

ALLAWASAYA

TEXTILE & FINISHING MILLS LIMITED
MULTAN



FINANCIAL STATEMENTS

(AUDITORS' REVIEWED)

For the half year ended
December 31, 2014



COMPANY PROFILE

BOARD OF DIRECTORS

Mian Muhammad Jamil	- <i>Chairman</i>
Mian Tanvir Ahmad Sheikh	- <i>Chief Executive/ M.D.</i>
Mrs. Nusrat Jamil	- <i>Director</i>
Mian Anis Ahmad Sheikh	- <i>Director</i>
Mian Tauqir Ahmad Sheikh	- <i>Director</i>
Mian Muhammad Bilal Ahmad Sheikh	- <i>Director</i>
Mian Muhammad Alamgir Jamil Khan	- <i>Director</i>
Mian Muhammad Umar Farooq Sheikh	- <i>Director</i>

AUDIT COMMITTEE

Mrs. Nusrat Jamil	- <i>Chairperson</i>
Mian Anis Ahmad Sheikh	- <i>Member</i>
Mian Muhammad Alamgir Jamil Khan	- <i>Member</i>

CHIEF FINANCIAL OFFICER

Sohail Nadeem

COMPANY SECRETARY

Muhammad Ismail

AUDITORS

M. Yousuf Adil Saleem & Company,
Chartered Accountants, Multan.

BANKERS

M/s Habib Bank Limited
M/s Bank Al-Habib Limited
M/s Habib Metropolitan Bank Limited
M/s United Bank Limited
M/s BankIslami Pakistan Limited

REGISTERED OFFICE

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DIRECTORS' REVIEW

Dear Shareholders,

Your Directors present before you the Auditors' Reviewed Financial Statements of your Company for the Half Year ended December 31, 2014.

The period under report was a difficult period faced by your Company ending in Net Pre-Tax Loss of Rs.13,905,762. The main reasons for the loss were national/ international recession, influx of subsidized cheaper yarn from India into the Pakistani market hurting the domestic spinning industry and economic meltdown. The prices of yarn decreased from the previous levels leaving little margin for the Company.

The total sales amounted to Rs.886,380,762 as compared to Rs.1,125,312,422 last year. The gross profit was Rs.26,709,947 as compared to Rs.85,097,248 last year and the net Loss after providing for Tax amounting to Rs.17,806,620 for the Half Year ended December 31, 2014.

However, your Directors are hopeful that by the grace of Almighty Allah, the market conditions will improve and your Company will perform better financially in the remaining period of the current financial year to end on June 30, 2015.

On behalf of the Board

Mian Muhammad Jamil
Chairman

Place: Multan
Dated: 19.02.2015



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED** (the Company) as at December 31, 2014, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six-month period 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 and loss account for the quarters ended December 31, 2014 and December 31, 2013 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2014.

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 interim financial information consists of making inquiries, primarily of the person 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended December 31, 2014 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

