

ALI ASGHAR TEXTILE MILLS LIMITED

HALF YEARLR REVIEWED

FINANCIAL STATEMENTS

DECEMBER-2020





Ali Asghar Textile Mills Limited

Quarterly Report December 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

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

DIRECTOR REPORT

The Director are pleased to report the figures for the half year ended December 2020.

The company made a PAT of Rs. 34.4m versus PAT of 90m in SPLY. I am happy to report that 80% of the Logistic facility is completed along with the supporting management block. Marketing teams are engaging customers for their future logistics need. The company sees a bright future for itself in the e-commerce/3PL service provider space.

The investments of the company are doing well and are expected to be the better for future also.

I would like to thank all office staff and mill administration for their hard work.

By Order of the Board



NADEEM ELLAHI SHAIKH
Chief Executive

Karachi
Dated: February 25, 2021

ڈائریکٹر رپورٹ

ڈائریکٹر دسمبر 2020 کو ختم ہونے والے نصف سال کے اعداد و شمار کی اطلاع دیتے ہوئے خوش ہیں۔

کمپنی نے گذشتہ سال اسی مدت میں 90 ملین ٹیکس کے بعد منافع کے مقابلے میں اس سال 34.4 ملین روپے ٹیکس کے بعد منافع کمایا۔

مجھے یہ اطلاع دیتے ہوئے خوشی ہے کہ سپورٹ مینجمنٹ بلاک کے ساتھ ہی لاجسٹک سہولت کا 80 فیصد کام مکمل ہو چکا ہے ، مارکیٹنگ کی ٹیمیں اپنی مستقبل کی لاجسٹک ضرورت کے لئے صارفین سے مصروف ہیں۔ ای کامرس / PL3 سروس فراہم کنندہ جگہ میں کمپنی اپنے لئے روشن مستقبل دیکھتی ہے۔

کمپنی کی سرمایہ کاری اچھی کارکردگی کا مظاہرہ کر رہی ہے اور توقع ہے کہ یہ مستقبل کے لئے بھی بہتر ہوگی۔

میں آفس کے تمام عملے اور مل انتظامیہ کا انکی محنت کے لئے شکریہ ادا کرنا چاہتا ہوں۔

بورڈ کے آرڈر کے ذریعے
ندیم الہی شیخ

ندیم الہی

چیف ایگزیکٹو

تاریخ: 25 فروری 2021

کراچی

INDEPENDENT AUDITORS' REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION

TO THE MEMBERS OF ALI ASGHAR TEXTILE MILLS LIMITED

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Ali Asghar Textile Mills Limited** as at December 31, 2020, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The following observations come to our knowledge during our review of interim financial information:

- a. The company has not accounted for markup on outstanding balance in respect of long term loan from the Bank of Punjab. Due to unavailability of the markup amount, its financial impact cannot be determined.

MUSHTAQ & CO.

CHARTERED ACCOUNTANTS

H O. 407, Commerce Centre, Hasrat Mohani Road, Karachi. Tel: 021-32638521-3
Email Address: audit.khi@mushtaqandco.com



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- b. The company has unclaimed dividend amounting Rs.239,589. The company has not complied with the requirement of Section 244 of the Companies Act, 2017 which states that the shares along with any dividend which remained unclaimed for a period of three years or more, are to vest with the Federal Government.

Qualified Conclusion

Based on our review, except for the effects of the matters described in basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the half year ended 31st December, 2020, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is **Mr. Zahid Hussain Zahid, ACA.**

Karachi:

Date: 25th February, 2021



MUSHTAQ & CO.
Chartered Accountants

ALI ASGHAR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Six months period ended		Quarter Ended	
	31-Dec 2020 Rupees	31-Dec 2019 Rupees	31-Dec 2020 Rupees	31-Dec 2019 Rupees
Operating Income	-	2,335,760	-	(1,664,240)
Directly attributable cost	(10,714,513)	(7,166,333)	(6,472,538)	(4,536,526)
Gross (Loss)	(10,714,513)	(4,830,573)	(6,472,538)	(6,200,766)
Administrative Expenses	(5,974,958)	(9,834,730)	(3,507,932)	(9,106,626)
Othe Expenses	-	(21,362,358)	-	-
Other Income	57,820,598	158,218,022	42,820,598	158,218,022
	51,845,640	127,020,934	39,312,666	149,111,396
Profit	41,131,126	122,190,360	32,840,127	142,910,630
Finance Cost	(55,727)	(31,831,129)	(31,203)	(31,829,019)
Profit before Taxation	41,075,399	90,359,231	32,808,924	111,081,611
Taxation	(6,605,777)	(355,810)	(4,556,897)	(9,237)
Profit after Taxation	34,469,622	90,003,422	28,252,027	111,072,374
Earning per share - Basic	0.78	2.03	0.64	2.50



