

# ALLAWASAYA

TEXTILE & FINISHING MILLS LIMITED  
MULTAN



## FINANCIAL STATEMENTS

(AUDITORS' REVIEWED)

For the half year ended  
December 31, 2018



## **COMPANY PROFILE**

### **BOARD OF DIRECTORS**

1. Mrs. Nusrat Jamil - Chairperson
2. Mian Tanvir Ahmad Sheikh - Chief Executive Officer
3. Mian Muhammad Jamil
4. Mian Tauqir Ahmad Sheikh
5. Mian Anis Ahmad Sheikh
6. Mian Muhammad Bilal Ahmad Sheikh
7. Mian Muhammad Alamgir Jamil Khan
8. Mian Muhammad Umar Farooq Sheikh
9. Mr. Javed Musarrat
10. Mr. Abdul Rehman Qureshi
11. Mr. Imran Hussain

### **AUDIT COMMITTEE**

- |                        |            |
|------------------------|------------|
| Mr. Javed Musarrat     | - Chairman |
| Mian Anis Ahmad Sheikh | - Member   |
| Mrs. Nusrat Jamil      | - Member   |

### **CHIEF FINANCIAL OFFICER**

Sohail Nadeem

### **COMPANY SECRETARY**

Muhammad Ismail

### **HEAD OF INTERNAL AUDIT**

Ch. Javed Akhtar

### **AUDITORS**

Deloitte Yousuf Adil 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

### **REGISTERED OFFICE**

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

### **SHARES REGISTRAR**

M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7- Bank Square, Lahore.



## **DIRECTORS' REVIEW**

Dear Shareholders,

Your Directors present before you the Auditors' Reviewed Financial Statements of your Company for the Half Year ended December 31, 2018.

During the six months period under report, the company had earned a net Profit of Rs.10,273,968/- for the 1<sup>st</sup> quarter ended on 30<sup>th</sup> September 2018. However, subsequently Unit # I comprising on 13,624 Spindles was closed to carry out its major BMR through replacement and addition of Back Process machinery, Ring Spinning Frames and Auto winders. Major re-construction of building after its demolition was also required to be carried out. Hence, Unit # I was closed in first week of October 2018. Consequently, Unit # I remained closed and only Unit # II was functional. Though the operations of Unit No II were satisfactory, since all costs were absorbed by it, the Company suffered net Loss during the 2<sup>nd</sup> quarter which also resulted in Net Loss for the six months period ended on 31<sup>st</sup> December 2018.

The total sales, for the period have been Rs.997,250,801/- as compared to Rs.1,008,229,586/- for the same period of last year. The gross profit for the period was Rs.36,503,344/- as compared to Rs.44,853,094/- last year. The net Loss after providing for tax amounted to (Rs.20,757,994/-) for the half year ended December 31, 2018 as compared to net Profit after Tax of Rs.1,322,547/- of the same period last year.

With the completion of BMR, the total number of Spindles shall stand increased to 38,712 from previous 30,592 i.e., 26% increase in total capacity. The Management is quite hopeful that with this replacement, addition and up-gradation of machinery and building, the quantity as well as quality of yarn will improve leading to better viability of the Mills.

Your Directors hope that overall performance of the Company will improve in the remaining period of the current financial year to end on June 30, 2019.

On behalf of the Board

Sd/-

**Mrs. Nusrat Jamil  
Chairperson**

**Place: Multan**

**Dated: 27.02.2019**

## ڈائریکٹران کا جائزہ

محترم حصص داران،

آپ کے ڈائریکٹری کمیٹی کے پڑتال و جائزہ شدہ مالیاتی نتائج برائے نصف سالِ مختتمہ 31 دسمبر 2018ء پیش کرتے ہیں۔

پیش کردہ ششماہی مالیاتی رپورٹ کے دورانہ کی پہلی سہ ماہی مختتمہ 30 ستمبر 2018ء میں کمپنی کا حتمی منافع مبلغ -/10,273,968 روپے تھا۔ تاہم بعد میں یونٹ نمبر 1 جو کہ 13,624 سپنڈلز پر مشتمل ہے، کو بند کر دیا گیا۔ اس کی بنیادی وجہ بی۔ ایم۔ آر کے لیے جس میں بیک پروسس مشینری، رنگ سپنگ فریز اور آٹووائسٹرز کی مکمل تبدیلی شامل ہیں۔ اس کے لیے سابقہ بیشتر عمارت منہدم کرنے کے بعد از سر نو تعمیر بھی ضروری تھی۔ چنانچہ یونٹ نمبر 1 کو بند کرنا پڑا جو کہ اکتوبر 2018ء کے پہلے ہفتے میں کیا گیا اور صرف یونٹ نمبر 2 کام کر رہا تھا۔ اگرچہ یونٹ نمبر 2 کی اپنی کارکردگی تسلی بخش تھی تاہم تمام کمپنی اخراجات کا بوجھ اسی پر پڑا۔ نتیجتاً کمپنی کو دوسری سہ ماہی میں خسارے کا سامنا ہوا جس کی وجہ سے کمپنی کو ششماہی مدت مختتمہ 31 دسمبر 2018ء میں بھی حتمی خسارے کا سامنا کرنا پڑا۔

موجودہ مدت کے دوران کل فروختگی (سیلز) مبلغ -/997,250,801 روپے رہی جو کہ پچھلے سال اسی مدت کے لیے مبلغ -/1,008,229,586 روپے تھی۔ ابتدائی منافع مبلغ -/36,503,344 روپے تھا جو کہ پچھلے سال مبلغ -/44,853,094 روپے تھا۔ حتمی خسارہ بعد از ٹیکس کٹوتی مبلغ -/20,757,994 روپے تھا جبکہ پچھلے سال حتمی منافع بعد از ٹیکس کٹوتی مبلغ -/1,322,547 روپے تھا۔ بی ایم آر کی تکمیل کے بعد کل سپنڈلز کی تعداد 38,712 ہو جائے گی جو کہ پہلے 30,592 سپنڈلز تھی یعنی کہ کل صلاحیت میں 26 فیصد اضافہ ہو جائے گا۔ ملز انتظامیہ امید کرتی ہے کہ مشینری کی اس تبدیلی و اضافہ کی وجہ سے سوتر کی مقدار اور کوالٹی میں بہتری آئے گی اور ملز کی کارکردگی میں بہتری آئے گی۔

آپ کے ڈائریکٹران امید کرتے ہیں کہ کمپنی 30 جون 2019ء میں اختتام ہونے والے مالیاتی سال کے بقایا مدت میں بہتر نتائج حاصل کرے گی۔

بحکم بورڈ آف ڈائریکٹرز

دستخط

مسز نصرت جمیل۔ چیئر پرسن

ملتان۔ بتاریخ 27 فروری 2019ء



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED  
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **Allawasaya Textile & Finishing Mills Limited** (the Company) as at December 31, 2018, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three month period ended December 31, 2018 and related comparative information have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2018.

**Scope of Review**

We conducted our review in accordance with 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 statements 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.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at December 31, 2018 and for the six month period then ended, are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Rana M. Usman Khan.

**DELOITTE YOUSUF ADIL**  
**Chartered Accountants**

**Engagement Partner:**  
Rana M. Usman Khan  
Multan  
Dated: 27.02.2019



**ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**

		<i>(Unaudited)</i> <i>December 31,</i> <i>2018</i> <i>Rupees</i>	<i>(Audited)</i> <i>June 30,</i> <i>2018</i> <i>Rupees</i>
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	3	947,144,237	851,124,734
Long term deposits		2,379,997	2,379,997
		<b>949,524,234</b>	<b>853,504,731</b>
<i>Current assets</i>			
Stores and spares		22,409,419	20,167,808
Stock in trade		318,021,394	262,522,072
Trade debts		111,808,232	126,745,756
Loans and advances		92,040,985	42,827,997
Trade deposits and prepayments		2,844,744	929,033
Tax refunds due from government		29,437,740	26,850,372
Cash and bank balances		768,620	26,033,472
		<b>577,331,134</b>	<b>506,076,510</b>
<b>Total assets</b>		<b>1,526,855,368</b>	<b>1,359,581,241</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Share capital and reserves</i>			
Share capital		8,000,000	8,000,000
Surplus on revaluation of property, plant and equipment - net of deferred tax		549,887,166	555,466,212
Tax holiday reserve		2,668,746	2,668,746
General reserve		80,000,000	80,000,000
Unappropriated profits		163,820,459	181,999,407
		<b>804,376,371</b>	<b>828,134,365</b>
<i>Non-current liabilities</i>			
Long-term financing	4	96,100,000	-
Deferred tax		95,745,379	95,745,379
		<b>191,845,379</b>	<b>95,745,379</b>
<i>Current liabilities</i>			
Trade and other payables		160,233,274	140,144,792
Accrued markup		6,782,978	5,335,874
Short term borrowings		350,271,492	262,477,868
Unclaimed dividend		880,239	637,147
Provision for taxation		12,465,635	27,105,816
		<b>530,633,618</b>	<b>435,701,497</b>
<b>Total equity and liabilities</b>	5	<b>1,526,855,368</b>	<b>1,359,581,241</b>

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

Chief Executive

Director

Chief Financial Officer



**ALLWASAYA TEXTILE & FINISHING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018**

	Note	---- Six month period ended ----		---- Three month period ended ----	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
----- Rupees -----					
Sales - net		997,250,801	1,008,229,586	395,458,696	486,037,391
Cost of goods sold	6	(960,747,457)	(963,376,492)	(400,743,930)	(451,793,753)
Gross profit / (loss)		36,503,344	44,853,094	(5,285,234)	34,243,638
Distribution and marketing expenses		(5,772,453)	(6,137,854)	(920,858)	(1,856,981)
Administrative expenses		(28,908,341)	(21,503,417)	(13,140,195)	(10,195,390)
Operating expenses		(548,688)	(738,738)	658,767	(183,040)
Finance cost		(9,566,221)	(8,423,651)	(5,896,728)	(4,987,587)
		(44,795,703)	(36,803,660)	(19,299,014)	(17,222,998)
(Loss) / profit before taxation		(8,292,359)	8,049,434	(24,584,248)	17,020,640
Taxation		(12,465,635)	(6,726,887)	(6,447,714)	(2,526,582)
(Loss) / profit after taxation		(20,757,994)	1,322,547	(31,031,962)	14,494,058
Earnings per share - basic and diluted		(25.95)	1.65	(39)	18.12

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

Chief Executive

Director

Chief Financial Officer



**ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018**

	<u>...Six month period ended ...</u>		<u>...Three month period ended ...</u>	
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	<u>----- Rupees -----</u>			
(Loss) / profit for the period	(20,757,994)	1,322,547	(31,031,962)	14,494,058
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(20,757,994)</u>	<u>1,322,547</u>	<u>(31,031,962)</u>	<u>14,494,058</u>

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

Chief Executive

Director

Chief Financial Officer





**ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED**  
**CONDENSED INETRIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2018**

	----- Six month period ended -----	
	December 31, 2018 Rupees	December 31, 2017 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(8,292,359)	8,049,434
Adjustments for non cash items:		
Depreciation on property, plant and equipment	14,700,711	15,821,092
Provision for staff retirement benefits - gratuity	4,516,579	7,041,955
Finance cost	9,566,221	8,423,651
Operating cash flows before movement in working capital	20,491,152	39,336,132
<i>(Increase)/decrease in current assets</i>		
Stores and spares	(2,241,611)	2,799,460
Stock in trade	(55,499,322)	(222,964,961)
Trade debts	14,937,524	23,531,456
Loans and advances	(55,335,754)	4,386,561
Trade deposits and prepayments	(1,915,711)	(1,862,634)
Sales tax refundable	(2,587,368)	(4,163,468)
<i>Increase in current liabilities</i>		
Trade and other payables	22,912,153	28,060,645
	(79,730,089)	(170,212,941)
Net cash used in operations	(59,238,937)	(130,876,809)
Income tax paid	(20,983,050)	(23,103,720)
Staff retirement benefits - gratuity paid	(7,340,250)	(1,231,100)
Finance cost paid	(8,119,117)	(7,586,479)
Net cash used in operating activities	(95,681,354)	(162,798,108)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(2,350,000)	-
Additions to capital work in progress	(108,370,214)	-
Net cash used in investing activities	(110,720,214)	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	96,100,000	-
Short term borrowings - net	87,793,624	164,464,937
Dividend paid	(2,756,908)	(155,779)
Net cash generated from financing activities	181,136,716	164,309,158
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(25,264,852)	1,511,050
Cash and cash equivalents at beginning of the period	26,033,472	1,280,832
Cash and cash equivalents at end of the period	768,620	2,791,882

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

Chief Executive

Director

Chief Financial Officer



ALLWASAYA TEXTILE & FINISHING MILLS LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018

Share Capital	Reserves				Total	
	Capital		Revenue			
	Surplus on revaluation of property, plant and equipment	Tax holiday reserve	General reserve	Unappropriated profits/(Loss)		
----- Rupees -----						
Balance as at July 01, 2017 - Audited	8,000,000	564,143,421	2,668,746	80,000,000	152,641,179	807,453,346
Profit for the six month period ended December 31, 2017	-	-	-	-	1,322,547	1,322,547
Other comprehensive income for the six month period ended December 31, 2017	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2017	-	-	-	-	1,322,547	1,322,547
Dividend for the year ended June 30, 2017	-	-	-	-	-	-
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation ( net of deferred tax )	-	(5,779,992)	-	-	5,779,992	-
Balance as at December 31, 2017 - Unaudited	8,000,000	558,363,429	2,668,746	80,000,000	159,743,718	808,775,893
Balance as at July 01, 2018 - Audited	8,000,000	555,466,212	2,668,746	80,000,000	181,999,407	828,134,365
Loss for the six month period ended December 31, 2018	-	-	-	-	(20,757,994)	(20,757,994)
Other comprehensive income for the six month period ended December 31, 2018	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2018	-	-	-	-	(20,757,994)	(20,757,994)
Dividend for the year ended June 30, 2018 @ Rs. 3.75 per share	-	-	-	-	(3,000,000)	(3,000,000)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation ( net of deferred tax )	-	(5,579,046)	-	-	5,579,046	-
Balance as at December 31, 2018	8,000,000	549,887,166	2,668,746	80,000,000	163,820,459	804,376,371

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

Chief Executive

Director

Chief Financial Officer

**ALLAWASAYA TEXTILE & FINISHING MILLS LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2018**

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 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 Act, 2017). Its shares are quoted on Pakistan Stock Exchange (PSX) in Pakistan. It is principally engaged in the manufacturing and sale of yarn. The registered office and mill of the Company is situated at Allawasaya Square, Mumtazabad Industrial Area, Vehari Road, Multan in the province of Punjab.
- 1.2 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Statement of compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements are unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 237 of the Act.

- 2.2 These condensed interim financial statements do 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, 2018. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2018 whereas comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows have been extracted from un-audited condensed interim financial statements for the six months period ended December 31, 2017.

**2.3 Application of new and revised International Financial Reporting Standards (IFRS Standards)**

**2.3.1 Standards, amendments to standards and interpretations becoming effective during the period**

The Securities and Exchange Commission of Pakistan (SECP) has adopted new IFRS - 15 "Revenue from contracts with customers". Impact of this IFRS Standard on these condensed interim financial statements are explained in note 2.5.

Furthermore, SECP through SRO 1007(I)/2017, dated October 4, 2017, had notified IFRS 9 "Financial Instruments", replacing the International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" with effect from reporting periods starting July 1, 2018. Applicability of this IFRS 9 has been subsequently deferred through SRO 229 (I)/2019, dated February 14, 2019. Accordingly the requirements of IFRS 9 have not been considered in the preparation of these condensed interim financial statements.

There are other new standards, amendments to standards and interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2018 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

**2.3.2 Standards, amendments to standards and interpretations becoming effective in future periods**

There are certain new standards, amendments to standards and interpretations that will become effective in future accounting periods for those management of the company is under process of determining their impact.

## 2.4 Basis of preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value. These condensed interim financial statements do not include all the information required for complete set of financial statements and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2018.

## 2.5 Accounting policies and methods of computation

The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2018 except the following:

- IFRS - 15 "Revenue from contracts with customers" amends revenue recognition requirements and establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. Under new IFRS Standard, revenue is recognised when control is transferred to the customer which replaced the notion of transfer of risks and rewards in IAS 18 - Revenue.

The application of these IFRS Standards do not have any material impact on these condensed interim financial statements.

## 2.6 Financial risk management

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in financial statements of the Company as at and for the year ended June 30, 2018.

	<i>Note</i>	<i>(Unaudited) December 31, 2018 Rupees</i>	<i>(Audited) June 30, 2018 Rupees</i>
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets	3.1	838,774,023	851,124,734
Capital work-in-progress	3.2	108,370,214	-
		<u>947,144,237</u>	<u>851,124,734.00</u>
<b>3.1 Operating assets</b>			
Opening book value		851,124,734	882,766,913
Additions during the period/year			
Electric Installation		<u>2,350,000</u>	<u>-</u>
		2,350,000	-
Depreciation charge for the period/year		<u>(14,700,711)</u>	<u>(31,642,179)</u>
Closing book value		<u>838,774,023</u>	<u>851,124,734</u>
<b>3.2 Capital Work in progress</b>			
Opening carrying value		-	-
Additions during the period / year			
Plant and machinery		<u>108,370,214</u>	<u>-</u>
		108,370,214	-
Closing carrying value		<u>108,370,214</u>	<u>-</u>
<b>4. LONG-TERM BORROWINGS</b>			
<i>From banking companies - secured</i>			
Bank Al Habib Limited			
- Term Finance (TF)	4.1	<u>96,100,000</u>	<u>-</u>
		96,100,000	-



**4.1 Bank Al Habib Limited - TF**

This finance has been obtained from Bank Al Habib Limited for BMR. The loan is repayable in 20 equal quarterly installments commencing from July 10, 2019 with 1 year grace period. The mark-up / pricing for this facility is 06 month Avg. KIBOR (ASK) to be reviewed on 1st working day of every calendar half yearly on the basis of Arithmetic mean of preceding 6 working days (the KIBOR rate) plus 1.50% per annum (the Base Price). This finance is secured against Promissory Note(s) amounting to Rs. 206.480 million duly signed and stamped by the company.

**5. CONTINGENCIES AND COMMITMENTS**
**5.1 Contingencies**

There is no material change in the status of contingencies as disclosed in the published annual financial statements of the Company for the year ended June 30, 2018.

**5.2 Commitments**

Commitments outstanding at the end of the period in respect of irrevocable letters of credit is Rs. 56 million (June 30, 2018: Rs. Nil) and letters of guarantee is Rs. 27.10 million (June 30, 2018: Rs. 27.10 million).

**6. COST OF GOODS SOLD**

	----- (Unaudited) -----			
	----- Six month period ended -----		--- Three month periods ended ---	
	December 31,		December 31,	
	2018	2017	2018	2017
	----- Rupees -----			
Raw material consumed	723,504,438	700,329,269	298,895,644	356,937,384
Salaries, wages and benefits	91,741,023	101,739,520	30,928,108	46,578,917
Stores and spares consumed	9,399,598	16,615,349	1,748,723	8,951,330
Packing materials consumed	11,331,753	13,556,052	4,281,098	6,604,202
Fuel and power	126,039,799	137,821,327	46,427,873	69,967,517
Repairs and maintenance	826,480	1,011,567	368,984	527,243
Insurance expenses	2,255,087	2,042,168	1,127,543	1,021,084
Depreciation	12,765,956	13,591,999	6,294,852	6,796,000
	<u>977,864,134</u>	<u>986,707,251</u>	<u>390,072,825</u>	<u>497,383,677</u>
<b>Work in process</b>				
Opening stock	<u>11,799,401</u>	<u>10,260,893</u>	<u>13,821,248</u>	<u>10,325,245</u>
Closing stock	<u>(10,795,071)</u>	<u>(11,518,442)</u>	<u>(10,795,071)</u>	<u>(11,518,442)</u>
	<u>1,004,330</u>	<u>(1,257,549)</u>	<u>3,026,177</u>	<u>(1,193,197)</u>
Cost of goods manufactured	<u>978,868,464</u>	<u>985,449,702</u>	<u>393,099,002</u>	<u>496,190,480</u>
<b>Finished goods</b>				
Opening stock	<u>46,570,576</u>	<u>60,187,210</u>	<u>72,336,511</u>	<u>37,863,693</u>
Closing stock	<u>(64,691,583)</u>	<u>(82,260,420)</u>	<u>(64,691,583)</u>	<u>(82,260,420)</u>
	<u>(18,121,007)</u>	<u>(22,073,210)</u>	<u>7,644,928</u>	<u>(44,396,727)</u>
Cost of goods sold	<u>960,747,457</u>	<u>963,376,492</u>	<u>400,743,930</u>	<u>451,793,753</u>

**7. RELATED PARTY TRANSACTIONS**

The related parties comprise associated undertakings, directors and key management personnel. The Company in the normal course of business carries out transactions with related parties. Significant transactions with related parties are as follows:

	----- (Unaudited) -----			
	----- Six months period ended -----		--- Three months period ended ---	
	December 31,		December 31,	
	2018	2017	2018	2017
	----- Rupees -----			
<b>Nature of transactions</b>				
<b>Key management personnel</b>				
Remuneration of chief executive officer, directors and executives	8,400,000	6,000,000	4,200,000	3,000,000
Utilities	1,433,739	1,030,878	716,870	515,439

## 8. FAIR VALUE MEASUREMENT

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

### 8.1 Fair value of property, plant and equipment

The Company's Freehold Land, Building on Freehold Land, Plant & Machinery, Electric Installation and Power house are carried at revalued amounts, being fair value at the date of revaluation, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of below stated assets was performed by an independent valuer M/s KG Traders (Private) Limited on June 30, 2016 on the basis of depreciated replacement value. The valuer is listed on the panel of Pakistan Banks Association and possesses appropriate qualification and experience in the fair value measurements.

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
<i>As at December 31, 2018</i>				
Land- Freehold	-	356,125,000	-	356,125,000
Building on freehold land	-	93,108,281	-	93,108,281
Plant & machinery	-	259,708,665	-	259,708,665
Power house				
- Building on freehold land	-	7,350,663	-	7,350,663
- Generators	-	87,346,509	-	87,346,509
- Electric installation	-	7,902,795	-	7,902,795
<i>As at June 30, 2018</i>				
Land- Freehold	-	356,125,000	-	356,125,000
Building on freehold land	-	95,495,673	-	95,495,673
Plant & machinery	-	266,367,862	-	266,367,862
Power house				
- Building on freehold land	-	7,539,142	-	7,539,142
- Generators	-	89,586,163	-	89,586,163
- Electric installation	-	8,543,562	-	8,543,562

There were no transfer between levels of fair value hierarchy occurred during the period / year.

The carrying values of all other financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values.

## 9. DATE OF AUTHORIZATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

## 10. GENERAL

Figures have been rounded-off to the nearest rupee except stated otherwise.

Chief Executive

Director

Chief Financial Officer



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