

## COMPANY PROFILE

### **BOARD OF DIRECTORS**

*Chairman*

*Chief Executive Officer*

*Directors*

Mian Muhammad Javed Anwar

Mian Muhammad Parvez

Mr. Muhammad Haris

Mr. Muhammad Aurangzeb

Mrs. Salma Javed

Mr. Muhammad Jahanzeb

Mr. Syed Raza Abbas Jaffari (*Rep. N.I.T*)

### **AUDIT COMMITTEE**

*Chairman*

*Members*

Mr. Muhammad Jahanzeb

Mrs. Salma Javed

Mr. Muhammad Haris

### **HR & R COMMITTEE**

*Chairman*

*Members*

Mr. Muhammad Jahanzeb

Mrs. Salma Javed

Mian Muhammad Parvez

### **CHIEF FINANCIAL OFFICER**

Mr. Abdul Sattar (FCA)

### **HEAD OF INTERNAL AUDIT**

Mr. Muhammad Ali Zaidi

### **COMPANY SECRETARY**

Mr. Abdul Sattar (FCA)

### **AUDITORS**

PKF F.R.A.N.T.S

Chartered Accountants,  
Multan.

### **BANKERS**

Bank Al-Habib Limited

Allied Bank Limited

United Bank Limited

Bank Al-Falah Limited

Habib Bank Limited

National Bank of Pakistan

Meezan Bank Limited

Soneri Bank Limited

### **REGISTERED OFFICE**

46 - Hassan Parwana Colony,  
Multan.

### **MILLS**

M.M. Road, Chowk Sarwar Shaheed,  
Distt. Muzaffargarh.

### **SHARES REGISTRAR**

M/s Vision Consulting Limited  
3-C, LDA Flats, Lawarnce Road,  
Lahore.

**DIRECTOR'S REVIEW**

In the Name of Allah the Most Beneficent the Most Merciful

Dear Shareholders

Your Directors are pleased to present before you un-audited accounts of your Company for the six months ended December 31, 2015.

**SUMMARIZED FINANCIAL RESULTS:**

	Dec 2015 (Rupees)	Dec 2014 (Rupees)
Sales - Net	1,761,243,618	1,657,885,365
Gross Profit	94,931,956	115,711,293
(Loss) / Profit after taxation	(36,425,546)	13,370,797
G.P Ratio	5.39%	6.98%
Basic (loss) / earnings per share	(2.53)	0.93

**REVIEW OF OPERATIONS:**

Due to depressed local and international textile market, the operations of the company remained below standards during the quarter and six months under review. The industry has immense market pressure in terms of sales prices which were gone down by almost 17% - despite of increased quantum of production and sales. Though the raw material prices also gone down (prices of cotton and cotton yarn reduced by 3% and 15.5% respectively). Higher energy cost and load shading in the country also contributed towards decreased gross profit ratio of the company i.e. 5.39% (2014: 6.98%).

**FUTURE OUTLOOK**

The depressed prices situation still continues, though slight betterment can be seen subsequently but yet nothing can be predicted at this stage as we cannot control the market situation. The company's BMR plan along with enhancement of power generation capacity from gas gen-sets and Government's commitment towards consistent supply of energy with reduced rates are the positive sentiments in the near future.

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 six 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

Sd/-

Mian Muhammad Javed Anwer  
Chairman

Multan:  
Dated: February 27, 2016

**AUDITORS' REPORT TO THE MEMBERS  
ON REVIEW OF CONDENSED 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, 2015** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and fair 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.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and December 31, 2014 have not been reviewed by us, as we are required to review only the cumulative figures for the six months period ended December 31, 2015.