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 DECEMBER 31, 2020

	Note	Un-Audited 31-Dec-20 Rupees	Audited 30-Jun-20 Rupees
Assets			
Non Current Assets			
Property plant & equipment	7	850,938,132	768,161,724
Capital Work in Progress		-	8,178,406
Long term Deposits		3,850,387	3,850,387
Long Term Loans and advances		2,277,106	3,117,771
		857,065,625	783,308,288
Current Assets			
Loans and advances		27,213,353	5,663,791
Investment		798,268,487	886,753,103
Trade deposits and short term prepayments		1,611,230	1,611,230
Other Receivables		-	213,854
Tax refunds and due from government		3,248,356	3,214,866
Cash and bank balances		24,305,420	1,822,305
		854,646,846	899,279,148
Total Assets		1,711,712,471	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 directors & others loan		29,101,191	10,590,745
Surplus on revaluation of fixed assets		682,474,489	682,474,489
Unappropriated profit		673,569,873	538,423,575
		1,607,279,023	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		1,761,789	1,906,239
		60,557,104	60,701,554
Current liabilities			
Trade and other payables		26,521,127	100,397,668
Unclaimed Dividends		239,589	239,589
Accrued interest		4,930,250	4,930,250
Book overdraft		3,632,929	54,143,648
Current portion of non current liabilities		8,552,448	8,552,448
		43,876,343	168,263,603
Contingencies and commitments	8	-	-
Total equity and Liabilities		1,711,712,471	1,682,587,436



NADEEM E. SHAIKH
Chief Executive



ABDULLAH MOOSA
Director



M. SULEMAN
Chief Finance Officer

ALI ASGHAR TEXTILES MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Six Months Period Ended		Quarter Ended	
	Dec 31,2020	Dec 31,2019	Dec 31,2020	Dec 31,2019
	Rupees	Rupees	Rupees	Rupees
		Restated		Restated
Profit after taxation	34,469,622	90,003,422	28,252,027	111,072,374
Other Comprehensive Income- Unrealized gain on remeasurement of available for sale investment	100,676,676	2,928,387	-	-
Total comprehensive income	135,146,298	92,931,809	28,252,027	111,072,374

NADEEM E. SHAIKH

Chief Executive

ABDULLAH MOOSA

Director

M. SULEMAN

Chief Finance Officer

ALI ASGHAR TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	31-Dec 2020 Rupees	31-Dec 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation Restated	41,075,399	90,359,232
Adjustments for:		
Depreciation	5,138,347	3,764,964
Bad Debt Expense	-	21,362,358
Gain on disposal of PPE	-	(156,293,133)
Unrealized Gain on Trading Securities	100,676,676	2,928,387
Staff retirement benefits-gratuity	-	-
Finance cost	55,727	31,831,129
	<u>105,870,750</u>	<u>(96,406,295)</u>
Loss before working capital changes	146,946,149	(6,047,063)
(Increase)/decrease in current assets		
Inventory	-	-
Capital work in Progress	8,178,406	(479,001)
Other receivables	-	-
Loan and advances	(21,549,562)	(37,085,960)
	<u>(13,371,156)</u>	<u>(37,564,961)</u>
Increase in current liabilities		
Trade and other payables	(73,876,541)	(2,597,713)
Cash used in operation	<u>59,698,452</u>	<u>(46,209,737)</u>
Finance cost paid		
Finance cost paid	(55,727)	(42,932)
Taxes refund/(paid)	(6,425,414)	(525,592)
Staff retirement benefits gratuity paid	(144,450)	(374,469)
	<u>(6,625,591)</u>	<u>(942,993)</u>
Net cash used in operating activities	53,072,861	(47,152,730)
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits	-	(34,398)
Long term investments	-	8,884
Investment in Mutual Funds	88,484,616	(743,346,007)
Fixed capital expenditure	(87,914,754)	(1,321,038)
Net cash flows from investing activities	569,862	(744,692,559)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans received from directors and sponsors	-	-
Proceeds from Disposal of PPE	-	839,100,633
Interest free directors and other loan	18,510,446	(26,808,000)
Loan repaid	-	-
Loans and advances	840,665	(868,187)
Deposits received	-	(171,000)
Book overdraft	(50,510,719)	(146,449)
Net cash flow from financing activities	<u>(31,159,608)</u>	<u>811,106,997</u>
Net increase in Cash and Cash equivalents	22,483,115	19,261,708
Cash and cash equivalent at the beginning of the period	1,822,305	381,286
Cash and cash equivalent at the end of the period	<u><u>24,305,420</u></u>	<u><u>19,642,994</u></u>



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 HALF YEAR ENDED DECEMBER 31, 2020

	Share Capital	Interest free Directors' and others loan	Revaluation Surplus on P,P& E	Unappropriated Loss	Total Equity
Rupees					
Balance as at July 01, 2019 (Audited) Restated	222,133,470	80,898,745	257,293,537	(257,100,050)	303,225,702
Profit for the period-Restated				90,003,422	90,003,422
Other comprehensive income for the period					
Unrealized Gain on remeasurement of available for sale investment	-	-	-	2,928,387	2,928,387
Surplus on revaluation of Land	-	-	1,122,839,000	-	1,122,839,000
Transfer from surplus on revaluation-incremental building	-	-	-	-	-
Transfer from surplus on revaluation of Land disposed off	-	-	(682,807,500)	682,807,500	-
Transfer from long term loan	-	(26,808,000)	-	-	(26,808,000)
Balance as at Dec 31, 2019 (Unaudited) Restated	222,133,470	54,090,745	697,325,037	518,639,259	1,492,188,511
Profit for the period-Restated	-	-	-	44,529,172	44,529,172
Other comprehensive income for the period					
Unrealized loss on remeasurement of available for sale investment	-	-	-	(24,933,673)	-
Adjustment of loss on revaluatin of building on leasehold land	-	-	(14,850,548)	-	-
Gain on remeasurement of Staff retirement benefits				188,817	
Transferred from long term loan		(43,500,000)	-	-	(43,500,000)
Balance as at June 30, 2020 (Audited)	222,133,470	10,590,745	682,474,489	538,423,575	1,453,622,279
Profit for the period	-	-	-	34,469,622	-
Other comprehensive income for the period					
Unrealized Gain on remeasurement of available for sale investment	-	-	-	100,676,676	-
Surplus on revaluation of land	-	-	-	-	-
Transfer from surplus on account of incremental dep on Building					
Transfer from surplus on revaluation of Land disposed off	-	-	-	-	-
Transferred from long term loan	-	18,510,446	-	-	18,510,446
Balance as at Dec 31, 2020 (Unaudited)	222,133,470	29,101,191	682,474,489	673,569,873	1,607,279,023


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 HALF YEAR ENDED DECEMBER 31, 2020

1 THE COMPANY AND ITS 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 principal activity of the Company is to manufacture and sale of yarn. However, in a proposed EOGM, to be held in March 2018, the objective clause is proposed to be changed to 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. 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

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:

International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 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.

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

- 3.1 The accounting policies and methods of computation adopted for the preparation of the financial statements for the half year ended December 31, 2020 on the same as those applied in the preparation for the annual audited statement for the year ended June 30, 2020 except for the following:

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 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.
- 4.2 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 30 June, 2020.
- 4.3 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 30 June, 2020

5 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.

6 FUNCTIONAL AND PRESENTAIONT 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.

7 PROPERTY PLANT AND EQUIPMENT

	31-Dec-20	31-Dec-19
	Rupees	
Net book value at the beginning of the period/year	768,161,724	357,730,691
Additions on revaluation during the period/year		
Leasehold land	-	1,122,839,000
Building on leasehold land	87,511,333	1,002,500
Office equipment	159,000	318,538
Vehicles	244,421	-
	87,914,754	1,124,160,038
Net book value of assets disposed during the period/year	-	(682,807,500)
Depreciation for the period/year	(5,138,347)	(3,764,964)
Net book value at the end of the period/year	850,938,132	795,318,266

8 CONTINGENCIES AND COMMITMENTS

Contingencies

- 8.1 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.
- 8.2 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.
- 8.3 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.
- 8.4 Guarantees issued by banks on behalf of the Company Rs.1,611,230 (June 30, 2020: Rs.1,611,230).

Commitments

There are no commitments of the company as at December 31, 2020.

9 GENERAL

The figures have been rounded of to the nearest Rupee.

10 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **25th February, 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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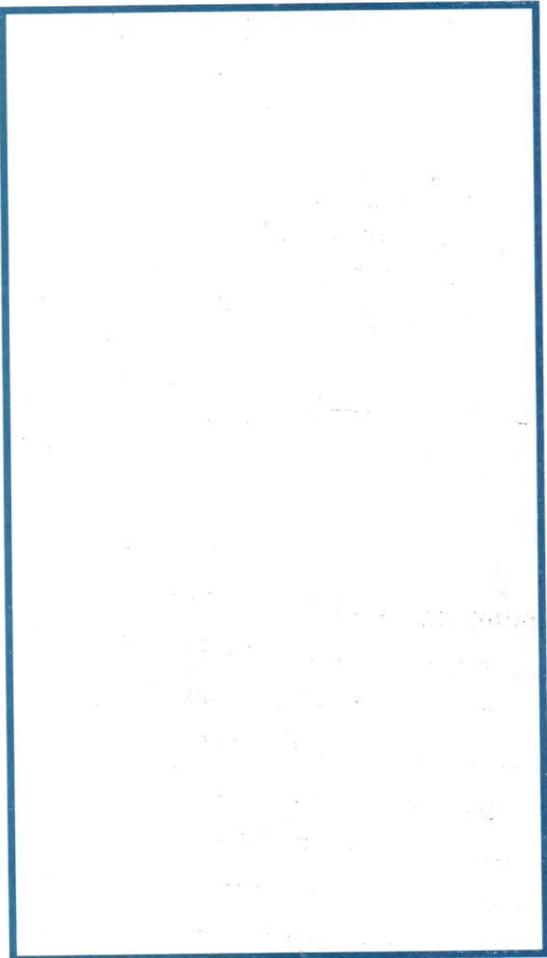
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