M. YOUSUFADIL SALEEM & CO.,
Chartered Accountants

Engagement Partner:
Talat Javed

Dated: 19.02.2015
Multan



**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014**

ASSETS	Note	(Un-audited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
Non-current assets			
Property, Plant and Equipment	4	768,683,326	793,848,822
Long term deposits		<u>2,223,997</u>	<u>2,223,997</u>
		770,907,323	796,072,819
Current assets			
Stores, ans spares		10,021,109	9,553,743
Stock in trade		226,700,735	140,434,939
Trade debts		183,744,307	136,348,008
Loans and advances		14,496,666	19,965,435
Trade deposits and prepayments		2,347,602	570,918
Sales tax refundable		3,383,472	3,816,858
Current portion of long term investments		259,272	518,544
Cash and bank balances		<u>2,299,280</u>	<u>1,430,271</u>
		443,252,443	312,638,716
Total assets		<u>1,214,159,766</u>	<u>1,108,711,535</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 1,000,000 (June 30, 2014: 1,000,000) ordinary shares of Rs. 10 each		<u>10,000,000</u>	<u>10,000,000</u>
Issued, subscribed and paid up capital 800,000 (June 30, 2014: 800,000) ordinary shares of Rs. 10/- each		8,000,000	8,000,000
Reserves		82,668,746	82,668,746
Unappropriated profit		<u>199,724,622</u>	<u>216,023,031</u>
		290,393,368	306,691,777
Surplus on revaluation of property, plant and equipment		461,687,051	471,395,262
Non-current liabilities			
Deferred tax		126,474,981	131,437,931
Current liabilities			
Trade and other payables		79,732,279	89,695,312
Accrued markup		3,763,282	2,446,316
Short-term borrowings		204,377,208	41,583,844
Current portion of long term financing		3,168,750	11,342,670
Provision for taxation		<u>44,562,847</u>	<u>54,118,423</u>
		335,604,366	199,186,565
Total equity and liabilities		<u>1,214,159,766</u>	<u>1,108,711,535</u>

Contingencies and commitments

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The annexed selected notes 1 to 10 form an integral part of these condensed interim financial information.

Sd/- Mian Muhammad Jamil Chairman	Sd/- Mian Tanvir Ahmad Sheikh Chief Executive Officer	Sd/- Mian Anis Ahmad Sheikh Director	Sd/- Mian Muhammad Alamgir Jamil Khan Director	Sd/- Sohail Nadeem Chief Financial Officer
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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014**

	----- Six months ended -----		----- Three months ended -----	
	December 31	December 31	December 31	December 31
	2014	2013	2014	2013
Note	----- Rupees -----			
Sales	886,380,762	1,125,312,422	450,192,737	596,124,459
Cost of goods sold	6 (859,670,815)	(1,040,215,174)	(446,830,857)	(556,703,929)
Gross profit	26,709,947	85,097,248	3,361,880	39,420,530
Other operating income	70,305	40,040	39,114	20,020
	26,780,252	85,137,288	3,400,994	39,440,550
Distribution cost - commission	(5,327,274)	(5,381,043)	(2,715,625)	(1,813,168)
Administrative expenses	(30,393,868)	(36,735,966)	(15,194,619)	(21,600,626)
Other operating expenses	(44,061)	(2,815,451)	264,247	(1,077,268)
Finance cost	(4,920,811)	(8,721,262)	(3,820,686)	(6,898,782)
	(40,686,014)	(53,653,722)	(21,466,683)	(31,389,844)
(Loss) / Profit before taxation	(13,905,762)	31,483,566	(18,065,689)	8,050,706
Provision for taxation	(3,900,858)	(7,065,013)	(1,817,720)	1,143,495
(Loss) / Profit after taxation	(17,806,620)	24,418,553	(19,883,409)	9,194,201
Other comprehensive income	-	-	-	-
Total comprehensive income	(17,806,620)	24,418,553	(19,883,409)	9,194,201
(Loss) / Earnings per share - Basic and diluted	(22.26)	30.52	(24.85)	11.49

The annexed selected notes 1 to 10 form an integral part of these condensed interim financial information.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mian Muhammad Jamil	Mian Tanvir Ahmad Sheikh	Mian Anis Ahmad Sheikh	Mian Muhammad Alamgir Jamil Khan	Sohail Nadeem
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer



**CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014**

	----- Six months ended -----	
	December 31, 2014	December 31, 2013
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(13,905,762)	31,483,566
Adjustments for:		
Depreciation on property, plant and equipment	26,197,496	27,193,075
Provision for staff retirement benefits-gratuity	5,144,716	8,631,309
Profit on long term investment	(31,191)	(29,017)
Finance cost	4,920,811	8,721,262
Operating cash flows before movement in working capital	22,326,070	76,000,195
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(467,366)	2,668,163
Stock-in-trade	(86,265,796)	(299,106,827)
Trade debts	(47,396,299)	(47,946,334)
Loans and advances	(648,533)	(1,090,187)
Trade deposits and prepayments	(1,776,684)	343,182
Sales tax refundable	433,386	4,766,038
(Decrease)/ Increase in current liabilities		
Trade and other payables	(8,191,470)	901,792
	(144,312,762)	(339,464,173)
Cash used in operations	(121,986,692)	(263,463,978)
Income tax paid	(12,302,082)	(11,085,096)
Staff retirement benefits - gratuity paid	(7,036,800)	(6,678,067)
Finance cost paid	(3,603,845)	(5,310,588)
Net cash used in operating activities	(144,929,419)	(286,537,729)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,032,000)	(2,061,742)
Proceeds on redemption of long-term investment	259,272	104
Long term deposits	-	(49,100)
Profit on long term investment	31,191	29,017
Net cash used in investing activities	(741,537)	(2,081,721)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	(8,173,920)	(17,306,066)
Short term borrowings - net	162,793,364	324,675,346
Dividend paid	(8,079,479)	(15,628,344)
Net cash generated from financing activities	146,539,965	291,740,936
Net increase in cash and cash equivalents (A+B+C)	869,009	3,121,486
Cash and cash equivalents at beginning of the period	1,430,271	723,025
Cash and cash equivalents at end of the period	2,299,280	3,844,511

The annexed selected notes 1 to 10 form an integral part of these condensed interim financial information.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mian Muhammad Jamil	Mian Tanvir Ahmad Sheikh	Mian Anis Ahmad Sheikh	Mian Muhammad Alamgir Jamil Khan	Sohail Nadeem
Chairman	Chief Executive Officer	Director	Director	Chief Financial Officer



**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014**

	Reserves				Total
	Capital	Revenue		Unappropriated profit	
	Tax holiday reserve	General reserve			
Share capital	Rupees				
Balance as at July 01, 2013 (audited)	8,000,000	2,668,746	80,000,000	180,946,420	271,615,166
Profit for the period	-	-	-	24,418,553	24,418,553
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2013	-	-	-	24,418,553	24,418,553
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation (Net of deferred tax)	-	-	-	10,129,974	10,129,974
Transactions with owners:					
Dividend for the year ended June30, 2013 @ 20.25/share	-	-	-	(16,200,000)	(16,200,000)
Balance as at December 31, 2013	8,000,000	2,668,746	80,000,000	199,294,947	289,963,693
Balance as at July 1, 2014 (audited)	8,000,000	2,668,746	80,000,000	216,023,031	306,691,777
Loss for the period	-	-	-	(17,806,620)	(17,806,620)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2014	-	-	-	(17,806,620)	(17,806,620)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation (Net of deferred tax)	-	-	-	9,708,211	9,708,211
Transactions with owners:					
Dividend for the year ended June30, 2014 @ 10.25/share	-	-	-	(8,200,000)	(8,200,000)
Balance as at December 31, 2014	8,000,000	2,668,746	80,000,000	199,724,622	290,393,368

The annexed selected notes 1 to 10 form an integral part of these condensed interim financial information.

Sd/- Mian Muhammad Jamil Chairman	Sd/- Mian Tanvir Ahmad Sheikh Chief Executive Officer	Sd/- Mian Anis Ahmad Sheikh Director	Sd/- Mian Muhammad Alamgir Jamil Khan Director	Sd/- Sohail Nadeem Chief Financial Officer
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**SELECTED NOTES TO THE CONDENSED INTERIM
FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014**

1. THE COMPANY AND ITS OPERATIONS

- 1.1** Allwasaya Textile & Finishing Mills Limited (the Company) was incorporated in Pakistan on December 03, 1958 as a private limited company. It was converted into a public limited company in 1965 under the Companies Act 1913 (now Companies Ordinance, 1984). Its shares are quoted on all stock exchanges in Pakistan. It is principally engaged in the manufacturing and sale of yarn. The registered office and mill of the Company is situated in Multan in the Province of Punjab.
Finishing plant of the Company was closed in 1978 due to its obsolete machinery.
- 1.2** This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the six-months period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and the provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2** This condensed interim financial information does not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2014. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2014 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the six months ended on December 31, 2013.