**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, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Sd/-

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**PKF F. R. A. N. T. S.**

Chartered Accountants

Multan

February 27, 2016

Engagement Partner: Muhammad Talib

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)  
AS AT DECEMBER 31, 2015**

	Note	December 31, 2015	June 30, 2015
		Un-Audited Rupees	Audited Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	2,638,372,610	2,665,839,338
Intangible assets		840,000	960,000
Long term deposits		39,284,610	39,284,610
		<u>2,678,497,220</u>	<u>2,706,083,948</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		46,127,715	46,412,656
Stock-in-trade		695,238,821	540,956,157
Trade debts		188,934,177	207,484,177
Loans, advances and prepayments		75,237,362	68,277,186
Tax refunds due from Government		115,629,949	81,579,363
Other receivables		6,338,913	6,972,291
Short term investment		4,600,598	5,114,098
Cash and bank balances		2,286,013	4,559,063
		<u>1,134,393,548</u>	<u>961,354,991</u>
<b>TOTAL ASSETS</b>		<u><b>3,812,890,768</b></u>	<u><b>3,667,438,939</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		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		759,279,012	777,435,634
		<u>936,107,784</u>	<u>954,264,406</u>
Surplus on revaluation of property, plant and equipment		877,672,667	895,941,592
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		429,113,362	450,704,678
Subordinated loans		105,000,000	105,000,000
Deferred taxation		200,537,667	200,238,796
		<u>734,651,029</u>	<u>755,943,474</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		251,023,190	163,054,680
Finances under markup arrangements and other credit facilities		871,187,080	758,444,002
Current portion of non-current liabilities		109,031,950	112,832,914
Accrued finance cost		25,310,131	24,383,122
Provision for taxation		7,906,937	2,574,749
		<u>1,264,459,288</u>	<u>1,061,289,467</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>3,812,890,768</b></u>	<u><b>3,667,438,939</b></u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/-  
Mian Muhammad Javed Anwar  
Chairman

Sd/-  
Mian Muhammad Pervez  
Chief Executive Officer

Sd/-  
Muhammad Haris  
Director

Sd/-  
Abdul Sattar  
Chief Financial Officer

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

	Six months period ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees	Rupees	Rupees	Rupees
<b>Note</b>				
Sales - net	1,761,243,618	1,657,885,365	969,534,743	909,455,791
Cost of sales	(1,666,311,662)	(1,542,174,072)	(932,983,909)	(862,744,346)
<b>Gross profit</b>	<b>94,931,956</b>	<b>115,711,293</b>	<b>36,550,834</b>	<b>46,711,445</b>
Other income	1,220,283	1,660,746	1,027,823	771,191
Profit / (loss) on trading	34,137	(77,770)	34,137	-
Distribution cost	(47,653,350)	(55,573,961)	(23,590,828)	(30,226,135)
Administrative expenses	(26,297,459)	(25,208,106)	(13,782,506)	(13,266,232)
Other operating expenses	(89,400)	(266,375)	(48,200)	(66,032)
	(72,785,789)	(79,465,466)	(36,359,574)	(42,787,208)
<b>Profit from operations before finance cost</b>	<b>22,146,167</b>	<b>36,245,827</b>	<b>191,260</b>	<b>3,924,237</b>
Finance cost	(50,628,715)	(55,358,033)	(25,148,184)	(29,050,566)
<b>Loss before taxation</b>	<b>(28,482,548)</b>	<b>(19,112,206)</b>	<b>(24,956,924)</b>	<b>(25,126,329)</b>
Taxation:				
Current	(7,906,937)	(5,696,133)	(7,383,460)	(1,748,273)
Prior year adjustment	262,810	(1,508,789)	262,810	(1,508,789)
Deferred	(298,871)	39,687,925	(298,871)	39,687,925
	(7,942,998)	32,483,003	(7,419,521)	36,430,863
<b>(Loss) / profit for the period</b>	<b>(36,425,546)</b>	<b>13,370,797</b>	<b>(32,376,445)</b>	<b>11,304,534</b>
<b>Basic (loss) / earnings per share</b>	<b>7</b>	<b>(2.53)</b>	<b>0.93</b>	<b>(2.25)</b>
		0.78		0.78

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/-  
Mian Muhammad Javed Anwar  
Chairman

Sd/-  
Mian Muhammad Pervez  
Chief Executive Officer

Sd/-  
Muhammad Haris  
Director

Sd/-  
Abdul Sattar  
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
(UN-AUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED  
DECEMBER 31, 2015**

