

**2nd Quarter &
Half Year Accounts
Period Ended**

**December 31st
2018**

(REVIEWED)



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 directors are pleased to present 2nd quarter and half yearly accounts for the period ended December 31, 2018.

The Company has earned net profit of Rs.21.374 million as compared to net profit of Rs. 21.891 million of corresponding period of last year. The increase in price 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 2nd quarter is Rs. 0.17 and Rs. 1.41 for half year as compared to (EPS) of Rs. 0.93 for 2nd quarter and Rs. 1.44 for half year 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 30.06.2018.

The auditors have expressed reservation about the Company's ability to continue as a going concern due to accumulated loss of Rs. 189.240 million against the paid up share capital of Rs,151.770 million and the provision for cost of fund has not been accounted for in the Financial Statements in line with the decision of Lahore High Court, Lahore in counter suit filed by Faisal bank Limited as described in the auditors' report to the members.

In this regard the management of the company is optimistic that there are no significant doubts about the company's ability to continue as a going concern as described in Note. 1.2 Of these Financial Statements.

The management has filed an appeal in the Lahore High Court, Lahore (D.B) vide R.F.A. No. 1372/2015 on various grounds including the company being condemned unheard. The management of the company is of the opinion that this case is based and being contested on strong legal grounds and is likely to be decided in Company's favour. Therefore, no provision for cost of funds is accrued.

Although the overall industry's environment was adversely suffered due to 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 these unfavorable factors and circumstances the management tried their level best to run the business, justifies the going concern assumption.

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.

February 27, 2019.

Faisalabad.

For and on behalf of the Board



ZAHID ANWAR

Chief Executive Officer

عام بینکسٹائل ٹریڈنگ کے حصہ داران کے لئے ڈائریکٹرز رپورٹ

دوسری سرمایہ اور بجلی ششماہی 31 دسمبر 2018 کی رپورٹ حاضر خدمت ہے
آپ کی کمپنی نے اس ششماہی میں 2.137 کروڑ روپے کا خالص منافع کمایا جبکہ پچھلے سال اسی عرصہ کے دوران کمپنی کو منافع 2.189 کروڑ روپے کا منافع ہوا تھا۔

دوسری سرمایہ میں فی شیئر آمدنی (EPS) مبلغ 0.171 روپے ہے۔ اور بجلی ششماہی میں فی شیئر آمدنی (EPS) مبلغ 1.411 روپے ہے جبکہ پچھلے سال کی دوسری سرمایہ میں فی شیئر
منافع 0.93 روپے اور ششماہی میں فی شیئر منافع 1.44 روپے ہوا تھا۔

بینک کے ساتھ عدالتی مقدمات اسی پوزیشن میں ہیں 30 جون 2018 سے اب تک ان میں کوئی تبدیلی نہیں آئی۔

آڈیٹرز نے اپنی رپورٹ میں منفی رائے پیش کی ہے۔ جس کے مطابق کمپنی کو اپنا کاروبار جاری رکھنے کے لئے مشکلات درپیش ہیں کیوں کہ اس وقت کمپنی کے کل اثاثے 18.9241 کروڑ روپے ہیں
۔ جبکہ اس کا سرمایہ 15.177 کروڑ روپے ہے۔ اور کمپنی نے لاہور ہائی کورٹ کے فیصلے کے مطابق لنڈز کی لاگت کو اپنے مالی حسابات میں شامل نہیں کیا۔ جیسا کہ آڈیٹرز نے اپنی رپورٹ کے حوالے کرنا
(A) اور (B) میں ذکر کیا۔

آپ کی کمپنی کی انتظامیہ کے مطابق کمپنی کو کاروبار جاری رکھنے کے لئے کسی قسم کی مشکلات درپیش نہیں ہیں۔ انتظامیہ نے لاہور ہائی کورٹ (DB) میں RFA نمبر 1372/2016 دائر کی ہوئی ہے جس کی
وجہ سے لنڈز کی لاگت کو حسابات میں شامل نہیں کیا گیا۔ اور انتظامیہ کو قوی یقین ہے کہ اس کیس میں ہماری پوزیشن خاصی مستحکم ہے۔

