

ASIM TEXTILE MILLS LTD

NOTES TO THE ACCOUNTS

1- These accounts are un-audited and are being presented to members, as required U/S 245 of the Companies Ordinance, 1984

2- Accounting policies adopted for the preparation of 1st quarter accounts are the same as those applied in the preparation of the preceding annual published accounts of the company.

3- Contingencies & Commitments

Contingencies

As disclosed in last annual published accounts, the company is not repaying the long term loan as it has filed a suit in the Lahore High Court, Lahore against Faysal Bank Limited for compensation of loss suffered on acquisition of unremunerative agricultural land and disposal of the same, for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic banking in contravention of the objective clause of its articles and memorandum of association. The amount claimed for the first two counts is Rs.141.831 million (including claims of central excise duty) and for the last count has been left for the court to determine.

As per company lawyer's opinion the case is based on strong legal grounds and is likely to be decided in the company's favour, if so decided the amount of long term loan would decrease by the amount decided by the court. Faysal Bank Limited has also filed a counter suit against the company.

Commitments

NIL

4- Figures

- Comparative figures have been re-arranged wherever necessary for the purpose of comparison
- Comparative figures relating to balance sheet are of last annual audited accounts
- Figures have been rounded off to the nearest thousand rupees.