	Six months period ended		Quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit for the period	(36,425,546)	13,370,797	(32,376,445)	11,304,534
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	(36,425,546)	13,370,797	(32,376,445)	11,304,534

Sd/-  
Mian Muhammad Javed Anwar  
Chairman

Sd/-  
Mian Muhammad Pervez  
Chief Executive Officer

Sd/-  
Muhammad Haris  
Director

Sd/-  
Abdul Sattar  
Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD DECEMBER 31, 2015**

	Note	Six months period ended	
		December 31, 2015	December 31, 2014
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	8	21,372,284	(81,745,464)
Income tax paid		(13,404,001)	(20,440,135)
Finance cost paid		(49,701,707)	(53,198,449)
Long term deposits		-	(54,600)
Paid to Workers' Profit Participation Fund		-	(4,427,761)
Workers' Welfare Fund paid		-	(188,818)
		<u>(63,105,708)</u>	<u>(78,309,763)</u>
<b>Net cash used in operating activities</b>		<u>(41,733,424)</u>	<u>(160,055,227)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(48,493,775)	(55,379,827)
Proceeds from disposal of property, plant and equipment		-	2,150,000
Redemption of long term investments		-	129,636
Short term investment matured		513,500	-
Profit on investments		89,851	25,772
		<u>(47,890,424)</u>	<u>(53,074,419)</u>
<b>Net cash used in investing activities</b>		<u>(47,890,424)</u>	<u>(53,074,419)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term finances obtained		35,655,732	69,517,463
Repayment of long term finances		(61,048,012)	(59,889,561)
Short term finances under markup arrangements and other credit facilities - net		77,765,598	270,277,509
Dividend paid		-	(1,047,755)
		<u>52,373,318</u>	<u>278,857,656</u>
<b>Net cash generated from financing activities</b>		<u>52,373,318</u>	<u>278,857,656</u>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(37,250,530)</u>	<u>65,728,010</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<u>(199,848,131)</u>	<u>(158,822,665)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	8.1	<u>(237,098,661)</u>	<u>(93,094,655)</u>

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/-  
Mian Muhammad Javed Anwar  
Chairman

Sd/-  
Mian Muhammad Pervez  
Chief Executive Officer

Sd/-  
Muhammad Haris  
Director

Sd/-  
Abdul Sattar  
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, 2015

	Share Capital	Reserves		Total
		Capital	Revenue	
	Issued, subscribed and paid up capital	Share premium	Unappropriated profit	
Rupees				
Balance as at June 30, 2014 (Audited)	144,082,488	32,746,284	758,945,475	935,774,247
Total comprehensive income for the period	-	-	13,370,797	13,370,797
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	19,556,332	19,556,332
Total comprehensive income for the period	-	-	32,927,129	32,927,129
Balance as at December 31, 2014 (Un-audited)	144,082,488	32,746,284	791,872,604	968,701,376
Balance as at June 30, 2015 (Audited)	144,082,488	32,746,284	777,435,634	954,264,406
Total comprehensive loss for the period	-	-	(36,425,546)	(36,425,546)
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	18,268,924	18,268,924
Total comprehensive loss for the period	-	-	(18,156,622)	(18,156,622)
Balance as at December 31, 2015 (Un-audited)	144,082,488	32,746,284	759,279,012	936,107,784

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Sd/-  
Mian Muhammad Javed Anwar  
Chairman

Sd/-  
Mian Muhammad Pervez  
Chief Executive Officer

Sd/-  
Muhammad Haris  
Director

Sd/-  
Abdul Sattar  
Chief Financial Officer



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2015**

**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. Previously, shares of the Company were quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. However, due to integration of all stock exchanges into the Pakistan Stock Exchange, effective January 11, 2016, the shares of the Company are now quoted on the Pakistan Stock Exchange. The Company is principally engaged in the manufacturing and sale of yarn and fabric. The Company is also doing cotton ginning business by taking a ginning factory on lease from its associated undertaking. 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. The ginning factory is located at Chowk Naseer Abad, Tehsil Jatol, District Muzaffargarh.

