

ALLAWASAYA

TEXTILE AND FINISHING MILLS LTD
MULTAN



FINANCIAL STATEMENTS (AUDITORS' REVIEWED)

For the Six Month Period Ended
December 31, 2022



BOARD OF DIRECTORS

- | | | |
|-----|---------------------------------|---------------------------|
| 1. | Mrs. Nusrat Jamil | - Chairperson |
| 2. | Mian Muhammad Jamil | |
| 3. | Mr. Mohammad Alamgir Jamil Khan | - Chief Executive Officer |
| 4. | Mian Tauqir Ahmed Sheikh | |
| 5. | Mian Idrees Ahmed Sheikh | |
| 6. | Mrs. Bushra Tauqir | |
| 7. | Mrs. Misbah Idrees Sheikh | |
| 8. | Mr. Muhammad Umar Farooq | |
| 9. | Mr. Javed Musarrat | |
| 10. | Mr. Abdul Rehman Qureshi | |
| 11. | Mr. Imran Hussain | |

AUDIT COMMITTEE

- | | |
|--------------------------|------------|
| Mr. Javed Musarrat | - Chairman |
| Mr. Abdul Rehman Qureshi | - Member |
| Mrs. Nusrat Jamil | - Member |

CHIEF FINANCIAL OFFICER

Mr. Sohail Nadeem

COMPANY SECRETARY

Mr. Muhammad Ismail

HEAD OF INTERNAL AUDIT

Ch. Javed Akhtar

AUDITORS

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
M/s Askari Bank Limited
M/s Samba Bank Limited
M/s BankIslami Pakistan Limited

REGISTERED OFFICE

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

SHARES REGISTRAR

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

DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors of your Company, it is our privilege to present before you the Auditors' Reviewed Financial Statements of your Company for the Six Month period ended December 31, 2022.

During the six month period under report, the situation of the textile industry at large was slow due to recession in the world and floods in the country and economic and political instability in the country played its part as a result the overall demand of yarn and fabric reduced drastically in international and national market. The Company's sales were also affected badly due to shortage and inconsistent supply of raw materials. It is very important to mention that the sharp increase in mark up rates and devaluation in Pak Rupee had adversely affected the cost of production which added to the problems of the industry.

During the six month period under report, the total sales for the period were Rs.1,764,285,781/-as compared to Rs.2,357,428,843/-for the same period last year. The gross profit for the period was Rs.73,379,840/-as compared to Rs.246,517,890/- last year. The net loss after providing for tax amounted to (Rs.104,427,545/-) for the Six Month period ended December 31, 2022.

There is a grave apprehension that after removal of subsidy in the electricity tariff, increase in minimum wages and further expected increase in discount rates will lead the industry to curtail its operations. The government must look into the situation and intervene by adopting consistent and long term policies for the industry to increase exports and create more jobs. The government needs to cut down unnecessary and lavish spending and have a stable policy with regards to Dollar Rate, however, till such steps are not taken, the future of textile industry will be uncertain.

On behalf of the Board

Sd/-

Mohammad Alamgir Jamil Khan
Chief Executive Officer

Sd/-

Mian Idrees Ahmed Sheikh
Director

Place: Multan

Dated: 25.02.2023

ڈائریکٹر ان کا جائزہ

محترم حصص داران،

مہم کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے کمپنی کے آڈیٹرز سے محدود پڑتال و جائزہ شدہ مالیاتی نتائج برائے پہلی ششماہی مدت ستمبر 31 دسمبر 2022ء پیش کرتے ہیں۔

چھ ماہ کے دوران یہ میں دنیا بھر میں کساد بازاری اور ملک میں سیلاب اور معاشی و سیاسی عدم استحکام کی وجہ سے ٹیکسٹائل انڈسٹری کی مجموعی صورتحال ست روی کا شکار رہی جس کے نتیجے میں بین الاقوامی اور قومی مارکیٹ میں دھماگے اور کپڑے کی مجموعی مانگ میں واضح کمی واقع ہوئی۔ خام مال کی قلت اور عدم تسلسل کی وجہ سے کمپنی کی فروختگی بھی بری طرح متاثر ہوئی۔ مزید برآں شرح سود میں اضافہ اور پاپا کدروپے کی قدر میں کمی نے پیداواری لاگت کو بری طرح متاثر کیا اور نتیجتاً صنعت کے مسائل میں بھی اضافہ ہوا۔

کمپنی کی موجودہ ششماہی مدت کے دوران کل فروختگی مبلغ -/1,764,285,781 روپے رہی جو کہ پچھلے سال اسی مدت کے لیے مبلغ -/2,357,428,843 روپے تھی۔ ابتدائی نتائج مبلغ -/73,379,840 روپے تھا جو کہ پچھلے سال مبلغ -/246,517,890 روپے تھا۔ حتیٰ خسارہ بعد از ٹیکس منہائی برائے پہلی ششماہی مدت ستمبر 31 دسمبر 2022ء مبلغ -/104,427,545 روپے رہا۔

اس بات کا خدشہ ہے کہ متوقع بجلی کے نرخوں میں اضافہ، کم از کم اجرت میں اضافہ اور شرح سود میں مزید اضافے سے صنعتوں کی اپنی پیداوار بند کرنے کا باعث بنے گا۔ حکومت کو صورت حال کا جائزہ لینا چاہیے اور صنعتوں کے مستقل کے لیے طویل مدتی پالیسیاں اپناتے ہوئے مداخلت کرنی چاہیے تاکہ برآمدات میں اضافہ ہو اور روزگار کے مزید مواقع پیدا ہوں۔ حکومت کو غیر ضروری اخراجات کو کم کرنے اور ڈالر کے ریٹ کے حوالے سے ایک مستحکم پالیسی اپنانے کی ضرورت ہے تاہم جب تک ایسے اقدامات نہیں اٹھائے جاتے ٹیکسٹائل انڈسٹری کا مستقبل غیر یقینی صورت حال سے دوچار رہے گا۔

بھگم پور ڈائریکٹرز

دستخط

میاں اوریس احمد شیخ۔ ڈائریکٹر

دستخط

محمد عالمیر جمیل خان۔ چیف ایگزیکٹو آفیسر

ملتان۔ بتاریخ 25 فروری 2023ء



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Allawasaya Textile and Finishing Mills Limited Report on the Review of Interim Financial Statements

INTRODUCTION

We have reviewed the accompanying condensed interim statement of financial position of **Allawasaya Textile and Finishing Mills Limited** (the Company) as at December 31, 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "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 interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income and the related notes for the three-month period ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2022.

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 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 interim financial statements 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 Muhammad Sufyan.

YOUSUF ADIL
Chartered Accountants

Multan
Dated: 25.02.2023
UDIN Number: RR2022101809GHNDY4ql



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

		(Unaudited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
ASSETS	Note		
Non-current assets			
Property, plant and equipment	3	2,219,333,734	2,136,305,160
Long term deposits		5,337,497	5,337,497
		2,224,671,231	2,141,642,657
Current assets			
Stores and spares		67,675,119	57,150,005
Stock in trade	4	1,098,432,779	568,014,406
Trade debts		411,871,584	553,294,725
Loans and advances and other receivables		55,730,641	110,197,241
Advance income tax		45,055,899	83,449,436
Tax refunds due from government		64,870,520	-
Trade deposits and prepayments		5,886,427	2,822,518
Other financial assets	5	15,000,000	-
Cash and bank balances		12,225,855	6,603,225
		1,776,748,824	1,381,531,556
Total assets		4,001,420,055	3,523,174,213
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		8,000,000	8,000,000
Surplus on revaluation of property, plant and equipment - net of deferred tax		1,167,398,607	1,177,127,886
Tax holiday reserve		2,668,746	2,668,746
General reserve		80,000,000	80,000,000
Unappropriated profits		370,512,142	471,010,408
		1,628,579,495	1,738,807,040
Loan from directors	6	21,000,000	-
		1,649,579,495	1,738,807,040
Non-current liabilities			
Long-term financing	7	240,999,600	193,426,731
Lease liabilities		12,253,691	13,436,529
Deferred tax liability		208,051,411	212,171,717
		461,304,702	419,034,977
Current liabilities			
Trade and other payables		541,893,727	393,366,173
Accrued markup		50,885,986	19,141,424
Short term borrowings	8	1,228,022,529	813,782,709
Current portion of long term financing	7	46,652,114	69,661,705
Current portion of deferred grant	7	-	212,869
Current portion of lease liabilities		2,387,431	2,169,682
Unclaimed dividend		1,029,630	987,863
Provision for taxation		19,664,441	66,009,771
		1,890,535,858	1,365,332,196
Contingencies and commitments	9		
Total equity and liabilities		4,001,420,055	3,523,174,213

