

3RD QUARTER &
NINE MONTHS ACCOUNTS
PERIOD ENDED

MARCH 31,
2019

UN-AUDITED



Asim Textile Mills Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS:

CHIEF EXECUTIVE:

DIRECTORS:

MR. ZAHID ANWAR
MRS. RUKHSANA BEGUM
MR. IMRAN ZAHID
MR. ZEESHAN ZAHID
CH. GHULAM MURTAZA BUTTAR
MR. ZULQARNAIN
MR. ALI RAZA ZAFAR

AUDIT COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ZULQARNAIN
MR. ZEESHAN ZAHID
CH GHULAM MURTAZA BUTTER

HUMAN RESOURCES & REMUNERATION COMMITTEE:

CHAIRMAN:

MEMBER:

MEMBER:

MR. ALI RAZA ZAFAR
MR. ZEESHAN ZAHID
CH. GHULAM MURTAZA BUTTAR

COMPANY SECRETARY:

MR. ALLAH DITTAH

CHIEF FINANCIAL OFFICER:

MR. ABRAR MOHSIN

AUDITORS:

M/S ARSHAD RAHEEM & CO.
CHARTERED ACCOUNTANTS

BANKS:

AL BARAKA BANK (PAKISTAN) LIMITED
JS BANK LIMITED
NATIONAL BANK OF PAKISTAN
UNITED BANK LIMITED
DUBAI ISLAMIC BANK
HABIB BANK LIMITED

LEGAL ADVISOR:

MR. ZIA-UL-HAQ (ADVOCATE)

REGISTERED OFFICE:

JK HOUSE, 32-W, SUSAN ROAD,
MADINA TOWN, FAISALABAD

SHARE REGISTRAR OFFICE:

HAMEED MAJEED ASSOCIATES (PVT) LTD
1ST FLOOR, H.M HOUSE, 7-BANK SQUARE
LAHORE.

MILLS:

32-KM, SHEIKHUPURA ROAD, FAISALABAD

WEB SITE:

www.asimtextile.com

ASIM TEXTILE MILLS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

Your Board of directors is pleased to present 3rd quarter and nine months accounts for the period ended March 31, 2019.

Financial Results

Operating Indicators	Nine Months Ended	Nine Months Ended
	March 31, 2019	March 31, 2018
	Rupees	Rupees
Sales	1,320,045,672	1,066,679,612
Gross Profit	70,935,670	73,635,919
Pretax Profit /(Loss)	48,711,297	53,713,060
Taxation	11,761,025	13,765,895
Profit Per Share	2.43	2.63

During the nine months period ended March 31, 2019 the company has improved its sales as compared to corresponding period of last year despite of persistent economic and political crises and higher prices of production/and other cost.


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 30.06.2018.

Although the overall industry's environment was adversely suffered due to increase in cost of doing business, our domestic market has been captured by India and China by supplying comparatively low rate yarn as compared to our own manufactured yarn of spinning units. Despite of all these unfavorable factors and circumstances the management tried their level best to run the business.

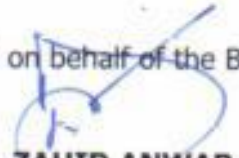
The management positively looks forward to counter all challenges and is firmly committed to deliver the best possible results and will continue to meet our objectives and goals.

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.


April 29, 2019.
Faisalabad

For and on behalf of the Board


ZAHID ANWAR
Chief Executive Officer

عاصم ٹیکسٹائل ملز لمیٹڈ

چیئرمین کا جائزہ

ہم بعد خوشی کہنی کے مالی نتائج پیش کر رہے ہیں، اس سال کی سالانہ پچھلے سال کی سال کے مقابلے میں زیادہ ہے۔ اور اس سال مہینے پیدائشی لاگت بڑھنے کی وجہ سے پچھلے سال کی نسبت کم ہو کر 0.31 کروڑ
ہوا ہے۔

ہم اس بات پر امید ہیں کہ کئی اس سال کی ترقی کی طرف کامزن رہے گی۔ اور اس سال بہتر نتائج حاصل کرنے کیلئے کاروبار کے بہترین طریقے اختیار کریں گے۔

جنوبت اس سلسلے میں پروگرام ہے کہ آپ کی کمپنی کی مالی کارکردگی کو برقرار رکھنے کے معاملے پر خصوصی توجہ مرکوز رکھے۔ ہم اپنے حصص یافتگان، کسٹمرز اور سٹاف کے ہنگامہ گزار ہیں۔ جنگی مدد اور اعتماد کمپنی کو حاصل
ہے۔

آخر میں میں بورڈ آف ڈائریکٹرز کا بھی شکریہ ادا کرنا چاہتا ہوں جن کی طرف سے پورے سال کے دوران قیمتی شراکت اور رہنمائی فراہم کی جاتی رہی۔

29 اپریل 2019
فیصل آباد

بورڈ کی طرف سے
چوہدری غلام مرتضیٰ بٹ
چیئرمین بورڈ آف ڈائریکٹرز

ASIM TEXTILE MILLS LIMITED

CHAIRMAN' S REVIEW


We are pleased to present the financial results of the Company. The Sale has increased in this nine months period as compared to the corresponding period of the last year. Due to increase in production/other cost the profit has decreased by Rs.3.00 million as compared to corresponding nine months period of last year.

We are confident that our existing business trend will continue adding to sustainable growth to achieve better results during the current year.

The management remains committed to maintain focus on sustaining the financial performance of your company. We thank our shareholders, customers and staff for their support and trust in the company.

In the end, I would like to thank the Board of Directors for their valuable contribution and guidance throughout the period.

April 29, 2019.
Faisalabad.

For and on behalf of the Board

CH. GHULAM MURTAZA BUTTAR
Chairman BOD

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2019.

		Un-audited March 31, 2019	Audited June 30, 2018
	Note	(R U P E E S)	
NON CURRENT ASSETS			
Property, plant and equipment	5	472,023,910	489,408,281
Long term deposits		15,038,166	15,038,166
		<u>487,062,066</u>	<u>504,446,437</u>
CURRENT ASSETS			
Stores and spares		9,916,304	11,646,158
Stock in trade		189,807,370	170,833,538
Trade debts		51,602,932	46,030,153
Advances, prepayments		34,677,333	6,052,467
Short term investment		19,001,971	19,929,127
Balance with statutory authorities		28,070,221	32,033,872
Cash and bank balances		117,950,781	120,898,354
		<u>451,116,912</u>	<u>406,423,670</u>
		<u>938,178,978</u>	<u>910,870,107</u>
SHARE CAPITAL AND RESERVES			
Authorized capital			
17,500,000 ordinary shares of Rs.10 each		175,000,000	175,000,000
Issued, subscribed and paid up capital			
15,177,000 ordinary shares of Rs. 10 each, fully paid in cash		151,770,000	151,770,000
Accumulated loss		(171,456,917)	(213,784,444)
Surplus on revaluation of property plant and equipment	6	193,544,053	199,848,464
		<u>173,857,136</u>	<u>137,834,020</u>
NON CURRENT LIABILITIES			
Deferred liabilities		104,170,138	110,561,743
CURRENT LIABILITIES			
Trade and other payables		48,399,576	50,722,215
Accrued mark up		194,161,422	194,161,422
Short term borrowing		417,590,707	417,590,707
		<u>660,151,705</u>	<u>662,474,344</u>
CONTINGENCIES AND COMMITMENTS			
	7	-	-
		<u>938,178,978</u>	<u>910,870,107</u>

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Note	{ R U P E E S }		{ R U P E E S }	
Sales-net	1,320,045,672	1,066,679,612	478,486,983	343,367,991
Cost of sales	8 1,249,110,002	993,043,693	454,871,018	310,250,251
Gross profit	70,935,670	73,635,919	23,615,965	33,117,740
Operating expenses				
Administrative expenses	23,790,417	18,705,468	7,666,007	6,412,300
Other operating expenses	3,843,981	4,193,784	3,843,981	4,193,784
	<u>27,634,398</u>	<u>22,899,252</u>	<u>11,509,988</u>	<u>10,606,084</u>
	43,301,272	50,738,887	12,105,977	22,511,656
Other Operating Income	<u>5,442,707</u>	<u>3,018,210</u>	<u>1,598,270</u>	<u>418,620</u>
	48,743,979	53,754,877	13,704,247	22,930,276
Finance Cost	<u>32,682</u>	<u>41,817</u>	<u>11,340</u>	<u>16,664</u>
Profit before taxation	48,711,297	53,713,060	13,692,907	22,913,612
Taxation	<u>11,761,025</u>	<u>13,765,895</u>	<u>2,213,685</u>	<u>2,315,848</u>
Profit for the period	36,950,272	39,947,165	11,479,222	20,597,764
Earnings per share - basic and dilute	<u>2.43</u>	<u>2.63</u>	<u>0.76</u>	<u>1.36</u>

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended		Quarter Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
----- Rupees -----				
Profit for the period	36,950,272	39,947,165	11,479,222	20,597,764
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) / income on changes in fair value value of investment	(927,156)	(2,411,397)	105,332	932,987
Total comprehensive income for the period	36,023,116	37,535,768	11,584,554	21,530,751

The annexed notes 1 to 12 form an integral part of the condensed interim financial information


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2019

	Nine Months Ended	
	March 31, 2019	March 31, 2018
	----- Rupees -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	48,711,297	53,713,060
Adjustments for non cash and other items		
Depreciation	18,500,923	18,716,765
Profit on deposit accounts	(4,491,155)	(3,018,210)
Loss on disposal of fixed asset	(951,552)	-
Profit on deposit with SNGPL	-	-
Finance cost	32,682	41,817
Cash generated before changes in working capital	61,802,195	69,453,432
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	1,729,854	1,249,034
Stock in trade	(18,973,832)	(41,740,645)
Trade debts	(8,682,779)	(7,046,652)
Advances and, prepayments	(28,663,486)	(45,519,970)
Tax refunds due from Government	(855,781)	(1,187,718)
Increase/(decrease) in current liabilities		
Trade and other payables	(2,322,639)	2,458,132
	(55,748,663)	(91,787,819)
Cash used in operations	6,053,532	(22,334,387)
Finance cost paid	(32,682)	(41,817)
Taxes Paid	(13,168,418)	(8,770,786)
Staff retirement gratuity paid	(164,780)	(350,018)
	(13,365,880)	(9,162,621)
Net cash used in operating activities	(7,312,348)	(31,497,008)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(1,165,000)	(70,800)
Insurance Claim	1,000,000	-
Long term deposits	-	(2,914,000)
Profit on deposit	4,529,775	3,481,654
Net cash generated from operating activities	4,364,775	496,854
Net decrease in cash and cash equivalents (a+b)	(2,947,573)	(31,000,154)
Cash and cash equivalents at the beginning of the period	120,898,354	102,152,147
Cash and cash equivalents at the end of the period	117,950,781	71,151,993

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019

	capital	Revaluation surplus on plant and Equipment	Accumulated loss	Total
	----- Rupees -----			
Balance as at July 01, 2017 re-stated	151,770,000	-	(261,343,466)	(109,573,466)
Total comprehensive income/Loss	-	-	37,535,768	37,535,768
Profit/Loss for the period	-	-	39,947,165	39,947,165
Other comprehensive income	-	-	(2,411,397)	(2,411,397)
Transfer of incremental depreciation on revalued property, plant and equipment for the period	-	-	9,390,691	9,390,691
Tax effect on incremental depreciation	-	-	(2,800,253)	(2,800,253)
Balance as at March 31, 2018	<u>151,770,000</u>	<u>-</u>	<u>(217,217,260)</u>	<u>(65,447,260)</u>
Balance as at July 01, 2018	151,770,000	199,848,464	(213,784,444)	137,834,020
Profit for the period	-	-	36,950,272	36,950,272
Surplus on revaluation adjusted	-	-	-	-
Other comprehensive income	-	-	(927,156)	(927,156)
Transfer of incremental depreciation on revalued assets for the period	-	(8,879,453)	8,879,453	-
Tax effect on incremental depreciation	-	2,575,042	(2,575,042)	-
Balance as at March 31, 2019	<u>151,770,000</u>	<u>193,544,053</u>	<u>(171,456,917)</u>	<u>173,857,136</u>

