

ALLAWASAYA

TEXTILE & FINISHING MILLS LIMITED
MULTAN



FINANCIAL STATEMENTS

(AUDITORS' REVIEWED)

For the half year ended
December 31, 2013



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

Allawasaya Square,
Mumtazabad Industrial Area,
Vehari Road, Multan, Pakistan.
Ph: (061)4233624-26
Fax: (061)6525202
E-Mail: atm@allawasaya.com



DIRECTORS' REVIEW

Dear Shareholders,

Your Directors are pleased to present before you the Auditors' Reviewed Financial Statements of your Company for the Half Year ended December 31, 2013.

By the grace of Almighty Allah, the overall performance of your Company remained satisfactory during the period. The operations of the Company were effected due to curtailment in supply of natural gas to its Captive Power Plant and Company was forced to use WAPDA supply at higher cost with Load Shedding. Under the circumstances, your Company earned pre-tax profit of Rs. 31,483,566/- which after provision for tax netted at Rs. 24,418,553/- for the Half Year ended December 31, 2013 under report compared to Profit of Rs. 33,373,284/- for the same period last year. The comparative decrease in Profit for the period under report is due to fall in prices of Yarn in the local Markets along-with increase in costs of other inputs including salaries, wages & benefits and fuel & power.

Your Directors are quite hopeful that, by the grace of Almighty Allah, your Company will achieve still better financial results for the remaining period of the current financial year to end on June 30, 2014.

On behalf of the Board

Sd/-

Mian Muhammad Jamil
Chairman

Place: Multan
Dated: 24.02.2014



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF 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, 2013, and 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 profit and loss account for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2013.

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 the 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 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

M. YOUSUF ADIL SALEEM & CO.,
Chartered Accountants

Engagement Partner:
Talat Javed

Dated: 24.02.2014
Multan



**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2013**

ASSETS	Note	(Un-audited) December 31, 2013 Rupees	(Audited) June 30, 2013 Rupees
Non-current assets			
Property, plant and equipment	5	787,136,549	812,267,882
Long term investments		259,272	518,544
Long term deposits		2,158,337	2,109,237
		<u>789,554,158</u>	<u>814,895,663</u>
Current assets			
Stores, spares and loose tools		7,437,983	10,106,146
Stock-in-trade		457,820,715	158,713,888
Trade debts		159,322,831	111,376,497
Loans and advances		21,712,387	9,537,104
Trade deposits and prepayments		5,000	348,182
Sales tax refundable		3,129,043	7,895,081
Current portion of long term investments		259,376	208
Cash and bank balances		3,844,511	723,025
		<u>653,531,846</u>	<u>298,700,131</u>
Total assets		<u>1,443,086,004</u>	<u>1,113,595,794</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
1,000,000 (June 30, 2013: 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, 2013: 800,000) ordinary shares of Rs. 10/- each		8,000,000	8,000,000
Reserves		82,668,746	82,668,746
Unappropriated profit		<u>199,294,947</u>	<u>180,946,420</u>
		289,963,693	271,615,166
Surplus on revaluation of property, plant and equipment		475,606,995	485,736,969
Non-current liabilities			
Long-term financing		3,168,749	11,342,670
Deferred tax		<u>140,982,358</u>	<u>152,131,668</u>
		144,151,107	163,474,338
Current liabilities			
Trade and other payables		107,869,882	104,443,192
Mark-up accrued on loans		6,108,954	2,698,280
Short-term borrowings		333,756,866	9,081,520
Current portion of long-term financing		25,479,987	34,612,132
Provision for taxation		<u>60,148,520</u>	<u>41,934,197</u>
		533,364,209	192,769,321
Total equity and liabilities		<u>1,443,086,004</u>	<u>1,113,595,794</u>

Contingencies and commitments

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The annexed selected notes 1 to 11 form an integral part of this condensed interim financial information.

Sd/- Mian Muhammad Jamil Chairman	Sd/- Mian Tanvir Ahmad Sheikh Chief Executive Officer	Sd/- Mian Anis Ahmed 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, 2013**

	Note	----- Six months ended -----		----- Three months ended -----	
		December 31 2013	December 31 2012	December 31 2013	December 31 2012
		----- Rupees -----			
Sales		1,125,312,422	1,001,567,657	596,124,459	530,246,096
Cost of goods sold	7	(1,040,215,174)	(901,894,669)	(556,703,929)	(478,734,214)
Gross profit		85,097,248	99,672,988	39,420,530	51,511,882
Other income		40,040	35,658	20,020	17,829
		85,137,288	99,708,646	39,440,550	51,529,711
Distribution cost - commission		(5,381,043)	(3,494,808)	(1,813,168)	(1,641,715)
Administrative expenses		(36,735,966)	(24,211,012)	(21,600,626)	(13,229,970)
Other operating expenses		(2,815,451)	(4,077,451)	(1,077,268)	(2,102,765)
Finance cost		(8,721,262)	(15,168,160)	(6,898,782)	(8,424,175)
		(53,653,722)	(46,951,431)	(31,389,844)	(25,398,625)
Profit before taxation		31,483,566	52,757,215	8,050,706	26,131,086
Provision for taxation		(7,065,013)	(19,383,931)	1,143,495	(10,058,546)
Profit after taxation		24,418,553	33,373,284	9,194,201	16,072,540
Other comprehensive income		-	-	-	-
Total comprehensive income		24,418,553	33,373,284	9,194,201	16,072,540
Earnings per share - Basic and diluted		30.52	41.72	11.49	20.09

The annexed selected notes 1 to 11 form an integral part of this condensed interim financial information.

Sd/- Mian Muhammad Jamil Chairman	Sd/- Mian Tanvir Ahmad Sheikh Chief Executive Officer	Sd/- Mian Anis Ahmed Sheikh Director	Sd/- Mian Muhammad Alamgir Jamil Khan Director	Sd/- Sohail Nadeem Chief Financial Officer
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**CONDENSED INTERIM CASH FLOW STATEMENT
(UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013**

	----- Six months ended -----	
	December 31, 2013	December 31, 2012
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	31,483,566	52,757,215
Adjustments for non cash items:		
Depreciation on property, plant and equipment	27,193,075	13,597,044
Provision for staff retirement benefits-gratuity	8,631,309	3,650,549
Profit on long term investment	(29,017)	(35,658)
Finance cost	8,721,262	15,168,160
Operating cash flows before movement in working capital	76,000,195	85,137,310
Increase in current assets		
Stores, spares and loose tools	2,668,163	1,882,544
Stock-in-trade	(299,106,827)	(208,502,060)
Trade debts	(47,946,334)	11,641,169
Loans and advances	(1,090,187)	18,753,684
Trade deposits and prepayments	343,182	437,701
Sales tax refundable	4,766,038	(1,451,544)
Other receivables	-	28,845
Increase in current liabilities		
Trade and other payables	901,792	26,907,890
	(339,464,173)	(150,301,771)
Cash used in operations	(263,463,978)	(65,164,461)
Income tax paid	(11,085,096)	(23,002,724)
Staff retirement benefits - gratuity paid	(6,678,067)	(8,016,921)
Finance cost paid	(5,310,588)	(17,753,948)
Net cash used in operating activities	(286,537,729)	(113,938,054)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(2,061,742)	(2,740,210)
Proceeds on redemption of long-term investment	104	578,591
Long term deposits	(49,100)	-
Profit on long term investment	29,017	35,658
Net cash used in investing activities	(2,081,721)	(2,125,961)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing repaid	(17,306,066)	(17,306,066)
Short term borrowings - net	324,675,346	136,632,996
Dividend paid	(15,628,344)	(7,846,450)
Net cash from financing activities	291,740,936	111,480,480
Increase/ (decrease) in cash and cash equivalents (A+B+C)	3,121,486	(4,583,535)
Cash and cash equivalents at beginning of the period	723,025	6,554,199
Cash and cash equivalents at end of the period	3,844,511	1,970,664

The annexed selected notes 1 to 11 form an integral part of this condensed interim financial information.

Sd/- Mian Muhammad Jamil Chairman	Sd/- Mian Tanvir Ahmad Sheikh Chief Executive Officer	Sd/- Mian Anis Ahmed Sheikh Director	Sd/- Mian Muhammad Alamgir Jamil Khan Director	Sd/- Sohail Nadeem Chief Financial Officer
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**CONDENSED INTERIM STATEMENT OF
CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013**

	<i>Reserves</i>			<i>Total</i>	
	<i>Capital</i>	<i>Revenue</i>			
	<i>Share capital</i>	<i>Other reserve</i>	<i>General reserve</i>		<i>Unappropriated profit</i>
	----- 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	-	-	-	33,373,284	33,373,284
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period ended December 31, 2012	-	-	-	33,373,284	33,373,284
Transactions with owners:					
Dividend for the year ended June30, 2012 @ 10.25/share	-	-	-	(8,200,000)	(8,200,000)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	1,796,101	1,796,101
Balance as at December 31, 2012	8,000,000	2,668,746	80,000,000	123,926,055	214,594,801
Balance as at July 1, 2013	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
Transactions with owners:					
Dividend for the year ended June30, 2013 @ 20.25/share	-	-	-	(16,200,000)	(16,200,000)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	10,129,974	10,129,974
Balance as at December 31, 2013	8,000,000	2,668,746	80,000,000	199,294,947	289,963,693

