



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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CONTENTS

Company Information	3
Director's Report	4
Balance Sheet	5
Profit and Loss Account	6
Cash Flow Statements	7
Statement of Changes in Equity	9
Notes to the Financial Statements	10



COMPANY INFORMATION

Board of Directors	: Mr. Nadeem Ellahi Shaikh Mr. Naveed Ellahi Shaikh Mst. Marium Humayun Mr. Muhammad Suleman Mr. Raja GhanzafarAli 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. Muhammad Zamir	
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	
Shares Registrar	: C.& K. Management Associates (Pvt) Ltd. 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi-75530. Phone: 35687839, 35685930	
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 pleasure to present un-audited accounts for Quarter ended on September 30, 2011.

During the period the company booked Sales of Rs. 27.341 Million, Gross Loss Rs. (36.426) Million, Operating (Loss) Rs. (41.238) Million, Loss before Taxation Rs. (41.432) Million, Loss per Share Rs. (0.19).

Crash in textile commodities has severely hampered recovery efforts of the company. Stock losses have eaten scared liquidity of the company consequently serious working capital issues are encountered. Banks are not willing to extend working capital limits till entire restructuring is completed. Liquidity crunch has forced the operations of the company to reduced to mere 20% of the capacity. Flood in Sindh has destroyed 70% of cotton crop and spinning mills are starved of raw material. Management is striving hard to overcome the situation.

By Order of the Board

Nadeem Ellahi Shaikh
Chief Executive

Karachi: October 31, 2011



BALANCE SHEET
AS AT SEPTEMBER 30, 2011

	<u>(UN-AUDITED)</u> Sept 30, 2011	<u>(AUDITED)</u> June 30, 2011
----- Rupees -----		
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized 50,000,000 ordinary shares of Rs. 5/= each	250,000,000	250,000,000
Issued, Subscribed & Paid up	222,133,470	222,133,470
Accumulated losses	(581,830,640)	(541,386,536)
	(359,697,170)	(319,253,066)
SURPLUS ON REVALUATION OF PROPERTY PLANT AND EQUIPMENT	556,812,765	558,074,653
NON - CURRENT LIABILITIES		
Loans Term Loans	413,384,738	414,729,208
Liabilities Against Assets Subject to Finance Lease	5,703,553	6,133,391
DEFERRED LIABILITIES	7,583,398	8,916,042
CURRENT LIABILITIES		
Trade and other payables	133,680,951	103,956,670
Short Term Bank Borrowing	44,717,712	37,039,832
Current portion of non current Liabilities	147,077,588	145,471,280
Mark up payable	42,907,340	42,907,339
Taxation	9,676,003	9,411,774
	378,059,594	338,786,896
CONTINGENCIES & COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	1,001,846,878	1,007,387,123
ASSETS		
NON - CURRENT ASSETS		
Property, plant and equipment	790,819,084	796,239,119
LONG TERM DEPOSITS	8,372,069	6,372,069
CURRENT ASSETS		
Stores and spares	5,945,045	6,215,164
Stock in trade	55,153,571	77,060,639
Trade debts	85,191,201	69,006,671
Advances	23,162,763	20,687,883
Trade Deposits and prepayments	6,975,035	7,029,159
Other receivables	9,270,542	9,259,158
Tax Refundable	13,603,024	15,179,540
Cash and bank balances	3,354,544	337,721
	202,655,725	204,775,935
TOTAL ASSETS	1,001,846,878	1,007,387,123

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

Karachi : October 31, 2011


NADEEM E. SHAIKH
CHIEF EXECUTIVE


NAVEED E. SHAIKH
DIRECTOR



**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	Sept 30, 2011	June 30, 2011
	----- Rupees -----	
Sales - net	27,341,109	258,699,312
Cost of goods sold	<u>63,767,176</u>	<u>(247,423,478)</u>
Gross Profit / (Loss)	(36,426,067)	11,275,834
Other income	461	247,731
Operating expenses		
Selling	61,105	111,793
Administrative	4,751,416	3,986,439
	4,812,521	4,098,232
Profit / (loss) from operations	(41,238,127)	7,425,333
Finance costs and others	194,454	(3,012,884)
Profit / (loss) before taxation	(41,432,581)	4,412,449
Taxation-Current		
Current	(273,411)	(2,587,720)
Deferred	-	-
	(273,411)	(2,587,720)
Net profit / (loss) for the period	<u>(41,705,992)</u>	<u>1,824,729</u>
Earning per share	(0.19)	0.01

Karachi : October 31, 2011


NADEEM E. SHAIKH
 CHIEF EXECUTIVE


NAVEED E. SHAIKH
 DIRECTOR



**STATEMENT OF CHANGES IN FINANCIAL POSITION
(CASH FLOW STATEMENT)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	Sept 30, 2011	June 30, 2011
	----- Rupees -----	
Cash flow from operating activities		
Profit / (Loss) before taxation	(41,432,581)	(1,637,329)
Adjustments for:		
Depreciation	5,420,035	23,110,716
Provision for gratuity	511,334	2,285,571
Financial charges	194,454	(131,185,922)
	<u>6,125,823</u>	<u>(105,789,635)</u>
	(35,306,758)	(107,426,964)
(Increase)/decrease in current assets		
Stores and spares	270,119	(1,462,852)
Stock in trade	21,907,068	57,257,099
Trade debts	(16,184,530)	42,470,429
Loan and advances	(2,474,880)	(9,347,669)
Deposits and prepayments	54,124	24,538,201
Other receivables	(11,384)	(847,624)
Sales Tax Refundable	1,644,442	210,265
	<u>5,204,959</u>	<u>112,817,849</u>
(Decrease)/increase in current liabilities		
Trade and other payables	29,724,281	2,882,620
	<u>(377,518)</u>	<u>8,273,505</u>
Cash generated from operations		
Financial charges paid	(194,453)	(11,783,963)
Gratuity paid	(1,843,978)	(681,305)
Tax refund / (paid)	(77,109)	(10,376,581)
	<u>(2,115,540)</u>	<u>(22,841,849)</u>
Net cash flows / (used in) operating activities	(2,493,058)	(14,568,344)



	Sept 30, 2011	June 30, 2011
----- Rupees -----		
Cash flow from investing activities		
Fixed capital expenditure	(2,000,000)	(2,236,800)
Long term deposits		8,532,383
Net cash used in investing activities	(2,000,000)	6,295,583
Cash flow from financing activities		
Long term loans obtained	-	(5,941,950)
Repayment / Transferred of long term loans	(168,000)	(1,633,889)
Short term Finance	7,677,880	33,565,800
Net cash from financing activities	7,509,880	25,989,961
Net decrease in cash and cash equivalent	(6,239,162)	17,717,200
Cash and cash equivalent at the beginning of the period	(36,702,111)	(202,059,777)
Cash and cash equivalent at the end of the period	(41,363,168)	(184,342,577)
Cash and cash equivalents		
Cash and Bank Balances	3,354,544	337,721
Running Finance	(44,717,712)	(37,039,832)
Less: Transfer to long-term Loan		(147,640,466)
	(41,363,168)	(184,342,577)

Karachi : October 31, 2011

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NADEEM E. SHAIKH
 CHIEF EXECUTIVE

N. Shaikh
NAVEED E. SHAIKH
 DIRECTOR



**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	Share Capital	Unappropriated Profit /(Loss)	Total
	----- Rupees -----		
Balance at June 30, 2010	<u>222,133,470</u>	<u>(535,608,131)</u>	<u>(313,474,661)</u>
Profit for the Year	-	(10,945,955)	(10,945,955)
Transfer from surplus on revaluation of fixed assets - incremental depreciation net of deferred tax	-	5,167,550	5,167,550
Balance at June 30, 2011	<u>222,133,470</u>	<u>(541,386,536)</u>	<u>(319,253,066)</u>
Profit / (Loss) for the quarter ended September 30, 2011		(41,705,992)	(41,705,992)
Transfer from surplus on revaluation of fixed assets - incremental depreciation net of deferred tax	-	1,261,888	1,261,888
Balance at September 30, 2011	<u>222,133,470</u>	<u>(581,830,640)</u>	<u>(359,697,170)</u>

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

Karachi : October 31, 2011


NADEEM E. SHAIKH
CHIEF EXECUTIVE


NAVEED E. SHAIKH
DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2011

1 LEGAL STATUS AND NATURE OF BUSINESS

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. It's 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 company are located at Korangi Industrial Area, Karachi in the Province of Sindh.

- 1.2 The company has accumulated losses of Rs. 581.83 Million as at September 30, 2011. The company's current liabilities exceeds its current assets by Rs.175.40 Million. However, the 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 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 period ended 30th September, 2011 financial statements are the same as those of the published annual financial statements for the year ended June 30, 2011.

4 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the contingencies and commitments since the last audited financial statements as on June 30, 2011

QUARTERLY ACCOUNTS 2011



	Quarter Ended September 30, 2011	Quarter Ended September 30, 2010
5. COST OF GOODS SOLD		
Finished Stock- Opening	12,112,193	74,014,735
Purchase of finished goods	-	600
Cost of goods manufactured (Notes 5.1)	65,258,533	237,622,205
	<u>77,370,726</u>	<u>311,637,540</u>
Finished Stock - Closing	(13,603,550)	(64,214,062)
	<u>63,767,176</u>	<u>247,423,478</u>
5.1 Cost of goods manufactured		
Raw material consumed (Note 5.1.1)	35,307,605	186,139,068
Salaries, wages and benefits	6,415,085	19,078,514
Doubling charges	-	165,832
Stores and spares consumed	794,841	6,422,704
Packing material	295,530	1,580,332
Power charges	5,947,052	18,251,179
Rent, rates and taxes	153,586	287,350
Insurance	474,594	495,042
Repairs and maintenance	105,240	114,572
Depreciation	5,227,089	5,578,599
Other overheads	204,385	432,577
	<u>52,376,353</u>	<u>238,545,769</u>
Work in process		
Opening	12,882,180	10,341,494
Closing	(2,548,654)	(11,265,058)
	<u>10,333,526</u>	<u>(923,564)</u>
	<u>65,258,533</u>	<u>237,622,205</u>
5.1.1 Raw material consumed		
Opening stock	52,066,266	48,654,174
Purchases and related expenses - net of sale of raw material	22,242,706	180,580,044
	<u>74,308,972</u>	<u>229,234,218</u>
Closing stock	(39,001,367)	(43,095,150)
	<u>35,307,605</u>	<u>186,139,068</u>



		September 30, 2011	June 30, 2011
6. TRANSACTION WITH RELATED PARTIES			
Name of related parties	Nature of Transaction		
Director of the Company	Rent (Office Premises)	129,000	516,000

7. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 31st October 2011 by the Board of Directors of the Company.

8. GENERAL

Figures have been rounded off to the nearest rupees.

Karachi : October 31, 2011


NADEEM E. SHAIKH
 CHIEF EXECUTIVE


NAVEED E. SHAIKH
 DIRECTOR