

**COMPANY INFORMATION**

Board of Directors	: Mr. Nadeem Ellahi Shaikh Mr. Naveed Ellahi Shaikh Mst. Mariam Humayun Mr. Salman Masood Mr. Raja Ghanzafar Ali Mr. Sultan Mehmood Mr. Muhammad Azad Khan	Chief Executive
Audit Committee	: Mst. Mariam Humayun Mr. Naveed Ellahi Shaikh Mr. Sultan Mehmood	Chairperson Member Member
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.	

DIRECTORS' REPORT

Dear Shareholders,

The Directors have the honor to submit the un-audited Quarterly Accounts for the period ended September 30, 2009.

The company booked Sales of Rs. 130.44 Million, Gross Profit Rs. 9.77 Million, Operating Profit / Rs. 3.93 Million, Loss Rs. (15.65) Million where as loss per share is Rs (0.07).

Major loss attributed to the High Finance Cost. Company is in negotiation with major banks for some relief in markup.

There is a surge in demand for yarn and hopefully this will continue through out the year.

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: October 31, 2009

By Order of the Board

Nadeem Ellahi Shaikh
Chief Executive

**BALANCE SHEET AS AT**

	(UNAUDITED) Sept 30, 2009	(AUDITED) June 30, 2009
	----- Rupees -----	
SHARE CAPITAL AND RESERVES		
Authorized 50,000,000 ordinary shares of Rs. 5/= each	250,000,000	250,000,000
Issued, Subscribed & Paid up Capital	222,133,470	222,133,470
Accumulated Loss	(583,031,942)	(567,383,078)
	(360,898,472)	(345,249,608)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	568,780,747	565,780,747
NON - CURRENT LIABILITIES		
Long Term Loans	294,545,016	270,383,366
Liabilities Against Assets Subject to Finance Lease	36,819,111	43,861,154
DEFERRED LIABILITIES	7,131,195	7,121,180
CURRENT LIABILITIES		
Trade and other payables	111,362,014	93,056,493
Mark up payable	119,097,729	106,244,233
Short Term Bank Borrowing	207,679,737	205,630,184
Current portion of non current Liabilities	135,462,867	149,301,759
Taxation	197,399	682,071
	573,817,746	554,914,740
CONTINGENCIES & COMMITMENTS		
	-	-
TOTAL EQUITY AND LIABILITIES	1,120,195,343	1,099,811,579

SEPTEMBER 30, 2009 (UNAUDITED)

	(UNAUDITED) September 30, 2009	(AUDITED) June 30, 2009
	----- Rupees -----	
ASSETS		
NON-CURRENT ASSETS		
PROPERTY PLANT AND EQUIPMENT	823,262,300	829,167,234
LONG TERM DEPOSITS	14,416,552	14,416,552
DEFERRED COST	366,493	905,602
CURRENT ASSETS		
Stores and spares	5,614,886	4,835,926
Stock in trade	137,217,247	110,227,632
Trade debts	104,928,432	103,325,733
Advances	14,331,835	9,573,830
Deposits and prepayments	5,408,164	16,132,174
Other receivables	8,666,135	9,924,446
Tax Refundable	969,900	728,059
Cash and bank balances	5,013,399	574,391
	282,149,998	255,322,191
	1,120,195,343	1,099,811,579

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

Karachi: October 31, 2009

NADEEM E.SHAIKH
Chief Executive

NAVEED E.SHAIKH
Director



**PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2009**

Note	September 30, 2009	Septembr 30, 2008
	-----Rupees-----	
Sales - net	130,443,884	147,881,123
Cost of goods sold	Note 5 (120,667,282)	(131,614,199)
Gross profit/(loss)	<u>9,776,602</u>	<u>16,266,924</u>
Other income	-	24,150
	9,776,605	16,291,074
Operating expenses		
Selling	1,792,517	2,183,375
Administrative	4,052,993	5,110,063
	5,845,510	7,293,438
Profit / (loss) form operations	<u>3,931,092</u>	<u>8,997,636</u>
Amortization of deferred cost	(539,109)	(1,002,525)
Finance cost	(18,380,298)	(20,863,485)
	(18,919,407)	(21,866,010)
Loss before taxation	<u>(14,988,315)</u>	<u>(12,868,374)</u>
Taxation	(660,549)	-
Loss for the period	<u>(15,648,864)</u>	<u>(12,868,374)</u>
Earning per share	(0.07)	(0.06)

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

Karachi: October 30, 2009

NADEEM E.SHAIKH
Chief Executive

NAVEED E.SHAIKH
Director



**(CASH FLOW STATEMENT)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

	September 30, 2009	June 30, 2009
	-----Rupees-----	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(14,988,315)	(195,496,938)
<i>Adjustments for:</i>		
Depreciation	5,953,833	25,565,359
Amortization of deferred cost	539,109	4,295,820
Provision for gratuity	291,580	4,330,711
Provision against doubtful trade receivables	(1,288,452)	(1,503,135)
Gain on sale of property plant and equipment	-	378,225
Financial cost	18,380,298	97,203,634
	<u>23,876,368</u>	<u>130,370,614</u>
	8,888,053	(65,126,324)
<i>(Decrease)/Increase in current assets:</i>		
Stores and spares	(778,960)	633,943
Stock in trade	(26,989,615)	74,722,830
Trade debts	(1,602,699)	35,469,327
Advances	(4,758,005)	(3,413,755)
Deposits and prepayments	10,724,010	(10,815,831)
Other receivables	1,258,311	(5,424,446)
Tax refundable	(241,841)	(474,570)
	<u>(22,388,799)</u>	<u>90,697,498</u>
<i>(Decrease)/increase in current liabilities:</i>		
Trade and other payables	18,305,521	8,713,837
Cash generated from/(used in) operations	<u>4,804,775</u>	<u>34,285,011</u>
Finance charges paid	(873,801)	(43,381,360)
Gratuity paid	(281,565)	(1,831,569)
Tax paid / (refund)	(282,915)	(2,869,917)
	<u>(1,438,281)</u>	<u>(48,082,846)</u>
Net cash flow / (used in) operating activities	<u>3,366,494</u>	<u>(13,797,835)</u>

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**PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE THIRD QUARTER ENDED SEPTEMBER 30, 2009**

Note	September 30,	September 30,
	2009	2008
-----Rupees-----		
Sales - net	130,443,884	147,881,123
Cost of goods sold	Note 5 (120,667,282)	(131,614,199)
Gross profit/(loss)	<u>9,776,602</u>	<u>16,266,924</u>
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	9,776,605	16,291,074
Operating expenses		
Selling	1,792,517	2,183,375
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	5,845,510	7,293,438
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Finance cost	(18,380,298)	(20,863,485)
	(18,919,407)	(21,866,010)
Loss before taxation	<u>(14,988,315)</u>	<u>(12,868,374)</u>
Taxation	(660,549)	-
Loss for the period	<u>(15,648,864)</u>	<u>(12,868,374)</u>
Earning per share	(0.07)	(0.06)

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

Karachi: October 30, 2009

NADEEM E.SHAIKH
Chief Executive

NAVEED E.SHAIKH
Director



**(CASH FLOW STATEMENT)
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

A. CASH FLOWS FROM OPERATING ACTIVITIES

	September 30, 2009	June 30, 2009
-----Rupees-----		
Loss before taxation	(14,988,315)	(195,496,938)
<i>Adjustments for:</i>		
Depreciation	5,953,833	25,565,359
Amortization of deferred cost	539,109	4,295,820
Provision for gratuity	291,580	4,330,711
Provision against doubtful trade receivables	(1,288,452)	(1,503,135)
Gain on sale of property plant and equipment	-	378,225
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	<u>23,876,368</u>	<u>130,370,614</u>
	8,888,053	(65,126,324)
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Stores and spares	(778,960)	633,943
Stock in trade	(26,989,615)	74,722,830
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Advances	(4,758,005)	(3,413,755)
Deposits and prepayments	10,724,010	(10,815,831)
Other receivables	1,258,311	(5,424,446)
Tax refundable	(241,841)	(474,570)
	<u>(22,388,799)</u>	<u>90,697,498</u>
(Decrease)/increase in current liabilities:		
Trade and other payables	18,305,521	8,713,837
Cash generated from/(used in) operations	<u>4,804,775</u>	<u>34,285,011</u>
Finance charges paid	(873,801)	(43,381,360)
Gratuity paid	(281,565)	(1,831,569)
Tax paid / (refund)	(282,915)	(2,869,917)
	<u>(1,438,281)</u>	<u>(48,082,846)</u>
Net cash flow / (used in) operating activities	<u>3,366,494</u>	<u>(13,797,835)</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER PERIOD SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	-----Rupees-----	
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets expenditure	(41,100)	(15,881,879)
Sale proceeds from disposal of fixed assets	-	5,435,800
Long term deposits	-	226,374
Net cash used in investing activities	(41,100)	(10,219,705)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans obtained	-	15,180,821
Repayment of liabilities against assets subject to finance lease	(587,446)	(2,472,238)
Deferred Cost	(366,493)	-
Short term finance obtained	-	22,738,022
Net cash from financing activities	(953,939)	35,446,605
Net decrease in cash and cash equivalents (A+B+C)	2,371,455	11,429,065
Cash and cash equivalents at the beginning of the year/ period (205,055,793)		(216,484,858)
Cash and cash equivalents at the end of year/ period	(202,684,338)	(205,055,793)
Cash and cash equivalents		
Cash and bank balances	5,013,399	574,391
Running finance	(207,697,737)	(205,630,184)
	(202,684,338)	(205,055,793)

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

Karachi: October 31, 2009

NADEEM E.SHAIKH
Chief ExecutiveNAVEED E.SHAIKH
Director

	Issued subscribed and paid -up capital	Accumulated losses	Total equity
	-----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 period	-	(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)
Loss for the year	-	(195,599,551)	(195,599,551)
Transfer from surplus on revaluation of fixed assets - incremental depreciation net of deferred tax	-	4,449,583	4,449,583
Balance at June 30, 2009	222,133,470	(567,383,078)	(345,249,608)
Profit (Loss) for quarter ended September 30, 2009	-	(15,648,864)	(15,648,864)
	222,133,470	(583,031,942)	(360,898,472)

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

Karachi: October 31, 2009

NADEEM E.SHAIKH
Chief ExecutiveNAVEED E.SHAIKH
Director



**NOTES TO THE ACCOUNTS
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2009**

1 ACCOUNTING POLICIES

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 accumulated losses of Rs. 583.0 million as September 30, 2009. Current liabilities exceeds its current assets by Rs. 292 million. However, Company has continuous financial support from banks. financial institutions and its sponsors.

Management is confident that with better manufacturing facilities and the continuous financial support from financial institutions and the directors, they would further improve the financial position and restore its profitability. Accordingly, these financial statements have been prepared on a going concern assumption.

2 SIGNIFICANT ACCOUNTING POLICIES**Basis of preparation**

- 2.1 These financial statements have been prepared on the historical cost basis except for derivative financial instruments that are stated at fair.
- 2.2 All accounting policies adopted for the preparation of interim accounts are the same as those adopted for the preparation of preceding Annual Published Accounts.

3 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements as on June 30, 2009.

4 ACQUISITION AND DISPOSAL OF FIXED ASSETS

There has been no significant change in the contingencies and commitments since the last audited financial statements as on June 30, 2009

Particulars	Acquisitions
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Owned Fixed Assets

Office Equipments	41,100
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There was no disposal during the Quarter ended September 30, 2009.

5. COST OF GOODS SOLD

	First Quarter ended September 30, 2009	First Quarter ended September 30, 2008
	-----Rupees-----	
Finished stock - Opening	52,854,388	93,734,765
Purchase of finished goods	19,050	-
Cost of goods manufactured (Note:5.1)	114,431,119	148,908,371
	<u>167,304,557</u>	<u>242,643,136</u>
Finished stock - closing	(46,637,275)	(111,028,937)
	<u>120,667,282</u>	<u>131,614,199</u>

5.1 Cost of goods manufactured

Raw material consumed (Note: 5.1.1)	65,800,980	103,024,793
Salaries wages and benefits	16,906,095	15,708,895
Store and spares	4,824,958	3,962,118
Packing material	942,221	1,67,578
Doubling charges and expenses	235,203	-
Power	16,751,098	15,744,370
Rent , Rates and taxes	260,336	306,931
Insurance	880,227	735,000
Repair and maintenance others	223,814	124,355
Depreciation	5,780,703	6,027,198
Other overheads	323,247	296,285
	<u>112,928,882</u>	<u>147,605,523</u>

Work in process

Opening	5,778,337	6,322,548
Closing	(4,276,100)	(5,019,700)
	<u>1,502,237</u>	<u>1,302,848</u>
	<u>114,431,119</u>	<u>148,908,371</u>



5.1.1 Raw material consumed

Opening stock	51,258,994	84,893,149
Purchase and related expenses - net of sale of raw material	100,396,726	81,771,340
Closing stock	151,655,726 (85,854,746)	166,664,489 (63,639,696)
	<u>65,800,980</u>	<u>103,024,793</u>

6 TRANSACTION WITH RELATED PARTIES

Name of related parties	Nature of Transaction	September 30	June
		2009	2009
		-----Rupees-----	
Director of the Company	long term loan obtained	-	-
	Rent (office premises)	129,000	516,000

7. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on October 31, 2009

8. GENERAL

Figures have been rounded off nearest to Rupee wherever necessary.



Karachi: October 31, 2009

NADEEM E.SHAIKH
Chief Executive

NAVEED E.SHAIKH
Director