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Note	---- Six month period ended ----		---- Three month period ended ----	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		----- Rupees -----			
Revenue from contract					
with customers	10	1,764,285,781	2,357,428,843	833,667,319	1,206,545,710
Cost of goods sold	11	(1,690,905,941)	(2,110,910,953)	(802,927,251)	(1,084,494,429)
Gross profit		73,379,840	246,517,890	30,740,068	122,051,281
Other income		2,598,618	7,000	2,598,618	-
Distribution and marketing expenses		(11,026,579)	(18,543,639)	(3,545,231)	(10,118,347)
Administrative expenses		(43,802,953)	(38,358,882)	(22,471,947)	(18,230,591)
Operating expenses		-	(10,620,875)	-	(4,804,185)
Finance cost		(107,643,204)	(35,689,640)	(59,110,068)	(24,069,471)
		(159,874,118)	(103,206,036)	(82,528,628)	(57,222,594)
(Loss) / Profit before taxation		(86,494,278)	143,311,854	(51,788,560)	64,828,687
Taxation		(17,933,267)	(41,434,806)	(6,300,536)	(18,674,688)
(Loss) / Profit for the period		(104,427,545)	101,877,048	(58,089,096)	46,153,999
Earnings per share-basic and diluted		(130.53)	127.35	(72.61)	57.69

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The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	<i>...Six month period ended ...</i>		<i>...Three month period ended ...</i>	
	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>	<i>December 31,</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>----- Rupees -----</i>			
(Loss) / Profit for the period	(104,427,545)	101,877,048	(58,089,096)	46,153,999
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	(104,427,545)	101,877,048	(58,089,096)	46,153,999

Y/A

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	----- Six month period ended -----	
	December 31, 2022	December 31, 2021
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(86,494,278)	143,311,854
Adjustments for non cash items:		
Depreciation on property, plant and equipment	29,973,597	22,246,212
Gain on sale of property, plant and equipment	(1,602,033)	(7,000)
Provision for staff retirement benefits - gratuity	11,125,786	11,283,206
Finance cost	107,643,204	35,689,640
Operating cash flows before movement in working capital	60,646,276	212,523,912
(Increase) / decrease in current assets		
Stores and spares	(10,525,114)	(18,704,286)
Stock in trade	(530,418,373)	(385,539,864)
Trade debts	141,423,141	(163,406,539)
Loans and advances	92,860,137	(240,527,805)
Trade deposits and prepayments	(3,063,909)	146,815
Sales tax refundable	(64,870,520)	(71,393,109)
Increase in current liabilities		
Trade and other payables	138,882,271	103,037,621
	(235,712,367)	(776,387,167)
Net cash used in operations	(175,066,091)	(563,863,255)
Income tax paid	(68,398,902)	(55,222,932)
Staff retirement benefits - gratuity paid	(1,480,504)	(24,189,133)
Finance cost paid	(75,898,642)	(22,612,152)
	(145,778,048)	(102,024,217)
Net cash used in operating activities	(320,844,139)	(665,887,472)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(480,000)	(7,878,893)
Other financial assets	(15,000,000)	-
Additions to capital work in progress	(112,795,138)	(145,926,552)
Proceeds from sale of property, plant and equipment	1,875,000	7,000
Net cash used in investing activities	(126,400,138)	(153,798,445)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	66,860,000	108,139,600
Repayment of long term financing	(42,509,590)	(50,161,704)
Lease liabilities Obtained	-	5,318,116
Repayment of lease liabilities	(965,089)	-
Short term borrowings - net	392,477,071	717,468,839
Loan from directors	21,000,000	-
Dividend paid	(5,758,233)	(25,543,609)
Net cash generated from financing activities	431,104,159	755,221,242
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(16,140,119)	(64,464,675)
Cash and cash equivalents at beginning of the period	(260,353,484)	(150,458,595)
Cash and cash equivalents at end of the period	(276,493,603)	(214,923,270)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	12,225,855	10,074,440
Running finance	(288,719,458)	(224,997,710)
	(276,493,603)	(214,923,270)

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

YK

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

Share Capital	Reserves				Total	Loan From Director	Total
	Capital		Revenue				
	Surplus on revaluation of property, plant and equipment	Tax holiday reserve	General reserve	Unappropriated profits			

- Rupees

Balance as at July 01, 2021 - Audited	8,000,000	815,788,842	2,668,746	80,000,000	342,653,609	1,249,111,197	-	1,249,111,197
Profit for the six month period ended December 31, 2021	-	-	-	-	101,877,048	101,877,048	-	101,877,048
Other comprehensive income for the six month period ended December 31, 2021	-	-	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2021	-	-	-	-	101,877,048	101,877,048	-	101,877,048
Transaction with shareholders:								
Annual dividend for the year ended June 30, 2021 @ 35.25 per share	-	-	-	-	(28,200,000)	(28,200,000)	-	(28,200,000)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation (net of deferred tax)	-	(13,038,659)	-	-	13,038,659	-	-	-
Balance as at December 31, 2021 - Unaudited	8,000,000	802,750,183	2,668,746	80,000,000	457,569,316	1,350,988,245	-	1,350,988,245
Balance as at July 01, 2022 - Audited	8,000,000	1,177,127,886	2,668,746	80,000,000	471,010,408	1,738,807,040	-	1,738,807,040
Loss for the six month period ended December 31, 2022	-	-	-	-	(104,427,545)	(104,427,545)	-	(104,427,545)
Other comprehensive income for the six month period ended December 31, 2022	-	-	-	-	-	-	-	-
Total comprehensive income for the six month period ended December 31, 2022	-	-	-	-	(104,427,545)	(104,427,545)	-	(104,427,545)
Transaction with shareholders:								
Loan from directors	-	-	-	-	-	-	21,000,000	21,000,000
Annual dividend for the year ended June 30, 2022 @ 7.25 per share	-	-	-	-	(5,800,000)	(5,800,000)	-	(5,800,000)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation (net of deferred tax)	-	(9,729,279)	-	-	9,729,279	-	-	-
Balance as at December 31, 2022	8,000,000	1,167,398,607	2,668,746	80,000,000	370,512,142	1,628,579,495	21,000,000	1,649,579,495

The annexed notes from 1 to 16 form an integral part of these interim financial statements.

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

1. LEGAL STATUS AND OPERATIONS

- 1.1** Allwasaya Textile and Finishing Mills Limited (the Company) was incorporated in Pakistan on March 31, 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 Allwasaya 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 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, 2022. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2022 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 month period ended December 31, 2021.

2.3 Accounting policies and methods of computation

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022. Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2022, which do not have any impact on the Company's financial reporting and therefore, have not been detailed in this condensed interim financial information.

2.4 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, 2022.

			(Unaudited) December 31, 2022 Rupees	(Audited) June 30, 2022 Rupees
3. PROPERTY, PLANT AND EQUIPMENT	Note			
Operating assets	3.1		1,848,438,040	1,878,204,604
Capital work-in-progress	3.2		370,895,694	258,100,556.00
			<u>2,219,333,734</u>	<u>2,136,305,160</u>
3.1 Operating assets				
Opening book value			1,878,204,604	1,392,975,610
Additions during the period/year				
-Building on Free-hold Land			-	50,343,044
-Plant & Machinery			480,000	-
-Electric Installation			-	16,450,388
-Furniture & Fixture			-	490,779
-Weighing Scales			-	-
-Arms & Ammunition			-	-
-Office Equipments			-	544,000
-Vehicle and automobile			-	513,620
-Vehicle Right of use asset			-	17,234,120
-Revaluation Adjustment			-	446,211,093
			480,000	531,787,044
Disposal during the period / year - cost			(3,428,225)	-
Depreciation relating to disposal during the period/year			3,155,258	-
Net Book value of disposed assets			(272,967)	-
Depreciation charge for the period/year			(29,973,597)	(46,558,051)
Closing book value			<u>1,848,438,040</u>	<u>1,878,204,604</u>
3.2 Capital work-in-progress				
Opening			258,100,556	-
Additions during the period / year				
Building on Free-hold Land			16,316,963	15,430,831
Plant & Machinery			96,478,175	242,669,725
Closing balance			<u>370,895,694</u>	<u>258,100,556</u>
4. STOCK IN TRADE				
Raw materials				
- Cotton			798,735,138	67,529,352
- Polyester			39,184,664	66,697,219
			<u>837,919,802</u>	<u>134,226,571</u>
Raw material in-transit			-	259,274,539
Work in process			21,809,201	28,496,209
Finished goods				
-Yarn			236,809,228	144,145,573
-Waste			1,894,548	1,871,514
			<u>238,703,776</u>	<u>146,017,087</u>
			<u>1,098,432,779</u>	<u>568,014,406</u>
5. OTHER FINANCIAL ASSETS	Note			
5.1 Market value of other financial assets	5.1		<u>15,000,000</u>	<u>-</u>
December 2022	June 2022			
Number of certificates	Investment in term finance certificate			
1	-	5.2	15,000,000	-
1	-		<u>15,000,000</u>	<u>-</u>
5.2.	This represents investment in AAA+ rated, unsecured, subordinated and perpetual term finance certificate of Bank Al Habib Limited having face value of Rs.15(m) per certificate and carries profit at the rate of 6 Months KIBOR +1.65% per annum.			

