

ACCOUNTS

For the First Quarter Ended
September 30, 2016
(Un-Audited)



**AHMAD HASSAN
TEXTILE MILLS LTD.**

**BALANCE SHEET AS AT SEPTEMBER 30, 2016
(UN-AUDITED)**

**PROFIT & LOSS ACCOUNT - (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

| | Un-audited Sept 30, 2016 Rupees | Audited June 30, 2016 Rupees |
|--|---------------------------------------|------------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 2,573,156,817 | 2,580,089,602 |
| Intangible asset | 660,000 | 720,000 |
| Long term deposits | <u>22,535,880</u> | <u>39,284,610</u> |
| | 2,596,352,697 | 2,620,094,212 |
| Current assets | | |
| Stores, spares and loose tools | 44,702,400 | 43,324,716 |
| Stock in trade | 648,585,836 | 649,312,126 |
| Trade debts | 198,793,235 | 179,055,558 |
| Loans and advances | 75,556,232 | 70,278,765 |
| Tax refunds due from government | 101,552,707 | 99,368,227 |
| Other receivables | 16,120,353 | 6,984,828 |
| Short term investment | 107,670 | 953,299 |
| Cash and bank balances | <u>4,840,126</u> | <u>5,303,546</u> |
| | 1,090,258,559 | 1,054,581,065 |
| TOTAL ASSETS | <u><u>3,686,611,256</u></u> | <u><u>3,674,675,277</u></u> |
| EQUITY AND LIABILITIES | | |
| Share capital and reserves | | |
| Share capital | 144,082,488 | 144,082,488 |
| Share premium | 32,746,284 | 32,746,284 |
| Unappropriated profit | <u>806,783,625</u> | <u>795,228,419</u> |
| | 983,612,397 | 972,057,191 |
| Surplus on revaluation of property, plant and equipment | 830,940,609 | 839,264,746 |
| Subordinated loan | 105,000,000 | 105,000,000 |
| Non-current liabilities | | |
| Long term financing | <u>391,071,384</u> | <u>390,301,180</u> |
| Deferred taxation | <u>196,828,230</u> | <u>198,966,471</u> |
| | 587,899,614 | 589,267,651 |
| Current liabilities | | |
| Trade and other payables | 104,809,712 | 101,712,315 |
| Accrued markup | 25,526,402 | 25,716,646 |
| Short term borrowings | 890,677,529 | 888,393,138 |
| Current portion of non-current liabilities | 126,619,387 | 129,356,390 |
| Provision for taxation | <u>31,525,606</u> | <u>23,907,200</u> |
| | 1,179,158,636 | 1,169,085,689 |
| TOTAL EQUITY & LIABILITIES | <u><u>3,686,611,256</u></u> | <u><u>3,674,675,277</u></u> |

| | September 30, 2016 Rupees | September 30, 2015 Rupees |
|--|---------------------------------|---------------------------------|
| Sales - net | 886,703,889 | 791,708,875 |
| Cost of goods sold | <u>(821,841,546)</u> | <u>(733,327,753)</u> |
| Gross profit | 64,862,343 | 58,381,122 |
| Other operating income | <u>131,733</u> | <u>192,460</u> |
| | 64,994,076 | 58,573,582 |
| Distribution cost | (21,209,398) | (24,062,522) |
| Administrative expenses | (11,506,208) | (12,514,953) |
| Other operating expenses | - | (41,200) |
| Finance cost | <u>(23,567,236)</u> | <u>(25,480,531)</u> |
| Profit / (loss) before taxation | 8,711,234 | (3,525,624) |
| Provision for taxation | <u>(5,480,165)</u> | <u>(523,477)</u> |
| Profit / (loss) after taxation | <u><u>3,231,069</u></u> | <u><u>(4,049,101)</u></u> |
| Earnings / (loss) per share - basic and diluted | <u><u>0.22</u></u> | <u><u>(0.28)</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS
(UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016

- These un-audited accounts are being presented to the shareholders as required under SECP notification No.764(1)/2001 dated 05-11-2001 and in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting".
- Accounting policies adopted for the preparation of these quarterly accounts are the same as adopted in the preceding annual accounts except for estimate of useful life of generators has been revised and accordingly these are now depreciated at 5% (June 2016: 10%).
- Figures from previous year have been re-arranged for the purpose of comparison wherever necessary.
- Figures in these accounts have been rounded off to the nearest rupee.
- Provisions for taxation has been calculated on turnover basis.

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

Sd/-
Muhammad Haris
Director

**CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2016**

September 30, 2016
Rupees

September 30, 2015
Rupees

| Share Capital Issued, subscribed and paid up capital Rupees | Reserves | | Total Rupees |
|---|---------------------------------------|--|-----------------|
| | Capital Share premium Rupees | Revenue Unappropriated profits Rupees | |

A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit / (loss) before taxation 8,711,234 (3,525,624)

Adjustments for:

Depreciation on property, plant and equipment 32,682,232 27,576,027

Amortization on intangible asset 60,000 48,000

Provision for staff retirement benefits- gratuity - 1,200,000

Finance cost 23,567,236 25,480,531

56,309,468 54,304,558

Operating cash flows before movements in working capital 65,020,702 50,778,934

(Increase) / decrease in current assets

Stores, spares and loose tools (1,377,684) 7,501,368

Stock in trade 726,290 57,085,918

Trade debts (19,737,677) (82,838,241)

Loans and advances (excluding advance income tax) (523,671) (65,765,376)

Tax refunds due from government (2,184,480) 2,206,759

Other receivables (9,135,525) (260,592)

Short term investment 845,629 -

Increase / (decrease) in current liabilities

Trade and other payables 3,097,397 32,516,122

(28,289,721) (49,554,042)

Cash generated from operations 36,730,981 1,224,892

Income taxes paid (4,753,796) 8,197,118

Staff retirement benefits- gratuity paid - (2,367,450)

Net cash generated from operating activities 31,977,185 7,054,560

B. CASH FLOWS FROM INVESTING ACTIVITIES

Addition to property, plant and equipment (25,749,447) (5,994,853)

Decrease in long term deposit 16,748,730 -

Net cash used in investing activities (9,000,717) (5,994,853)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term loan obtained 24,215,653 35,655,732

Repayment of long term financing (26,182,452) (29,409,900)

Short term borrowings - net 2,284,391 15,878,140

Finance cost paid (23,757,480) (25,769,919)

Net cash used in financing activities (23,439,888) (3,645,947)

Decrease in cash and bank balances during the period (463,420) (2,586,240)

Cash and bank balances at the beginning of the period 5,303,546 4,559,063

Cash and bank balances at the end of the period 4,840,126 1,972,823

Balance at June 30, 2015

144,082,488 32,746,284 777,435,634 954,264,406

Profit for quarter ended September 30, 2015 (4,049,101) (4,049,101)

Other comprehensive income for the quarter ended September 30, 2015 9,206,226 9,206,226

Total comprehensive income for the quarter ended September 30, 2015 5,157,125 5,157,125

Balance at September 30, 2015 144,082,488 32,746,284 782,592,759 959,421,531

Balance at June 30, 2016 144,082,488 32,746,284 795,228,419 972,057,191

Profit for quarter ended September 30, 2016 3,231,069 3,231,069

Other comprehensive income for the quarter ended September 30, 2016 8,324,137 8,324,137

Total comprehensive income for the quarter ended September 30, 2016 11,555,206 11,555,206

Balance at September 30, 2016 144,082,488 32,746,284 806,783,625 983,612,397

Sd/-
Abdul Sattar
Chief Financial Officer

BOARD OF DIRECTORS

1. Mian Muhammad Javed Anwar - Chairman
2. Main Muhammad Parvez - Chief Executive Officer
3. Mr. Muhammad Haris - Director
4. Mr. Muhammad Aurangzeb - Director
5. Mrs. Salma Javed - Director
6. Mr. Muhammad Jahanzeb - Director
7. Mr. Syed Raza Abbas Jafferi (Rep. NIT)

DIRECTORS' REVIEW

In the Name of Allah, the Most Beneficent, the Merciful

Dear Shareholders

Yours Directors are pleased to present before you un-audited accounts of your Company for the quarter ended September 30, 2016.

SUMMARIZED FINANCIAL RESULTS:

| | Sep-2016 | Sept-2015 |
|------------------------------|--------------------|------------------|
| | (Rupees) | (Rupees) |
| Sales-Net | 886,703,889 | 791,708,875 |
| Gross Profit | 64,862,243 | 58,381,122 |
| Profit/(Loss) after taxation | 3,231,069 | (4,049,101) |
| G.P Ratio | 7.31% | 7.37% |

REVIEW OF OPERATIONS:

Following a difficult financial year, the period again does not report encouraging results in terms of gross profit margin, which is even slightly decreased by .06% as compared to September 2015 quarter. It is mainly due to local cotton purchase rate is increased by almost 40% where as yarn and fabric sales rates are not increased up to that extent as compare to September 2015 quarter. On the other hand, we are very pleased to announce that besides above stated factor, your directors have succeeded to turn around the situation by successfully implementation of its cost saving strategy in terms of reduction of expenses related to admin (8%), selling and distribution (12%) and finance cost (7.5%) as compared to September 2015 quarter. Our timely decision of BMR also takes part to convert into profitable business in current quarter

FUTURE OUTLOOK

Under a current economic scenario, factors such as fierce competition in international markets, continuing decreasing trend of exports, availability of yarn in future and tax oriented culture continue to pose challenges for the Company. In the mean while, we really appreciate the government steps to strengthen textile sector in terms of availability of RLNG, declaration of textile as zero rated sector and imposing duties on imported cottons. Secondly, your directors are also still keep focusing on further BMR (spinning and weaving units) to improve product quality for our valuable customers and exploring new markets.

By considering all above factors and conditions, your directors are quite hopeful about future performance of the company and confident that profitability will be improved further in remaining quarters of the year.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the efforts made by the workers and staff of the Company for their deep devotion to work.

Your Directors would also like to express their thanks to the Shareholders and Financial Institutions for their support and assistance.

On behalf of the Board of Directors

Multan

Dated: October 29, 2016

Mian Muhammad Javed Anwar
Chairman

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