

ASIM TEXTILE MILLS LTD.

DIRECTORS' REPORT TO THE MEMBERS

Your directors are pleased to present unaudited accounts for the first quarter ended September 30, 2014.

The Company has earned net profit of Rs. 1.406 million as compared to net profit of Rs. 48.663 million for the corresponding quarter of last year. The reason of decline in profit during the period under review is due to decrease of sales demand and increase of cost due to inflation.

EPS for this quarter is Rs. 0.09 as compared to EPS of Rs. 3.21 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, 2014.

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



**Zahid Anwar
Chief Executive**

**Faisalabad.
29.10.2014**

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014

	UN-AUDITED SEPTEMBER 30, 2014	AUDITED JUNE 30, 2014
ASSETS	Rupees	
NON CURRENT ASSETS		
Property, plant and equipment	363,605,062	366,961,037
Advance for capital expenditure	13,795,780	10,191,707
Long term deposits	11,046,184	11,046,184
	388,447,026	388,198,928
CURRENT ASSETS		
Stores and spares	13,350,047	12,238,304
Stock in trade	107,544,510	91,991,046
Trade debts	25,752,793	29,111,463
Advances, prepayment and other receivables	15,256,391	11,730,958
Short term investment	10,315,632	10,097,291
Tax refund due from Government	6,771,197	8,875,646
Cash and bank balances	183,784,064	194,556,030
	362,774,634	358,600,738
TOTAL ASSETS	751,221,660	746,799,666
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
17,500,000 (June 30, 2014: 17,500,000) ordinary shares of Rs. 10 each	175,000,000	175,000,000
Issued, subscribed and paid up capital		
15,177,000 (June 30, 2014: 15,177,000) ordinary shares fully paid in cash	151,770,000	151,770,000
Accumulated loss	(282,823,929)	(285,811,747)
	(131,053,929)	(134,041,747)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	139,067,621	140,430,714
NON CURRENT LIABILITIES		
Long term finances	415,046,998	415,046,998
Deferred liabilities	89,672,110	90,011,806
	504,719,108	505,058,804
CURRENT LIABILITIES		
Trade and other payables	41,783,729	38,646,764
Accrued markup	194,161,422	194,161,422
Short term borrowing	2,543,709	2,543,709
	238,488,860	235,351,895
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	751,221,660	746,799,666

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, 2014 (UN-AUDITED)

	September 30, 2014	September 30, 2013
	Rupees	
Sales - net	287,066,732	383,712,895
Cost of sales	(279,068,442)	(326,910,120)
Gross profit	<u>7,998,290</u>	<u>56,802,775</u>
Operating expenses		
Administrative expenses	(7,542,782)	(4,937,648)
Other operating expenses	(215,898)	(2,726,357)
Finance costs	(11,208)	(18,642)
	<u>(7,769,888)</u>	<u>(7,682,647)</u>
	228,402	49,120,128
Other operating income	<u>3,873,651</u>	<u>2,680,652</u>
Profit before taxation	4,102,053	51,800,780
Taxation	(2,695,669)	(3,137,314)
Net profit for the quarter	<u><u>1,406,384</u></u>	<u><u>48,663,466</u></u>
Earnings per share - basic and diluted (Rupees per share)	<u>0.09</u>	<u>3.21</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
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014 (UN-AUDITED)

	September 30, 2014	September 30, 2013
	Rupees	
Profit for the quarter after taxation	1,406,384	48,663,466
Other comprehensive income for the quarter		
Unrealized income on changes in fair value of investment	218,341	169,056
Total comprehensive income for the quarter	<u>1,624,725</u>	<u>48,832,522</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, 2014 (UN-AUDITED)

	SEPTEMBER 30, 2014	SEPTEMBER 30, 2013
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,102,053	51,800,780
Adjustments for:		
Depreciation	4,791,175	4,588,741
Profit on deposit accounts	(3,873,651)	(2,680,652)
Finance cost	11,208	18,642
Provision of workers' profit participation fund	215,898	2,726,357
Operating cash flows before working capital changes	5,246,683	56,453,868
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	(1,111,743)	219,572
Stock in trade	(15,553,464)	(24,840,375)
Trade debts	3,358,670	2,395,849
Advances, prepayment and other receivables	(3,949,389)	(18,673,918)
Tax refunds due from Government	1,885,262	(83,070)
Increase/(decrease) in current liabilities		
Trade and other payables	2,921,067	7,863,828
	(12,449,597)	(33,118,114)
Cash generated from operations	(7,202,914)	23,335,754
Finance cost paid	(11,208)	(18,642)
Income tax paid	(2,772,258)	(3,863,935)
Gratuity paid	(43,920)	(1,333)
	(2,827,386)	(3,883,910)
Net cash generated from operating activities	(10,030,300)	19,451,844
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(5,039,273)	(9,073,820)
Profit on deposit accounts	4,297,607	2,680,652
Short term investment	(218,341)	(169,056)
Gain on short term investment	218,341	169,056
Net cash used in investing activities	(741,666)	(6,393,168)
Net increase in cash and cash equivalents	(10,771,966)	13,058,676
Cash and cash equivalents at the beginning of the quarter	194,556,030	165,529,175
Cash and cash equivalents at the end of the quarter	183,784,064	178,587,851

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, 2014 (UN-AUDITED)

	Share Capital	Accumulated Loss	Total
Rupees.....		
Balance as at June 30, 2013	151,770,000	(320,958,821)	(169,188,821)
Incremental depreciation on revalued property, plant and equipment for the period	-	2,142,093	2,142,093
Tax effect on incremental depreciation	-	(728,312)	(728,312)
Total comprehensive income for the period	-	48,832,522	48,832,522
Balance as at September 30, 2013	<u>151,770,000</u>	<u>(270,712,518)</u>	<u>(118,942,518)</u>
Balance as at June 30, 2014	151,770,000	(285,811,747)	(134,041,747)
Incremental depreciation on revalued property, plant and equipment for the period	-	2,034,466	2,034,466
Tax effect on incremental depreciation	-	(671,373)	(671,373)
Total comprehensive income for the period	-	1,624,725	1,624,725
Balance as at September 30, 2014	<u>151,770,000</u>	<u>(282,823,929)</u>	<u>(131,053,929)</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, 2014 (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 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.

5. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 29, 2014 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 rupee.

CHIEF EXECUTIVE

DIRECTOR