

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 yarn for
knitting and weaving*

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**COMPANY INFORMATION**

Board of Directors	: Mr. Nadeem Ellahi Shaikh Mr. Naveed Ellahi Shaikh Mst. Marium Humayun Mr. Salman Masood Mr. Abdul Aziz Mr. Sultan Mehmood Mr. Muhammad Azad Khan	Chief Executive
Audit Committee	: Mst. Marium Humayun Mr. Naveed Ellahi Shaikh Mr. Sultan Mehmood	Chairperson Member 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 support.

Karachi: April 29, 2009

By Order of the Board

Nadeem Ellahi Shaikh
Chief Executive

**BALANCE SHEET AS AT**

	(UNAUDITED) March 31, 2009	(AUDITED) June 30, 2008
	----- Rupees -----	
SHARE CAPITAL AND RESERVES		
Authorized 50,000,000 ordinary shares of Rs. 5/= each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid up Capital	222,133,470	222,133,470
Accumulated Loss	(473,317,808)	(376,233,110)
	(251,184,338)	(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	93,170,605	84,342,656
Short Term Bank Borrowing	208,061,807	218,026,251
Current portion of non current Liabilities	73,425,758	119,188,362
Mark up payable	87,054,672	52,421,959
Taxation	5,238,922	5,238,922
	466,951,764	479,218,150
CONTINGENCIES & COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	<u>1,173,266,309</u>	<u>1,234,620,213</u>

**MARCH 31, 2009 (UNAUDITED)**

	(UNAUDITED) March 31, 2009	(AUDITED) June 30, 2008
	----- Rupees -----	
ASSETS		
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
TOTAL ASSETS	<u>1,173,266,309</u>	<u>1,234,620,213</u>

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

Karachi: April 29, 2009

NADEEM E.SHAIKH
CHIEF EXECUTIVENAVEED E.SHAIKH
DIRECTOR



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

	For the Nine Months Ended		QUARTER ENDED	
	July 2008 to March 2009	July 2007 to March 2008	January 2009 to March 2009	January 2008 to March 2008
	-----Rupees-----			
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
	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	-	-	-	-
	-	(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.

Karachi: April 29, 2009

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**

	March 31, 2009	March 31, 2008
	----- Rupees -----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(99,990,396)	(25,810,136)
<i>Adjustments for:</i>		
Depreciation	2,069,135	19,181,943
Amortization of deferred cost	4,624,902	3,007,575
Provision for gratuity	4,164,569	835,290
Financial charges	69,850,551	54,029,939
	80,709,157	77,054,747
	(19,281,239)	51,244,611
<i>(Increase)/Decrease in current assets:</i>		
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)
<i>(Decrease)/increase/ in current liabilities:</i>		
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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CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER PERIOD ENDED MARCH 31, 2009

	March 31, 2009	March 31, 2008
----- 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	-	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		
C. Long term loans obtained	-	-
Repayment / Transferred of long term loans	(1,123,366)	13,500,497
Repayment of lease liabilities	(682,511)	(1,215,533)
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		
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)

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

Karachi: April 29, 2009

NADEEM E.SHAIKH
CHIEF EXECUTIVENAVEED E.SHAIKH
DIRECTOR

Karachi: April 29, 2009

NADEEM E.SHAIKH
CHIEF EXECUTIVENAVEED E.SHAIKH
DIRECTOR

	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	-	30,639,100
Loss for the Year	-	(40,165,055)	(40,165,055)
Transfer from surplus on revaluation 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.



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)
	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. Transactions with related parties, are as follows.

Nine Months Period Ended
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

NAVEED E.SHAIKH
DIRECTOR