بینکسٹائل مارکیٹ کے حالات اثر پاؤں اور چانس کے ساتھ مطابقت نہ ہونے کی وجہ سے دباؤ کا شکار رہے ان حالات کے باوجود آپ کی کمپنی نے بہترین گج دیئے۔ جو کہ اس بات کی بھی نشان دہی ہے کہ کمپنی کو اپنا
کاروبار جاری رکھنے کے لئے کوئی مشکل درپیش نہیں ہے۔

ریٹیلنگ پارٹنرز کے ساتھ لین دین آرام لینتھ ٹرانزیکشن کے تحت کی گئی ہیں

ہم اپنے معزز فریڈاروں اور حصہ داروں کے تعاون اور سٹاف ممبران کی اٹھک محنت کی قدر کرتے ہیں۔ اور اللہ تعالیٰ سے دعا گو ہیں کہ وہ ہمیشہ اپنی رحمت کا سایہ ہم پر رکھے۔ اور آئیو لا وقت ایسا ہو۔ آمین

پروفیسر ڈائریکٹران کی طرف سے

زاہد اعجاز
چیف ایگزیکٹو آفیسر

27 فروری 2019

فیصل آباد

ASIM TEXTILE MILLS LIMITED

CHAIRMAN' S REVIEW

We are pleased to present the financial results of the Company. The Sale has increased in this half year as compared to the corresponding period of the last year. Due to increase of cost of sales profit has decreased by Rs. 0.516 million as compared to corresponding half year 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.

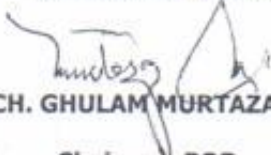
The management remains committed to maintain focus on sustaining the financial performance of your company. We thank our shareholders, customers and staff for their support and trust in the company.

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

February 27, 2019

Faisalabad.

For and on behalf of the Board


CH. GHULAM MURTAZA BUTTAR
Chairman BOD

عاصم ٹیکسٹائل ملز لمیٹڈ

چیئرمین کا جائزہ

ہم ہمدردی کھنی کے، مالی نتائج پیش کر رہے ہیں، اس سال کی سیل پچھلے سال کی سیل کے مقابلے میں زیادہ ہے۔ اور اس سال منافع پچھلے سال کی نسبت بڑھ کر 0.5161 کروڑ ہوا ہے۔

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

مجبوت اس سلسلے میں پر عزم ہے کہ آپ کی کھنی کی مالی کارکردگی کو برقرار رکھنے کے معاملے پر خصوصی توجہ مرکوز رکھے۔ ہم اپنے حصص یافتگان، گسٹرز اور سٹاف کے شکر گزار ہیں جنکی مدد اور اتحاد کھنی کو حاصل رہا۔

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

27 فروری 2019

فیصل آباد

انور کی طرف سے
انور
چیئرمین بورڈ آف ڈائریکٹرز
چوہدری کلیم بخش پٹر

ARSHAD RAHEEM & Co
Chartered Accountants

YOUSAF ISLAM HOUSE
39-Link Farid Kot Road,
Near A.G. Office, LAHORE.
Tel: (92-42) 37236169 - 37236170
Fax: (92-42) 37236168
E-mail: arshad.raheem@gmail.com

**Auditor's Report to the Members on Review of
Interim Financial Information**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Asim Textile Mills Limited** ("the Company") as at **December 31, 2018**, the related condensed interim profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flow, condensed interim statement of changes in equity, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim profit or loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Based on information provided to us by the management short term borrowing includes Morabaha finance obtained from the Faysal Bank Limited amounting to RS. 415.05 million on 31st October 1999 in respect of which the Company had filed a suit against the bank 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. Faysal Bank Limited filed a counter suit which has been adjudicated on 04.06.2015 against the Company as a result of which the Company has to settle the loan along with profit and cost of funds. Profit on these loans amounting to Rs.194.16 million has already been provided for; however, as the litigation is decided against the Company, further provision for cost of funds has not been accounted for, having been undeterminable at this stage, by the management as the Company has filed an appeal in Honorable Lahore High Court, Lahore (Division Bench) vide R.F.A No. 1372/2015 based on infield favorable judgments of Honorable Lahore High Court, Lahore.

