

ASIM TEXTILE MILLS LIMITED DIRECTORS' REPORT TO THE MEMBERS

Your directors are pleased to present 3rd quarter and nine months accounts for the period ended March 31, 2014.

The Company has earned profit after taxation of Rs. 66.660 million as compared to profit after taxation of Rs. 77.270 million of corresponding period of last year. The downward trend in profitability is attributed to unstable cotton and yarn prices, increase in the manufacturing cost i.e. fuel & power and others as compared to the corresponding last year.

Earning per share (EPS) for the 3rd quarter is Rs. 0.24 and Rs. 4.39 for nine months period as compared to (EPS) of Rs. 2.19 and Rs. 5.09 for nine months period 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 30.06.2013.

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.

for and on behalf of the Board


**ZAHID ANWAR
CHIEF EXECUTIVE**

**FAISALABAD
28 April 2014**

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2014

ASSETS	Note	Un-Audited March 31, 2014 [Rupees]	Audited June 30, 2013 [Rupees]
NON CURRENT ASSETS			
Property, plant and equipment	3	369,421,099	371,419,451
Long term deposits		<u>11,046,184</u>	<u>11,046,184</u>
		380,467,283	382,465,635
CURRENT ASSETS			
Stores and spares		12,797,333	9,626,213
Stock in trade		203,554,824	95,091,358
Trade debts		3,105,248	3,873,914
Advances, prepayments and other receivables		65,662,944	9,018,862
Short term investment		9,888,386	9,338,298
Tax refunds due from Government		11,109,213	11,006,169
Cash and bank balances		<u>69,517,575</u>	<u>165,529,175</u>
		375,635,523	303,483,989
		756,102,806	685,949,624
CAPITAL AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 17,500,000 (June 30, 2013: 17,500,000) ordinary shares of Rs. 10/- each		<u>175,000,000</u>	<u>175,000,000</u>
Issued, subscribed and paid up share capital 15,177,000 (June 30, 2013: 15,177,000) ordinary shares of Rs. 10/- each fully paid in cash		151,770,000	151,770,000
Accumulated loss		<u>(249,507,735)</u>	<u>(320,958,821)</u>
		(97,737,735)	(169,188,821)
SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT		138,745,716	142,987,060
NON CURRENT LIABILITIES			
Long term financing		415,046,998	415,046,998
Deferred liabilities		<u>62,464,437</u>	<u>64,677,880</u>
		477,511,435	479,724,878
CURRENT LIABILITIES			
Trade and other payables		40,878,259	35,721,376
Accrued mark up		194,161,422	194,161,422
Short term borrowing		2,543,709	2,543,709
		<u>237,583,390</u>	<u>232,426,507</u>
CONTINGENCIES AND COMMITMENTS	4	-	-
		<u>756,102,806</u>	<u>685,949,624</u>

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

	NOTE	Nine Months Ended		Quarter Ended	
		March 31,	March 31,	March 31,	March 31,
		2014	2013	2014	2013
		[Rupees]	[Rupees]	[Rupees]	[Rupees]
Sales		1,005,595,352	830,427,031	269,127,976	284,472,682
Cost of sales	5	(918,168,534)	(742,650,090)	(258,900,662)	(247,582,897)
Gross profit		87,426,818	87,776,941	10,227,314	36,889,785
Operating expenses					
Administrative expenses		(16,301,961)	(10,546,005)	(5,794,591)	(3,150,253)
Other expenses		(3,926,598)	(4,164,423)	(297,913)	(1,784,474)
Finance cost		(60,930)	(31,935)	(16,660)	(7,052)
		(20,289,489)	(14,742,363)	(6,109,164)	(4,941,779)
		67,137,329	73,034,578	4,118,150	31,948,006
Other income		7,468,024	6,089,447	1,542,181	1,956,993
Profit before taxation		74,605,353	79,124,025	5,660,331	33,904,999
Taxation:					
Current		(10,130,634)	(4,182,582)	(2,706,702)	(1,432,148)
Deferred		2,184,935	2,368,218	728,312	789,406
Prior year		-	(39,486)	-	-
		(7,945,699)	(1,853,850)	(1,978,390)	(642,742)
Profit after taxation		66,659,654	77,270,175	3,681,941	33,262,257
Earning Per Share-Basic		4.39	5.09	0.24	2.19

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.


