

ACCOUNTS

For the First Quarter Ended
September 30, 2015
(Un-Audited)



AHMAD HASSAN
TEXTILE MILLS LTD.

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,

Yours Directors are pleased to present before you un-audited accounts of your Company for the quarter ended September 30, 2015.

SUMMARIZED FINANCIAL RESULTS:

	Sep. 2015 (Rupees)	Sep. 2014 (Rupees)
Sales	791,708,875	748,429,574
Gross profit	58,381,122	68,999,848
(Loss) / Profit after taxation	(4,049,101)	2,066,263
G.P. Ratio	7.37%	9.22%

REVIEW OF OPERATIONS

The operations of your company remain very satisfactory, as far as the production and operating costs are concerned, which is mainly due to addition of new machinery i.e. 4 compact ring frames, 19 looms, and 1 generator along with allied machinery etc which provided the company economies of scale and space for cost saving but on the revenue side the textile sector of the country is going through one of the worst recession of near history. The recession started at the start of the calendar year 2014 and it continues to worsen. Your company's management also worked hard to reduce operating costs (distribution cost, administration cost and financial costs are reduced as compared to the same period of the last year) and has been successful to an extent, but low prices of the textile products in the market are spoiling these efforts. As compared to the same period of the last year, selling prices of our products are reduced by 20% to 25%, while on the other side raw material prices reduced only by 18% to 19%. Due to these reasons our Gross Profit ratio has decreased to 7.37% as compared to the same period of last year i.e. 9.22%.

FUTURE OUTLOOK

To get future insight we need to know about the main factors which affect the low rates of our textile products. The main cost factors are the higher prices of cotton in local market, fuel prices and labour costs in the country as compared to the international market. The international market especially the producers in India and China are having economic advantage over Pakistani producers in these costs. So our textile industry is not even getting coverage of its costs as compared to the internal producers. We are hopeful that the Government will make energy prices at par with our neighbouring countries and give preferential rates to textile industry.

Management is striving very hard to make its way to compete in the local and in international market. Controls are strengthened, wastes are reduced, and production efficiency as well as production has been increased. And the management is very confident to make the business profitable but it depends much on the prices of the yarn and grey fabric in the international and local market.

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, 2015

Mian Muhammad Javed Anwar
Chairman

AHMAD HASSAN TEXTILE MILLS LTD

Balance Sheet as at September 30, 2015 (Un - Audited)

	<i>Un-Audited</i> <i>Sep 30,</i> <i>2015</i> <i>Rupees</i>	<i>Audited</i> <i>June 30,</i> <i>2015</i> <i>Rupees</i>
ASSETS		
Non-current assets		
Property, plant and equipment	2,644,258,164	2,665,839,338
Intangible asset	912,000	960,000
Long term deposits	39,284,610	39,284,610
	<u>2,684,454,774</u>	<u>2,706,083,948</u>
Current assets		
Stores, spares and loose tools	38,911,288	46,412,656
Stock in trade	483,870,239	540,956,157
Trade debts	290,322,418	207,484,177
Loans and advances	125,845,444	68,277,186
Tax refunds due from government	79,372,604	81,579,363
Other receivables	7,232,883	6,972,291
Short term investment	5,114,098	5,114,098
Cash and bank balances	1,972,823	4,559,063
	<u>1,032,641,797</u>	<u>961,354,991</u>
TOTAL ASSETS	<u>3,717,096,571</u>	<u>3,667,438,939</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	782,592,759	777,435,634
	<u>959,421,531</u>	<u>954,264,406</u>
Surplus on revaluation of property, plant and equipment		
	886,735,366	895,941,592
Non-current liabilities		
Long term financing	461,718,059	450,704,678
Subordinated loan	105,000,000	105,000,000
Deferred taxation	192,927,131	200,238,796
	<u>759,645,190</u>	<u>755,943,474</u>
Current liabilities		
Trade and other payables	194,403,352	163,054,680
Accrued markup	24,093,734	24,383,122
Short term borrowings	774,322,142	758,444,002
Current portion of non-current liabilities	108,065,365	112,832,914
Provision for taxation	10,409,891	2,574,749
	<u>1,111,294,484</u>	<u>1,061,289,467</u>
TOTAL EQUITY AND LIABILITIES	<u>3,717,096,571</u>	<u>3,667,438,939</u>

Sd/-

Mian Muhammad Javed Anwar
Chairman

PROFIT AND LOSS ACCOUNT FOR THE QUARTER ENDED SEPTEMBER 30, 2015 (UN-AUDITED)

	<i>Un-Audited</i> <i>Sep 30,</i> <i>2015</i> <i>Rupees</i>	<i>Un-Audited</i> <i>Sep 30,</i> <i>2014</i> <i>Rupees</i>
Sales - net	791,708,875	748,429,574
Cost of goods sold	(733,327,753)	(679,429,726)
Gross profit	58,381,122	68,999,848
Profit on trading	-	(77,770)
Other operating income	192,460	889,555
	<u>58,573,582</u>	<u>69,811,633</u>
Distribution cost	(24,062,522)	(25,347,826)
Administrative expenses	(12,514,953)	(11,941,874)
Other operating expenses	(41,200)	(200,343)
Finance cost	(25,480,531)	(26,307,467)
Profit before taxation	(3,525,624)	6,014,123
Provision for taxation	(523,477)	(3,947,860)
Profit after taxation	(4,049,101)	2,066,263
(Loss) / Earnings per share-basic and diluted	<u>(0.28)</u>	<u>0.14</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 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.

Sd/-

Mian Muhammad Parvez
Chief Executive

CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2015
(UN-AUDITED)

	Sep 30, 2015 Rupees	Sep 30, 2014 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(3,525,624)	6,014,123
Adjustments for:		
Depreciation on property, plant and equipment	27,576,027	34,670,000
Amortization on intangible assets	48,000	
Provision for staff retirement benefits- gratuity	1,200,000	1,200,000
Finance cost	25,480,531	26,307,467
	<u>54,304,558</u>	<u>62,177,467</u>
Operating cash flows before movements in working capital	50,778,934	68,191,590
(Increase) / decrease in current assets		
Stores, spares and loose tools	7,501,368	(3,550,363)
Stock in trade	57,085,918	(4,985,329)
Trade debts	(82,838,241)	108,788,865
Loans and advances (excluding advance income tax)	(65,765,376)	(41,913,134)
Tax refunds due from government	2,206,759	(11,619,309)
Other receivables	(260,592)	2,510,602
Increase / (decrease) in current liabilities		
Trade and other payables	32,516,122	16,023,882
	<u>(49,554,042)</u>	<u>65,225,214</u>
Cash generated from operations	1,224,892	133,446,804
Income taxes paid	8,197,118	(10,991,899)
Staff retirement benefits- gratuity paid	(2,367,450)	(1,310,848)
Net cash (used in) generated from operating activities	7,054,560	121,144,057
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(5,994,853)	(38,882,277)
Redemption of long term investment	-	52,353
Net cash used in investing activities	(5,994,853)	(38,829,924)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	35,655,732	47,592,507
Repayment of long term financing	(29,409,900)	(22,984,722)
Short term borrowings - net	15,878,140	(76,927,621)
Finance cost paid	(25,769,919)	(30,587,146)
Net cash used in financing activities	<u>(3,645,947)</u>	<u>(82,906,982)</u>
Decrease in cash and bank balances during the period	(2,586,240)	(592,849)
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	<u>1,972,823</u>	<u>4,882,054</u>

Sd/-

Dr. Muhammad Haris
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2015
(UN-AUDITED)

	Reserves		Total Rupees
	Share Capital	Revenue	
	Issued, subscribed and paid up capital Rupees	Unappropriated profits Rupees	
Balance at June 30, 2014 (re-stated)	144,082,488	758,945,475	995,774,247
Profit for quarter ended September 30, 2014	-	2,066,263	2,066,263
Other comprehensive income for the quarter ended September 30, 2014 (re-stated)	-	10,955,852	10,955,852
Impact of restatement	-	(693,295)	(693,295)
Total comprehensive income for the quarter ended September 30, 2014 (re-stated)	-	12,328,820	12,328,820
Balance at September 30, 2014 (re-stated)	<u>144,082,488</u>	<u>771,274,295</u>	<u>915,356,783</u>
Balance at June 30, 2015	144,082,488	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	<u>144,082,488</u>	<u>782,592,759</u>	<u>959,421,531</u>

Sd/-

Mr. Abdul Sattar
Chief Financial Officer