

1st QUARTERLY REPORT

**September 30
2011**

UN-AUDITED



Asim Textile Mills Ltd.

COMPANY INFORMATION**CHIEF EXECUTIVE****MR. ZAHID ANWAR****DIRECTORS:****MRS. RUKHSANA BEGUM
CH. GHULAM MURTAZA BUTTAR
MR. UMER FAROOQ
MR. AFTAB YOUNAS
MR. ALI RAZA ZAFAR
MR. WASEEM ABBAS****AUDIT COMMITTEE:****CHAIRMAN****MR. ZAHID ANWAR****MEMBER****MR. AFTAB YOUNAS****MEMBER****MR. WASEEM ABBAS****COMPANY SECRETARY****MR. KHALID JABBAR****CHIEF FINANCIAL OFFICER****MR. ALLAH DATTAH****AUDITORS****HYDER BHIMJI & COMPANY
CHARTERED ACCOUNTANTS****BANKS:****UNITED BANK LIMITED
AL BARAKA ISLAMIC BANK B.S.C. (E.C.)
NATIONAL BANK OF PAKISTAN
KASB BANK LIMITED
SILK BANK LIMITED****LEGAL ADVISOR****MR. ZIA -UL-HAQ (ADVOCATE)****REGISTERED OFFICE****JK HOUSE, 32-W, SUSAN ROAD,
MADINA TOWN, FAISALABAD****SHARE REGISTRAR OFFICE****NATIONAL BIZ MANAGEMENT (PVT) LTD.
PLOT NO. 2-C, MEZZANINE FLOOR, BADAR
COMMERCIAL AREA, STREET NO. 9,
PHASE-V(Ext.), D. H. A., KARACHI****MILLS****32-KM, SHEIKHUPURA RAOD, FAISALABAD****WEB SITE****www.asimtextile.com**

DIRECTORS' REPORT TO THE MEMBERS

Your directors are pleased to present unaudited accounts for the first quarter ended September 30, 2011.

The company has incurred net loss of Rs.(11.604) million as compared to net profit of Rs. 14.200 million for the corresponding quarter of last year. The reason of loss during the period under review is due to decrease of yarn prices and increasing cost of salaries & wages, electricity and packing material.

Loss per share for this quarter is Rs. (0.76) as compared to EPS of Rs. 0.94 for the corresponding quarter of last year.

There has been no change in the status of on going court cases with the bank, as reported in the directors' report of the financial statements for the year ended June 30, 2011.

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.

for and on behalf of the Board

**Faisalabad.
27.10.2011**

**Zahid Anwar
Chief Executive**

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2011

	UN-AUDITED SEPTEMBER 30, 2011 (Rupees in thousand)	AUDITED JUNE 30, 2011
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	374,238	379,114
Security deposits	7,470	7,470
	<u>381,708</u>	<u>386,584</u>
CURRENT ASSETS		
Stores and spares	4,813	4,181
Stock in trade	45,656	52,096
Trade debts	-	7,865
Prepayment	75	135
Advances	11,984	10,218
Other receivables	6,642	4,786
Short term investment	30,870	30,009
Cash and bank balances	59,384	56,112
	<u>159,424</u>	<u>165,402</u>
TOTAL ASSETS	<u>541,132</u>	<u>551,986</u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
17,500,000 (June 30, 2011: 17,500,000) ordinary shares of Rs. 10 each	<u>175,000</u>	<u>175,000</u>
Issued, subscribed and paid up capital		
15,177,000 (June 30, 2011: 15,177,000) ordinary shares fully paid in cash	151,770	151,770
Accumulated loss	<u>(476,520)</u>	<u>(466,533)</u>
	<u>(324,750)</u>	<u>(314,763)</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	133,485	135,102
NON CURRENT LIABILITIES		
Long term finances	415,047	415,047
Deferred liabilities	71,535	72,426
	<u>486,582</u>	<u>487,473</u>
CURRENT LIABILITIES		
Trade and other payables	46,925	47,469
Interest accrued on long term financing	194,161	194,161
Short term borrowing	2,544	2,544
Provision for taxation	2,185	-
	<u>245,815</u>	<u>244,174</u>
CONTINGENCIES AND COMMITMENTS	-	-
TOTAL EQUITY AND LIABILITIES	<u>541,132</u>	<u>551,986</u>