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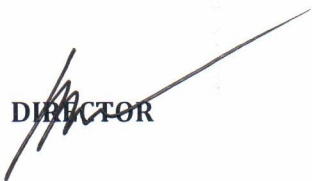

DIRECTOR

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Nine Months Ended		Quarter Ended	
	March 31, 2014 [Rupees]	March 31, 2013 [Rupees]	March 31, 2014 [Rupees]	March 31, 2013 [Rupees]
Profit after taxation	66,659,654	77,270,175	3,681,941	33,262,257
Other comprehensive income for the period	550,088	-	199,815	-
Total comprehensive income for the period	67,209,742	77,270,175	3,881,756	33,262,257

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

	March 31, 2014 [Rupees]	March 31, 2013 [Rupees]
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	74,605,353	79,124,025
Adjustment for non cash charges and other items:		
Depreciation	14,726,472	13,807,304
Other expenses	3,926,598	4,164,423
Finance cost	60,930	31,935
Other income	(7,468,024)	(6,089,447)
	<u>11,245,976</u>	<u>11,914,215</u>
Operating profit before working capital changes	85,851,329	91,038,240
Working capital changes:		
<i>(Increase)/decrease in current assets</i>		
Stores and spares	(3,171,120)	(23,160)
Stock in trade	(108,463,466)	(192,246,517)
Trade debts	768,666	(99,734)
Advances, prepayments and other receivables	(56,644,082)	522,342
Tax refunds due from Government	(74,548)	-
<i>Increase/(decrease) in current liabilities</i>		
Trade and other payables	6,707,353	(1,779,396)
	<u>(160,877,197)</u>	<u>(193,626,465)</u>
Cash used in operations	(75,025,868)	(102,588,225)
Less:		
Taxes paid	(10,159,130)	(5,048,793)
Gratuity paid	(28,508)	(16,457)
Workers' profit participation fund paid	(5,477,068)	(1,273,000)
Finance cost paid	(60,930)	(31,935)
	<u>(15,725,636)</u>	<u>(6,370,185)</u>
Net cash used in operating activities	(90,751,504)	(108,958,410)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(12,728,120)	(2,657,425)
Security deposits	-	(2,692,500)
Other income	7,468,024	6,089,447
Short term investment	(550,088)	8,829,206
Profit on short term investment	550,088	-
Net cash (used in)/generated from investing activities	(5,260,096)	9,568,728
Net decrease in cash and cash equivalents	(96,011,600)	(99,389,682)
Cash and cash equivalents at beginning of the period	165,529,175	120,111,214
Cash and cash equivalents at end of the period	69,517,575	20,721,532

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Share capital	Accumulated Loss	Total
	[Rupees]	[Rupees]	[Rupees]
Balance as at July 01, 2012	151,770,000	(429,064,292)	(277,294,292)
Incremental depreciation on revalued property, plant and equipment for the period	-	6,766,336	6,766,336
Tax effect on incremental depreciation	-	(2,368,218)	(2,368,218)
Total comprehensive income for the period	-	77,270,175	77,270,175
Balance as at March 31, 2013	151,770,000	(347,395,999)	(195,625,999)
Balance as at July 01, 2013	151,770,000	(320,958,821)	(169,188,821)
Incremental depreciation on revalued property, plant and equipment for the period	-	6,426,279	6,426,279
Tax effect on incremental depreciation	-	(2,184,935)	(2,184,935)
Total comprehensive income for the period	-	67,209,742	67,209,742
Balance as at March 31, 2014	151,770,000	(249,507,735)	(97,737,735)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR

ASIM TEXTILE MILLS LIMITED
NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

1 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 Tehsil Jaranwala, District Faisalabad in the Province of Punjab and registered office of the Company is located at JK House, 32-W, Susan Road, Madina Town, Faisalabad.

2 BASIS OF PRESENTATION AND ACCOUNTING POLICIES

- 2.1 These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 (the Ordinance). Approved accounting standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Ordinance. Wherever the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives take precedence. The disclosures made in these financial statements have, however, been limited based on the requirements of the International accounting Standard 34, "Interim Financial Reporting".
- 2.2 These financial statements have been prepared using the same accounting policies as are applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2013.

