



## COMPANY INFORMATION

**CHIEF EXECUTIVE**

**MR. ZAHID ANWAR**

**DIRECTORS:**

**MRS. RUKHSANA BEGUM  
CH. GHULAM MURTAZA BUTTAR  
MR. UMER FAROOQ  
MR. AFTAB YOUNUS  
MR. ALI RAZA ZAFAR  
MR. RIAZ AHMED**

**AUDIT COMMITTEE:**

**CHAIRMAN**

**CH. GHULAM MURTAZA BUTTAR**

**MEMBER**

**MR. AFTAB YOUNUS**

**MEMBER**

**MR. RIAZ AHMED**

**HUMAN RESOURCES & REMUNERATION COMMITTEE:**

**CHAIRMAN**

**MR. UMER FAROOQ**

**MEMBER**

**MR. ZAHID ANWAR**

**MEMBER**

**CH. GHULAM MURTAZA BUTTAR**

**COMPANY SECRETARY:**

**MR. KHALID JABBAR**

**CHIEF FINANCIAL OFFICER:**

**MR. ALLAH DATTAH**

**HEAD OF INTERNAL AUDIT:**

**MR. NAVEED AKHTAR**

**AUDITORS:**

**HYDER BHIMJI & COMPANY  
CHARTERED ACCOUNTANTS**

**BANKS:**

**UNITED BANK LIMITED  
AL BARAKA BANK (PAKISTAN) LIMITED  
NATIONAL BANK OF PAKISTAN  
DUBAI ISLAMIC BANK PAKISTAN LIMITED  
JS 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 ROAD, FAISALABAD**

**WEB SITE:**

**[www.asimtextile.com](http://www.asimtextile.com)**

## DIRECTORS' REPORT TO THE MEMBERS

Your directors are pleased to present 3<sup>rd</sup> quarter and nine months accounts for the period ended March 31, 2013.

The Company has earned net profit of Rs. 77.270 million as compared to net profit of Rs. 15.919 million of corresponding period of last year. The increase in prices 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 3<sup>rd</sup> quarter is Rs. 2.19 and Rs. 5.09 for nine months period as compared to (EPS) of Rs. 1.56 and Rs. 1.05 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 directors report of the financial statements for the year ended 30.06.2012.

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

**FAISALABAD**  
**27 April 2013**

**ZAHID ANWAR**  
**CHIEF EXECUTIVE**

**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2013**

ASSETS	Note	Un-Audited March 31, 2013 [ Rupees ]	Audited June 30, 2012 [ Rupees ]
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	3	376,002,342	387,152,221
Long term deposits		<u>11,046,184</u>	<u>8,353,684</u>
		<u>387,048,526</u>	<u>395,505,905</u>
<b>CURRENT ASSETS</b>			
Stores and spares		9,118,188	9,095,028
Stock in trade		232,179,269	39,932,752
Trade debts		99,734	-
Prepayments		1,030,622	107,950
Advances		1,457,354	5,443,544
Other receivables		11,749,958	8,865,265
Short term investment		9,157,592	17,986,798
Cash and bank balances		<u>20,721,532</u>	<u>120,111,214</u>
		<u>285,514,249</u>	<u>201,542,551</u>
		<u>672,562,775</u>	<u>597,048,456</u>
<b>CAPITAL AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital 17,500,000 (June 30, 2012: 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, 2012: 15,177,000) ordinary shares of Rs. 10/- each fully paid in cash		151,770,000	151,770,000
Accumulated loss		<u>(347,395,999)</u>	<u>(429,064,292)</u>
		<u>(195,625,999)</u>	<u>(277,294,292)</u>
SURPLUS ON REVALUATION OF FIXED ASSETS		144,543,317	148,941,435
<b>NON CURRENT LIABILITIES</b>			
Long term finances		415,046,998	415,046,998
Deferred liabilities		65,417,395	67,802,070
		480,464,393	482,849,068
<b>CURRENT LIABILITIES</b>			
Trade and other payables		46,475,933	45,363,906
Interest accrued on long term financing		194,161,422	194,161,422
Short term borrowings		2,543,709	2,543,709
Provision for taxation		-	483,208
		243,181,064	242,552,245
CONTINGENCIES AND COMMITMENTS	4	-	-
		<u>672,562,775</u>	<u>597,048,456</u>

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	NOTE	Nine Months Ended		Quarter Ended	
		March 31,	March 31,	March 31,	March 31,
		2013	2012	2013	2012
		[ Rupees ]	[ Rupees ]	[ Rupees ]	[ Rupees ]
Sales		830,427,031	748,637,405	284,472,682	271,628,145
Cost of sales	5	<b>(742,650,090)</b>	(723,683,144)	<b>(247,582,897)</b>	(243,420,379)
Gross profit		<b>87,776,941</b>	24,954,261	<b>36,889,785</b>	28,207,766
Operating expenses					
Administrative expenses		<b>(10,546,005)</b>	(8,934,338)	<b>(3,150,253)</b>	(3,038,960)
Other expenses		<b>(4,164,423)</b>	(1,546,830)	<b>(1,784,474)</b>	(1,546,830)
Finance cost		<b>(31,935)</b>	(422,015)	<b>(7,052)</b>	(392,104)
		<b>(14,742,363)</b>	(10,903,183)	<b>(4,941,779)</b>	(4,977,894)
		<b>73,034,578</b>	14,051,078	<b>31,948,006</b>	23,229,872
Other operating income		<b>6,089,447</b>	6,807,621	<b>1,956,993</b>	2,240,181
Profit before taxation		<b>79,124,025</b>	20,858,699	<b>33,904,999</b>	25,470,053
Taxation:					
Current		<b>(4,182,582)</b>	(7,554,450)	<b>(1,432,148)</b>	(2,738,357)
Deferred		<b>2,368,218</b>	2,612,125	<b>789,406</b>	870,708
Prior year		<b>(39,486)</b>	3,050	-	-
		<b>(1,853,850)</b>	(4,939,275)	<b>(642,742)</b>	(1,867,649)
Profit after taxation		<b>77,270,175</b>	15,919,424	<b>33,262,257</b>	23,602,404
Earning Per Share-Basic		<b>5.09</b>	1.05	<b>2.19</b>	1.56

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	Nine Months Ended		Quarter Ended	
	March 31, 2013 [ Rupees ]	March 31, 2012 [ Rupees ]	March 31, 2013 [ Rupees ]	March 31, 2012 [ Rupees ]
Profit after taxation	77,270,175	15,919,424	33,262,257	23,602,404
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>77,270,175</b>	<b>15,919,424</b>	<b>33,262,257</b>	<b>23,602,404</b>

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

CHIEF EXECUTIVE

DIRECTOR



**CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	March 31, 2013 [ Rupees ]	March 31, 2012 [ Rupees ]
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	79,124,025	20,858,678
<b>Adjustment for non cash charges and other items:</b>		
Depreciation	13,807,304	14,701,382
Other expenses	4,164,423	1,546,830
Finance cost	31,935	422,015
Other operating income	(6,089,447)	(6,807,621)
	<u>11,914,215</u>	<u>9,862,606</u>
Operating profit before working capital changes	91,038,240	30,721,284
<b>Working capital changes:</b>		
<i>(Increase)/decrease in current assets</i>		
Stores and spares	(23,160)	(2,185,050)
Stock in trade	(192,246,517)	(15,645,240)
Trade debts	(99,734)	7,823,370
Prepayments	(922,672)	(603,209)
Advances	3,986,190	(1,067,280)
Other receivables	(2,541,176)	(2,498,355)
<i>Increase/(decrease) in current liabilities</i>		
Trade and other payables	(1,779,396)	3,775,980
	<u>(193,626,465)</u>	<u>(10,399,784)</u>
<b>Cash (used in)/generated from operations</b>	<b>(102,588,225)</b>	<b>20,321,500</b>
Less:		
Taxes paid	(5,048,793)	(8,028,440)
Gratuity paid	(16,457)	(172,397)
Workers' profit participation fund paid	(1,273,000)	-
Finance cost paid	(31,935)	(422,015)
	<u>(6,370,185)</u>	<u>(8,622,852)</u>
<b>Net cash (used in)/generated from operating activities</b>	<b>(108,958,410)</b>	<b>11,698,648</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(2,657,425)	(6,705,525)
Security deposits	(2,692,500)	(750,138)
Other operating income	6,089,447	6,807,621
Short term investment	8,829,206	(2,462,050)
<b>Net cash generated from/(used in) investing activities</b>	<b>9,568,728</b>	<b>(3,110,092)</b>
<b>Net (decrease/increase in cash and cash equivalents</b>	<b>(99,389,682)</b>	<b>8,588,556</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>120,111,214</b>	<b>56,111,984</b>
<b>Cash and cash equivalents at end of the period</b>	<b>20,721,532</b>	<b>64,700,540</b>

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (Un-Audited)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**

	Share capital	Accumulated Loss	Total
	[ Rupees ]	[ Rupees ]	[ Rupees ]
<b>Balance as at July 01, 2011</b>	151,770,000	(466,533,904)	(314,763,904)
Incremental depreciation on revalued property, plant and equipment for the period	-	7,463,214	7,463,214
Tax effect on incremental depreciation	-	(2,612,125)	(2,612,125)
Total comprehensive income for the period	-	15,919,424	15,919,424
<b>Balance as at March 31, 2012</b>	<b>151,770,000</b>	<b>(445,763,391)</b>	<b>(293,993,391)</b>
<b>Balance as at July 01, 2012</b>	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
<b>Balance as at March 31, 2013</b>	<b>151,770,000</b>	<b>(347,395,999)</b>	<b>(195,625,999)</b>

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

CHIEF EXECUTIVE

DIRECTOR

**NOTES TO AND FORMING PART OF THE  
CONDENSED INTERIM FINANCIAL STATEMENTS (Un-Audited)  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013**

**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, 2012.

**3 PROPERTY, PLANT AND EQUIPMENT**

	March 31, 2013 (Un-audited) [ Rupees ]	June 30, 2012 (Audited) [ Rupees ]
<b>Operating fixed assets - tangible</b>		
Opening balance - (NBV)	385,790,031	399,418,819
Addition at cost during the period / year	4,019,615	6,025,918
	389,809,646	405,444,737
Depreciation charged for the period / year	(13,807,304)	(19,654,706)
Closing balance	376,002,342	385,790,031
Capital work in progress	-	1,362,190
	376,002,342	387,152,221

**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. The bank has also filed a 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 at the terminal date. As per the opinion of the Company's legal advisor the cases are being contested on strong legal grounds and are 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. Accordingly mark up aggregated to Rs. 29.776 million on financial institutions' lending is not being accrued in these financial information. Due to litigations, the Bank is not responding and confirming the balance to the company.

An employee has filed suit against the company in Labour Court for the claim of outstanding dues against his services. The financial impact of the case is immaterial. The legal advisor has confirmed that the Company is at sound footing and prima facie and said case is expected to be decided in the favour of M/S Asim Textile Mills Limited.



	Note	Nine Months Ended		Quarter Ended	
		March 31, 2013 [ Rupees ]	March 31, 2012 [ Rupees ]	March 31, 2013 [ Rupees ]	March 31, 2012 [ Rupees ]
<b>5 COST OF SALES</b>					
Raw material consumed- Cotton	5.1	273,178,103	275,845,999	95,476,646	89,509,386
Raw material consumed- Polyester	5.2	321,583,606	302,822,170	119,733,556	106,904,907
Salaries, wages and benefits		62,291,062	43,327,865	20,425,441	15,543,102
Stores and spares consumed		14,719,152	10,549,865	5,989,298	4,390,180
Packing material consumed		12,563,357	12,364,973	4,443,627	4,398,158
Fuel and power		82,737,312	66,592,200	34,345,843	25,715,257
Repairs and maintenance		1,236,580	435,758	721,080	70,594
Insurance		1,493,964	1,711,705	622,729	632,199
Depreciation		13,085,059	13,870,407	4,378,845	4,671,365
General expenses		8,491,769	300,161	8,132,695	98,452
		<b>791,379,964</b>	<b>727,821,103</b>	<b>294,269,760</b>	<b>251,933,600</b>
Inventory effect of work in process					
Opening		7,648,957	11,375,577	9,135,293	8,293,453
Closing		(7,551,124)	(8,135,782)	(7,551,124)	(8,135,782)
		<b>97,833</b>	<b>3,239,795</b>	<b>1,584,169</b>	<b>157,671</b>
Cost of goods manufactured		<b>791,477,797</b>	<b>731,060,898</b>	<b>295,853,929</b>	<b>252,091,271</b>
Inventory effect of finished goods					
Opening		4,042,555	4,133,358	4,599,230	2,840,220
Closing		(52,870,262)	(11,511,112)	(52,870,262)	(11,511,112)
		<b>(48,827,707)</b>	<b>(7,377,754)</b>	<b>(48,271,032)</b>	<b>(8,670,892)</b>
Cost of goods sold		<b>742,650,090</b>	<b>723,683,144</b>	<b>247,582,897</b>	<b>243,420,379</b>
<b>5.1 RAW MATERIAL CONSUMED- COTTON</b>					
Opening stock		23,208,011	29,451,997	81,916,720	21,773,018
Purchases including direct expenses		414,906,379	290,272,278	178,496,213	111,614,644
		<b>438,114,390</b>	<b>319,724,275</b>	<b>260,412,933</b>	<b>133,387,662</b>
Closing stock		(164,936,287)	(43,878,276)	(164,936,287)	(43,878,276)
		<b>273,178,103</b>	<b>275,845,999</b>	<b>95,476,646</b>	<b>89,509,386</b>
<b>5.2 RAW MATERIAL CONSUMED- POLYESTER</b>					
Opening stock		5,033,229	7,134,547	22,872,026	7,718,243
Purchases including direct expenses		323,371,973	299,903,351	103,683,126	103,402,392
		<b>328,405,202</b>	<b>307,037,898</b>	<b>126,555,152</b>	<b>111,120,635</b>
Closing stock		(6,821,596)	(4,215,728)	(6,821,596)	(4,215,728)
		<b>321,583,606</b>	<b>302,822,170</b>	<b>119,733,556</b>	<b>106,904,907</b>

## 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, 2013 [ Rupees ]	March 31, 2012 [ Rupees ]
	Post employment benefit	1,898,532
Repayment to directors - net	(61,695)	(55,754)
Contribution to worker's profit participation fund	<u>4,164,423</u>	<u>1,546,830</u>

## 7 DATE OF AUTHORIZATION

These financial statements were authorized for issue on April 27, 2013 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