The annexed selected notes 1 to 11 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 Ahmed 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, 2013**

1. *LEGAL STATUS AND NATURE OF BUSINESS*

Allawasaya 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 manufacture and sale of yarn. The registered office and mill of the Company is situated in Multan (province of Punjab).

2. *BASIS OF PREPARATION*

This condensed interim financial information of the Company for the six-months period ended December 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 - "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. *BASIS OF MEASUREMENT*

3.1 These financial statements have been prepared under the historical cost convention as modified by the revaluation of operating fixed assets and certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

3.2 This condensed interim financial information is unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under listing regulations of Karachi, Lahore and Islamabad Stock Exchange and section 245 of the Companies Ordinance, 1984. They do not include all of the information required for the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended as at June 30, 2013.



3.3 *Presentation and functional currency*

The condensed interim financial information are presented in Pak Rupees, which is the Company's functional and presentation currency.

3.4 *Accounting estimates and judgments*

The preparation of the condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan for interim financial reporting 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. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the annual audited financial statements as at and for the year ended June 30, 2013.

4. *SIGNIFICANT ACCOUNTING POLICIES*

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2013.



Allwasaya Textile & Finishing Mills Limited

(Un-audited) (Audited)
December 31, June 30,
2013 2013
Rupees Rupees

5. PROPERTY, PLANT AND EQUIPMENT

Opening book value	812,267,882	254,327,265
Additions during the period / year:		
Land-freehold	-	848,000
Plant and machinery	-	615,000
Power house	-	34,765,480
Office equipment	274,000	65,000
Vehicles	1,787,742	2,800,821
	2,061,742	39,094,301
Addition in surplus on revaluation during the period / year	-	548,951,298
Book value of assets disposed-off during the period / year	-	(150,704)
Depreciation charge for the period / year	(27,193,075)	(29,954,278)
	787,136,549	812,267,882

6. CONTINGENCIES AND COMMITMENTS

6.1 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, 2013.

6.2 Commitments

Guarantees issued by commercial banks on behalf of the company outstanding as at December 31, 2013 were Rs. 50 million (June 30, 2013 Rs.50 million).

7. COST OF GOODS SOLD

	----- Six months ended -----		----- Three months ended -----	
	December 31	December 31	December 31	December 31
	2013	2012	2013	2012
	----- Rupees -----			
Raw material consumed	781,783,381	681,387,121	412,539,445	321,030,388
Salaries wages and benefits	88,884,760	67,207,891	51,547,566	35,034,424
Store consumed	15,502,337	20,261,643	8,942,606	12,297,308
Packing material consumed	13,405,013	11,798,555	6,981,001	6,161,538
Fuel and power	133,134,709	97,433,780	61,858,868	48,414,221
Repair and maintenance	834,000	4,716,584	638,011	4,468,506
Insurance expenses	3,938,594	4,045,241	3,342,340	3,006,697
Depreciation	26,045,362	12,492,311	13,019,256	6,246,154
	1,063,528,156	899,343,126	558,869,093	436,659,236
Adjustment of work in process	2,082,658	159,081	1,618,118	(397,033)
Cost of goods manufactured	1,065,610,814	899,502,207	560,487,211	436,262,203
Adjustment of finished goods	(25,395,640)	2,392,462	(3,783,282)	42,472,011
Cost of goods sold	1,040,215,174	901,894,669	556,703,929	478,734,214



8. RELATED PARTY TRANSACTIONS

8.1 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, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Rupees	Rupees	Rupees	Rupees

Transactions with directors and key personnel

Remuneration of chief executive officer, directors and executives	5,400,000	3,313,232	2,700,000	1,656,616
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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, 2013.

9. 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, 2013.

10. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information were authorized for issue on February 24, 2014 by the Board of Directors of the Company.

11. 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 Ahmed Sheikh Director	Sd/- Mian Muhammad Alamgir Jamil Khan Director	Sd/- Sohail Nadeem Chief Financial Officer
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Brand Name "Gumbad"



www.allawasaya.com

ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED

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