ARSHAD RAHEEM & Co
Chartered Accountants

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Qualified Conclusion

Based on our review, with the exception of matters described in preceding paragraph, nothing has to come in our attention that causes us to believe that accompanying interim financial information as of and for the half year ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter- Material Uncertainty Relating to Going Concern

As referred to in Note 1.2 to the interim financial information, the Company has accumulated losses of Rs. 189.239 million against the paid-up capital of Rs. 151.770 million as at December 31, 2018 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 226.190 million. This situation would have further worsened had the Company accounted for the cost of funds as decided by the Honorable High Court as stated in basis for qualified conclusion paragraph below. 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, for which no adjustments have been incorporated in this financial information. Our conclusion is not modified in this respect.

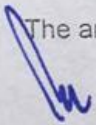

ARSHAD RAHEEM & CO
Chartered Accountants
Engagement partner: Arshad Raheem

LAHORE: 27 FEB 2019

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2018

	Note	(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
NON CURRENT ASSETS			
Property, plant and equipment	5	478,207,246	489,408,281
Long term deposits		15,038,156	15,038,156
		493,245,402	504,446,437
CURRENT ASSETS			
Stores and spares		11,477,176	11,646,158
Stock in trade		309,787,632	170,833,538
Trade debts		48,950,705	45,030,153
Advances and prepayments		18,490,113	6,052,467
Short-term investment	6	18,896,639	19,929,127
Balance with statutory authorities		30,914,440	32,033,872
Cash and bank balances		54,348,096	120,898,354
		492,864,801	406,423,670
		986,110,203	910,870,107
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		(189,239,854)	(213,784,444)
Surplus on revaluation of property plant and equipment	7	195,645,523	199,848,464
		158,175,669	137,834,020
NON CURRENT LIABILITIES			
Deferred liabilities	8	108,879,097	110,561,743
CURRENT LIABILITIES			
Trade and other payables		107,303,308	50,722,215
Accrued mark-up		194,161,422	194,161,422
Short-term borrowings	9	417,590,707	417,590,707
		719,055,437	662,474,344
CONTINGENCIES AND COMMITMENTS			
	10	-	-
		986,110,203	910,870,107

The annexed notes 1 to 15 form an integral part of the condensed interim financial information

 CHIEF EXECUTIVE OFFICER

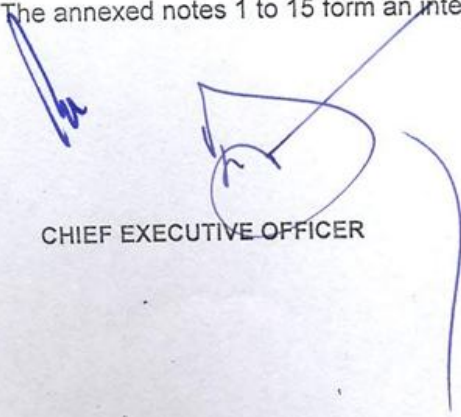
 DIRECTOR

 CHIEF FINANCIAL OFFICER

ASIM TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Note	Half year Ended		Quarter Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
----- Rupees -----					
Sales - net	11	841,558,689	723,311,621	480,722,872	348,036,981
Cost of sales	12	794,276,480	682,832,697	470,283,395	322,571,121
Gross profit		47,282,209	40,478,924	10,439,477	25,465,860
Operating expenses					
Administrative expenses		17,099,400	12,302,314	7,913,028	6,453,686
Other operating expenses		2,490,723	2,251,871	352,103	1,443,876
		19,590,123	14,554,185	8,265,131	7,897,562
		27,692,086	25,924,739	2,174,346	17,568,298
Other Operating Income		3,844,437	2,631,112	1,617,267	1,106,236
		31,536,523	28,555,851	3,791,613	18,674,534
Finance Cost		21,342	25,153	9,455	15,956
Profit before taxation		31,515,181	28,530,698	3,782,158	18,658,578
Taxation		10,141,044	6,640,073	1,151,076	4,612,520
Profit for the period		21,374,137	21,890,625	2,631,082	14,046,058
Profit per share - Basic and diluted		1.41	1.44	0.17	0.93

The annexed notes 1 to 15 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 HALF YEAR ENDED DECEMBER 31, 2018

	Half year Ended		Quarter Ended	
	December 31,	December 31,	December 31,	December 31,
	2018	2017	2018	2017
	----- Rupees -----			
Profit for the period	21,374,137	21,890,625	2,631,082	14,046,058
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) / income on changes in fair value of investment	(1,032,488)	(3,344,384)	(1,087,319)	(1,179,232)
Total comprehensive income/(loss) for the period	20,341,649	18,546,241	1,543,763	12,866,826

The annexed notes 1 to 15 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 HALF YEAR ENDED DECEMBER 31, 2018

	Half year Ended	
	December 31, 2018	December 31, 2017
	----- Rupees -----	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,515,181	28,530,698
Adjustments for non cash and other items		
Depreciation	12,317,587	12,475,485
Profit on deposit accounts	(2,892,885)	(2,631,112)
Profit on disposal	(951,552)	-
Finance cost	21,342	25,153
Cash generated before changes in working capital	<u>40,009,673</u>	<u>38,400,224</u>
Changes in working capital		
(Increase)/decrease in current assets		
Stores and spares	168,982	2,023,037
Stock in trade	(138,954,094)	(102,341,333)
Trade debts	(3,920,552)	2,814,808
Advances, prepayments	(12,476,266)	657,762
Tax refunds due from Government	(944,406)	(1,090,992)
Increase/(decrease) in current liabilities		
Trade and other payables	56,581,093	29,454,205
	<u>(99,545,243)</u>	<u>(68,482,513)</u>
Cash generated from operations	<u>(59,535,570)</u>	<u>(30,082,289)</u>
Finance cost paid	(21,342)	(25,153)
Taxes Paid	(9,626,592)	(6,575,782)
Staff retirement gratuity paid	(133,260)	(6,570)
	<u>(9,781,194)</u>	<u>(6,607,505)</u>
Net cash generated from operating activities	<u>(69,316,764)</u>	<u>(36,689,794)</u>
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Addition in property, plant and equipment	(1,165,000)	-
Long term deposits	-	(2,914,000)
Insurance Claim	1,000,000	-
Profit on deposit accounts	2,931,506	2,554,790
Net cash used in operating activities	<u>2,766,506</u>	<u>(359,210)</u>
Net decrease in cash and cash equivalents	<u>(66,550,258)</u>	<u>(37,049,004)</u>
Cash and cash equivalents at the beginning of the period	<u>120,898,354</u>	<u>102,152,147</u>
Cash and cash equivalents at the end of the period	<u><u>54,348,096</u></u>	<u><u>65,103,143</u></u>

The annexed notes 1 to 15 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 (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31,2018.

	capital	Revaluation surplus on plant and Equipment	Accumulated loss	Total
	{ R U P E E S }			
Balance as at July 01, 2017 re-stated	151,770,000	-	(261,343,466)	(109,573,466)
Total comprehensive income / loss	-	-	18,546,241	18,546,241
Profit for the period	-	-	21,890,625	21,890,625
Other comprehensive income	-	-	(3,344,384)	(3,344,384)
Transfer of Incremental depreciation on revalued property, plant and equipment for the period	-	-	6,260,462	6,260,462
Tax effect on incremental depreciation	-	-	(1,865,903)	(1,865,903)
Balance as at December 31, 2017	151,770,000	-	(238,402,666)	(86,632,666)
Balance as at July 01, 2018	151,770,000	199,848,464	(213,784,444)	137,834,020
Profit for the period	-	-	21,374,137	21,374,137
Surplus on revaluation adjusted	-	-	-	-
Other comprehensive income	-	-	(1,032,488)	(1,032,488)
Transfer of incremental depreciation on revalued assets for the period	-	(5,919,636)	5,919,636	-
Tax effect on incremental depreciation	-	1,716,695	(1,716,695)	-
Balance as at December 31, 2018	151,770,000	195,645,523	(189,239,854)	158,175,669

The annexed notes 1 to 15 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 HALF YEAR ENDED DECEMBER 31, 2018

1. COMPANY AND ITS OPERATIONS

1.1 The Company is limited by shares and incorporated in Pakistan under the repealed Companies Ordinance, 1984. Its shares are quoted at Karachi, Islamabad and Lahore Stock Exchanges, with effect from January 11, 2016 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 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 earned Rs. 21.374 million during the period and has accumulated loss stands at Rs. 189.240 million against the paid up capital of Rs. 151.770 million as at December 31, 2018 and as of that date, the Company's current liabilities exceeds its current assets by Rs. 226.191 million respectively. These factors along with matters described in condensed interim financial statements may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business, for which no adjustments have been incorporated in these financial statements.

However, any adjustment relating to the recoverability of recorded assets and liabilities have not been incorporated in these financial statements as the management is also making efforts for improvement in the production, quality and marketing of its products. The management believes that it has sufficient assets and resources to meet its current liabilities including the expectation of continued financial support of its directors through interest free loan, therefore, the management believes that the going concern assumption is valid and these financial statements have been prepared on going concern basis without considering any adjustment relating to the recoverability of recorded assets and settlement of liabilities.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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


This condensed interim financial statements comprise of condensed interim statement of financial position, condensed interim statement of profit or loss, 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 the half year ended December 31, 2018 which have been subjected to a review but not audited. This condensed interim financial statements also include condensed profit and loss statement for the quarter ended December 31, 2018.



3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computations which have been used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual published financial statements for the year ended June 30, 2018.
- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were either 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 June 30, 2018.
 - 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.
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5. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / REVALUATION				DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2018	Additions/ transfers during the period	Deletion transfer during the period	As at December 31, 2018	As at July 01, 2018	Deletion during the year	For the Period	As at December 31, 2018	As at December 31, 2018	
Land - freehold	53,508,000	-	-	53,508,000	-	-	-	-	53,508,000	-
Building on freehold land	151,418,124	-	-	151,418,124	50,840,910	-	2,514,430	53,355,340	98,062,784	5%
Plant and machinery	618,104,530	-	-	618,104,530	311,902,864	-	7,655,042	319,557,906	298,546,624	5%
Electric installation	31,754,357	-	-	31,754,357	16,204,534	-	777,491	16,982,025	14,772,332	10%
Factory equipment	355,750	-	-	355,750	332,460	-	1,165	333,625	22,125	10%
Furniture and fixture	659,633	-	-	659,633	475,286	-	9,217	484,503	175,130	10%
Office equipment	2,618,122	-	-	2,618,122	1,843,641	-	38,724	1,882,365	735,757	10%
Vehicles	29,975,912	1,165,000	1,101,580	30,039,332	17,386,452	1,053,132	1,321,518	17,654,838	12,384,494	20%
Rupees: December 2018	888,394,428	1,165,000	1,101,580	888,457,848	398,986,147	1,053,132	12,317,587	410,250,602	478,207,246	48,448

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION			BOOK VALUE		Rate %
	As at July 01, 2017	Additions/ transfers during the Year	Deletion transfer during the year	As at June 30, 2018	As at July 01, 2017	Deletion during the year	For the Year	As at June 30, 2018	As at June 30, 2018	
Land - freehold	53,508,000	-	-	53,508,000	-	-	-	-	53,508,000	-
Building on freehold land	151,418,124	-	-	151,418,124	45,547,372	-	5,293,538	50,840,910	100,577,214	5%
Plant and machinery	627,674,853	(9,570,323)	-	618,104,530	303,186,071	(7,507,646)	16,224,439	311,902,864	306,201,666	5%
Electric installation	31,754,357	-	-	31,754,357	14,476,776	-	1,727,758	16,204,534	15,549,823	10%
Factory equipment	355,750	-	-	355,750	329,872	-	2,588	332,460	23,290	10%
Furniture, fixture and Office equipment	659,633	-	-	659,633	454,803	-	20,483	475,286	184,347	10%
Vehicles	2,618,122	-	-	2,618,122	1,757,588	-	86,053	1,843,641	774,481	10%
	23,561,120	6,414,792	-	29,975,912	15,580,581	-	1,805,871	17,386,452	12,589,460	20%
Rupees: June 2018	891,549,959	(3,155,531)	-	888,394,428	381,333,063	(7,507,646)	25,160,730	398,986,147	489,408,281	

