

**2<sup>nd</sup> Quarter &  
Half Year Accounts  
Period Ended**

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**December 31<sup>st</sup>  
2018**

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**(REVIEWED)**



*Asim Textile Mills Ltd.*

## COMPANY INFORMATION

### BOARD OF DIRECTORS:

CHIEF EXECUTIVE:

DIRECTORS:

MR. ZAHID ANWAR  
MRS. RUKHSANA BEGUM  
MR. IMRAN ZAHID  
MR. ZEESHAN ZAHID  
CH. GHULAM MURTAZA BUTTAR  
MR. ZULQARNAIN  
MR. ALI RAZA ZAFAR

### AUDIT COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ZULQARNAIN  
MR. ZEESHAN ZAHID  
CH. GHULAM MURTAZA BUTTAR

### HUMAN RESOURCES & REMUNERATION COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ALI RAZA ZAFAR  
MR. ZEESHAN ZAHID  
CH. GHULAM MURTAZA BUTTAR

### COMPANY SECRETARY:

MR. ALLAH DITTAH

### CHIEF FINANCIAL OFFICER:

MR. ABRAR MOHSIN

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

### MILLS:

32-KM, SHEIKHUPURA ROAD, 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 2<sup>nd</sup> quarter and half yearly accounts for the period ended December 31, 2018.

The Company has earned net profit of Rs.21.374 million as compared to net profit of Rs. 21.891 million of corresponding period of last year. The increase in price of yarn has resulted in profit during the current period as compared to the corresponding period of last year.

Earning per share (EPS) for the 2<sup>nd</sup> quarter is Rs. 0.17 and Rs. 1.41 for half year as compared to (EPS) of Rs. 0.93 for 2<sup>nd</sup> quarter and Rs. 1.44 for half year in the corresponding period 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 30.06.2018.

The auditors have expressed reservation about the Company's ability to continue as a going concern due to accumulated loss of Rs. 189.240 million against the paid up share capital of Rs.151.770 million and the provision for cost of fund has not been accounted for in the Financial Statements in line with the decision of Lahore High Court, Lahore in counter suit filed by Faisal bank Limited as described in the auditors' report to the members.

In this regard the management of the company is optimistic that there are no significant doubts about the company's ability to continue as a going concern as described in Note. 1.2 Of these Financial Statements.

The management has filed an appeal in the Lahore High Court, Lahore (D.B) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard. The management of the company is of the opinion that this case is based and being contested on strong legal grounds and is likely to be decided in Company's favour. Therefore, no provision for cost of funds is accrued.

Although the overall industry's environment was adversely suffered due to our domestic market has been captured by India and China by supplying comparatively low rate yarn as compared to our own manufactured yarn of spinning units. Despite of these unfavorable factors and circumstances the management tried their level best to run the business, justifies the going concern assumption.

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.

February 27, 2019.

Faisalabad.

For and on behalf of the Board  
  
ZAHID ANWAR  
Chief Executive Officer



## ASIM TEXTILE MILLS LIMITED

### CHAIRMAN'S REVIEW

We are pleased to present the financial results of the Company. The Sale has increased in this half year as compared to the corresponding period of the last year. Due to increase of cost of sales profit has decreased by Rs. 0.516 million as compared to corresponding half year of last year.

We are confident that our existing business trend will continue adding to sustainable growth to achieve better results during the current year.

The management remains committed to maintain focus on sustaining the financial performance of your company. We thank our shareholders, customers and staff for their support and trust in the company.

In the end, I would like to thank the Board of Directors for their valuable contribution and guidance throughout the period.

For and on behalf of the Board



**CH. GHULAM MURTAZA BUTTAR**

Chairman BOD

February 27, 2019

Faisalabad.



# ARSHAD RAHEEM & Co

Chartered Accountants

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YOUSAF ISLAM HOUSE  
39-Link Farid Kot Road,  
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## Auditor's Report to the Members on Review of Interim Financial Information

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Asim Textile Mills Limited** ("the Company") as at **December 31, 2018**, the related condensed interim profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flow, condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit or loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2018.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

Based on information provided to us by the management short term borrowing includes Morabaha finance obtained from the Faysal Bank Limited amounting to RS. 415.05 million on 31<sup>st</sup> October 1999 in respect of which the Company had filed a suit against the bank for charging illegal profits against the principles of Islamic Banking and in contravention of the objective clause of its Memorandum of Association, Articles of Association and against circulars issued by the State Bank of Pakistan. Faysal Bank Limited filed a counter suit which has been adjudicated on 04.06.2015 against the Company as a result of which the Company has to settle the loan along with profit and cost of funds. Profit on these loans amounting to Rs.194.16 million has already been provided for; however, as the litigation is decided against the Company, further provision for cost of funds has not been accounted for, having been undeterminable at this stage, by the management as the Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A No. 1372/2015 based on infield favorable judgments of Honorable Lahore High Court, Lahore.

**ARSHAD RAHEEM & Co**  
Chartered Accountants

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**Qualified Conclusion**

Based on our review, with the exception of matters described in preceding paragraph, nothing has to come in our attention that causes us to believe that accompanying interim financial information as of and for the half year ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

**Emphasis of Matter- Material Uncertainty Relating to Going Concern**

As referred to in Note 1.2 to the interim financial information, the Company has accumulated losses of Rs. 189.239 million against the paid-up capital of Rs. 151.770 million as at December 31, 2018 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 226.190 million. This situation would have further worsened had the Company accounted for the cost of funds as decided by the Honorable High Court as stated in basis for qualified conclusion paragraph below. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to discharge its liabilities and realize its assets in the normal course of business, for which no adjustments have been incorporated in this financial information. Our conclusion is not modified in this respect.

  
**ARSHAD RAHEEM & CO**  
Chartered Accountants  
Engagement partner: Arshad Raheem

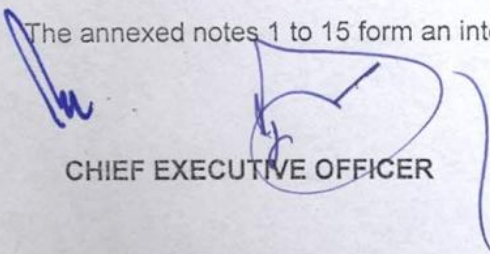
LAHORE: 27 FEB 2019



**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT DECEMBER 31, 2018**

	Note	(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	478,207,246	489,408,281
Long term deposits		15,038,156	15,038,156
		<u>493,245,402</u>	<u>504,446,437</u>
<b>CURRENT ASSETS</b>			
Stores and spares		11,477,176	11,646,158
Stock in trade		309,787,632	170,833,538
Trade debts		48,950,705	45,030,153
Advances and prepayments		18,490,113	6,052,467
Short-term investment	6	18,896,639	19,929,127
Balance with statutory authorities		30,914,440	32,033,872
Cash and bank balances		54,348,096	120,898,354
		<u>492,864,801</u>	<u>406,423,670</u>
		<u>986,110,203</u>	<u>910,870,107</u>
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
17,500,000 ordinary shares of Rs.10 each		<u>175,000,000</u>	<u>175,000,000</u>
<b>Issued, subscribed and paid up capital</b>			
15,177,000 ordinary shares of Rs. 10 each, fully paid in cash		151,770,000	151,770,000
Accumulated loss		(189,239,854)	(213,784,444)
Surplus on revaluation of property plant and equipment	7	195,645,523	199,848,464
		<u>158,175,669</u>	<u>137,834,020</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities	8	108,879,097	110,561,743
<b>CURRENT LIABILITIES</b>			
Trade and other payables		107,303,308	50,722,215
Accrued mark-up		194,161,422	194,161,422
Short-term borrowings	9	417,590,707	417,590,707
		719,055,437	662,474,344
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10	-	-
		<u>986,110,203</u>	<u>910,870,107</u>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

 CHIEF FINANCIAL OFFICER

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Note	Half year Ended		Quarter Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
----- Rupees -----					
Sales - net	11	841,558,689	723,311,621	480,722,872	348,036,981
Cost of sales	12	794,276,480	682,832,697	470,283,395	322,571,121
Gross profit		47,282,209	40,478,924	10,439,477	25,465,860
<b>Operating expenses</b>					
Administrative expenses		17,099,400	12,302,314	7,913,028	6,453,686
Other operating expenses		2,490,723	2,251,871	352,103	1,443,876
		19,590,123	14,554,185	8,265,131	7,897,562
		27,692,086	25,924,739	2,174,346	17,568,298
Other Operating Income		3,844,437	2,631,112	1,617,267	1,106,236
		31,536,523	28,555,851	3,791,613	18,674,534
Finance Cost		21,342	25,153	9,455	15,956
Profit before taxation		31,515,181	28,530,698	3,782,158	18,658,578
Taxation		10,141,044	6,640,073	1,151,076	4,612,520
Profit for the period		21,374,137	21,890,625	2,631,082	14,046,058
Profit per share - Basic and diluted		1.41	1.44	0.17	0.93

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

CHIEF EXECUTIVE OFFICER


DIRECTOR

CHIEF FINANCIAL OFFICER

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	----- Rupees -----			
Profit for the period	21,374,137	21,890,625	2,631,082	14,046,058
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) / income on changes in fair value of investment	(1,032,488)	(3,344,384)	(1,087,319)	(1,179,232)
<b>Total comprehensive income/(loss) for the period</b>	<b>20,341,649</b>	<b>18,546,241</b>	<b>1,543,763</b>	<b>12,866,826</b>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

	Half year Ended	
	December 31, 2018	December 31, 2017
	----- Rupees -----	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	31,515,181	28,530,698
Adjustments for non cash and other items		
Depreciation	12,317,587	12,475,485
Profit on deposit accounts	(2,892,885)	(2,631,112)
Profit on disposal	(951,552)	-
Finance cost	21,342	25,153
<b>Cash generated before changes in working capital</b>	<u>40,009,673</u>	<u>38,400,224</u>
<b>Changes in working capital</b>		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	168,982	2,023,037
Stock in trade	(138,954,094)	(102,341,333)
Trade debts	(3,920,552)	2,814,808
Advances, prepayments	(12,476,266)	657,762
Tax refunds due from Government	(944,406)	(1,090,992)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	56,581,093	29,454,205
	<u>(99,545,243)</u>	<u>(68,482,513)</u>
<b>Cash generated from operations</b>	<u>(59,535,570)</u>	<u>(30,082,289)</u>
Finance cost paid	(21,342)	(25,153)
Taxes Paid	(9,626,592)	(6,575,782)
Staff retirement gratuity paid	(133,260)	(6,570)
	<u>(9,781,194)</u>	<u>(6,607,505)</u>
<b>Net cash generated from operating activities</b>	<u>(69,316,764)</u>	<u>(36,689,794)</u>
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition in property, plant and equipment	(1,165,000)	-
Long term deposits	-	(2,914,000)
Insurance Claim	1,000,000	-
Profit on deposit accounts	2,931,506	2,554,790
<b>Net cash used in operating activities</b>	<u>2,766,506</u>	<u>(359,210)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(66,550,258)</u>	<u>(37,049,004)</u>
<b>Cash and cash equivalents at the beginning of the period</b>	120,898,354	102,152,147
<b>Cash and cash equivalents at the end of the period</b>	<u>54,348,096</u>	<u>65,103,143</u>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018.**

capital	Revaluation surplus on plant and Equipment	Accumulated loss	Total	
{ R U P E E S }				
Balance as at July 01, 2017 re-stated	151,770,000	-	(261,343,466)	(109,573,466)
Total comprehensive income / loss	-	-	18,546,241	18,546,241
Profit for the period	-	-	21,890,625	21,890,625
Other comprehensive income	-	-	(3,344,384)	(3,344,384)
Transfer of Incremental depreciation on revalued property, plant and equipment for the period	-	-	6,260,462	6,260,462
Tax effect on incremental depreciation	-	-	(1,865,903)	(1,865,903)
<b>Balance as at December 31, 2017</b>	<b>151,770,000</b>	<b>-</b>	<b>(238,402,666)</b>	<b>(86,632,666)</b>
Balance as at July 01, 2018	151,770,000	199,848,464	(213,784,444)	137,834,020
Profit for the period	-	-	21,374,137	21,374,137
Surplus on revaluation adjusted	-	-	-	-
Other comprehensive income	-	-	(1,032,488)	(1,032,488)
Transfer of incremental depreciation on revalued assets for the period	-	-	5,919,636	-
	-	(5,919,636)	5,919,636	-
Tax effect on incremental depreciation	-	1,716,695	(1,716,695)	-
<b>Balance as at December 31, 2018</b>	<b>151,770,000</b>	<b>195,645,523</b>	<b>(189,239,854)</b>	<b>158,175,669</b>

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**

**ASIM TEXTILE MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

**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 registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad.

**1.2 Going concern assumption**

The Company has earned Rs. 21.374 million during the period and has accumulated loss stands at Rs. 189.240 million against the paid up capital of Rs. 151.770 million as at December 31, 2018 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 226.191 million respectively. These factors along with matters described in condensed interim financial statements may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business, for which no adjustments have been incorporated in these financial statements.

However, any adjustment relating to the recoverability of recorded assets and liabilities have not been incorporated in these financial statements as the management is also making efforts for improvement in the production, quality and marketing of its products. The management believes that it has sufficient assets and resources to meet its current liabilities including the expectation of continued financial support of its directors through interest free loan, therefore, the management believes that the going concern assumption is valid and these financial statements have been prepared on going concern basis without considering any adjustment relating to the recoverability of recorded assets and settlement of liabilities.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information is un-audited and has been prepared in condensed form in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS -34 "Interim Financial Reporting" as applicable in Pakistan. This interim financial information do not include all the information and disclosures as required in the annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2018.

This condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim statement of profit or loss, 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 half year ended December 31, 2018 which have been subjected to a review but not audited. This condensed interim financial statements also include condensed profit and loss statement for the quarter ended December 31, 2018.



**3. SIGNIFICANT ACCOUNTING POLICIES**

3.1 The accounting policies and methods of computations which have been used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements for the year ended June 30, 2018.

3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were either 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, 2018.

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, 2018.



5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / REVALUATION				DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2018	Additions/ transfers during the period	Deletion transfer during the period	As at December 31, 2018	As at July 01, 2018	Deletion during the year	For the Period	As at December 31, 2018	As at December 31, 2018	
Land - freehold	53,508,000	-	-	53,508,000	-	-	-	-	53,508,000	-
Building on freehold land	151,418,124	-	-	151,418,124	50,840,910	-	2,514,430	53,355,340	98,062,784	5%
Plant and machinery	618,104,530	-	-	618,104,530	311,902,864	-	7,695,042	319,597,906	298,546,624	5%
Electric installation	31,754,357	-	-	31,754,357	16,204,534	-	777,491	16,982,025	14,772,332	10%
Factory equipment	355,750	-	-	355,750	332,460	-	1,165	333,625	22,125	10%
Furniture and fixture	659,633	-	-	659,633	475,286	-	9,217	484,503	175,130	10%
Office equipment	2,618,122	-	-	2,618,122	1,843,641	-	38,724	1,882,365	735,757	10%
Vehicles	29,975,912	1,165,000	1,101,580	30,039,332	17,386,452	1,053,132	1,321,518	17,654,838	12,384,494	20%
<b>Rupees: December 2018</b>	<b>888,394,428</b>	<b>1,165,000</b>	<b>1,101,580</b>	<b>888,457,848</b>	<b>398,986,147</b>	<b>1,053,132</b>	<b>12,317,587</b>	<b>410,250,602</b>	<b>478,207,246</b>	
									<b>48,448</b>	

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2017	Additions/ transfers during the Year	Deletion transfer during the year	As at June 30, 2018	As at July 01, 2017	Deletion during the year	For the Year	As at June 30, 2018	As at June 30, 2018	
Land - freehold	53,508,000	-	-	53,508,000	-	-	-	-	53,508,000	-
Building on freehold land	151,418,124	-	-	151,418,124	45,547,372	-	5,293,538	50,840,910	100,577,214	5%
Plant and machinery	627,674,853	(9,570,323)	-	618,104,530	303,186,071	(7,507,646)	16,224,439	311,902,864	306,201,666	5%
Electric installation	31,754,357	-	-	31,754,357	14,476,776	-	1,727,758	16,204,534	15,549,823	10%
Factory equipment	355,750	-	-	355,750	329,872	-	2,588	332,460	23,290	10%
Furniture, fixture and	659,633	-	-	659,633	454,803	-	20,483	475,286	184,347	10%
Office equipment	2,618,122	-	-	2,618,122	1,757,588	-	86,053	1,843,641	774,481	10%
Vehicles	23,561,120	6,414,792	-	29,975,912	15,580,581	-	1,805,871	17,386,452	12,589,460	20%
<b>Rupees: June 2018</b>	<b>891,549,959</b>	<b>(3,155,531)</b>	<b>-</b>	<b>888,394,428</b>	<b>381,333,063</b>	<b>(7,507,646)</b>	<b>25,160,730</b>	<b>398,986,147</b>	<b>489,408,281</b>	

5.1 Depreciation charged for the period/year has been allocated as under:

Cost of sales  
Administrative expenses

	Un-Audited December 31, 2017	Audited June 30, 2018
	10,948,128	23,248,323
	1,369,459	1,912,407
	12,317,587	25,160,730



**Asim Textile Mills Limited**

		(Un-Audited)	(Audited)
		December 31, 2018	June 30, 2018
		Rupees	Rupees
<b>6. SHORT-TERM INVESTMENT</b>			
Available for sale			
NAFA Government Securities Liquid Fund	6.1	11,775,297	12,059,710
JS Investments (JS Islamic Fund)	6.2	7,121,342	7,869,417
		18,896,639	19,929,127

6.1 These have been valued by using published net asset value (NAV) as at 31st December, the number of units held by the Company are 113,208.1192 units (2018:- 113,208.1192 units).

6.2 These have been valued by using published net asset value (NAV) as at 31st December, the number of units held by the Company are 75,032.5785 units.(2018:- 75,032.5785 units)

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

Balance as on July 01, 2017		199,848,464	208,793,666
Surplus on revaluation created during the period/year		-	(159,653)
		199,848,464	208,634,013
: Incremental depreciation on revalued property, plant and equipment for the period/year		(5,919,636)	(12,520,923)
Related effect of deferred tax liability		1,716,695	3,735,374
		(4,202,941)	(8,785,549)
		195,645,523	199,848,464

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 company's 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	108,415,532	109,964,918
Staff retirement gratuity	8.2	463,565	596,825
		108,879,097	110,561,743

		(Un-Audited)	(Audited)
	Note	December 31, 2018	June 30, 2018
		Rupees	Rupees
<b>8.1 DEFERRED TAXATION</b>			
Balance as on July 01		109,964,918	111,620,223
Adjusted during the period / year		(1,549,386)	(1,655,305)
Balance as on December 31,		<u>108,415,532</u>	<u>109,964,918</u>
This comprise of following:			
Deferred tax liability:			
- Taxable temporary differences relating to operating assets		32,509,745	32,381,417
- Taxable temporary differences relating to surplus on revaluation of property, plant and equipment		76,044,857	77,761,552
Deferred tax assets:			
- Deductible temporary differences on tax losses		-	-
- Deductible temporary differences on staff retirement benefits		(139,070)	(178,051)
		<u>108,415,532</u>	<u>109,964,918</u>
<b>8.2 STAFF RETIREMENT GRATUITY</b>			
Balance as on July 01		596,825	965,593
Paid during the period /year		(133,260)	(368,768)
Balance as on December 31,		<u>463,565</u>	<u>596,825</u>
<b>9. SHORT-TERM BORROWINGS</b>			
<b>Loan from banking company</b>			
<b>Secured</b>			
Morabaha I	9.1	340,901,898	340,901,898
Morabaha II- Secured	9.2	74,145,100	74,145,100
<b>Unsecured</b>			
Interest free bank overdraft	9.5	2,543,709	2,543,709
		<u>417,590,707</u>	<u>417,590,707</u>


9.1 It represents morabaha finance created by Faysal Bank Limited by converting various morabaha finances into long term morabaha-I at an interest rate of 13% per annum.

- 9.2** It represents an interest free morabaha finance by Faysal Bank Limited by converting various unpaid markups into non profit morabaha-II.
- 9.3** The above mentioned morabaha finances are secured against the first charge of Rs.505 million on fixed assets and personal guarantees of Directors and Chief Executive of the Company.
- 9.4** The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favour for a sum of Rs. 454.502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 10.
- 9.5** The Company has ceased the repayment of the overdraft, as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The facts of the litigation are explained in note 10.
- 9.6** Further to note 9.1 to 9.5 since these facilities are in default / subjudice, the recognition and measurement of these financial liabilities under IAS 39 "Financial Instruments" are required to be carried at amortized cost. These are carried at costs as their amortized costs are impracticable to determine. Hence, these are reclassified from long term financing to short term borrowings for all the relevant periods, whether present or future and have accordingly been regrouped / reclassified.

## **10. CONTINGENCIES AND COMMITMENTS**

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.



(Un-Audited)

Note	Half Year Ended		Quarter Ended	
	December 31	December 31	December 31	December 31
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
<b>11. SALES - net</b>				
Local:				
Yarn sales	829,696,367	715,709,769	472,831,419	344,577,877
Waste sales	12,147,782	7,895,042	8,173,913	3,547,024
Local sales	841,844,149	723,604,811	481,005,332	348,124,901
Gross sales	841,844,149	723,604,811	481,005,332	348,124,901
Less: Commission	(285,460)	(293,190)	(282,460)	(87,920)
	841,558,689	723,311,621	480,722,872	348,036,981
<b>12. COST OF SALES</b>				
Raw material consumed	604,537,292	457,325,378	321,976,134	229,054,819
Stores and spares consumed	15,178,542	13,508,049	9,351,466	6,998,944
Packing material consumed	11,189,329	10,492,375	5,680,311	5,244,386
Salaries, wages and benefits	68,442,239	63,302,024	33,580,080	30,830,070
Fuel and power	81,865,368	78,278,628	39,573,827	41,324,274
Repairs and maintenance	3,690,476	1,424,867	1,767,943	773,757
Insurance	1,349,118	1,334,593	669,309	740,800
Depreciation	10,948,128	11,624,162	5,474,064	5,812,080
General expenses	643,763	479,008	264,036	207,570
	797,844,255	637,769,084	418,337,170	320,986,700
Inventory effect of work in process				
Opening balance	6,106,933	5,302,204	7,262,163	5,197,548
Closing balance	(7,546,410)	(5,424,413)	(7,546,410)	(5,424,413)
	(1,439,477)	(122,209)	(284,247)	(226,865)
Cost of goods manufactured	796,404,778	637,646,875	418,052,923	320,759,835
Inventory effect of finished goods				
Opening balance	51,361,896	55,726,310	105,720,666	12,351,774
Closing balance	(53,490,194)	(10,540,488)	(53,490,194)	(10,540,488)
	(2,128,298)	45,185,822	52,230,472	1,811,286
Cost of goods sold	794,276,480	682,832,697	470,283,395	322,571,121

**13. TRANSACTIONS WITH RELATED PARTIES**

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:-

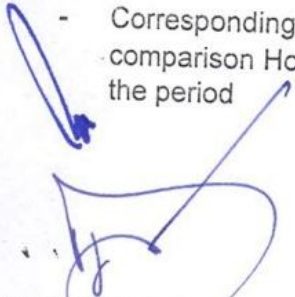
	(Un-Audited)	
	Half Year Ended	
	December,31 2018	December,31 2017
	-----Rupees-----	
Post employment benefit	2,005,059	1,961,659
Net payments / (received) - Directors	(1,421,462)	35,213

**14. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial information were authorized for issue on February 27, 2019 by the Board of Directors of the Company.

**15. GENERAL**

- Figure have been rounded off to the nearest thousand rupees unless otherwise stated.
- Corresponding figures have been rearranged , wherever necessary , for the purpose of comparison However, no significant reclassification / rearrangements were made during the period

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR








  
CHIEF FINANCIAL OFFICER










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