

ACCOUNTS

For the Quarter &
Nine Months Ended
March 31, 2016
(Un-Audited)



AHMAD HASSAN
TEXTILE MILLS LTD.

BOARD OF DIRECTORS

1. Mian Muhammad Javed Anwar - Chairman
2. Main Muhammad Parvez - Chief Executive Officer
3. Mrs. Salma Javed - Director
4. Mr. Muhammad Haris - Director
5. Mr. Muhammad Aurangzeb - 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

Your Directors are pleased to present before you un-audited accounts of your Company for the nine months ended March 31, 2016.

SUMMARIZED FINANCIAL RESULTS:

	March 31, 2016 Rupees	March 31, 2015 Rupees
Sales - net	3,155,219,015	2,466,728,424
Gross profit	168,503,882	190,078,005
G.P Ratio	5.34%	7.71%
(Loss)/Profit after taxation	(33,522,036)	2,723,544

REVIEW OF OPERATIONS:

Textile industry in Pakistan continues to be in deep trouble. Foremost was the severe energy crunch resulting in short supply of electricity and gas throughout the period, this resulted in under utilization of the production capacity resulting in lower production and hence higher cost of production. Another factor was slow demand from our major local as well as international buyers so that prices had to be drastically cut to maintain our share of market. Due to such immense market pressure, sales prices were gone down by almost 13% - despite of increased quantum of production and sales. Cost of sale is increased by 31%, Admin expenses are almost same, whereas Distribution and Finance costs are reduced by 18% and 13% respectively, which indicates that management is keen to make its operation efficient and effective by cutting down all other expenses.

FUTURE OUTLOOK

As far as prices are concerned, depressed prices situation continues and nothing can be predicted. But slight interest of Government can be seen to boost up the textile sector by decreasing the electricity prices in form of Fuel Price Adjustments (FPA) and Prime Minister Relief in electricity prices and also promise to continue supply of Re-gasified Liquefied Natural Gas (RLNG) at market competitive prices to our industry. Such steps definitely act as trigger to recover huge losses in textile industry. Some positive aspects of these measures have been observed in the most recent March 2016 quarter results.

If such trend continues, we hope that soon we will be able to offer competitive prices in the market which strengthen our profitability 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

Multan
Dated: April 28, 2016

Mian Muhammad Javed Anwer
Chairman

CONDENSED INTERIM BALANCE SHEET AS MARCH 31, 2016 (UN-AUDITED)

	<i>Un-Audited March 31, 2016</i>	<i>Audited June 30, 2015</i>		<i>Un-Audited March 31, 2016</i>	<i>Audited June 30, 2015</i>
	<i>Rupees</i>	<i>Rupees</i>		<i>Rupees</i>	<i>Rupees</i>
EQUITY AND LIABILITIES			ASSETS		
<i>Share capital and reserves</i>			<i>Non-current assets</i>		
Authorized share capital	<u>200,000,000</u>	<u>200,000,000</u>	Property, plant and equipment	2,626,780,312	2,665,839,338
Share capital	144,082,488	144,082,488	Intangible Asset	780,000	960,000
Share premium	32,746,284	32,746,284	Long term deposits	<u>39,284,610</u>	<u>39,284,610</u>
Unappropriated profit	<u>771,316,984</u>	<u>777,435,634</u>		2,666,844,922	2,706,083,948
	948,145,756	954,264,406			
<i>Surplus on revaluation of property, plant and equipment</i>	868,538,206	895,941,592	<i>Current assets</i>		
			Stores, spares and loose tools	48,501,117	46,412,656
<i>Non-current liabilities</i>			Stock in trade	827,636,540	540,956,157
Long term financing	391,443,078	450,704,678	Trade debts	183,074,327	207,484,177
Subordinated loan	105,000,000	105,000,000	Loans and advances	123,294,387	68,277,186
Deferred taxation	200,537,667	200,238,796	Tax refunds due from government	102,986,550	81,579,363
	696,980,745	755,943,474	Other receivables	3,026,933	6,972,291
<i>Current liabilities</i>			Short term investments	4,600,598	5,114,098
Trade and other payables	262,645,061	163,054,680	Cash and bank balances	1,012,495	4,559,063
Accrued markup	23,338,802	24,383,122		1,294,133,397	961,354,991
Short term borrowings	1,027,469,022	758,444,002			
Current portion of non-current liabilities	118,195,895	112,832,914			
Provision for taxation	15,664,832	2,574,749			
	1,447,313,612	1,061,289,467			
Total Equity & Liabilities	<u><u>3,960,978,319</u></u>	<u><u>3,667,438,939</u></u>	Total Assets	<u><u>3,960,978,319</u></u>	<u><u>3,667,438,939</u></u>

Sd/-

Mian Muhammad Parvez
Chief Executive

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER & NINE MONTHS ENDED MARCH 31, 2016
(UN-AUDITED)**

	-----Nine Months-----		-----Three Months-----	
	March 31, 2016 Rupees	March 31, 2015 Rupees	March 31, 2016 Rupees	March 31, 2015 Rupees
Sales - net	3,155,219,015	2,466,728,424	1,393,975,397	808,843,059
Cost of goods sold	(2,986,715,133)	(2,276,650,419)	(1,320,403,471)	(734,476,347)
Gross profit	168,503,882	190,078,005	73,571,926	74,366,712
Profit/(loss) on trading	34,137	(77,770)	-	(155,540)
Other operating income	1,447,959	3,252,374	227,676	1,591,628
	169,985,978	193,252,609	73,799,602	75,802,800
Distribution cost	(69,656,095)	(85,280,105)	(22,002,745)	(29,706,144)
Administrative expenses	(37,539,234)	(37,695,308)	(11,241,775)	(12,487,202)
Other operating expenses	(3,098,521)	(151,955)	(3,009,121)	114,420
Finance cost	(77,513,271)	(89,257,163)	(26,884,556)	(33,899,130)
Profit before taxation	(17,821,143)	(19,131,922)	10,661,405	(175,256)
Taxation	(15,700,893)	21,855,466	(7,757,895)	(175,256)
(Loss) / Profit after taxation	(33,522,036)	2,723,544	2,903,510	(10,627,536)
(Loss) / Earnings per share	(2.33)	0.19	0.20	(0.75)

**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME
FOR THE QUARTER & NINE MONTHS ENDED MARCH 31, 2016
(UN-AUDITED)**

	-----Nine Months-----		-----Three Months-----	
	March 31, 2016 Rupees	March 31, 2015 Rupees	March 31, 2016 Rupees	March 31, 2015 Rupees
(Loss) / Profit after taxation	(33,522,036)	2,723,544	2,903,510	(10,647,253)
Other comprehensive income for the period (Incremental depreciation arising on revaluation surplus on fixed assets)	27,403,386	28,876,181	9,134,462	9,319,849
Total comprehensive income for the period	(6,118,650)	31,599,725	12,037,972	(1,327,404)

Sd/-
Dr. Muhammad Haris
Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2016*
(UN-AUDITED)**

	-----Nine Months-----	
	March 31, 2016 Rupees	March 31, 2015 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(17,821,143)	(19,131,922)
Adjustments for:		
Depreciation on property, plant and equipment	96,865,368	97,486,819
Amortization of intangible	180,000	-
Gain on sale of property, plant and equipment	-	(772,704)
Finance cost	77,513,271	89,257,163
	174,558,639	185,971,278
Operating cash flows before movements in working capital (Increase) / decrease in current assets	156,737,496	166,839,356
Stores, spares and loose tools	(2,088,461)	7,529,054
Stock in trade	(286,680,383)	(258,825,226)
Trade debts	24,409,850	143,787,418
Loans and advances	(55,017,201)	(76,679,033)
Tax refunds due from government	(21,407,187)	(30,247,982)
Short term investment	513,500	-
Other receivables	3,945,358	2,602,249
Increase / (decrease) in current liabilities		
Trade and other payables	99,590,381	21,285,769
	(236,734,143)	(190,547,781)
Cash used in operations	(79,996,647)	(23,708,425)
Income taxes paid	(2,311,939)	(10,353,095)
Net cash used in operating activities	(82,308,587)	(34,061,520)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(57,806,342)	(104,621,859)
Proceeds on disposal of property, plant and equipment	-	2,150,000
Long term security deposits	-	(104,600)
Redemption of long term investment	-	259,272
Net cash used in investing activities	(57,806,342)	(102,317,187)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan (paid) / obtained	(53,898,619)	36,099,100
Short term borrowings - net	269,025,020	187,578,198
Dividend paid	-	(1,047,755)
Finance cost paid	(78,557,591)	(89,513,229)
Net cash generated from financing activities	136,568,810	133,116,314
Decrease in cash and bank balances during the period	(3,546,118)	(3,262,393)
Cash and bank balances at the beginning of the period	4,559,063	5,474,903
Cash and bank balances at the end of the period	1,012,945	2,212,510

Sd/-
Mr. Abdul Sattar
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD OF NINE MONTHS ENDED
MARCH 31, 2016 (UN-AUDITED)**

	Share Capital	Reserves		Total
		Capital	Revenue	
	Issued, subscribed and paid up capital	Share premium	Unappropri- ated profit	
	Rupees	Rupees	Rupees	Rupees
Balance at June 30, 2014	144,082,488	32,746,284	758,945,476	935,774,248
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	144,082,488	32,746,284	790,545,201	967,373,973
Balance at June 30, 2015	144,082,488	32,746,284	777,435,634	954,264,406
Profit for the nine months ended March 31, 2016	-	-	(33,522,036)	(33,522,036)
Other comprehensive income for the nine months ended March 31, 2016	-	-	27,403,386	27,403,386
Total comprehensive income for the nine months ended March 31, 2016	-	-	(6,118,650)	(6,118,650)
Balance at March 31, 2016	144,082,488	32,746,284	771,316,984	948,145,756

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD OF NINE MONTHS ENDED AT MARCH 31, 2016 (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.