6. LOAN FROM DIRECTORS-UNSECURED

Note

December 31,
2022

June 30,
2022

Mian Muhammad Jamil

17,500,000

-

Mian Muhammad Alamgir Jamil Khan

3,500,000

-

6.1

21,000,000

-

- 6.1 These loans are interest free and have been obtained during the period ended December 31, 2022 to meet financing needs in day day affair of the Company in order to address liquidity crunch. These are repayable at the discretion of the Company considering the liquidity position of the company. Hence, repayment terms are not identified.

7. LONG-TERM BORROWINGS

From banking companies - secured

Term Finance (TF)

7.1

105,000,000

124,500,000

Demand Finance (DF)

7.2

7,652,114

30,661,705

Temporary Economic Refinance Facility (TERF)

7.3

174,999,600

108,139,600

287,651,714

263,301,305

Less: current portion of long term financing

(46,652,114)

(69,661,705)

Less: current portion of deferred grant

-

(212,869)

240,999,600

193,426,731

- 7.1 This finance has been obtained from Bank Al Habib Limited for BMR. The loan is repayable in 20 equal quarterly installments commencing from October 10, 2019 with 1 year grace period. It carries markup at 6 months KIBOR plus 1.5%. The finance is secured against first mortgage charge over present and future fixed assets excluding assets under specific charge amounting to Rs. 790.5 million.
- 7.2 This finance has been obtained from United Bank Limited to pay salaries and wages under SBP's Refinance Scheme for payment of wages and salaries and is repayable in 16 equal installments commencing from January 1, 2021 with 6 months grace period. This loan Facility limit is upto Rs. 122 million. It carries mark up at (SBP Rate+2%). This finance is secured against 1st Pari Passu charge over moveable fixed assets and personal guarantees of directors of the Company.
- 7.3 This finance has been obtained from Bank Al Habib Limited for BMR. The loan is repayable in 16 half yearly installments commencing from September 10, 2021 with 2 year grace period. It carries markup at flat rate of 4%. The finance is secured against first mortgage charge of Rs. 727 million over present and future fixed assets registered with SECP.

8. SHORT TERM BORROWINGS

From banking companies

Secured - under markup arrangements

(Unaudited)

(Audited)

December 31,
2022

June 30,
2022

Rupees

Rupees

Running finance

8.1

288,719,458

266,956,709

Cash finance

8.2

939,303,071

546,826,000

1,228,022,529

813,782,709

- 8.1 Running finance facilities have been obtained from Bank Al Habib Limited, Habib Bank Limited, Habib Metro Bank limited and United Bank limited having limit aggregate to Rs.335 million of which facilities remain unutilized at the year end amounts to Rs.47 million. These facilities are obtained for working capital requirements, and are secured against Promisory notes duly signed and stamped and Joint pari passu charge over current assets of the company. These facilities carry mark up at the rates ranging from 15.16% to 18.08% per annum (June 30,2022 8.58% to 15.06% per annum).
- 8.2 Cash finance facilities have been obtained from Bank Al Habib Limited, Habib Bank Limited, Habib Metro Bank Limited, Askari Bank Limited, Samba Bank Limited and United Bank Limited having limit aggregate to Rs.1175 million of which facilities remain unutilized at the year end amounts to Rs.236 million. These facilities are obtained for working capital requirements, and are secured against pledge of cotton bales, yarn and polyester and stocks of raw material and finished goods and promissory note along with personal guarantee of directors with PNWS. These facilities carry mark up at the rates ranging from 14.91% to 18.08% per annum (June 30,2022 9.36% to 14.93 per annum).

9. CONTINGENCIES AND COMMITMENTS

9.1 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, 2022.

9.2 Commitments

Commitments outstanding at the end of the period in respect of letters of guarantee are Rs. 50.61 million (June 30, 2022: Rs. 50.61 million).

(Unaudited)			
----- Six month period ended -----		--- Three month periods ended ---	
December 31,		December 31,	
2022	2021	2022	2021
----- Rupees -----			

10. REVENUE FROM CONTRACT WITH CUSTOMERS - NET

Local

Yarn	1,752,331,258	2,347,822,266	827,563,376	1,199,800,470
Viscose	1,243,055	-	1,243,055	-
Waste	10,711,468	9,606,577	4,860,888	6,745,240
	1,764,285,781	2,357,428,843	833,667,319	1,206,545,710

11. COST OF GOODS SOLD

Raw material consumed	1,320,439,424	1,621,083,298	636,855,323	866,917,614
Salaries, wages and benefits	159,106,493	181,493,881	82,303,644	84,615,817
Stores and spares consumed	20,849,993	26,980,664	4,782,450	13,147,618
Packing materials consumed	18,476,743	24,011,831	9,690,660	12,053,908
Fuel and power	226,297,965	214,741,119	118,946,712	113,426,083
Repairs and maintenance	873,876	1,779,993	336,506	1,047,804
Insurance expenses	3,296,436	2,422,830	1,648,218	1,211,415
Depreciation	27,564,692	21,255,531	13,781,348	10,919,309
	1,776,905,622	2,093,769,147	868,344,861	1,103,339,568
Work in process				
Opening stock	28,496,209	20,204,588	33,395,388	24,295,016
Closing stock	(21,809,201)	(25,347,734)	(21,809,201)	(25,347,734)
	6,687,008	(5,143,146)	11,586,187	(1,052,718)
Cost of goods manufactured	1,783,592,630	2,088,626,001	879,931,048	1,102,286,850
Finished goods				
Opening stock	146,017,087	44,310,456	161,699,979	31,453,083
Purchases	-	27,220,000	-	-
Closing stock	(238,703,776)	(49,245,504)	(238,703,776)	(49,245,504)
	(92,686,689)	22,284,952	(77,003,797)	(17,792,421)
Cost of goods sold	1,690,905,941	2,110,910,953	802,927,251	1,084,494,429

12. 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 month period ended -----		--- Three month period ended ---	
December 31,		December 31,	
2022	2021	2022	2021
----- Rupees -----			

Nature of transactions

Key management personnel

Remuneration of chief executive officer, directors and executives	15,780,000	12,600,000	7,890,000	6,300,000
Utilities	4,248,763	2,490,255	2,541,228	1,245,128

13. 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).

13.1 Fair value of property, plant and equipment

The company's Land-Freehold, Building on Free-hold Land, Plant & Machinery, Electric Installation, Power house at revalued amount, being fair value at the date of revaluation using market basis, less any subsequent depreciation and subsequent impairment losses, if any. The fair value measurement of the company's Free-hold Land, Plant & Machinery, Electric Installation and Power house as at June 30, 2022 were performed by K.G. (Private) Limited (valuer), an independent valuer is listed on panel of Pakistan Banks Association with proper qualification and experience in the fair value measurement of property, plant and equipment.

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
As at December 31, 2022				
Land- Freehold	-	805,943,000	-	805,943,000
Building on freehold land	-	298,731,457	-	298,731,457
Plant & machinery	-	617,206,252	-	617,206,252
Power house		82,652,011		82,652,011
As at June 30, 2022				
Land- Freehold	-	805,943,000	-	805,943,000
Building on freehold land	-	306,391,238	-	306,391,238
Plant & machinery	-	632,550,000	-	632,550,000
Power house		85,000,000		85,000,000

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

14. CORRESPONDING FIGURES

The preparation and presentation of these financial statements for the year ended December 31, 2022 is in accordance with the requirements of IFRSs. Following is the major reclassification made for better presentation.

Reclassified from	Reclassified to	Reason	Rupees
Tax refunds due from government	Advance Income Tax	Better Presentation	19,074,727

15. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue on February 25, 2023 by the Board of Directors of the Company.

16. GENERAL

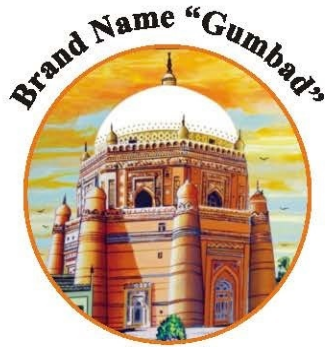
Figures have been rounded-off to the nearest rupee except stated otherwise.

YK

Sd/-
Chief Executive

Sd/-
Director

Sd/-
Chief Financial Officer



www.allawasaya.com

ALLAWASAYA TEXTILE AND FINISHING MILLS LIMITED

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