



Ahmad Hassan
Textile Mills Limited



DIRECTOR'S REVIEW

In the Name of Allah the Most Beneficent the Most Merciful

Dear Shareholders,

Your directors are pleased to present before you the reviewed accounts of the company for the half year ended December 31, 2013.

PROFITABILITY AND OPERATING RESULTS

During the financial period under review, Company's financial performance has been much improved as compared to the corresponding period of last year.

By the grace of Almighty Allah and with the efforts of the management, staff and our workers, during the period your Company has earned a profit of Rs. 94.5 million before tax; increased by 22% as compared to the corresponding period of last year (2012:Rs.77.4 million). During the financial period the prices of yarn and fabric remained stable in local and international market, however better exchange rate of US Dollar and addition of gas genset are the other factors which enabled the Company to improve its GP ratio to 11.95% (2012: 11.52%) and current ratio to 1:1.02.

FUTURE OUTLOOK

The results under your review show the improvements due to internal control procedures and performance standards we have been maintaining since couple of years and we are trying to improve our working standards with the passage of time.

Reducing and controlling the cost of production (cost per unit) is the key to get good results in corporate sector, and your company's management is continuously trying to reduce it. To some extent we have succeeded to minimize the cost of production by reducing energy cost, as well as other costs of production and improving efficiency. Despite all efforts; energy crises, law and order situation in the country, and local and international market are the factors, which can impact the future results.

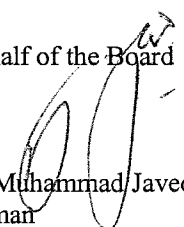
ACKNOWLEDGMENT

Your directors place on record their appreciation for the Govt. efforts and steps taken to reduce energy shortage.

Your directors appreciate the efforts made by the workers and staff of the company for their devotion to work, and would also like to express their thanks to all financial institutions for their support and assistance.

Multan:
Dated: 24.02.2014

On behalf of the Board


Mian Muhammad Javed Anwer
Chairman

**AUDITORS' REPORT TO THE MEMBERS
ON REVIEW OF INTERIM FINANCIAL INFORMATION****Introduction**

We have reviewed the accompanying condensed interim balance sheet of **Ahmad Hassan Textile Mills Limited** (the company) as at **December 31, 2013** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts 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.

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 information 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 information as of and for the six months period ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed by us, as we are required to review only the cumulative figures for the half year ended December 31, 2013.



F. R. A. N. T. S. & Co.
Chartered Accountants
Engagement Partner: **Muhammad Talib**

Multan: February 24, 2014

Multan Office: 327-B, Gulgasht Colony, Multan. Tel: +92-61-6750328, 6511803

E-mail: multan@frants.pk Website: www.frants.pk

KARACHI | ISLAMABAD | PESHAWAR | SIALKOT | LAHORE | KABUL




AHMAD HASSAN TEXTILE MILLS LIMITED
DRAFT
CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX
MONTHS PERIOD ENDED DECEMBER 31, 2013

F. R. A. N. T. S. & CO.
CHARTERED ACCOUNTANTS
327-B, Gulgasht Colony, Multan
061-6750328

AHMAD HASSAN TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2013

	<u>Note</u>	December 31, 2013 Un-Audited	June 30, 2013 Audited
		Rupees	Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,473,669,231	2,336,860,177
Long term investments		129,636	259,272
Long term deposits		39,180,010	39,180,010
		2,512,978,877	2,376,299,459
CURRENT ASSETS			
Stores, spare parts and loose tools		40,180,704	42,421,206
Stock-in-trade		934,506,934	492,998,541
Trade debts		144,757,494	227,255,138
Loans, advances, deposits and prepayments		107,369,392	94,885,564
Tax refunds due from Government		46,290,475	22,590,804
Other receivables		3,637,941	7,669,591
Current portion of long term investments		129,688	104
Cash and bank balances		2,679,733	17,936,655
		1,279,552,361	905,757,603
TOTAL ASSETS		3,792,531,238	3,282,057,062
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized		200,000,000	200,000,000
Issued, subscribed and paid up share capital		144,082,488	144,082,488
Capital reserve		32,746,284	32,746,284
Revenue reserve - unappropriated profit		722,282,526	643,073,455
		899,111,298	819,902,227
Surplus on revaluation of property, plant and equipment		1,018,978,495	1,040,851,547
NON-CURRENT LIABILITIES			
Long term financing		317,744,713	226,086,668
Subordinated loans	5	105,000,000	105,000,000
Deferred taxation		198,703,222	190,489,847
		621,447,935	521,576,515
CURRENT LIABILITIES			
Trade and other payables		236,251,598	229,315,518
Finances under markup arrangements and other credit facilities		841,961,934	492,155,903
Current portion of non-current liabilities		121,288,137	119,296,349
Accrued finance cost		29,018,324	20,516,985
Provision for taxation		24,473,517	38,442,018
		1,252,993,510	899,726,773
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		3,792,531,238	3,282,057,062

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


 CHAIRMAN


 CHIEF EXECUTIVE OFFICER

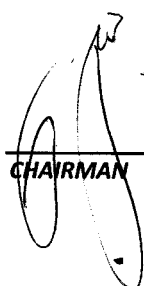

 DIRECTOR

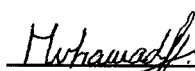

 CHIEF FINANCIAL
 OFFICER

AHMAD HASSAN TEXTILE MILLS LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

	Six months period ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rupees	Rupees	Rupees	Rupees
Sales - net	2,064,102,859	1,881,619,183	1,050,473,399	974,276,735
Cost of sales	(1,817,385,981)	(1,664,921,771)	(908,379,759)	(868,359,714)
Gross profit	246,716,878	216,697,412	142,093,640	105,917,021
Other operating income	3,932,125	4,154,710	2,946,296	5,149,948
Profit on trading	60,000	21,868	60,000	21,868
Distribution cost	(75,863,821)	(55,340,325)	(41,980,622)	(20,709,221)
Administrative expenses	(24,374,375)	(19,108,160)	(13,658,280)	(10,512,922)
Other operating expenses	(7,172,116)	(23,888,725)	(7,134,916)	(23,744,725)
	(103,418,187)	(94,160,632)	(59,767,522)	(49,795,052)
Profit from operations before finance cost	143,298,691	122,536,780	82,326,118	56,121,969
Finance cost	(48,792,308)	(45,171,828)	(28,201,912)	(23,515,877)
Profit before taxation	94,506,383	77,364,952	54,124,206	32,606,092
Provision for taxation	(15,557,991)	(24,585,584)	(10,921,696)	(4,842,400)
Profit after taxation for the period	78,948,392	52,779,368	43,202,510	27,763,692
Basic and diluted earnings per share	5.48	3.66	3.00	1.93

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

AHMAD HASSAN TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

	Six months period ended		Quarter ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rupees	Rupees	Rupees	Rupees
Profit after taxation for the period	78,948,392	52,779,368	43,202,510	27,763,692
Other comprehensive income for the period:				
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax	21,873,052	8,028,645	14,573,052	3,987,933
Total comprehensive income for the period	100,821,444	60,808,013	57,775,562	31,751,625

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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 CHAIRMAN	 CHIEF EXECUTIVE OFFICER	 DIRECTOR	 CHIEF FINANCIAL OFFICER
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AHMAD HASSAN TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

	Note	Six months period ended	
		December 31,	December 31,
		2013	2012
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	7	(194,272,503)	(48,461,738)
Income tax paid		(11,144,333)	(14,109,642)
Finance cost paid		(39,724,656)	(48,309,189)
Workers' Profit Participation Fund paid		(10,174,070)	(7,973,415)
Staff gratuity paid		(5,684,922)	(3,917,017)
		(66,727,981)	(74,309,263)
Net cash used in operating activities		(261,000,484)	(122,771,001)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(195,953,627)	(56,035,111)
Proceeds from disposal of property, plant and equipment		400,000	5,075,000
Redemption of long term investments		52	52
Profit on investments		14,509	360,439
Mark-up on security deposit with SNGPL		3,449,898	-
Net cash used in investing activities		(192,089,168)	(50,599,620)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances obtained		155,268,724	-
Repayment of long term finances		(61,618,891)	(85,884,609)
Repayment of principal portion of finance lease		-	(2,914,711)
Finances under markup arrangements and other credit facilities - net		305,678,929	277,832,280
Dividend paid		(5,623,134)	(3,237,264)
Net cash generated from financing activities		393,705,628	185,795,696
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(59,384,024)	12,425,075
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		(115,621,119)	(76,417,243)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.1	(175,005,143)	(63,992,168)

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.


CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

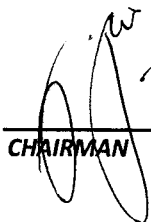
AHMAD HASSAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

Share Capital	Reserves		Total
	Capital	Revenue	
Issued, subscribed and paid up capital	Share premium	Unappropriated profit	

	Rupees			
Balance as at June 30, 2012 (Audited)	144,082,488	32,746,284	496,839,670	673,668,442
Total comprehensive income for the period:				
Profit for the period	-	-	52,779,368	52,779,368
Other comprehensive income for the period	-	-	8,028,645	8,028,645
Total comprehensive income for the period	-	-	60,808,013	60,808,013
Transactions with owners of the Company recognized directly in equity:				
Final dividend for the year ended June 30, 2012 @ Rs. 1.25 per share	-	-	(18,010,310)	(18,010,310)
Balance as at December 31, 2012 (Un-audited)	<u>144,082,488</u>	<u>32,746,284</u>	<u>539,637,373</u>	<u>716,466,145</u>
Balance as at June 30, 2013 (Audited)	144,082,488	32,746,284	643,073,455	819,902,227
Total comprehensive income for the period:				
Profit for the period	-	-	78,948,392	78,948,392
Other comprehensive income for the period	-	-	21,873,052	21,873,052
Total comprehensive income for the period	-	-	100,821,444	100,821,444
Transactions with owners of the Company recognized directly in equity:				
Final dividend for the year ended June 30, 2013 @ Rs. 1.50 per share	-	-	(21,612,373)	(21,612,373)
Balance as at December 31, 2013 (Un-audited)	<u>144,082,488</u>	<u>32,746,284</u>	<u>722,282,526</u>	<u>899,111,298</u>

The annexed notes from 1 to 12 form an integral part of this condensed interim financial information.

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CHAIRMAN


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER

AHMAD HASSAN TEXTILE MILLS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

1. STATUS AND ACTIVITIES

Ahmad Hassan Textile Mills Limited (the Company) was incorporated in Pakistan on December 03, 1989 as a Public Limited Company under the Companies Ordinance 1984. Its shares are quoted on all Stock Exchanges in Pakistan. It is principally engaged in the manufacturing and sale of yarn and fabric. The registered office of the Company is situated at 46-Hassan Parwana Colony, Multan. The mill is located at M. M. Road, Chowk Sarwar Shaheed, District Muzaffargarh.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the six months period ended December 31, 2013 has been prepared in accordance with approved accounting standards for interim financial reporting as applicable in Pakistan. Approved accounting standards comprise of International Accounting Standard 34 - 'Interim Financial Reporting' issued by the International Accounting Standards Board (the IASB) as notified under the provisions of the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP differ with the requirements of IAS-34, the requirements of the Companies Ordinance, 1984, and the said directives have been followed.

This condensed interim financial information comprises of condensed interim balance sheet as at December 31, 2013, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes thereto for the six months period then ended which is unaudited but subject to limited scope review by the statutory auditors and is 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.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed by the auditors of the Company as they have reviewed only the cumulative figures for the six months period ended December 31, 2013. This condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2013 as it provides an update of previously reported information. Comparative balance sheet is extracted from annual financial statements as of June 30, 2013 whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from un-audited condensed interim financial information for the six months period ended December 31, 2012.

The figures of this condensed interim financial information are presented in Pakistani Rupees which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

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

Judgments and estimates made by management in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2013.

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AHMAD HASSAN TEXTILE MILLS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

3.1. New and amended standards and interpretations adopted during the six months period

Certain standards, amendments and interpretations to approved accounting standards became effective during the period but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

	<u>Note</u>	December 31,	June 30,
		2013	2013
		Un-Audited	Audited
		Rupees	Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	4.1	2,404,240,570	2,200,103,426
Capital work-in-progress	4.3	69,428,661	136,756,751
		<u>2,473,669,231</u>	<u>2,336,860,177</u>
		Six months period ended	
		December 31,	December 31,
		2013	2012
		Rupees	Rupees
4.1.	The following is movement in operating property, plant and equipment during the period:		
	Opening carrying value	2,200,103,426	1,546,168,208
	Add: Additions or transfers during the period - at cost		
	Plant and machinery	102,502,158	12,871,027
	Power grid station	-	35,769,200
	Power plant - generators	157,597,560	32,198,777
	Electric installations	1,950,000	1,914,019
	Factory equipment	1,150,000	144,920
	Office equipment	82,000	262,340
	Vehicles	-	4,982,850
		<u>263,281,718</u>	<u>88,143,133</u>
		2,463,385,144	1,634,311,341
	Less: Carrying value of assets disposed of during the period		
	Plant and machinery	-	(4,520,023)
	Vehicles	(99,363)	(691,632)
	Depreciation charge for the period	(59,045,211)	(43,461,426)
	Closing carrying value	<u>2,404,240,570</u>	<u>1,585,638,260</u>
			Six months period ended June 30, 2013
			Rupees
	Carrying value as at December 31, 2012		1,585,638,260
	Additions during January 01, 2013 to June 30, 2013		18,066,020
	Revaluation carried out in June 2013		644,416,197
	Carrying value of assets disposed of during January 01, 2013 to June 30, 2013		(1,724,657)
	Depreciation charged during January 01, 2013 to June 30, 2013		(46,292,394)
	Carrying value as at June 30, 2013		<u>2,200,103,426</u>

4.2. Additions include transfers from capital work-in-progress aggregating Rs. 157.597 million (December 31, 2012: Rs. 42.880 million).

AHMAD HASSAN TEXTILE MILLS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

- 4.3. Capital work-in-progress comprises of cost of plant and machinery, civil works in progress and advances to suppliers against capital expenditure. The following is movement in capital work-in-progress during the period:

	Six months period ended	
	December 31, 2013	December 31, 2012
	Rupees	Rupees
Opening balance	136,756,751	66,144,654
Additions during the period - at cost		
Factory building	13,157,439	1,135,877
Plant and machinery	43,304,481	9,637,075
Power plant - generators	35,041,925	-
Less: • Transfers during the period	<u>(158,831,935)</u>	<u>(42,880,974)</u>
Closing balance	<u>69,428,661</u>	<u>34,036,632</u>
		Six months period ended June 30, 2013
		Rupees
Balance as at December 31, 2012		34,036,632
Additions during January 01, 2013 to June 30, 2013		102,720,119
Transfers during January 01, 2013 to June 30, 2013		-
Balance as at June 30, 2013		<u>136,756,751</u>

5. SUBORDINATED LOANS

These interest free subordinated loans were obtained from the directors of the Company during the years ended June 30, 2008 and 2009. These loans are subordinated to long term finances from Habib Bank Limited, Faysal Bank Limited and Allied Bank Limited.

6. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

There is no material change in the status of contingencies as mentioned in the annual financial statements of the Company for the year ended June 30, 2013 except for the following:

- 6.1 On June 06, 2013 Inland Revenue Audit Officer passed an order levying default surcharge amounting to Rs. 154,236 for late deposit of tax deducted on account of dividend. The Company did not account for default surcharge and filed an appeal before the Commissioner of Income Tax (Appeals), Multan who decided the case in favour of the Company and rescinded the Order levying the default surcharge. The department has filed an appeal before the Appellate Tribunal against the decision of Commissioner of Income Tax (Appeals). However, the Company is of firm view that the decision will be in favour of the Company.
- 6.2 During the year ended June 30, 2013, the Company imported Generators and cleared from Customs without paying Sales Tax by taking benefit of Statutory Regulation Order (SRO) No. 727(I)/2011. According to the provisions of SRO the Company issued postdated cheque to Collector of Customs equal to the amount of Sales Tax of Rs. 14.685 million. These cheques have been returned to the Company after completing the compliance requirements of relevant SRO.

AHMAD HASSAN TEXTILE MILLS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

CONTINGENCIES - continued

- 6.3 During the period the Company imported looms and machine parts. The Company has issued postdated cheques of Rs. 7.73 million to Collector of Customs, Multan against the amount of Sales Tax, Customs Duty and Income Tax. These cheques will be returned to the Company after complying with the requirements.

COMMITMENTS

The Company's commitments against letters of credit outstanding for purchase of property, plant and equipment and raw materials as at December 31, 2013 amount to Rs. 78.873 million (June 30, 2013: Rs. 101.533 million)

Foreign bills discounted outstanding as at December 31, 2013 aggregated Rs. 423.687 million (June 30, 2013: Rs. 78.540 million.)

	Six months period ended	
	December 31, 2013	December 31, 2012
	Rupees	Rupees
7. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	94,506,383	77,364,952
Adjustments for:		
Depreciation on property, plant and equipment	59,045,211	43,461,426
Provision for gratuity	2,455,000	2,400,000
Provision for Workers' Profit Participation Fund	5,075,530	5,054,724
Provision for Workers' Welfare Fund	1,928,702	-
(Gain) / loss on disposal of property, plant and equipment	(300,637)	136,655
Profit on investments	(14,509)	(360,439)
Mark-up on security deposit with SNGPL	(10,898)	(859,750)
(Gain) / loss on exchange rate fluctuation	(3,606,081)	345,511
Finance cost	48,792,308	45,171,828
	113,364,626	95,349,955
Cash flows before working capital changes	207,871,009	172,714,907
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	2,240,502	2,519,626
Stock-in-trade	(441,508,393)	(241,621,958)
Trade debts	86,103,725	(44,439,111)
Loans, advances, deposits and prepayments - excluding advance income tax	(22,652,612)	20,629,578
Tax refunds due from government	(23,699,671)	(4,014,777)
Short term investments	-	20,394,452
Other receivables	592,650	(14,364,038)
(Decrease) / increase in current liabilities:		
Trade and other payables (excluding provision for gratuity, unclaimed dividend, provision for Workers' Profit Participation Fund and provision for Workers' Welfare Fund)	(3,219,713)	39,719,583
	(402,143,512)	(221,176,645)
CASH USED IN OPERATIONS	(194,272,503)	(48,461,738)

AHMAD HASSAN TEXTILE MILLS LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2013

	Six months period ended	
	December 31, 2013	December 31, 2012
	Rupees	Rupees
7.1 CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,679,733	1,593,308
Short term running finances	(177,684,876)	(65,585,476)
	(175,005,143)	(63,992,168)

8. RELATED PARTY TRANSACTIONS

The related parties comprise of an associated undertaking (Ahmad Cotton Industries), Chief Executive Officer, directors and executives of the Company. Transactions with related parties during the period are as follows:

Associated Undertaking:		
▪ Purchase of goods and services	185,059,188	83,663,533
Chief Executive Officer, Directors and Executives:		
Remuneration and benefits	4,753,000	5,890,800

9. SEGMENT REPORTING

9.1 REPORTABLE SEGMENTS

The management has determined the operating segments of the Company on the basis of the difference in the products produced.

The Company's reportable segments are as follows:

- Spinning segment - production of different qualities of yarn by using natural and artificial fibers.
- Weaving segment - production of different qualities of fabric using yarn.

Information regarding the Company's reportable segments is presented below:

9.2 SEGMENT REVENUE AND RESULTS

Following is an analysis of the Company's revenue and results by reportable operating segments:

	Six months period ended			
	Spinning	Weaving	December 31, 2013	December 31, 2012
	Rupees	Rupees	Rupees	Rupees
Sales - net	790,579,742	1,273,523,117	2,064,102,859	1,881,619,183
Inter segment sale / (purchase)	192,222,660	(192,222,660)	-	-
Cost of sales	(864,629,047)	(952,756,934)	(1,817,385,981)	(1,664,921,771)
Gross profit	118,173,355	128,543,523	246,716,878	216,697,412
Distribution and marketing expenses	(32,938,926)	(42,924,895)	(75,863,821)	(55,340,325)
Administrative expenses	(11,178,568)	(13,195,807)	(24,374,375)	(19,108,160)
Finance cost	(36,735,830)	(12,056,478)	(48,792,308)	(45,171,828)
Profit before tax and unallocated expenses c/f	37,320,031	60,366,343	97,686,374	97,077,099

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SEGMENT REVENUE AND RESULTS - continued

	Spinning Rupees	Weaving Rupees	Six months period ended	
			December 31, 2013	December 31, 2012
			Rupees	Rupees
Profit before tax and unallocated expenses b/f	37,320,031	60,366,343	97,686,374	97,077,099
Unallocated income and expenses:				
Other operating expenses			(7,172,116)	(23,888,725)
Other operating income			3,992,125	4,176,578
Taxation			(15,557,991)	(24,585,584)
Profit after taxation			78,948,392	52,779,368

9.3 SEGMENT ASSETS AND LIABILITIES

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	Spinning Rupees	Weaving Rupees	December 31, 2013	June 30, 2013
			Un-Audited	Audited
			Rupees	Rupees
Segment assets:				
Operating property, plant and equipment	1,132,630,505	1,271,610,065	2,404,240,570	2,200,103,426
Unallocated operating assets			69,428,661	136,756,751
Total operating assets			2,473,669,231	2,336,860,177
Stores, spare parts and loose	21,424,721	18,755,983	40,180,704	42,421,206
Stock in trade	576,691,763	357,815,171	934,506,934	492,998,541
Other unallocated corporate assets			344,174,369	409,777,138
Total assets as per balance sheet			3,792,531,238	3,282,057,062
Segment liabilities	671,440,728	325,962,464	997,403,192	464,259,249
Unallocated corporate liabilities			877,038,253	957,044,039
Total liabilities as per balance sheet			1,874,441,445	1,421,303,288

9.4 REVENUE FROM MAJOR CUSTOMERS

Revenue from major customers whose revenue exceeds 10% of sales is Rs. 824 million (December 31, 2012: Rs. 672 million)

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9.5 GEOGRAPHICAL INFORMATION

The Company's gross revenue from external customers by geographical location is detailed below:

	<u>December 31,</u> <u>2013</u> Rupees	<u>December 31,</u> <u>2012</u> Rupees
Pakistan	660,367,519	791,478,589
Africa	-	31,337,092
Asia	1,001,726,300	806,266,256
Europe	402,009,040	252,537,246
	<u>2,064,102,859</u>	<u>1,881,619,183</u>

All non-current assets of the Company are located and operating in Pakistan.

10. CORRESPONDING FIGURES

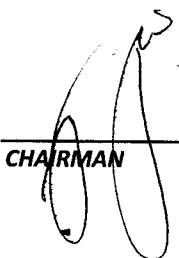
Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

11. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on **February 24, 2014** by the board of directors of the Company.

12. GENERAL

Figures in this condensed interim financial information have been rounded off to the nearest Pakistani Rupees.


 CHAIRMAN


 CHIEF EXECUTIVE
 OFFICER


 DIRECTOR


 CHIEF FINANCIAL
 OFFICER