ASIM TEXTILE MILLS LTD

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED JUNE 30,2004 (UN-AUDITED)

Note.1

Basis of preparation

1.1 These accounts have been prepared in accordance with the requirements of the companies ordinance ,1984 and International Accounting Standard, IAS 34 "Interim Financial Reporting"

1.2 These financial statements are unaudited and are bieng submitted to the shareholders as required by Section 245 of the Companies Ordinance,1984.

Note. 2

Significant Accounting Policies

The accounting policies and method of computation of the interim financial statements are the same as those followed in the preparation of annual financial statements for the preceding financial year ended September 30,2003.

Note. 3

Contingencies and Commitments

CONTINGENCIES:

The Company has filed a suit in the Honourable Lahore High Court ,Lahore against Faysal Bank Limited for compensation of loss suffered on acquisition of unremunerative agricultural land and disposal of the same for not providing timely cash finance facilities despite of written commintments and for charging illegal profits against the principles of islamic banking in contravention of the objective claus of its Articles and Memorandum of Association.The amount claimed for the first two counts is Rs. 141,831 million (including claim of central excise duty) and for last count has been left for the court to determine.

As per company lawyer's opinion the case is based on strong legal grounds and is likely to be decided in company's favour , if decided favourably the amount of morabaha finances would decrease by the amount so decided by the court. Faysal Bank Limited has also filed a counter suit against the company.

	(Rupees in thousands) 30.6.2004	(Rupees in thousands) 30.6.2003
COMMITMENTS:		
Letter of credit (For gas generator)	15,660	0

	(Rupees in thousands)		(Rupees in thousands)	
	APR 04 TO JUNE 04 (3 MONTHS)	OCT 03 TO JUNE 04 (9 MONTHS)	APR 03 TO JUNE 03 (3 MONTHS)	OCT 02 TO JUNE 03 (9 MONTHS)
NOTE.4				
COST OF SALES				
Raw material consumed (cotton)	34,896	104,386	49,025	114,930
Raw material consumed (polyester)	40,037	129,898	26,650	106,599
Salaries, wages & other benefits	5,116	17,426	5,797	17,642
Stores and spares consumed	1,984	4,475	3,727	6,149
Packing material consumed	1,236	3,622	1,066	3,513
Fuel & power	15,004	40,022	11,655	36,677
Repair & maintenance	161	591	204	494
Insurance	411	1,251	306	1,030
Depreciation	5,959	17,877	6,275	18,825
Goods handling charges	181	717	228	844
General expenses	157	410	101	375
	105,142	320,675	105,034	307,078
Opening work in process	4,985	5,297	4,403	3,373
Closing work in process	(5,542)	(5,542)	(3,773)	(3,773)
	(557)	(245)	630	(400)
Cost of goods manufactured	104,585	320,430	105,664	306,678
Opening finish goods	1,676	6,206	8,399	3,382
Closing finish goods	(6,040)	(6,040)	(2,894)	(2,894)
	(4,364)	166	5,505	488
	100,221	320,596	111,169	307,166
Duty drawback	-	(74)	(37)	(1,098)

	100,221	320,522	111,132	306,068
4.1 Raw material consumed (cotton)				
Opening stock	12,191	2,987	482	7,619
Purchases	23,694	102,388	55,807	114,575
	35,885	105,375	56,289	122,194
Closing stock	(989)	(989)	(7,264)	(7,264)
	34,896	104,386	49,025	114,930
4.2 Raw material consumed (polyester)				
Opening stock	1,404	1,013	67	80
Purchases	45,018	135,270	27,314	107,250
	46,422	136,283	27,381	107,330
Closing	(6,385)	(6,385)	(731)	(731)
	40,037	129,898	26,650	106,599

Note.5
Earnings Per Share - Basic

Profit / (loss) after taxation	(5,724)	(15,459)	(20,842)	(38,874)
Weighted average number of ordinery sl	15,177	15,177	15,177	15,177
Earnings per share (Rupees)	(0.38)	(1.02)	(1.37)	(2.56)

Note.6
General

6.1 Figures have been rounded off to the nearest thousands of rupees.

6.2 These interim financial statements are authorised for issue on JULY 29,2004 by the Board of Directors of the company.

6.3 Corresponding figures have been re-arranged wherever necessary to facilitate comparison.