

# ALLAWASAYA

## TEXTILE & FINISHING MILLS LIMITED

### MULTAN



## FINANCIAL STATEMENTS

(UN-AUDITED)

For the Third quarter  
and  
nine months period ended  
March 31, 2014

### BOARD OF DIRECTORS

1. Mian Muhammad Jamil - Chairman
2. Mian Tanvir Ahmad Sheikh - Chief Executive/M.D.
3. Mrs. Nusrat Jamil - Director
4. Mian Anis Ahmad Sheikh - Director
5. Mian Tauqir Ahmad Sheikh - Director
6. Mian Muhammad Bilal Ahmad Sheikh - Director
7. Mian Muhammad Alamgir Jamil Khan - Director
8. Mian Muhammad Umar Farooq Sheikh - Director

### AUDIT COMMITTEE

- Mrs. Nusrat Jamil - Chairperson  
Mian Anis Ahmad Sheikh - Member  
Mian Muhammad Alamgir Jamil Khan - Member

### CHIEF FINANCIAL OFFICER

Sohail Nadeem

### COMPANY SECRETARY

Muhammad Ismail

### DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors of the Company, it is my privilege to present before you the Un-Audited Statements of Accounts of your Company for the 3<sup>rd</sup> quarter and nine months period ended March 31, 2014.

The production/ operational results of the company, though were hampered due to disruption / low pressure of gas supplied for the captive power plant of the company and the electric load shedding, same remained satisfactory. However, the market position of yarn, which was adversely affected by the dull China market coupled with duty free import of yarn from India resulted in drastic decrease in the prices of yarn. While the prices of raw material and other inputs remained on higher side as compared to the prices during the same period last year. All these factors led to decreased sales value of yarn whereas the cost of production increased resulting in decreased net profit of Rs. 13,986,373/- for the 3<sup>rd</sup> quarter ended March 31, 2014, as compared to the Net Profit of Rs. 17,483,202/- for the same period last year. Similarly the Net Profit for nine months period ended March 31, 2014 decreased to Rs. 22,941,104/- as compared to the Net Profit of Rs. 50,856,486/- for the same period last year due to the reasons stated above.

The difficult period for the textile industry still persists and your company is also facing the same. However, your Directors are endeavouring hard to overcome the challenges and steer the Company out of it with the hope that the market conditions improve.

On behalf of the Board

Place: Multan  
Dated: 24.04.2014

**Mian Muhammad Jamil**  
Chairman

## BALANCE SHEET AS AT March 31, 2014

	UN-AUDITED March 31, 2014 RUPEES	AUDITED June 30, 2013 RUPEES		UN-AUDITED March 31, 2014 RUPEES	AUDITED June 30, 2013 RUPEES
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>		
Authorised Capital 1,000,000 (June 30, 2013: 1,000,000) ordinary shares of Rs. 10 each	10,000,000	10,000,000	Property, plant and equipment	773,561,249	812,267,882
Issued, subscribed and paid up capital 800,000 (June 30, 2013: 800,000) ordinary shares of Rs. 10 each	8,000,000	8,000,000	Long term investments	259,272	518,544
Reserves	82,668,746	82,668,746	Long term deposits	2,223,997	2,109,237
Unappropriated Profits	207,856,763	180,946,420		776,044,518	814,895,663
	298,525,509	271,615,166	<b>CURRENT ASSETS</b>		
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT &amp; EQUIPMENT</b>	470,542,008	485,736,969	Stores, Spares & loose tools	7,235,983	10,106,146
<b>NON-CURRENT LIABILITIES</b>			Stock in trade	250,020,222	158,713,888
Long term financing	3,168,749	11,342,670	Trade debts	167,353,093	111,376,497
Deferred tax	137,449,366	152,131,668	Loans and advances	14,271,890	9,537,104
	140,618,115	163,474,338	Trade deposits and prepayments	1,379,968	348,182
<b>CURRENT LIABILITIES</b>			Sales tax refundable	2,849,026	7,895,081
Trade & other payables	87,906,710	104,443,192	Current portion of long term investments	259,272	208
Mark up accrued on loans	4,605,432	2,698,280	Cash & bank balances	3,725,173	723,025
Short term borrowings	151,787,328	9,081,520		447,094,627	298,700,131
Current portion of long term financing	13,179,092	34,612,132			
Provision for taxation	55,974,951	41,934,197			
	313,453,513	192,769,321			
	1,223,139,145	1,113,595,794			