2.3 This condensed interim financial information is un-audited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

3. *ACCOUNTING POLICIES AND ESTIMATES*

The accounting policies, related judgments, estimates and related assumptions adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of annual financial statements of the Company for the year ended June 30, 2014.



Allawasaya Textile & Finishing Mills Limited

	<i>(Un-audited)</i> December 31, 2014 Rupees	<i>(Audited)</i> June 30, 2014 Rupees
4. PROPERTY, PLANT AND EQUIPMENT		
Opening book value	793,848,822	812,267,882
Additions during the period / year:		
Plant and machinery	-	32,524,500
Electric installation	1,000,000	2,166,250
Office equipment	-	274,000
Furniture & fixture	-	153,200
Weighing scale	32,000	-
Vehicles	-	1,787,742
	1,032,000	36,905,692
Depreciation charge for the period / year	<u>(26,197,496)</u>	<u>(55,324,752)</u>
	<u>768,683,326</u>	<u>793,848,822</u>

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no material change in the status of contingencies as disclosed in the published annual audited financial statements for the year ended June 30, 2014.

5.2 Commitments

Guarantees issued by commercial banks on behalf of the company outstanding as at December 31, 2014 were for Rs. 30 million (June 30, 2014 Rs.30 million).

6. COST OF GOODS SOLD

	----- Six months ended -----		----- Three months ended -----	
	December 31 2014	December 31 2013	December 31 2014	December 31 2013
	----- Rupees -----			
Raw material consumed	605,113,498	781,783,381	328,985,583	412,539,445
Salaries, wages and benefits	75,620,083	88,884,760	40,937,128	51,547,566
Store and spares consumed	19,771,120	15,502,337	11,388,467	8,942,606
Packing material consumed	12,989,310	13,405,013	7,224,203	6,981,001
Fuel and power	133,295,030	133,134,709	73,901,008	61,858,868
Repair and maintenance	459,964	834,000	147,021	638,011
Insurance expenses	1,823,072	3,938,594	911,536	3,342,340
Depreciation	25,210,934	26,045,362	12,617,969	13,019,256
	<u>874,283,011</u>	<u>1,063,528,156</u>	<u>476,112,915</u>	<u>558,869,093</u>
Adjustment of work in progress	6,235,938	2,082,658	2,732,652	1,618,118
Cost of goods manufactured	880,518,949	1,065,610,814	478,845,567	560,487,211
Adjustment of finished goods	<u>(20,848,134)</u>	<u>(25,395,640)</u>	<u>(32,014,710)</u>	<u>(3,783,282)</u>
Cost of goods sold	<u>859,670,815</u>	<u>1,040,215,174</u>	<u>446,830,857</u>	<u>556,703,929</u>



7. RELATED PARTY TRANSACTIONS

7.1 The related parties comprise associated undertakings, directors and key personnel. The company in normal course of business carries out transactions with various related parties. Transactions with related parties are as follows:

----- Unaudited -----			
--- Six months ended ---		--- Three months ended ---	
December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Rupees	Rupees	Rupees	Rupees

Transactions with directors and key personnel

Remuneration of chief executive officer, directors and executives	5,400,000	5,400,000	2,700,000	2,700,000
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There has been no transactions with associated undertakings related to sale and purchase of goods during this period of six months ended December 31, 2014.

8. FINANCIAL RISK MANAGEMENT

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, 2014.

9. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were authorized for issue of February 19, 2015 by the Board of Directors of the Company.

10. GENERAL

Figures in the condensed interim financial information have been rounded-off to the nearest rupee except stated otherwise.

Sd/- Mian Muhammad Jamil Chairman	Sd/- Mian Tanvir Ahmad Sheikh Chief Executive Officer	Sd/- Mian Anis Ahmad Sheikh Director	Sd/- Mian Muhammad Alamgir Jamil Khan Director	Sd/- Sohail Nadeem Chief Financial Officer
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www.allawasaya.com

ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED

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