	Note	March 31, 2014 (Un-audited) [Rupees]	June 30, 2013 (Audited) [Rupees]
3 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible			
Opening balance - (NBV)		371,419,451	385,790,031
Addition at cost during the period / year		12,728,120	4,145,615
		384,147,571	389,935,646
Depreciation charged for the period / year		(14,726,472)	(18,516,195)
Closing balance		369,421,099	371,419,451

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), whereas the amount of last count has been left for the Court to determine. The bank has also filed a suit for the recovery of Rs. 454.502 million in the Honourable Lahore High Court, Lahore along with the cost of funds etc., pending adjudication at the terminal date. The cost of fund in the instant case cannot be determined with reasonable degree of certainty at thi point of time, in view of the dispute in the recovery amount as well as undetermined rate of cost and period of default. Due to litigations, the Bank is not responding and confirming the balance to the company.

The management of the company as well as its legal advisors are of the opinion that these cases are based and being contested on strong legal grounds and are likely to be decided in Company's favour. Accordingly, mark ups on these lendings are not being accrued in these financial statements, particularly in view of the fact that the total liability already booked in this regard is much more than that to be decided by the court.

		Nine Months Ended		Quarter Ended	
		March 31, 2014 [Rupees]	March 31, 2013 [Rupees]	March 31, 2014 [Rupees]	March 31, 2013 [Rupees]
5 COST OF SALES					
Raw material consumed	5.1	683,301,663	594,761,709	222,496,229	215,210,202
Stores and spares consumed		19,521,524	14,719,152	4,311,159	5,989,298
Packing material consumed		15,687,904	12,563,357	5,419,237	4,443,627
Salaries, wages and benefits		66,281,664	60,574,269	24,445,321	19,782,630
Provident fund contribution		2,082,739	1,716,793	729,966	642,811
Fuel and power		124,775,451	82,737,312	44,453,645	34,345,843
Repairs and maintenance		872,045	1,236,580	164,290	721,080
Insurance		2,454,775	1,493,964	1,179,461	622,729
Depreciation		12,470,892	13,085,059	4,156,964	4,378,845
Others		912,443	8,491,769	379,432	8,132,695
		928,361,100	791,379,964	307,735,704	294,269,760
Inventory effect of work in process					
Opening		7,693,160	7,648,957	7,753,175	9,135,293
Closing		(7,521,002)	(7,551,124)	(7,521,002)	(7,551,124)
		172,158	97,833	232,173	1,584,169
Cost of goods manufactured		928,533,258	791,477,797	307,967,877	295,853,929
Inventory effect of finished goods					
Opening		44,875,344	4,042,555	6,172,853	4,599,230
Closing		(55,240,068)	(52,870,262)	(55,240,068)	(52,870,262)
		(10,364,724)	(48,827,707)	(49,067,215)	(48,271,032)
Cost of goods sold		918,168,534	742,650,090	258,900,662	247,582,897
5.1 RAW MATERIAL CONSUMED					
Opening stock		42,522,854	28,241,240	196,215,563	104,788,746
Purchases including direct expenses		781,572,563	738,278,352	167,074,420	282,179,339
		824,095,417	766,519,592	363,289,983	386,968,085
Closing stock		(140,793,754)	(171,757,883)	(140,793,754)	(171,757,883)
		683,301,663	594,761,709	222,496,229	215,210,202

6 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and other related parties through directorship of close family members of the directors of the Company.

Transactions with related parties undertaken during the period were as follows:-

	Nine Months Ended	
	March 31, 2014 [Rupees]	March 31, 2013 [Rupees]
Post employment benefit	2,291,523	1,898,532
Repayment to directors - net	(1,047,998)	(61,695)
Contribution to worker's profit participation fund	3,926,598	4,164,423

7 DATE OF AUTHORIZATION

These financial statements were authorized for issue on April 28, 2014 by the Board of Directors of the Company.

8 GENERAL

- Previous period's figures have been rearranged, wherever necessary, for the purpose of comparison. However, no significant rearrangements have been made.
- Figures have been rounded off to the nearest of rupee unless otherwise stated.



CHIEF EXECUTIVE



DIRECTOR