**Sd/-**  
**Mian Muhammad Jamil**  
Chairman

**Sd/-**  
**Mian Tanvir Ahmad Sheikh**  
Chief Executive

**PROFIT & LOSS ACCOUNT - UNAUDITED**  
For the quarter & nine months Period ended March 31, 2014

	Nine months period ended		Quarter ended	
	March 31, 2014 RUPEES	March 31, 2013 RUPEES	March 31, 2014 RUPEES	March 31, 2013 RUPEES
Sales	1,696,477,057	1,500,420,328	571,164,635	498,852,671
Cost of goods sold	(1,576,781,351)	(1,352,281,283)	(536,566,177)	(450,386,614)
Gross Profit	119,695,706	148,139,045	34,598,458	48,466,057
Other income	68,904	395,655	28,864	359,997
	119,764,610	148,534,700	34,627,322	48,826,054
Distribution cost - commission	(9,427,482)	(6,671,632)	(4,046,439)	(3,176,824)
Administrative expenses	(52,983,151)	(34,873,303)	(16,247,185)	(10,662,291)
Other operating expenses	(3,516,558)	(5,798,724)	(701,107)	(1,721,273)
Finance cost	(16,254,416)	(22,950,293)	(7,533,154)	(7,782,133)
	(82,181,607)	(70,293,952)	(28,527,885)	(23,342,521)
Profit before taxation	37,583,003	78,240,748	6,099,437	25,483,533
Provision for taxation	(9,667,621)	(27,384,262)	(2,602,608)	(8,000,331)
Profit for the period	27,915,382	50,856,486	3,496,829	17,483,202
Other comprehensive Income	-	-	-	-
Total Comprehensive Income	27,915,382	50,856,486	3,496,829	17,483,202
Earnings per share				
- Basic and diluted	34.89	63.57	4.37	21.85

**Notes to the Accounts**

- These un-audited accounts are being presented to the shareholders as required under SECP Notification No. SRO 764(1)/2001 dated 05-11-2001 and in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting".
- Accounting policies adopted for the preparation of these quarterly accounts are the same as adopted in the preceding annual accounts.
- Figures from the previous year have been re-arranged for the purpose of comparison wherever necessary.
- Figures in these accounts have been rounded off to the nearest rupee.

Sd/-  
Mian Anis Ahmad Sheikh  
Director

Sd/-  
Mian Muhammad Alamgir Jamil Khan  
Director

**CASH FLOW STATEMENT - UNAUDITED**  
For the nine months period ended March 31, 2014

	March 31, 2014 RUPEES	March 31, 2013 RUPEES
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	37,583,003	78,240,748
Adjustments for :		
Depreciation on property, plant and equipment	40,899,075	20,633,694
Gain on sale of property, plant and equipment	-	(324,294)
Provision for staff retirement benefits - gratuity	8,692,867	7,631,700
Finance cost (excluding interest on workers profit participation fund)	15,994,584	21,063,307
Profit on term finance certificates	(68,904)	(71,361)
Workers profit participation fund and Workers welfare fund	3,516,558	5,798,724
	69,034,180	54,731,770
Operating cash flows before movement in working capital	106,617,183	132,972,518
<b>Decrease / (increase) in current assets</b>		
Stores, spares and loose tools	2,870,163	104,605
Stock in trade	(91,306,334)	(121,608,825)
Trade debts	(55,976,596)	(17,219,265)
Loans and advances (excluding advance income tax)	1,702,623	726,538
Trade deposits and prepayments	(1,031,786)	(794,923)
Sales tax refundable	5,046,055	1,281,496
Other receivable	-	28,845
<b>(Decrease)/ Increase in current liabilities</b>		
Trade and other payables (excluding Workers profit participation fund and Workers welfare fund)	(13,917,335)	21,724,601
	(152,613,210)	(115,756,928)
Cash generated from operations	(45,996,027)	17,215,590
Income taxes paid	(16,746,578)	(7,441,178)
Staff retirement benefits-gratuity paid	(8,506,617)	(9,635,821)
Finance cost paid	(14,087,432)	(23,675,852)
Workers profit participation fund paid	(6,641,352)	(3,412,854)
Net cash (used in) / from operating activities	(91,978,006)	(26,950,115)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(2,192,442)	(3,415,820)
Proceeds on disposal of property, plant and equipment	-	475,000
Redemption of long term investments	208	578,700
Long term deposits	(114,760)	-
Profit on long term investments	68,904	71,361
Net cash used in investing activities	(2,238,090)	(2,290,759)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing repaid	(29,606,961)	(29,606,961)
Short term borrowings - net	142,705,808	61,493,734
Dividend paid	(15,880,603)	(7,948,264)
Net cash (used in) from financing activities	97,218,244	23,938,509
Net increase / (decrease) in cash and cash equivalents	3,002,148	(5,302,365)
Cash and cash equivalents at the beginning of the period	723,025	6,554,199
Cash and cash equivalents at the end of period	3,725,173	1,251,834

Sd/-  
Sohail Nadeem  
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY-UNAUDITED  
For the nine months period ended March 31, 2014

	Share Capital	Reserves			Total
		Capital Other Reserve	Revenue		
			General Reserve	Unappropriated Profit	
RUPEES					
Balance as at July 01, 2012	8,000,000	2,668,746	80,000,000	96,956,670	187,625,416
Profit for the period	-	-	-	50,856,486	50,856,486
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2013	-	-	-	50,856,486	50,856,486
Transactions with owners: Dividend for the year ended June 30, 2012 @ Rs.10.25 per share	-	-	-	(8,200,000)	(8,200,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	2,694,151	2,694,151
Balance as at March 31, 2013	8,000,000	2,668,746	80,000,000	142,307,307	232,976,053
Balance as at July 01, 2013	8,000,000	2,668,746	80,000,000	180,946,420	271,615,166
Profit for the period	-	-	-	27,915,382	27,915,382
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2014	-	-	-	27,915,382	27,915,382
Transactions with owners: Dividend for the year ended June 30, 2013 @ Rs. 20.25 per share	-	-	-	(16,200,000)	(16,200,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	-	15,194,961	15,194,961
Balance as at March 31, 2014	8,000,000	2,668,746	80,000,000	207,856,763	298,525,509



www.allawasaya.com

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