

# ACCOUNTS

For the Quarter &  
Nine Months Ended  
March 31, 2015  
(Un-Audited)



AHMAD HASSAN  
TEXTILE MILLS LTD.

# CONDENSED INTERIM BALANCE SHEET AS MARCH 31, 2015 (UN-AUDITED)

	<i>Un-Audited March 31, 2015</i>	<i>Audited June 30, 2014 Re-stated</i>	<i>Audited June 30, 2013 Re-stated</i>		<i>Un-Audited March 31, 2015</i>	<i>Audited June 30, 2014 Re-stated</i>	<i>Audited June 30, 2013 Re-stated</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<b>ASSETS</b>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
<b>EQUITY AND LIABILITIES</b>							
<i>Share capital and reserves</i>							
Share capital	144,082,488	144,082,488	144,082,488	<i>Non-current assets</i>			
Share premium	32,746,284	32,746,284	32,746,284	Property, plant and equipment	2,500,057,803	2,494,300,059	2,336,860,177
Unappropriated profit	<u>790,545,201</u>	<u>758,945,476</u>	<u>643,411,497</u>	Long term investments	-	-	259,272
	967,373,973	935,774,248	820,240,269	Long term deposits	<u>39,284,610</u>	<u>39,180,010</u>	<u>39,180,010</u>
					2,539,342,413	2,533,480,069	2,376,299,459
<i>Surplus on revaluation of property, plant and equipment</i>	905,530,493	934,406,675	975,456,905	<i>Current assets</i>			
				Stores, spares and loose tools	37,929,187	45,458,241	42,421,206
<i>Non-current liabilities</i>				Stock in trade	845,231,321	586,406,095	492,998,541
Long term financing	353,463,998	302,706,378	226,086,668	Trade debts	193,701,186	337,488,604	227,255,138
Subordinated loan	105,000,000	105,000,000	105,000,000	Loans and advances	153,816,989	70,820,838	94,885,564
Deferred taxation	220,267,441	225,661,124	255,546,447	Tax refunds due from government	75,163,497	44,915,515	22,590,804
	678,731,439	663,367,502	586,633,115	Other receivables	7,368,800	9,971,019	7,669,591
<i>Current liabilities</i>				Current portion of long term investments	-	259,272	104
Trade and other payables	184,095,136	163,857,122	229,315,518	Cash and bank balances	2,212,510	5,474,903	17,936,655
Accrued markup	29,142,681	29,398,747	20,516,985		1,315,423,490	1,100,794,487	905,757,603
Short term borrowings	951,382,091	763,803,893	492,155,903				
Current portion of non-current liabilities	126,480,662	141,139,181	119,296,349				
Provision for taxation	12,029,428	2,527,188	38,442,018				
	1,303,129,998	1,100,726,131	899,726,773				
<b>Total Equity &amp; Liabilities</b>	<u><u>3,854,765,903</u></u>	<u><u>3,634,274,556</u></u>	<u><u>3,282,057,062</u></u>	<b>Total Assets</b>	<u><u>3,854,765,903</u></u>	<u><u>3,634,274,556</u></u>	<u><u>3,282,057,062</u></u>

Sd/-

**Mian Muhammad Parvez**  
Chief Executive

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER & NINE MONTHS ENDED MARCH 31, 2015  
(UN-AUDITED)**

	-----Nine Months-----		-----Three Months-----	
	March 31, 2015 Rupees	March 31, 2014 Rupees	March 31, 2015 Rupees	March 31, 2014 Rupees
Sales - net	2,466,728,424	3,101,332,946	808,843,059	1,037,230,087
Cost of goods sold	(2,276,650,419)	(2,759,311,025)	(734,476,347)	(941,925,044)
Gross profit	190,078,005	342,021,921	74,366,712	95,305,043
Profit / (loss) on trading	(77,770)	71,435	(155,540)	11,435
Other operating income	3,252,374	2,785,175	1,591,628	(1,146,950)
	193,252,609	344,878,531	75,802,800	94,169,528
Distribution cost	(85,280,105)	(111,662,909)	(29,706,144)	(35,799,088)
Administrative expenses	(37,695,308)	(35,614,556)	(12,487,202)	(11,240,181)
Other operating expenses	(151,955)	(9,389,241)	114,420	(2,217,125)
Finance cost	(89,257,163)	(84,917,128)	(33,899,130)	(36,124,820)
Profit / (loss) before taxation	(19,131,922)	103,294,697	(175,256)	8,788,314
Provision for taxation	21,855,466	(11,568,851)	(10,627,536)	3,989,140
Profit / (loss) after taxation	2,723,544	91,725,846	(10,802,792)	12,777,454
Earnings / (loss) per share	0.19	6.37	(0.75)	0.89

**CONDENSED INTERIM STATEMENT OF  
OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER & NINE MONTHS ENDED MARCH 31, 2015  
(UN-AUDITED)**

	-----Nine Months-----		-----Three Months-----	
	March 31, 2015 Rupees	March 31, 2014 Re-stated Rupees	March 31, 2015 Rupees	March 31, 2014 Re-stated Rupees
Profit / (loss) after taxation	2,723,544	91,725,846	(10,647,253)	12,777,454
Other comprehensive income for the period- net of tax (Incremental depreciation arising on revaluation surplus on fixed assets)	28,876,181	30,506,753	9,319,849	7,717,909
Total comprehensive income (loss) for the period	31,599,725	122,232,599	(1,327,404,)	20,495,363

Sd/-  
Dr. Muhammad Haris  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2015  
(UN-AUDITED)**

	----- Nine Months -----	
	March 31, 2015 Rupees	March 31, 2014 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	(19,131,922)	103,294,697
Adjustments for:		
Depreciation on property, plant and equipment	97,486,819	94,675,943
Provision for staff retirement benefits- gratuity	6,781,389	3,627,000
Gain on sale of property, plant and equipment	(772,704)	(283,102)
Finance cost	89,257,163	84,917,128
	192,752,667	182,936,969
Operating cash flows before movements in working capital <i>(Increase) / decrease in current assets</i>	173,620,745	286,231,666
Stores, spares and loose tools	7,529,054	(3,604,765)
Stock in trade	(258,825,226)	(426,144,388)
Trade debts	143,787,418	(59,002,051)
Loans and advances (excluding advance income tax)	(76,679,033)	37,697,610
Tax refunds due from government	(30,247,982)	(33,985,871)
Other receivables	2,602,219	4,078,984
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	19,396,228	(508,876)
	(192,437,322)	(481,469,357)
Cash used in operations	(18,816,577)	(195,237,691)
Income taxes paid	(10,353,095)	(21,754,433)
Staff retirement benefits- gratuity paid	(4,891,848)	(7,058,272)
Net cash used in operating activities	(34,061,520)	(224,050,396)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to property, plant and equipment	(104,621,859)	(243,682,731)
Proceeds on disposal of property, plant and equipment	2,150,000	400,000
Long term security deposits	(104,600)	-
Redemption of long term investment	259,272	104
Net cash used in investing activities	(102,317,187)	(243,282,627)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan obtained	132,497,864	161,149,578
Repayment of long term financing	(96,398,764)	(90,791,114)
Short term borrowings - net	187,578,198	461,286,561
Dividend paid	(1,047,755)	(11,015,275)
Finance cost paid	(89,513,229)	(70,563,818)
Net cash generated from financing activities	133,116,314	450,065,932
Decrease in cash and bank balances during the period	(3,262,393)	(17,267,091)
Cash and bank balances at the beginning of the period	5,474,903	17,936,655
Cash and bank balances at the end of the period	2,212,510	669,564

Sd/-  
Mr. Abdul Sattar  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD OF NINE MONTHS ENDED  
MARCH 31, 2015 (UN-AUDITED)**

	<i>Reserves</i>			<i>Total</i>
	<i>Share Capital</i>	<i>Capital</i>	<i>Revenue</i>	
	<i>Issued, subscribed and paid up capital</i>	<i>Share premium</i>	<i>Unappropri- ated profit (Re-stated)</i>	
<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	
<b>Balance at June 30, 2013</b>	<b>144,082,488</b>	<b>32,746,284</b>	<b>643,073,455</b>	<b>819,902,227</b>
Profit for the nine months ended March 31, 2014	-	-	91,725,846	91,725,846
Other comprehensive income for the nine months ended March 31, 2014	-	-	30,506,753	30,506,753
Total comprehensive income for the nine months ended March 31, 2014	-	-	122,232,599	122,232,599
Final dividend for the year ended June 30, 2014			(21,612,372)	(21,612,372)
Balance at March 31, 2014	<u>144,082,488</u>	<u>32,746,284</u>	<u>743,693,682</u>	<u>920,522,454</u>
<b>Balance at June 30, 2014</b>	<b>144,082,488</b>	<b>32,746,284</b>	<b>758,945,476</b>	<b>935,774,248</b>
Profit for the nine months ended March 31, 2015	-	-	2,723,544	2,723,544
Other comprehensive income for the nine months ended March 31, 2015	-	-	28,876,181	28,876,181
Total comprehensive income for the nine months ended March 31, 2015	-	-	31,599,725	31,599,725
Balance at March 31, 2015	<u>144,082,488</u>	<u>32,746,284</u>	<u>790,545,201</u>	<u>967,373,973</u>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD OF NINE MONTHS ENDED AT MARCH 31, 2015 (UN-AUDITED)

- 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.
- 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.

**BOOK POST**

*Printed Matter*

UNDER POSTAL CERTIFICATE

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**AHMAD HASSAN TEXTILE MILLS LTD.**

46 - Hassan Parwana Colony,  
MULTAN.

## 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 Jafferri | (Rep. NIT)                |

## DIRECTORS' REVIEW

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

Dear Shareholders, Your Directors are pleased to present before you un-audited accounts of your Company for the quarter and nine months ended March 31, 2015.

### **SUMMARIZED FINANCIAL RESULTS:**

	March 31, 2015 Rupees	March 31, 2014 Rupees
Sales - net	2,466,728,424	3,101,332,946
Gross profit	190,078,005	342,021,921
Profit after taxation	2,723,544	91,725,846
G.P Ratio	7.71%	11.03%

### **REVIEW OF OPERATIONS:**

Era of depression for textile industry in Pakistan which started in January 2014 still continues, as in international market, the competitors having business advantage in the cost of production area are selling their product at lesser prices. Though our Govt. is trying to reduce the power tariffs after significant reduction in petroleum products in international market, our costs of production decreased but this reduction is not enough to match the cost of international producers of yarn and fabric. Market conditions resulted in decrease in sales by Rs. 634 millions (20.5%) and costs reduced by 482 million (17.5%), the difference in reduction in cost and sales prices directly affects G.P ratio which is reduced by almost same ratio. The company's management continues to make its operation efficient and effective. Factory operating expenses remained almost same as compared to corresponding period of last year despite of enhanced capacity, production and increment in workers' salaries. Distribution expenses remained Rs. 85 million (2014:Rs. 111.6 million), decreased mainly due to decrease in sales. Administration expenses are also in control and reached Rs. 37.7 million (2014: Rs. 35.6 million). Finance cost is increased by Rs. 4 million to reach 89 million (2014: Rs.85 million) despite of Rs. 132 millions of long term loan was further obtained for enhancement of production capacity.

### **FUTURE OUTLOOK**

The depressed prices situation continues and nothing can be predicted. But your company has been successful to control the cost and implemented very effective controls in place to make the operations of production and administration very much efficient and effective. We hope the betterment of prices in local and international market will take place soon and keeping in view the company's current efficient and effective operations your company will be in a position to perform very much better as compared to its competitors.

We hope all these arrangements will contribute towards the reduction in company's fixed cost as well as variable cost (energy cost) and management expects better performance in upcoming three months of ongoing financial 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

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Dated: 28.04.2015

**Mian Muhammad Javed Anwer**  
Chairman