The annexed notes 1 to 12 form an integral part of the condensed interim financial information.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2019

1. COMPANY AND ITS OPERATIONS

- 1.1 The Company is limited by shares and incorporated in Pakistan under the Companies Act 2017, its shares are quoted at Karachi, Islamabad and Lahore Stock Exchanges, with effect from January 11, 2018 all three Stock Exchanges merged into Pakistan Stock Exchange. The principal business of the Company is manufacturing and sale of yarn. The Mill is situated at Tehsil Jaranwala, District Faisalabad in the Province of Punjab and the registered office of the Company is situated at JK House, 32-W, Susan Road, Madina Town, Faisalabad.

1.2 Going concern assumption

The Company has accumulated loss of Rs. 171,457 million (2018: Rs. 217,217 million) as against issued, subscribed and paid up capital of Rs. 151.77 million, thereby having a negative equity of Rs. 19,687 million (2018: Rs.85,447 million), and its current assets has decreased from its current liabilities by Rs. 309,039 million (2018: Rs.258,485 million) as at Mar 31, 2019. These factors indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, and therefore the Company may be unable to discharge its liabilities and realize its assets in the normal course of business.

In spite of the huge accumulated losses and negative equity, the management of the company is making strenuous efforts, optimal production strategies and effective cost controls to improve the profitability of the company. Results are shown in continuous improvement in financial position of the company. The management looks forward positively to counter all challenges and is firmly committed to deliver the best possible result and will continue to meet its objectives and goals. Based upon these aspects and continuing financial support from directors and associates, the financial statements have been prepared on going

2. STATEMENT OF COMPLIANCE

This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of the International Financial Reporting Standard (IFRS) IAS 34 'Interim Financial Reporting' as applicable in Pakistan. This condensed interim financial information does not include all of the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of company as at and for the year ended June 30, 2018.

These condensed interim financial statements comprise of condensed interim balance sheet, condensed interim profit and loss accounts, condensed interim statement of comprehensive income, condensed interim statement of cash flow and condensed interim statement of changes in equity together with the selected notes for nine month ended March 31, 2019. The condensed interim financial statements also include condensed interim profit and loss statement for the quarter ended Mar 31, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the preceding year ended June 30, 2018.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period either were not relevant to the company's operations or did not have any impact on the accounting policies of the company.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 Judgments and estimates made by management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2018.

Unaudited	Audited
March 31,	June 30,
2019	2018
(R U P E E \$)	

5. PROPERTY, PLANT AND EQUIPMENT

Opening balance - (NBV)	489,408,281	510,316,896
Additions/deleteion at cost during the period/year	63,420	(3,155,531)
	489,471,701	507,061,365
Depreciation for the period/year	(17,447,791)	(17,553,064)
	472,023,910	489,408,281

	Un-audited March 31, 2019	Audited June 30, 2018
	(R U P E E S)	
5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Balance as on July 01, 2018	199,848,464	208,793,660
Surplus on revaluation adjusted during the period/year	-	(159,653)
	<u>199,848,464</u>	<u>208,634,013</u>
Incremental depreciation on revalued property, plant and equipment for the period/year	(8,879,453)	(12,520,923)
Related effect of deferred tax liability	2,575,042	3,735,374
	<u>(6,304,411)</u>	<u>(8,785,549)</u>
Balance as on March 31,	<u>193,544,053</u>	<u>199,848,464</u>

First revaluation of company's building on freehold land and plant & machinery was carried out as on September 30, 1995 by an independent valuer M/s Iqbal A. Nanjee & Co. Lahore on the basis of depreciated replacement values.

Second revaluation of company's freehold land, building on freehold land and plant and machinery has been carried out on September 30, 2000 by an independent valuer Inspectorates Corporation International (Pvt) Limited, Lahore and the same has been verified by SBP's approved auditors on the basis of depreciated replacement values.

Third revaluation of company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on June 30, 2012 by an independent valuer M/s Nizamy Associates, Faisalabad on the basis of depreciated replacement values.

Fourth revaluation of company's freehold land, building on freehold land, plant and machinery and electric installations has been carried out on September 30, 2015 by an independent valuer M/s Amir Evaluators & Consultants, Peshawar on the basis of depreciated replacement values.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 The company has instituted a suit in the Honorable Lahore High Court, Lahore against Faysal Bank Limited claiming damages on account of acquisition of un-remunerative agricultural land on the advice of FIBL (Faysal Islamic Bank Limited), for not providing timely cash finance facilities despite written commitments and for charging illegal profits against the principles of Islamic Banking 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. 141.651 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the court to determine.

The counter suit filed by the Faysal Bank for recovery of Rs. 474.502 million along with costs and cost of funds before the Honorable Lahore High Court (Single Judge), Lahore has been adjudicated on 04.06.2015 against the company. The company has filed an appeal in Honourable Lahore High Court, Lahore (Division Bench) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard. Due to litigations, the Bank is not responding and confirming the balance to the company. Having been undeterminable at this stage, provision for cost of funds has not been accounted for.

7.2 Commitments

Under letters of credit (Sight)

Nine Months Ended		Quarter Ended	
March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(R U P E E S)		(R U P E E S)	

8. COST OF SALES

Raw material consumed	919,943,740	700,852,010	315,406,448	243,526,632
Stores and spares consumed	20,936,070	19,099,287	5,748,737	5,630,912
Packing material consumed	16,748,748	15,629,954	5,569,955	5,137,579
Salaries, wages and benefits	102,160,362	94,889,714	33,718,123	31,587,690
Fuel and power	123,899,259	120,619,339	42,023,887	42,336,708
Repairs and maintenance	4,279,816	1,641,167	639,740	216,300
Insurance	2,186,318	2,240,655	807,200	906,062
Depreciation	16,432,103	17,436,342	6,474,064	5,812,081
Others	961,884	653,569	313,270	174,141
	<u>1,207,528,183</u>	<u>973,057,934</u>	<u>409,721,424</u>	<u>335,328,105</u>
Work in process				
Balance as on July 01./Jan. 01	6,106,933	5,302,204	7,546,410	5,424,413
Balance as on March 31,	(5,799,964)	(5,642,410)	(5,799,964)	(5,642,410)
	<u>306,969</u>	<u>(340,206)</u>	<u>1,746,446</u>	<u>(217,997)</u>
Cost of goods manufactured	<u>1,207,835,152</u>	<u>972,717,728</u>	<u>411,487,870</u>	<u>335,110,108</u>
Finished goods				
Balance as on July 01./Jan. 01	51,361,896	55,726,310	53,490,194	10,540,488
Balance as on March 31,	(10,087,046)	(35,400,345)	(10,087,046)	(35,400,345)
	<u>41,274,850</u>	<u>20,325,965</u>	<u>43,403,148</u>	<u>(24,859,857)</u>
	<u>1,249,110,002</u>	<u>993,043,693</u>	<u>454,871,018</u>	<u>310,250,251</u>

8. RELATED PARTY TRANSACTIONS

The Company is the normal course of business carries out transactions with various related parties which comprise of associated undertakings and other key management personnel. Amounts due from and due to related parties, if any, are shown under relevant notes to condensed interim financial information. Transactions with related parties undertaken during the period were as follows:-

	Nine Months Ended	
	March 31, 2018	March 31, 2018
	(R U P E E S)	(R U P E E S)
Post Employment benefit Expenses	3,047,024	2,970,976
Net Receivable/Payments- Directors	(2,219,123)	(170,200)

10. TAXATION

10.1 The provision for taxation made in the condensed interim financial information is subject to adjustment on annual financial statements.

11. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on April 20, 2018 by the Board of Directors of the Company.

12. GENERAL

12.1 Corresponding figures have been rearranged and reclassified wherever necessary for the purpose of comparison. However no significant recalculation is made in the corresponding figures.

12.2 Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER