

# ALLAWASAYA

## TEXTILE & FINISHING MILLS LTD.

### MULTAN



## FINANCIAL STATEMENTS

(AUDITORS' REVIEWED)

FOR THE HALF YEAR ENDED  
DECEMBER 31, 2009



**COMPANY PROFILE**

**BOARD OF DIRECTORS**

Mian Muhammad Jamil	– <i>Chairman</i>
Mian Tanvir Ahmad Sheikh	– <i>Chief Executive</i>
Mrs. Nusrat Jamil	– <i>Director</i>
Mian Anis Ahmad Sheikh	– <i>Director</i>
Mian Sarfraz 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>

**AUDIT COMMITTEE**

Mian Muhammad Jamil	– <i>Chairman</i>
Mian Tanvir Ahmad Sheikh	– <i>Member</i>
Mian Muhammad Alamgir Jamil Khan	– <i>Member</i>

**COMPANY SECRETARY**

Muhammad Ismail

**CHIEF FINANCIAL OFFICER**

Muhammad Ismail

**AUDITORS**

M. Yousuf Adil Saleem & Co;  
Chartered Accountants

**BANKERS**

M/s Habib Bank Limited  
M/s Bank Al-Habib Limited  
M/s Habib Metropolitan Bank Limited  
M/s Allied Bank Limited  
M/s United Bank Limited

**REGISTERED OFFICE**

Allawasaya Square,  
Mumtazabad Industrial Area,  
Vehari Road, Multan.



## Allwasaya Textile & Finishing Mills Ltd.

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### DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to present before you the Auditors' Reviewed Statement of Accounts of your Company for the Half Year ended on 31st December 2009.

Performance of your Company for the period under report was satisfactory keeping in view the increase in the prices of raw material (cotton and polyester fiber), and other inputs. The prices of Yarn responded well to the increase in prices of raw material giving better margins. However, the restriction imposed on the Quantum of Yarn Export has effected the Local Yarn Prices. We strongly feel that under the Free Market Mechanism, when there is no restriction on Export of Cotton, there should also be no restriction on Export of Yarn.

However, better management and marketing efforts enabled the Company to achieve satisfactory results. Your Company earned pre-tax profit of Rs. 7,457,076/- which after provision for tax netted to Rs. 5,559,717/- for half year ended on 31st December 2009 under report compared to loss of Rs. 4,707,382/- for the same period last year.

Your Directors are quite hopeful that by the grace of Almighty Allah, your Company will achieve better results in the remaining period of the current year to end on 30th June 2010.

On behalf of the Board  
**Mian Muhammad Jamil**  
Chairman

Place: Multan  
Dated: 24.02.2010



**AUDITOR'S 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, 2009, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof, for the six-months 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, 2009 and December 31, 2008 have not been reviewed, as we are required to review only the cumulative figures for the six-months ended December 31, 2009.

**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.

**BASIS OF QUALIFIED CONCLUSION**

The management has not accounted for the increase in taxable temporary differences and reduction in unused tax losses with net tax effect of Rs. 18.905 million in the accompanying interim financial information which is required under IAS 12-Income Taxes. Had the effect of the aforementioned been recognized in the accompanying interim financial information, the profit after tax for the period would have been lower and deferred tax liability would have been higher by the same amount.

**QUALIFIED CONCLUSION**

Based on our review, except for the matter noted above, 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. YOUSUFADIL SALEEM & CO.,  
Chartered Accountants  
Karachi  
Dated: 24.02.2010



## Allawasaya Textile & Finishing Mills Ltd.

### CONDENSED INTERIM BALANCE SHEET

	(Unaudited) December 31, 2009	(Audited) June 30, 2009
	Note	
	Rupees	Rupees
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital 1,000,000 (June 30, 2009: 1,000,000) ordinary shares of Rs. 10 each	10,000,000	10,000,000
Issued, subscribed & paid-up capital 800,000 (June 30, 2009: 800,000) ordinary shares of Rs. 10/- each	8,000,000	8,000,000
Reserves	82,668,746	82,668,746
Accumulated loss	(7,950,545)	(16,022,861)
	<u>82,718,201</u>	<u>74,645,885</u>
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT &amp; EQUIPMENT</b>	45,835,822	48,348,422
<b>NON-CURRENT LIABILITIES</b>		
Long-term financing	89,584,948	89,584,948
Deferred liabilities	16,319,828	17,672,766
	105,904,776	107,257,714
<b>CURRENT LIABILITIES</b>		
Trade and other payables	43,882,494	33,661,188
Interest / Mark-up accrued on loans	10,316,099	17,608,532
Short-term borrowings	291,732,882	268,913,904
Current portion of long-term financing	10,968,566	20,100,711
Provision for taxation	3,250,298	-
	360,150,339	340,284,335
<b>CONTINGENCIES</b>	5	-
	<u>594,609,138</u>	<u>570,536,356</u>

The annexed notes from 1 to 7 form an integral part of these condensed interim financial statements.

Sd/-  
Mian Muhammad Jamil  
Chairman

Sd/-  
Mian Tanvir Ahmad Sheikh  
Chief Executive



## Allwasaya Textile & Finishing Mills Ltd.

### (UNAUDITED) AS AT DECEMBER 31, 2009

	Note	(Unaudited) December 31, 2009 Rupees	(Audited) June 30, 2009 Rupees
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	250,688,324	264,021,156
Long term investments		2,255,096	2,255,548
Long term deposits		2,068,237	2,068,237
		<u>255,011,657</u>	<u>268,344,941</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		9,259,141	9,308,444
Stock-in-trade		250,051,322	184,210,000
Trade debts - considered good		58,464,149	93,900,329
Loans and advances-considered good		13,113,787	2,430,099
Trade deposits and short-term prepayments		2,043,597	265,934
Sales tax refundable		5,473,839	8,114,228
Other receivables		-	86,130
Current portion of long term investments		904	904
Cash and bank balances		1,190,742	3,875,347
		<u>339,597,481</u>	<u>302,191,415</u>
		<u><u>594,609,138</u></u>	<u><u>570,536,356</u></u>

Sd/-  
Mian Anis Ahmad Sheikh  
Director

Sd/-  
Mian Muhammad Alamgir Jamil Khan  
Director

Sd/-  
CFO



## Allwasaya Textile & Finishing Mills Ltd.

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) For the half year ended December 31, 2009

	Half year ended		Quarter ended	
	December 31 2009 (July - December)	December 31 2008	December 31 2009 (October - December)	December 31 2008
	R u p e e s			
Sales	659,897,617	511,193,241	314,921,661	211,804,250
Cost of goods sold	(618,093,458)	(475,974,510)	(295,622,370)	(199,209,028)
Gross profit	41,804,159	35,218,731	19,299,291	12,595,222
Other operating income	52,604	67,897	9,885	5,000
Administrative expenses	41,856,763 (11,654,613)	35,286,628 (10,384,600)	19,309,176 (4,891,237)	12,600,222 (4,799,111)
Finance cost	(22,745,074)	(29,609,410)	(11,495,386)	(16,432,643)
Profit / (loss) before taxation	7,457,076	(4,707,382)	2,922,553	(8,631,532)
Provision for taxation	(1,897,359)	-	(172,479)	1,373,453
Profit / (loss) after taxation	5,559,717	(4,707,382)	2,750,074	(7,258,079)
Other comprehensive income	-	-	-	-
Total Comprehensive income / (loss)	5,559,717	(4,707,382)	2,750,074	(7,258,079)
Earnings per share - Basic & diluted	6.95	(5.88)	3.44	(9.07)

The annexed notes from 1 to 7 form an integral part of these condensed interim financial statements.

Sd/- Mian Muhammad Jami	Sd/- Mian Tanvir Ahmad Sheikh	Sd/- Mian Anis Ahmad Sheikh	Sd/- Mian Muhammad Alamgir	Sd/- Mian Muhammad Alamgir
Chairman	Chief Executive	Director	Director	CFO



## Allawasaya Textile & Finishing Mills Ltd.

### CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) For the half year ended December 31, 2009

	Half year ended	
	December 31, 2009 Rupees	December 31, 2008 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	7,457,076	(4,707,382)
Adjustments for:		
Depreciation on property, plant and equipment	14,001,363	10,622,883
Provision for gratuity	-	981,300
Profit on Term Finance Certificates	(42,719)	(67,897)
Profit on disposal of fixed assets	(9,885)	-
Finance cost	22,745,074	29,609,410
Operating cash flows before movement in working capital:	44,150,909	36,438,314
Changes in working capital		
(Increase)/decrease in current assets		
Stores, spares and loose tools	49,303	(4,313,394)
Stock-in-trade	(65,841,322)	(51,860,373)
Trade debts	35,436,180	(6,555,723)
Loans and advances	(10,683,688)	11,641,504
Trade deposits and short-term prepayments	(1,777,663)	(1,755,996)
Sales tax refundable	2,640,389	(2,065,705)
Other receivables	86,130	48,058
Increase in current liabilities		
Trade and other payables	10,221,306	5,114,108
	(29,869,365)	(49,747,521)
	14,281,544	(13,309,207)
Income taxes paid	-	(1,249,427)
Workers' profit participation fund paid	-	(1,472)
Gratuity paid	-	(8,875,000)
Finance cost paid	(30,037,507)	(22,529,715)
	(30,037,507)	(32,655,614)
Net cash used in operating activities	(15,755,963)	(45,964,821)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(668,646)	(874,450)
Redemption of long-term investment	452	452
Proceed from disposal of property, plant and equipment	10,000	-
Profit on Term Finance Certificates	42,719	67,897
Net cash used in investing activities	(615,475)	(806,101)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing obtained	-	36,728,419
Repayment of long-term financing	(9,132,145)	-
Short term borrowings - net	22,818,978	22,622,132
Dividend paid	-	(44,938)
Net cash from financing activities	13,686,833	59,305,613
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(2,684,605)	12,534,691
Cash and cash equivalents at the beginning of the period	3,875,347	3,059,340
Cash and cash equivalents at the end of the period	1,190,742	15,594,031

The annexed notes from 1 to 7 form an integral part of these condensed interim financial statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mian Muhammad Jami	Mian Tanvir Ahmad Sheikh	Mian Anis Ahmad Sheikh	Mian Muhammad Alamgir	Jamil Khan
Chairman	Chief Executive	Director	Director	CFO



## Allwasaya Textile & Finishing Mills Ltd.

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the half year ended December 31, 2009

	Reserves				Total
	Capital	Revenue		Total	
	Other reserve	General reserve	Accumulated loss		
..... R U P E E S .....					
Balance as at July 01, 2008	8,000,000	2,668,746	80,000,000	6,791,445	97,460,191
Changes in equity during the period					
Total comprehensive loss for the period ended December 31, 2008	-	-	-	(4,707,382)	(4,707,382)
Balance as at December 31, 2008	8,000,000	2,668,746	80,000,000	2,084,063	92,752,809
Balance as at July 01, 2009	8,000,000	2,668,746	80,000,000	(16,022,861)	74,645,885
Total comprehensive income for the period ended December 31, 2009	-	-	-	5,559,717	5,559,717
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation	-	-	-	2,512,599	2,512,599
Balance as at December 31, 2009	8,000,000	2,668,746	80,000,000	(7,950,545)	82,718,201

The annexed notes from 1 to 7 form an integral part of these condensed interim financial statements.

Sd/- Mian Muhammad Jami Chairman	Sd/- Mian Tanvir Ahmad Sheikh Chief Executive	Sd/- Mian Anis Ahmad Sheikh Director	Sd/- Mian Muhammad Alamgir Director	Sd/- Jamil Khan Director CFO
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## **Allawasaya Textile & Finishing Mills Ltd.**

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### **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**For the half year ended December 31, 2009**

#### **1. LEGAL STATUS AND NATURE OF BUSINESS**

Allawasaya Textile and 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).

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

#### **2. BASIS OF PRESENTATION**

These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34, "Interim Financial Reporting" as applicable in Pakistan.

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to shareholders as required by listing regulations of Karachi, Lahore and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984. They do not include all of the informations 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, 2009.

#### **3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of Company's annual financial statements for the year ended June 30, 2009 except for the change



due to adoption of IAS 1 - (Revised) as discussed in paragraph below:

**Adoption of new International Financial Reporting Standards**

The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. Further, under revised standard, an entity may present the components of profit or loss either as part of a single statement of comprehensive income or in a separate income statement. As surplus on revaluation of assets does not form part of the equity under the local laws and is presented below the equity in the balance sheet, accordingly changes in equity arising from surplus on revaluation of assets have not been considered part of comprehensive income. The Company has opted to present the components of profit or loss as part of a single statement of comprehensive income as permitted under revised IAS 1.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting police only impacts presentation aspects, there is not impact on earnings per share.

IFRS 8 - Operating segments (effective for annual periods beginning on or after January 1, 2009) introduces the "management approach" to segment reporting. IFRS 8 requires the change in presentation and disclosure in segment information based on the internal reports that are regularly reviewed by the entity's "Chief Operating Decision Maker" (CODM) in order to assess each segment's performance and to allocate resources to them. The adoption of IFRS 8 has not resulted in any changes in the presentation and disclosure of the these condensed interim financial statements as the Company considers itself as a single operating segment company and the it's performance is evaluated on an overall basis.

The other standards, interpretations and amendments to existing standards effective from current financial year are either have no effect on the Company's operations or are not relevant for the Company's operations.



## Allwasaya Textile & Finishing Mills Ltd.

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	Unaudited ..... Half year ended .....	Un-audited
	December 31, 2009	December 31, 2008
	Rupees	Rupees
4. PROPERTY, PLANT & EQUIPMENT		
<b>Additions during the period:</b>		
Plant and machinery	-	10,180,015
Arms and ammunition	200,000	55,600
Office equipment	286,146	97,400
Vehicles	-	721,450
Furniture and fixtures	182,500	-
	<u>668,646</u>	<u>11,054,465</u>
<b>Disposals during the period-at cost:</b>		
Vehicles	<u>19,865</u>	<u>-</u>

#### 5. CONTINGENCIES

There is no material change in the status of contingencies as disclosed in the published annual audited financial statements.

#### 6. RELATED PARTY TRANSACTIONS

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

##### *Transactions with directors & key personnels*

Remuneration of chief executive officer, directors and executives	1,320,000	858,016
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##### *Transactions with associated undertaking*

Purchase of goods	12,790,597	-
Others (Telephone expenses)	15,880	39,955

Transactions with related parties have been carried out on agreed terms and conditions.



## Allwasaya Textile & Finishing Mills Ltd.

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### 7. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 24th February, 2010, by the Board of Directors of the Company.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mian Muhammad Jami	Mian Tanvir Ahmad Sheikh	Mian Anis Ahmad Sheikh	Mian Muhammad Alamgir	Jamil Khan
Chairman	Chief Executive	Director	Director	CFO

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