

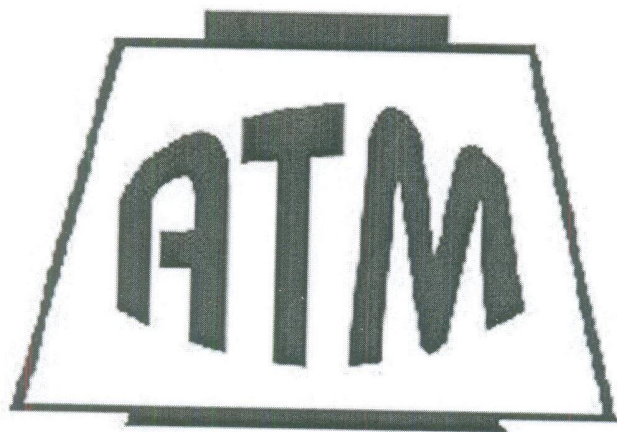
*1st QUARTER  
PERIOD ENDED*

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*SEPTEMBER 30,  
2017*

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*UN-AUDITED*



*Asim Textile Mills Ltd.*

# ASIM TEXTILE MILLS LIMITED

## COMPANY INFORMATION

### BOARD OF DIRECTORS:

CHAIRPERSON

CHIEF EXECUTIVE:

DIRECTORS:

MRS. RUKHSANA BEGUM

MR. ZAHID ANWAR

MR. IMRAN ZAHID

MR. ZEESHAN ZAHID

CH. GHULAM MURTAZA BUTTAR

MR. ZULQARNAIN

MR. ALI RAZA ZAFAR

### AUDIT COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

CH. GHULAM MURTAZA BUTTAR

MR. ZEESHAN ZAHID

MR. ZULQARNAIN

### HUMAN RESOURCES & REMUNERATION COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ZULQARNAIN

MR. ALI RAZA ZAFAR

CH. GHULAM MURTAZA BUTTAR

### COMPANY SECRETARY:

MR. ALLAH DITTAH

### CHIEF FINANCIAL OFFICER:

MR. ABRAR MOHSIN

### HEAD OF INTERNAL AUDIT:

MR. NASEEM ABBAS

### AUDITORS:

M/S ARSHAD RAHEEM & CO.  
CHARTERED ACCOUNTANTS

### BANKS:

AL BARAKA BANK (PAKISTAN) LIMITED  
JS BANK LIMITED  
NATIONAL BANK OF PAKISTAN  
UNITED BANK LIMITED  
DUBAI ISLAMIC BANK  
HABIB BANK LIMITED

### LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

### REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,  
MADINA TOWN, FAISALABAD

### SHARE REGISTRAR OFFICE:

HAMEED MAJEED ASSOCIATES (PVT) LTD.  
1<sup>ST</sup> FLOOR, H.M HOUSE, 7-BANK SQUARE,  
LAHORE.

### MILLS:

32-KM, SHEIKHUPURA RAOD, FAISALABAD

### WEB SITE:

[www.asimtextile.com](http://www.asimtextile.com)



# **ASIM TEXTILE MILLS LIMITED**

## **DIRECTORS' REPORT TO THE MEMBERS**

Your directors are pleased to present 1<sup>st</sup> quarter accounts for the period ended September 30, 2017.

The Company has earned net Profit of Rs 7.949 million as compared to net Profit of Rs 8.129 million of corresponding quarter of last year. The increase in prices of raw material has resulted decrease profit during the current period as compared to the corresponding quarter of last year.

Profit per share for this quarter is Rs. 0.52 as compared to profit per share of Rs. 0.54 during corresponding quarter of last year.

There has been no change in the position of on going court cases with the bank, as reported in the director's report of the financial statements for the year ended 30.06.2017.

Transactions with related parties are carried out at arms length. The prices are determined in accordance with comparable uncontrolled price method.

The management would like to place on record its appreciation for the continuous support of its shareholders, customers and employees and expect to receive same cooperation in future.

**October 27, 2017**  
**Faisalabad.**

For and on behalf of the Board

  
**ZAHID ANWAR**  
**Chief Executive Officer**

عاصم ٹیکسٹائل ملز لمیٹڈ کے حصہ داران کے لیے ڈائریکٹرز رپورٹ

پہلی سہ ماہی ستمبر 2017 کی رپورٹ حاضر خدمت ہے  
آپ کی کمپنی نے اس سہ ماہی میں مبلغ 0.795 کروڑ روپے کا خالص منافع کمایا جبکہ پچھلے سال اسی عرصہ کے دوران کمپنی کو مبلغ 0.813 کروڑ روپے کا خالص منافع کمایا تھا۔  
خالص منافع میں کمی کی وجہ خام مال کی قیمتوں میں اضافہ ہے۔

اس سہ ماہی میں فی شیئر آمدنی مبلغ 0.52/- روپے ہے۔ جبکہ پچھلے سال کی سہ ماہی میں فی شیئر آمدنی مبلغ 0.54/- روپے تھا۔

بینک کے ساتھ عدالتی مقدمات اسی پوزیشن میں ہیں 30 جون 2017 سے اب تک ان میں کوئی تبدیلی نہیں آئی۔

ٹیکسٹائل مارکیٹ کے حالات انڈیا اور چائنہ کے ساتھ مطابقت نہ ہونے کی وجہ سے دباؤ کا شکار ہے ان حالات کے باوجود آپ کی کمپنی نے بہتر نتائج دیئے۔ جو کہ اس بات کی بھی نشان دہی ہے کمپنی کو اپنا کاروبار جاری رکھنے کے لئے کوئی مشکل درپیش نہیں ہے۔

ریلیٹیڈ پارٹیز کے ساتھ لین دین آرم لینڈ ٹرانزیکشن کے تحت کی گئی ہیں

ہم اپنے معزز خریداروں، حصہ داروں کے تعاون اور سٹاف ممبران کی انتھک محنت کی قدر کرتے ہیں۔ اور اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہمیشہ اپنی رحمت کا سایہ ہم پر رکھے۔ اور آئیوالا وقت اچھا ہو۔ آمین

بورڈ آف ڈائریکٹران کی طرف سے



زاید انوار

چیف ایگزیکٹو آفیسر

تاریخ: 27 اکتوبر 2017

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2017**

AS AT SEPTEMBER 30, 2017

		Un-audited	Audited
		September 30, 2017	June 30, 2017
	Note	{ R U P E E S }	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	503,979,154	510,216,896
Long term deposits		14,332,156	11,418,156
		<u>518,311,310</u>	<u>521,635,052</u>
<b>CURRENT ASSETS</b>			
Stores and spares		13,885,626	15,110,740
Stock in trade		68,668,958	138,461,667
Trade debts		39,576,386	35,175,503
Advances and prepayments	6	47,942,611	5,395,605
Short term investment		20,886,564	23,057,146
Balance with statutory authorities		36,116,356	34,637,498
Cash and bank balances		135,579,541	102,152,147
		<u>362,656,042</u>	<u>353,990,306</u>
		<u>880,967,352</u>	<u>875,625,358</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital		175,000,000	175,000,000
17,500,000 ordinary shares of Rs.10 each			
Issued, subscribed and paid up capital			
15,177,000 ordinary shares of Rs. 10 each,		151,770,000	151,770,000
fully paid in cash		(253,393,005)	(261,343,466)
Accumulated loss		<u>(101,623,005)</u>	<u>(109,573,466)</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
	7	206,626,908	208,793,666
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities	8	110,858,570	112,585,816
<b>CURRENT LIABILITIES</b>			
Trade and other payables		53,352,750	52,067,213
Accrued mark up		194,161,422	194,161,422
Short term borrowing		417,590,707	417,590,707
		<u>665,104,879</u>	<u>663,819,342</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>880,967,352</u>	<u>875,625,358</u>

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

		Quarter Ended	
		September 30,	September 30,
		2017	2016
Note		{ R U P E E S }	
Sales-net	10	375,393,200	292,351,720
Cost of sales		360,289,049	277,596,215
Gross profit		15,104,151	14,755,505
<b>Operating expenses</b>			
Administrative expenses		5,836,127	5,245,827
Other operating expenses		807,995	-
Finance cost		8,497	9,502
		6,652,619	5,255,329
		8,451,532	9,500,176
Other operating income		1,524,876	1,397,407
<b>Profit/(Loss) before taxation</b>		9,976,408	10,897,583
Taxation			
Current		3,754,799	2,937,491
Deferred		(1,727,246)	(169,334)
		2,027,553	2,768,157
<b>Profit/(Loss) after taxation</b>		7,948,855	8,129,426
<b>Earning/(Loss) per share - Basic</b>		0.52	0.54

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	<u>Quarter Ended</u>	
	<u>September 30,</u> <u>2017</u>	<u>September 30,</u> <u>2016</u>
	<u>{ R U P E E S }</u>	
<b>Profit / (loss) for the year</b>	<b>7,948,855</b>	<b>8,129,426</b>
<b>Other comprehensive income:</b>		
Items that will not be reclassified subsequently to profit or loss		
Unrealized income on changes in fair value of investment	<b>(2,165,152)</b>	<b>449,399</b>
<b>Total comprehensive income / (loss) for the year</b>	<b><u>5,783,703</u></b>	<b><u>8,578,825</u></b>

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.

  
**CHIEF EXECUTIVE**

  
**CHIEF FINANCIAL OFFICER**

  
**DIRECTOR**

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	Quarter Ended	
	September 30, 2017 { R U P	September 30, 2016 E E S }
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	9,976,408	10,897,583
Adjustments for non cash and other items		
Depreciation	6,237,742	6,596,868
Profit on deposit accounts	(1,524,876)	(1,287,141)
Finance cost	8,497	9,502
<b>Operating cash flows before working capital changes</b>	<b>14,697,771</b>	<b>16,216,812</b>
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	1,225,114	1,371,674
Stock in trade	69,792,709	12,021,526
Trade debts	(4,400,883)	2,069,999
Advances, prepayments	(42,547,006)	30,025,508
Balance with statutory authorities	(841,141)	(7,326,979)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	1,285,537	24,499,369
	<b>24,514,330</b>	<b>62,661,097</b>
<b>Cash generated from/(used in) operations</b>	<b>39,212,101</b>	<b>78,877,909</b>
Taxes paid	(4,387,086)	(3,002,543)
Finance cost paid	(8,497)	(9,502)
	<b>(4,395,583)</b>	<b>(3,012,045)</b>
<b>Net cash generated from/(used in) operating activities</b>	<b>34,816,518</b>	<b>75,865,864</b>
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long term deposits	(2,914,000)	-
Profit on deposit accounts	1,524,876	1,280,111
<b>Net cash generated from operating activities</b>	<b>(1,389,124)</b>	<b>1,280,111</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>33,427,394</b>	<b>76,774,003</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>102,152,147</b>	<b>62,587,922</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>135,579,541</b>	<b>139,361,925</b>

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR



**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	Share capital	Accumulated loss	Total
	{ R	U P E E	S }
Balance as at July 01, 2016	151,770,000	(301,893,810)	(150,123,810)
Total comprehensive income	-	8,578,825	8,578,825
Profit/Loss for the year	-	8,129,426	8,129,426
Other comprehensive income	-	449,399	449,399
Incremental depreciation on revalued property, plant and equipment for the period	-	3,308,905	3,308,905
Tax effect on incremental depreciation	-	(1,018,499)	(1,018,499)
Balance as at September 30, 2016	151,770,000	(291,024,579)	(139,254,579)
Balance as at July 01, 2017	151,770,000	(261,343,466)	(109,573,466)
Total comprehensive income	-	5,783,703	5,783,703
Profit for the year	-	7,948,855	7,948,855
Other comprehensive income	-	(2,165,152)	(2,165,152)
Incremental depreciation on revalued property, plant and equipment for the period	-	3,130,230	3,130,230
Tax effect on incremental depreciation	-	(963,472)	(963,472)
Balance as at September 30, 2017	151,770,000	(253,393,005)	(101,623,005)

The annexed notes 1 to 14 form an integral part of the condensed interim financial information.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

**ASIM TEXTILE MILLS LIMITED**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

**1. COMPANY AND ITS OPERATIONS**

- 1.1 The Company is limited by shares and incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are quoted at Karachi, Islamabad and Lahore stock exchanges, with effect from January 11, 2016 all three Stock Exchanges merged into Pakistan Stock Exchange. The principal business of the Company is manufacturing and sale of yarn. The Mill is situated at Tehsil Jaranwala, District Faisalabad in the Province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad.

**2. STATEMENT OF COMPLIANCE**

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting' as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of company as at and for the year ended June 30, 2017.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the selected notes for the first quarter ended September 30, 2017.

**3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2017.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

**4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2017.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2017.

**5. PROPERTY, PLANT AND EQUIPMENT**

**Operating fixed assets-tangible**

Opening balance - (NBV)  
Addition at cost during the period / year  
Revaluation surplus during the period  
  
Depreciation charged for the period / year

Un-Audited September 30, 2017	Audited June 30, 2017
{ R U P E E S }	
510,216,896	533,398,154
-	3,384,061
-	-
<b>510,216,896</b>	<b>536,782,215</b>
<b>(6,237,742)</b>	<b>(26,565,319)</b>
<b>503,979,154</b>	<b>510,216,896</b>
<b>47,942,611</b>	<b>5,395,605</b>

**6. ADVANCES PREPAYMENTS AND OTHER RECEIVABLES**

## 7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	Un-Audited September 30, 2017 { R U P E E S }	Audited June 30, 2017
Balance as on July 01,	208,793,666	218,081,253
Surplus on revaluation created during the period	-	-
	<u>208,793,666</u>	<u>218,081,253</u>
Incremental depreciation on revalued property, plant and equipment for the year	(3,130,230)	(13,235,619)
Related effect of deferred tax liability	963,472	3,948,032
	<u>(2,166,758)</u>	<u>(9,287,587)</u>
Balance as on Sep. 30,	<u>206,626,908</u>	<u>208,793,666</u>

First revaluation of company's building on freehold land and plant & machinery was carried out as on September 30, 1995 by an independent valuer M/s Iqbal A. Nanjee & Co. Lahore on the basis of depreciated replacement values.

Second revaluation of company's freehold land, building on freehold land and plant and machinery has been carried out on September 30, 2000 by an independent valuer Inspectorates Corporation International (Pvt) Limited, Lahore and the same has been verified by SBP's approved auditors on the basis of depreciated replacement values.

Third revaluation of company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2012 by an independent valuer M/s Nizamy Associates, Faisalabad on the basis of depreciated replacement values.

Fourth revaluation of freehold land, building on freehold land, plant and machinery and electric installations has been carried out on September 30, 2015 by an independent valuer M/s Amir Evaluators & Consultants, Peshawar on the basis of depreciated replacement values.

## 8. DEFERRED LIABILITIES

Deferred taxation	8.1	109,892,977	111,620,223
Staff retirement gratuity	8.2	965,593	965,593
		<u>110,858,570</u>	<u>112,585,816</u>

### 8.1 DEFERRED TAXATION

8.1.1	Balance as on July 01,	111,620,223	113,155,008
	Provided/(Adjusted) during the period/year	(1,727,246)	(1,534,785)
	Balance as on September 30,	<u>109,892,977</u>	<u>111,620,223</u>
8.1.2	This comprise of following:		
	Deferred tax liability:		
	Taxable temporary differences relating to operating assets	29,598,062	30,373,552
	Taxable temporary differences relating to surplus on revaluation of property, plant and equipment	80,582,533	81,546,005
	Deferred tax assets:		
	Deductible temporary differences on tax losses	-	-
	Staff retirement benefits	(287,618)	(299,334)
		<u>109,892,977</u>	<u>111,620,223</u>

8.1.3 The liability of deferred tax has been computed by applying the tax rate of 30%

8.1.4 Deferred tax debit balance is recognized on tax losses and staff retirement benefits.

### 8.2 STAFF RETIREMENT GRATUITY

Balance as on July 01,	965,593	979,546
Paid during the period/year	-	(13,953)
Balance as on September 30,	<u>965,593</u>	<u>965,593</u>



## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

- 9.1.1 The company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FIBL (Faysal Islamic Bank Limited), 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 memorandum of Association, Articles of Association and against circulars issued by the State Bank of Pakistan. The amount claimed for the first two counts is Rs. 141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the court to determine.

The counter suite filed by the Faysal Bank for recovery of Rs. 454.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the company. The company has filed an appeal in Honourable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard. Due to litigations, the Bank is not responding and confirming the balance to the company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

## 10. COST OF SALES

		Quarter Ended	
		September 30, 2017	September 30, 2016
	10.1	228,270,559	194,652,919
Raw material consumed		6,509,105	4,778,654
Stores and spares consumed		5,247,989	4,912,406
Packing material consumed		32,656,381	32,437,978
Salaries, wages and benefits	10.2	36,941,555	38,074,331
Fuel and power	10.3	510,310	567,069
Repairs and maintenance		593,793	578,869
Insurance		5,812,081	6,068,490
Depreciation		268,084	407,128
Others		316,809,857	282,477,844
Work in process		5,302,204	5,150,008
Opening balance		(5,197,548)	(5,997,345)
Closing balance		104,656	(847,337)
Cost of goods manufactured		316,914,513	281,630,507
Finished goods		55,726,310	5,288,158
Opening balance		(12,351,774)	(9,322,450)
Closing balance		43,374,536	(4,034,292)
		360,289,049	277,596,215
10.1 RAW MATERIAL CONSUMED			
Opening balance		77,433,153	69,782,107
Purchases		201,957,042	177,749,764
		279,390,195	247,531,871
Closing balance		(51,119,636)	(52,878,952)
		228,270,559	194,652,919

10.2 This includes a sum of Rs. 831,021/- (Sep.-2016-Rs.930,665/-) in respect of defined contribution plan.

10.3 This include a sum of Rs Nil (Sep.-2016-37,818,181) in respect of electricity purchase from Zeeshan Energy Ltd.

# 11. RELATED PARTY TRANSACTIONS

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and other key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to condensed interim financial information. Transactions with related parties undertaken during the period were as follows:-

	Quarter Ended	
	September 30, 2017 { R U P E E S }	September 30, 2016
Post employment benefit	966,566	1,067,155
Repayment to directors	144,065	289,407
Paid to Zeeshan Energy Ltd	-	8,825,000

## 12. TAXATION

12.1 The provision for taxation made in this condensed interim financial information is subject to adjustment in annual financial statements.

## 13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on October 27, 2017 by the Board of Directors of the Company.

## 14. GENERAL

14.1 Previous year/period figures have been rearranged and reclassified wherever necessary for the purpose of comparison. For better presentation no major reclassification is made in the corresponding figures.

14.2 Comparative figures of profit and loss account, statement of comprehensive income and statement of changes in equity has been restated.

14.3 Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR