	(144,692)
Cash and cash equivalent at the beginning of the period	381,286	235,350
Cash and cash equivalent at the end of the period	31,004,151	90,658



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, 2020**

	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, 2018 (Audited)	222,133,470	66,067,055	258,185,303	(241,434,831)	304,950,997
Total comprehensive loss for the nine months periods ended March 31,2019	-	-	-	(4,905,707)	(4,905,707)
Transfer from surplus on revaluation-incremental	-	-	(668,825)	668,825	-
		6,131,690			6,131,690
Balance as at March 31, 2019 (Un-Audited)	222,133,470	72,198,745	257,516,478	(245,671,713)	306,176,980
Total comprehensive loss for the remaining period	-	-	-	(11,496,041)	(11,496,041)
Transfer from surplus on revaluation - incremental	-	8,700,000	(222,941)	222,941	8,700,000
Balance as at June 30, 2019 (Audited)	222,133,470	80,898,745	257,293,537	(256,944,813)	303,380,939
Total comprehensive Income /(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
Transfer from surplus on revaluation of Land disposed off	-	-	(682,807,500)	682,807,500	-
Reversal of Revaluation Surplus due to Revaluatoion Loss on Buildings			(14,850,548)	-	(14,850,548)
Transfer from surplus on account of incremental dep on Building		-	-	-	-
Transfer from long term loan	-	(40,218,000)	-	-	(40,218,000)
Balance as at March 31, 2020 (Un-Audited)	222,133,470	40,680,745	682,474,489	484,421,506	1,429,710,210



NADEEM E. SHAIKH
CHIEF EXECUTIVE



ABDULLAH MOOSA
DIRECOR



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, 2020****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.484.4 million as at Mar 31, 2020. 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 2019.

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, 2019.

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, 2020 were as follows;

	March 31, 2020 (Un-Audited)		June 30, 2019 (Audited)	
	Additions	Transfers	Additions	Disposals
	(Cost in Rupees)		(Cost in Rupees)	
Factory Building	1,002,500	24,938,172	12,208,957	-
Office Equipment	318,538	-	113,555	-
Vehicle	-	-	49,000	-
	1,321,038	24,938,172	162,555	-

6 CONTINGENCIES AND COMMITMENTS

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 2020 (Unaudited) Rupees	June 30, 2019 (Audited) 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, 2020.

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, 2020 Rupees	March 31, 2019 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>2,922,125</u>	<u>39,456,124</u>
Sponsors	Significant Influence	<u>3,209,565</u>	<u>26,561,244</u>
		<u>6,131,690</u>	<u>66,017,368</u>

8 GENERAL

The figures have been rounded of to the nearest Rupee.

All significant changes since June 30, 2019 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 30th April 2020 by the board of directors of the Company.



NADEEM E. SHAIKH
CHIEF EXECUTIVE



ABDULLAH MOOSA
DIRECOR



M. SULEMAN
CHIEF FINANCE OFFICER

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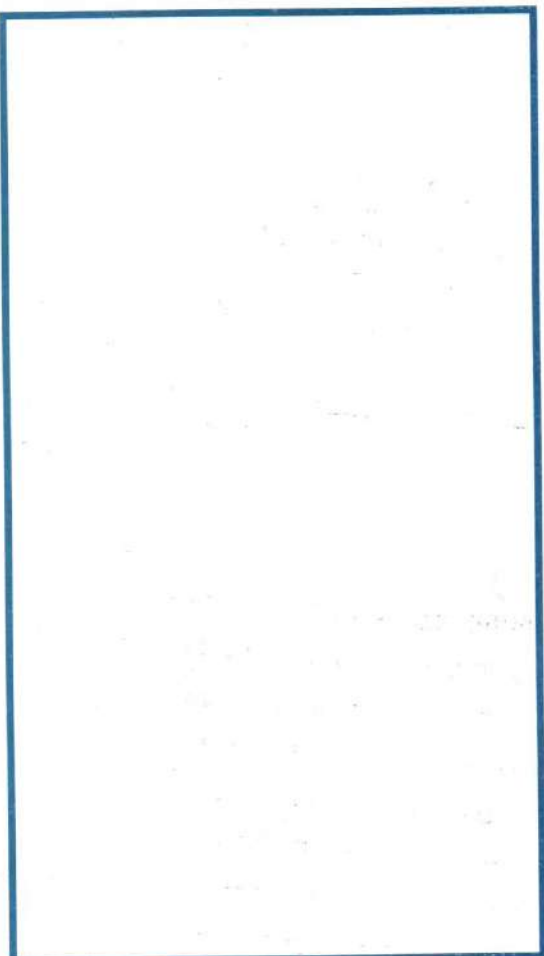
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