	Un-Audited	Audited
December 31, 2017		
June 30, 2018		

5.1 Depreciation charged for the period/year has been allocated as under:

	Cost of sales	Administrative expenses
December 31, 2017	10,948,128	23,248,323
June 30, 2018	1,369,459	1,912,407
	12,317,587	25,160,730

Asim Textile Mills Limited

		(Un-Audited)	(Audited)
		December 31,	June 30,
		2018	2018
		Rupees	Rupees
6. SHORT-TERM INVESTMENT			
Available for sale			
NAFA Government Securities Liquid Fund	6.1	11,775,297	12,059,710
JS Investments (JS Islamic Fund)	6.2	7,121,342	7,869,417
		18,896,639	19,929,127

6.1 These have been valued by using published net asset value (NAV) as at 31st December, the number of units held by the Company are 113,208.1192 units (2018:- 113,208.1192 units).

6.2 These have been valued by using published net asset value (NAV) as at 31st December, the number of units held by the Company are 75,032.5785 units.(2018:- 75,032.5785 units)

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as on July 01, 2017		199,848,464	208,793,666
Surplus on revaluation created during the period/year		-	(159,653)
		199,848,464	208,634,013
: Incremental depreciation on revalued property, plant and equipment for the period/year		(5,919,636)	(12,520,923)
Related effect of deferred tax liability		1,716,695	3,735,374
		(4,202,941)	(8,785,549)
		195,645,523	199,848,464

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.

8. DEFERRED LIABILITIES

Deferred taxation	8.1	108,415,532	109,964,918
Staff retirement gratuity	8.2	463,565	596,825
		108,879,097	110,561,743

	Note	(Un-Audited) December 31, 2018 Rupees	(Audited) June 30, 2018 Rupees
8.1 DEFERRED TAXATION			
Balance as on July 01		109,964,918	111,620,223
Adjusted during the period / year		(1,549,386)	(1,655,305)
Balance as on December 31,		108,415,532	109,964,918
This comprise of following:			
Deferred tax liability:			
- Taxable temporary differences relating to operating assets		32,509,745	32,381,417
- Taxable temporary differences relating to surplus on revaluation of property, plant and equipment		76,044,857	77,761,552
Deferred tax assets:			
- Deductible temporary differences on tax losses		-	-
- Deductible temporary differences on staff retirement benefits		(139,070)	(178,051)
		108,415,532	109,964,918
8.2 STAFF RETIREMENT GRATUITY			
Balance as on July 01		596,825	965,593
Paid during the period /year		(133,260)	(368,768)
Balance as on December 31,		463,565	596,825
9. SHORT-TERM BORROWINGS			
Loan from banking company			
Secured			
Morabaha I	9.1	340,901,898	340,901,898
Morabaha II- Secured	9.2	74,145,100	74,145,100
Unsecured			
Interest free bank overdraft	9.5	2,543,709	2,543,709
		417,590,707	417,590,707


9.1 It represents morabaha finance created by Faysal Bank Limited by converting various morabaha finances into long term morabaha-I at an interest rate of 13% per annum.