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

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

	September 30, 2011	September 30, 2010
	(Rupees in thousand)	
Sales - net	218,538	251,050
Cost of sales	<u>(228,128)</u>	<u>(232,621)</u>
Gross (loss)/profit	(9,590)	18,429
Operating expenses		
Distribution costs	-	(233)
Administrative expenses	(2,965)	(2,930)
Finance costs	(10)	(27)
	<u>(2,975)</u>	<u>(3,190)</u>
	(12,565)	15,239
Other operating income	<u>2,275</u>	<u>502</u>
(Loss)/profit before taxation	(10,290)	15,741
Taxation	<u>(1,314)</u>	<u>(1,541)</u>
Net (loss)/profit for the quarter	<u>(11,604)</u>	<u>14,200</u>
 (Loss)/earnings per share - basic and diluted (Rupees per share)	 <u>(0.76)</u>	 <u>0.94</u>

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CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011(UN-AUDITED)

	September 30, 2011	September 30, 2010
	(Rupees in thousands)	
(Loss)/profit for the period	(11,604)	14,200
Other comprehensive income for the period	-	-
Total comprehensive (loss)/income for the quarter	<u>(11,604)</u>	<u>14,200</u>

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011(UN-AUDITED)

	SEPTEMBER 30, 2011	SEPTEMBER 30, 2010
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(10,290)	15,741
Adjustments for:		
Depreciation	4,874	4,792
Finance cost	10	27
Profit on short term investment	(861)	-
Profit on deposits	(1,414)	(502)
	2,609	4,317
Profit before working capital changes	(7,681)	20,058
(Increase)/decrease in current assets		
Stores and spares	(632)	(124)
Stock in trade	6,440	(34,347)
Trade debts	7,865	(2,770)
Advances	(1,537)	(6,984)
Balance with statutory authorities	(94)	(754)
Increase/(decrease) in current liabilities		
Trade and other payables	(544)	(1,658)
	11,498	(46,637)
Cash generated from/(used in) operations	3,817	(26,579)
Finance cost paid	(10)	(27)
Income tax paid	(1,931)	(2,325)
Gratuity paid	(18)	(162)
	(1,959)	(2,514)
Net cash generated from/(used in) operating activities	1,858	(29,093)
CASH FLOWS FROM INVESTING ACTIVITIES		
Profit on deposits	1,414	502
Net cash generated from investing activities	1,414	502
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase/(decrease) in cash and cash equivalents	3,272	(28,591)
Cash and cash equivalents at the beginning of the quarter	56,112	54,557
Cash and cash equivalents at the end of the quarter	59,384	25,966

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)

	Share Capital	Accumulated Loss	Total
.....(Rupees in thousand).....			
Balance as at June 30, 2010	151,770	(512,371)	(360,601)
Incremental depreciation on revalued property, plant and equipment for the period	-	2,619	2,619
Tax effect on incremental depreciation		(917)	(917)
Total comprehensive income for the period		14,200	14,200
Balance as at September 30, 2010	<u>151,770</u>	<u>(496,469)</u>	<u>(344,699)</u>
Balance as at June 30, 2011	151,770	(466,533)	(314,763)
Incremental depreciation on revalued property, plant and equipment for the period	-	2,488	2,488
Tax effect on incremental depreciation		(871)	(871)
Total comprehensive loss for the period		(11,604)	(11,604)
Balance as at September 30, 2011	<u>151,770</u>	<u>(476,520)</u>	<u>(324,750)</u>

The annexed notes from 1 to 6 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2011(UN-AUDITED)

1. THE COMPANY AND ITS OPERATIONS

The Company is limited by shares and incorporated in Pakistan under the Companies Ordinance, 1984. Its shares are listed at Karachi, Islamabad and Lahore stock exchanges. The principal business of the Company is manufacturing and sale of yarn. The Mill is located at Tahsil Jaranwala, District Faisalabad in the Province of Punjab and the registered office of the Company is located at JK House, 32-W, Susan Road, Madina Town, Faisalabad.

2. BASIS OF PREPARATION

These interim condensed financial statements have been prepared in compliance with the International Accounting Standard 34 "Interim Financial Reporting" and section 245 of Companies Ordinance 1984.

3. ACCOUNTING POLICIES

Accounting policies adopted for the preparation of 1st quarter accounts are the same as these applied in the preparation of the preceding annual published financial statements of the Company.

4. CONTINGENCIES AND COMMITMENTS

The company has instituted a suit in the Honourable Lahore High Court, Lahore against Faysal Bank Limited claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FIBL for not providing timely cash finance facilities despite written commitments and 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. 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's lawyer's opinion the case is based on strong legal grounds and is likely to be decided in Company's favour. If so decided the amount of morabaha finances would decrease by the amount decided by the Court.

The Faysal Bank Limited has filed a counter suit for the recovery of Rs. 454.502 million in the Honourable Lahore High Court along with the late payment charges which is pending adjudication.

5. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 27, 2011 by the board of directors of the company.

6. 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 financial statements.
- Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE

DIRECTOR