

## **ASIM TEXTILE MILLS LTD.**

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

Your directors are pleased to present unaudited accounts for the first quarter ended September 30, 2012.

The company has earned net profit of Rs.35.329 million as compared to net loss of Rs. (12.465) million for the corresponding quarter of last year. The reason of profit during the period under review is due to increase of yarn prices.

EPS for this quarter is Rs. 2.33 as compared to EPS of Rs. (0.82) 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, 2012.

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.  
25.10.2012**

  
**Zahid Anwar  
Chief Executive**

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2012**

	UN-AUDITED SEPTEMBER 30, 2012	AUDITED JUNE 30, 2012
	Rupees	
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	382,595,389	387,152,221
Security deposits	10,139,684	8,353,684
	392,735,073	395,505,905
<b>CURRENT ASSETS</b>		
Stores and spares	7,730,297	9,095,028
Stock in trade	83,510,453	39,932,752
Trade debts	501,190	-
Advances, prepayment and other receivables	22,811,285	14,416,759
Short term investment	18,436,280	17,986,798
Cash and bank balances	121,846,071	120,111,214
	254,835,576	201,542,551
<b>TOTAL ASSETS</b>	<b>647,570,649</b>	<b>597,048,456</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized capital</b>		
17,500,000 (June 30, 2012: 17,500,000) ordinary shares of Rs. 10 each	175,000,000	175,000,000
<b>Issued, subscribed and paid up capital</b>		
15,177,000 (June 30, 2012: 15,177,000) ordinary shares fully paid in cash	151,770,000	151,770,000
Accumulated loss	(391,819,973)	(429,064,292)
	(240,049,973)	(277,294,292)
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>	147,475,396	148,941,435
<b>NON CURRENT LIABILITIES</b>		
Long term finances	415,046,998	415,046,998
Deferred liabilities	66,996,207	67,802,070
	482,043,205	482,849,068
<b>CURRENT LIABILITIES</b>		
Trade and other payables	60,039,873	45,363,906
Accrued markup	194,161,422	194,161,422
Short term borrowing	2,543,709	2,543,709
Provision for taxation	1,357,017	483,208
	258,102,021	242,552,245
<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>647,570,649</b>	<b>597,048,456</b>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012**  
**(UN-AUDITED)**

	September 30, 2012	September 30, 2011
	Rupees	
Sales - <i>net</i>	271,403,448	218,537,550
Cost of sales	<u>(232,938,041)</u>	<u>(228,127,375)</u>
<b>Gross profit/(loss)</b>	38,465,407	(9,589,825)
<b>Operating expenses</b>		
Administrative expenses	<u>(4,038,785)</u>	<u>(2,964,781)</u>
Finance costs	<u>(7,458)</u>	<u>(10,402)</u>
	<u>(4,046,243)</u>	<u>(2,975,183)</u>
	34,419,164	(12,565,008)
Other operating income	<u>1,477,245</u>	<u>1,414,865</u>
<b>Profit/(loss) before taxation</b>	35,896,409	(11,150,143)
Taxation	<u>(567,611)</u>	<u>(1,314,667)</u>
<b>Net profit/(loss) for the quarter</b>	<u><u>35,328,798</u></u>	<u><u>(12,464,810)</u></u>
 <b>Earnings per share - basic and diluted (Rupees per share)</b>	 <u><u>2.33</u></u>	 <u><u>(0.82)</u></u>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**ASIM TEXTILE MILL LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012**

	September 30, 2012	September 30, 2011
	<b>Rupees</b>	
Profit/(loss) for the quarter after taxation	35,328,798	(12,464,810)
<b>Other comprehensive income for the quarter</b>		
Unrealized income on changes in fair value of investment	449,482	860,628
Total comprehensive income/(loss) for the quarter	<u>35,778,280</u>	<u>(11,604,182)</u>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012**  
**(UN-AUDITED)**

	SEPTEMBER 30, 2012	SEPTEMBER 30, 2011
	Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	35,896,409	(11,150,143)
<b>Adjustments for:</b>		
Depreciation	4,556,832	4,874,182
Finance cost	7,458	10,402
Profit on deposit accounts	(1,477,245)	(1,414,865)
	3,087,045	3,469,719
<b>Changes in working capital</b>	38,983,454	(7,680,424)
<b>(Increase)/decrease in current assets</b>		
Stores and spares	1,364,731	(632,025)
Stock in trade	(43,577,701)	6,440,060
Trade debts	(501,190)	7,865,125
Advances, prepayment and other receivables	(7,321,641)	(1,631,722)
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	14,675,967	(544,232)
	(35,359,834)	11,497,206
<b>Cash generated from operations</b>	3,623,620	3,816,782
 Finance cost paid	(7,458)	(10,402)
Income tax paid	(1,556,093)	(1,931,257)
Gratuity paid	(16,457)	(18,065)
	(1,580,008)	(1,959,724)
<b>Net cash generated from operating activities</b>	2,043,612	1,857,058
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Security deposit	(1,786,000)	-
Profit on deposit accounts	1,477,245	1,414,865
<b>Net cash (used in)/ generated from investing activities</b>	(308,755)	1,414,865
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
<b>Net increase in cash and cash equivalents</b>	1,734,857	3,271,923
Cash and cash equivalents at the beginning of the quarter	120,111,214	56,111,984
Cash and cash equivalents at the end of the quarter	121,846,071	59,383,907

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

CHIEF EXECUTIVE

DIRECTOR

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012**  
**(UN AUDITED)**

	<u>Share</u> <u>Capital</u>	<u>Accumulated</u> <u>Loss</u>	<u>Total</u>
	.....Rupees.....		
<b>Balance as at June 30, 2011</b>	151,770,000	(466,532,505)	(314,762,505)
Incremental depreciation on revalued property, plant and equipment for the period - net of deferred tax	-	1,617,030	1,617,030
Total comprehensive income for the period		(11,604,182)	(11,604,182)
<b>Balance as at September 30, 2011</b>	<u>151,770,000</u>	<u>(476,519,657)</u>	<u>(324,749,657)</u>
<b>Balance as at June 30, 2012</b>	151,770,000	(429,064,292)	(277,294,292)
Incremental depreciation on revalued property, plant and equipment for the period - net of deferred tax	-	1,466,039	1,466,039
Total comprehensive income for the period		35,778,280	35,778,280
<b>Balance as at September 30, 2012</b>	<u>151,770,000</u>	<u>(391,819,973)</u>	<u>(240,049,973)</u>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**ASIM TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2012**

**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.

**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.

**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.

**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 FBL 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.

**DATE OF AUTHORIZATION**

These financial statements were authorized for issue on October 25, 2012 by the board of directors of the company.

**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 rupee.



**CHIEF EXECUTIVE**



**DIRECTOR**