- 9.2 It represents an interest free morabaha finance by Faysal Bank Limited by converting various unpaid markups into non profit morabaha-II.
- 9.3 The above mentioned morabaha finances are secured against the first charge of Rs.505 million on fixed assets and personal guarantees of Directors and Chief Executive of the Company.
- 9.4 The Company is not repaying the morabaha finances as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The bank has also filed a counter suit praying for a decree to be passed in its favour for a sum of Rs. 454.502 million against the defendants jointly and severally, with cost of funds at the rate of 20% or as certified by State Bank of Pakistan from date of default and 20% liquidated damages plus service charges and all costs, charges, expenses payable or to be incurred by the plaintiff bank till the final payment / realization of the afore-mentioned amount. The facts and status of the litigations are further explained in note 10.
- 9.5 The Company has ceased the repayment of the overdraft, as it has filed a suit against Faysal Bank Limited in the Honorable Lahore High Court, Lahore. The facts of the litigation are explained in note 10.
- 9.6 Further to note 9.1 to 9.5 since these facilities are in default / subjudice, the recognition and measurement of these financial liabilities under IAS 39 "Financial Instruments" are required to be carried at amortized cost. These are carried at costs as their amortized costs are impracticable to determine. Hence, these are reclassified from long term financing to short term borrowings for all the relevant periods, whether present or future and have accordingly been regrouped / reclassified.

10. CONTINGENCIES AND COMMITMENTS

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. 141.831 million (including claims of Central Excise Duty), whereas the amount of last count has been left for the court to determine.

The counter suite filed by the Faysal Bank for recovery of Rs. 454.502 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.



(Un-Audited)

Note	Half Year Ended		Quarter Ended	
	December 31	December 31	December 31	December 31
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
11. SALES - net				
Local:				
Yarn sales	829,696,367	715,709,769	472,831,419	344,577,877
Waste sales	12,147,782	7,895,042	8,173,913	3,547,024
Local sales	841,844,149	723,604,811	481,005,332	348,124,901
Gross sales	841,844,149	723,604,811	481,005,332	348,124,901
Less: Commission	(285,460)	(293,190)	(282,460)	(87,920)
	841,558,689	723,311,621	480,722,872	348,036,981
12. COST OF SALES				
Raw material consumed	604,537,292	457,325,378	321,976,134	229,054,819
Stores and spares consumed	15,178,542	13,508,049	9,351,466	6,998,944
Packing material consumed	11,189,329	10,492,375	5,680,311	5,244,386
Salaries, wages and benefits	68,442,239	63,302,024	33,580,080	30,830,070
Fuel and power	81,865,368	78,278,628	39,573,827	41,324,274
Repairs and maintenance	3,690,476	1,424,867	1,767,943	773,757
Insurance	1,349,118	1,334,593	669,309	740,800
Depreciation	10,948,128	11,624,162	5,474,064	5,812,080
General expenses	643,763	479,008	264,036	207,570
	797,844,255	637,769,084	418,337,170	320,986,700
Inventory effect of work in process				
Opening balance	6,106,933	5,302,204	7,262,163	5,197,548
Closing balance	(7,546,410)	(5,424,413)	(7,546,410)	(5,424,413)
	(1,439,477)	(122,209)	(284,247)	(226,865)
Cost of goods manufactured	796,404,778	637,646,875	418,052,923	320,759,835
Inventory effect of finished goods				
Opening balance	51,361,896	55,726,310	105,720,666	12,351,774
Closing balance	(53,490,194)	(10,540,488)	(53,490,194)	(10,540,488)
	(2,128,298)	45,185,822	52,230,472	1,811,286
Cost of goods sold	794,276,480	682,832,697	470,283,395	322,571,121

13. TRANSACTIONS WITH RELATED PARTIES

The Company in 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:-

	(Un-Audited) Half Year Ended	
	December,31 2018	December,31 2017
	-----Rupees-----	
Post employment benefit	2,005,059	1,961,659
Net payments / (received) - Directors	(1,421,462)	35,213

14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on February 27, 2019 by the Board of Directors of the Company.

15. GENERAL

- Figure have been rounded off to the nearest thousand rupees unless otherwise stated.
- Corresponding figures have been rearranged , wherever necessary , for the purpose of comparison However, no significant reclassification / rearrangements were made during the period



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER