QUARTERLY ACCOUNTS MARCH 31, 2009 (UN-AUDITED)





ALI ASGHAR TEXTILE MILLS LTD.





VISION STATEMENT

To strive for excellence through Commitment, Integrity, Honesty and Team work

MISSION STATEMENT

Operate state of the art spinning machinery capable of producing high quality cotton and blended your for knitting and weaving

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COMPANY INFORMATION

Board of Directors : Mr. Nadeem Ellahi Shaikh

Chief Executive

Mr. Naveed Ellahi Shaikh Mst. Marium Humayun Mr. Salman Masood

Mr. Abdul Aziz

Mr. Sultan Mehmood

Mr. Muhammad Azad Khan

Audit Committee : Mst. Marium Humayun

Mr. Naveed Ellahi Shaikh

Chairperson Member

Mr. Sultan Mehmood Member

Chief Financial Officer: Mr. Aftab Ahmad

Chief Internal Auditor : Mr. Muhammad Altaf Qadir

Company Secretary : Mr. Rizwan Haseeb

Auditors : M/s. Mushtaq & Co.

Chartered Accountants

Bankers : Habib Bank Limited

Habib Metropolitan Bank Limited

National Bank of Pakistan

Registered Office : 306-308, Uni Tower,

I.I. Chundrigar Road,

Karachi. 74000.

Website : www.aatml.com.pk

Mills at : Plot 2 & 6, Sector No. 25,

Korangi Industrial Area,

Karachi-74900.

DIRECTIONS' REPORT

Dear Shareholders,

The Directors have the pleasure to present un-audited accounts for the quarter ended on March 31, 2009.

During the period the company booked Sales of Rs. 387.04 Million, Gross Profit / (Loss) Rs.(6.75) Million, Operating Profit / (Loss) Rs. (26.23) Million, Loss before Taxation Rs. 99.99 Million, Loss per Share (Rs. 2.25). This is after charging Depreciation of Rs. 18.62 Million.

The financial result affected due to increase in quantum of borrowing, depressed yarn prices corresponding with the hike of cotton prices and higher direct / indirect costs. Due to continuous power shortages and continuous closure across the textile chain, prices of yarn have suffered a huge fall. The devaluation of the Pak rupees against the US dollar lead to a huge loss on import contracts of raw material and machinery.

Around 110 textile spinning mills have closed down due to massive financial losses and many are on the brink of closure. However the Government of Pakistan has promised a relief package for the textile industry in May 2009.

The textile industry is passing through a crucial period. Concrete measures are required to be taken to alleviate the crises.

The management is making all out efforts for the mills to make a profit.

The Directors wish to place on record the highly dedicated services rendered by the employees and convey thanks to bankers, leasing companies and other financial institutions for their whole-hearted s u p p o r t.

Karachi: April 29, 2009

By Order of the Board

Nadeem Ellahi Shaikh Chief Executive





BALANCE SHEET AS AT

(AUDITED)	
June 30,	
2008	

SHARE CAPITAL AND RESERVES

SHARE CAITIAL AND RESERVES		
Authorized 50,000,000 ordinary shares of Rs. 5/= each	250,000,000	250,000,000
Issued, Subscribed & Paid up Capital Accumulated Loss	222,133,470 (473,317,808) (251,184,338)	222,133,470 (376,233,110) (154,099,640)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	570,324,632	573,230,330
NON - CURRENT LIABILITIES Long Term Loans	301,133,247	254,665,580
Liabilities Against Assets Subject to Finance Lease	81,075,686	76,983,754
DEFERRED LIABILITIES	4,965,318	4,622,038
CURRENT LIABILITIES		
Trade and other payables Short Term Bank Borrowing Current portion of non current Liabilities Mark up payable Taxation	93,170,605 208,061,807 73,425,758 87,054,672 5,238,922 466,951,764	84,342,656 218,026,251 119,188,362 52,421,959 5,238,922 479,218,150
CONTINGENCIES & COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	1,173,266,309	1,234,620,213

MARCH 31, 2009 (UNAUDITED)

	N T	(UNAUDITED)	(AUDITED)
	Note	March 31, 2009	June 30, 2008
		Rup	ees
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property plant and equipment		844,116,597	864,345,323
LONG TERM DEPOSITS		15,619,052	14,642,926
DEFERRED COST		7,523,669	5,201,422
CURRENT ASSETS			
Stores and spares		5,296,728	5,469,869
Stock in trade		165,089,536	184,950,462
Trade debts		115,262,895	138,795,060
Advances		5,414,109	7,949,622
Deposits and prepayments		7,613,122	5,316,343
Other receivables		4,259,370	4,500,000
Tax Refundable		425,943	1,907,794
Cash and bank balances		2,645,288	1,541,391
		306,006,991	350,430,543
TOTALASSETS		1,173,266,309	1,234,620,213

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

Karachi: April 29, 2009

NADEEM E.SHAIKH CHIEF EXECUTIVE NAVEED E.SHAIKH DIRECTOR



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PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE THIRD QUARTER ENDED MARCH 31, 2009

	For the Nine	Months Ended	OUARTE	CR ENDED
	July 2008 to March 2009	July 2007 to March 2008		January 2008 to March 2008
	-	Rup	oees	
Sales - net	387,041,705	363,269,737	109,880,516	126,583,836
Cost of goods sold	393,793,742	320,952,131	125,837,655	113,312,287
Gross profit/(loss)	(6,752,037)	42,317,606	(15,957,139)	13,271,549
Operating expenses				
Selling	6,063,527	5,704,749	1,877,213	2,988,574
Administrative	13,416,032	12,730,343	3,753,135	3,863,325
			100	
	19,479,559	18,435,092	5,630,348	6,851,899
Profit/(loss)from operation	(26,231,596)	23,882,514	(21,587,487)	6,419,650
Other income	716,653	7,344,864	105,248	359,545
	(25,514,943)	31,227,378	(21,482,239)	6,779,195
Amortization of deferred cost	4,624,902	3,007,575	1,541,634	1,002,525
Finance cost and others	69,850,551	54,029,939	21,343,248	16,051,789
Profit/(loss)before taxation	(99,990,396)	(25,810,136)	(44,367,121)	(10,275,119)
Taxation				
Current	-	(1,821,625)	-	(635,081)
Deferred	-	(-,,)	(≅ 0)	-
Secretaria de compressor de co		(1,821,625)		(635,081)
Net profit/(loss)for the period	(99,990,396)	(27,631,761)	(44,367,121)	(10,910,200)
Earning per share	(2.25)	(0.62)	(1.00)	(0.25)

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

NADEEM E.SHAIKH CHIEF EXECUTIVE NAVEED E.SHAIKH DIRECTOR

STATEMENT OF CHANGES IN FINANCIAL POSITION (CASH FLOW STATEMENT) FOR THE THIRD QUARTER ENDED MARCH 31, 2009

A. CASH FLOWS FROM OPERATING ACTIVITIES Loss before taxation Adjustments for: Depreciation Amortization of deferred cost Provision for gratuity Financial charges	(99,990,396) 2,069,135 4,624,902 4,164,569 69,850,551 80,709,157 (19,281,239)	19,181,943 3,007,575 835,290 54,029,939 77,054,747
ACTIVITIES Loss before taxation Adjustments for: Depreciation Amortization of deferred cost Provision for gratuity	2,069,135 4,624,902 4,164,569 69,850,551 80,709,157	19,181,943 3,007,575 835,290 54,029,939
Adjustments for: Depreciation Amortization of deferred cost Provision for gratuity	2,069,135 4,624,902 4,164,569 69,850,551 80,709,157	19,181,943 3,007,575 835,290 54,029,939
Depreciation Amortization of deferred cost Provision for gratuity	4,624,902 4,164,569 69,850,551 80,709,157	3,007,575 835,290 54,029,939
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Amortization of deferred cost Provision for gratuity	4,624,902 4,164,569 69,850,551 80,709,157	3,007,575 835,290 54,029,939
Provision for gratuity	4,164,569 69,850,551 80,709,157	835,290 54,029,939
	69,850,551 80,709,157	54,029,939
Financial charges	80,709,157	
		//,054,/4/
	(19,281,239)	
		51,244,611
(Increase)/Decrease in current assets:		
Stores and spares	173,141	(104,580)
Stock in trade	19,860,926	(43,600,390)
Trade debts	25,532,165	(2,712,009)
Loans and advances	2,535,513	(550,386)
Deposits and prepayments	(2,296,779)	91,146
Other receivable	1,506,481	(1,717,378)
	47,311,447	(48,593,597)
(Decrease)/increase/ in current liabilities:	0.00=.040	40.000 -0-
Trade and other payables	8,827,949	(18,999,597)
	36,858,157	(16,348,736)
Cash generated from operations		
Finance charges paid	(53,112,078)	(43,764,019)
Gratuity paid	(1,981,145)	(763,488)
Tax refund / (paid)	-	(3,801,044)
	(55,093,223)	(48,328,551)
Net cash flow / (used in) operating activities	(18,235,066)	(64,677,287)

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Karachi: April 29, 2009



March 31, March 31, 2008 2009 -- Rupees -----

B.CASH FLOWS FROM INVESTING ACTIVITIES

	Fixed assets expenditure	(755,600)	(1,257,877)
	Long term deposits	(976,126)	(887,365)
	Deferred cost	-	-
	Capital work in progress	2 201 000	3,682,007
	Property plant and equipment	2,201,989	-
	Net cash used in investing activities	470,263	1,536,765
			
	CASH FLOWS FROM FINANCING ACTIVITIES		
^	Long term loans obtained		
C	Repayment / Transferred of long term loans	(1,123,366)	13,500,497
	Repayment of lease liabilities	(682,511)	(1,215,533)
	L		
	Net cash flow from financing activities	(1,805,877)	12,284,964
	Net decrease cash and cash equivalents	(19,570,680)	(50,855,558)
	Cash and cash equivalents at the beginning of the period	(185,845,839)	(134,990,281)
	Cash and cash equivalents at the end of period	(205,416,519)	(185,845,839)
	Cash and cash equivalents		20
	Cash and bank balances	2,645,288	2,824,396
	Short term borrowing	(208,061,807)	(188,670,235)
	_	(205,416,519)	(185,845,839)
		1	

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

Karachi: April 29, 2009 NADEEM E.SHAIKH **CHIEF EXECUTIVE**

NAVEED E.SHAIKH DIRECTOR

QUARTERLY ACCOUNTS - 2009

CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE QUARTER PERIOD ENDED MARCH 31, 2009

	Share Capital	Unappropriated Profit / (Loss)	Total
		Rupees	
Balance as at July 01, 2007	191,494,37	(340,852,554)	(149,358,184)
Issue of Right Shares	30,639,100	22	30,639,100
Loss for the Year Transfer from surplus on revaluation	_	(40,165,055)	(40,165,055)
of fixed assets - incremental depreciation net of deferred tax	-	4,784,499	4,784,499
Balance at June 30, 2008	222,133,470	(376,233,110)	(154,099,640)
Balance as at July 01, 2008	222,133,470	(376,233,110)	(154,099,640)
Net Profit (Loss) for Nine Month Period Ended March 31,2009	-	(99,990,396)	(99,990,396)
Transfer from surplus on revaluation of fixed assets - incremental depreciation net of deferred tax		2,905,698	2,905,698
Balance at March 31, 2009	222,133,470	(473,317,808)	(251,184,338)

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

Karachi: April 29, 2009

NADEEM E.SHAIKH CHIEF EXECUTIVE

NAVEED E.SHAIKH DIRECTOR





1 THE COMPANY AND ITS OPERATIONS

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 3rd Floor, Office No. 306-308, Uni Tower 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 a negative equity of Rs. 251,184,338 as at March 31, 2009 and after considering the surplus on revaluation of fixed Assests, the company will have a positive equity of Rs. 319,140,294. The company's current Liabilites exceeds its current assets by Rs.160,944,773, However, the company has continuous financial support from banks, financial institutions and its sponsors. The Company is in the process of modernization and replacement of manufacturing facilities. Management is confident that with better manufacturing facilities and the continuous financial support form financial institutions and the directions they would be able to improve the company's financial position and restore its profitability. Accordingly, these financial statements have been prepared on going concern assumption.

2 BASIS OF PREPARATION Historical Cost

- **2.1** These financial statements have been prepared under "historical cost convention". except as disclosed in the company's accounting policies.
- 2.2 These financial statements have been prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and in compliance with the requirements of section 245 of the Companies Ordinance 1984.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of the Nine months period ended financial statements are the same as those of the published annual financial statements for the year ended June 30, 2008.

4 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements.



5 ACQUISITIONS AND DISPOSAL OF PROPERTY PLANT & EQUIPMENT

	March	31, 2009	Mach 31, 20	
5.1 Operating Assets	Acquisition (C	Disposal	Acquisition (Cost)	Disposal
O	Ru	pees	Rupees	
Owned Plant and machinery Office equipments	730,000 25,600	2,201,989	845,662 186,535	-
	755,600	2,201,989	1,032,197	

5.2 Capital Work in Progress

Plant and machinery

Pl	ant and machinery	-		655,284	
	1	Nine Months Pe	eriod Ended	Quarter	Ended
	M	fuly 2008 to farch 1, 2009 Rupee	July 2007 to March 1, 2008	Jan 2009 to March 1, 2009 Rup	Jan 2008 to March 1, 2008
6.	COST OF GOODS SOLD				
	Finished goods & waste				
	Opening	93,734,765	68,648,716	93,734,765	68,648,716
	Yarn purchased	46,296	2,010,869	25,740	25,380
	Cost of goods manufactured (Note:	5.1) 398,790,067	372,474,203	212,850,814	149,051,148
		492,571,128	443,133,788	306,611,319	217,725,244
	Closing	(98,777,386)	(122,181,657)	4,818,892	(67,894,247)
		393,793,742	320,952,131	311,430,211	149,830,997
6.1	Cost of goods manufactured				
	Raw material consumed (Note: 6.2) 258,883,920	255,690,917	156,629,032	111,705,840
	Wages, salaries and amenities	48,222,990	40,129,102	16,805,438	14,731,144
	Doubling charges	273,910	(27,830)	250,190	-
	Store consumed	11,860,768	13,488,581	3,685,650	3,772,463
	Packing material	4,009,795	4,189,281	1,199,580	1,485,148
	Power, fuel and water	51,129,588	35,522,422	18,466,975	10,239,230
	Rent, rates and taxes	793,233	737,400	161,850	162,850
	Insurance	2,301,818	2,111,190	831,818	801,270
	Repair and maintenance	275,732	694,267	91,266	167505
	Depreciation	17,975,120	18,709,605	5,991,705	6,266,133
	Other expenses	991,245	671,571	403,837	241,688
		396,718,119	371,916,506	204,517,341	149,573,271
	Work in process				
	Opening	6,322,548	5,902,437	6,322,548	5,902,437
	Closing	(4,250,600)	(5,344,740)	2,010,925	(6,424,560)
	Closing	2,071,948	557,697	8,333,473	(522,123
		398,790,067	372,474,203	212,850,814	149,051,148

ALI ASGHAR TEXTILE MILLS LTD.



6.2 Raw material consumed

Opening stock	84,251,046	45,571,150	84,893,149	45,571,150
Add: Purchase	236,317,155	260,908,413	78,898,923	115,887,007
	320,568,201	306,479,563	163,792,072	161,458,157
Closing stock	(61,684,281)	(50,788,646)	(7,163,040)	(49,752,317)
8	258,883,920	255,690,917	156,629,032	111,705,840

7 TRANSACTION WITH RELATED PARTIES

The related parties comprised of associated company (by the virtue of common directorship) directors and other key management personnel. Transitions with related parties, are as follows.

March 31, 2009 March 31, 2008
-----Rupees-----

Name of related parties Nature of Transaction

Key management personnel Long-term loan (returned to)obtained from - Rentals paid 387,000 - Remuneration paid 2,160,000 720,000 Reimbursement of personal expenses 168,000 -

8 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on April 29, 2009 by the Board of Directors of the Company.

9 GENERAL

Figures have been rounded off to the nearest rupees.

Karachi: April 29, 2009 NADEEM E.SHAIKH CHIEF EXECUTIVE DIRECTOR