**2. STATEMENT OF COMPLIANCE**

This condensed interim financial information of the Company for the six months period ended December 31, 2015 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', 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, 2015, 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. The condensed interim financial information 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 the Pakistan 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, 2015 and December 31, 2014 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, 2015. This condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015 as it provides an update of previously reported information. Comparative balance sheet is extracted from annual financial statements as of June 30, 2015, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from unaudited condensed interim financial information for the six months period ended December 31, 2014.

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, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

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, 2015.

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, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

**4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ADOPTED DURING THE SIX MONTHS PERIOD**

Certain standards, amendments and a new interpretation 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.

# Ahmad Hassan Textile Mills Limited

	Note	December 31,	June 30,
		2015	2015
		Un-Audited	Audited
		Rupees	Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating property, plant and equipment	5.1	2,631,366,260	2,607,728,322
Capital work-in-progress	5.2	7,006,350	58,111,016
		<u>2,638,372,610</u>	<u>2,665,839,338</u>
		<b>Six months period ended</b>	
		December 31,	December 31,
		2015	2014
		Rupees	Rupees
5.1. The following is movement in operating property, plant and equipment during the period:			
<b>Opening carrying value</b>		2,607,728,322	2,434,363,351
Add: Additions or transfers during the period - at cost			
Plant and machinery		95,123,206	104,399,648
Computer software		-	1,200,000
Power plant - generators		2,045,567	871,000
Electric installations		1,591,493	3,382,952
Office equipment		116,975	173,600
Vehicles		721,200	-
		<u>99,598,441</u>	<u>110,027,200</u>
		2,707,326,763	2,544,390,551
Less: Carrying value of vehicles disposed of during the period			(1,377,296)
Depreciation charge for the period		(75,960,503)	(68,700,317)
<b>Closing carrying value</b>		<u>2,631,366,260</u>	<u>2,474,312,938</u>
		<b>Six months period ended</b>	
		June 30, 2015	June 30, 2014
		Rupees	Rupees
<b>Opening carrying value</b>		2,474,312,938	2,404,240,570
Additions during January 01 to June 30		206,636,556	102,895,854
Carrying value of assets disposed of January 01 to June 30		(64,937)	-
Depreciation charged during January 01 to June 30		(73,156,235)	(72,773,073)
<b>Closing carrying value</b>		<u>2,607,728,322</u>	<u>2,434,363,351</u>
5.2. 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:			
		<b>Six months period ended</b>	
		December 31,	December 31,
		2015	2014
		Rupees	Rupees
Opening balance		58,111,016	59,936,708
Additions during the period - at cost			
Plant and machinery		807,731	42,488,757
Less: Transfers during the period		(51,912,397)	(97,136,130)
<b>Closing balance</b>		<u>7,006,350</u>	<u>5,289,335</u>
		<b>Six months period ended</b>	
		June 30, 2015	June 30, 2014
		Rupees	Rupees
<b>Opening balance</b>		5,289,335	69,428,661
Additions during January 01 to June 30		94,844,910	13,772,336
Transfers during January 01 to June 30		(42,023,229)	(23,214,289)
<b>Closing balance</b>		<u>58,111,016</u>	<u>59,986,708</u>

# Ahmad Hassan Textile Mills 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, 2015.

	December 31, 2015 Un-Audited Rupees	June 30, 2015 Audited Rupees
<b>COMMITMENTS</b>		
a) Aggregate amount of contractual commitments for capital expenditure and property, plant and equipment against:		
Letter of credits	2,876,980	37,395,962
Other contracts	-	9,538,314
b) The Company's commitments other than capital expenditure; against letter of credit outstanding as at December 31, 2015 amount to Rs. 186.184 million (June 30, 2015: Nil).		
c) Foreign bills discounted outstanding as at December 31, 2015 aggregate to Rs. 222.660 million (June 30, 2015: Rs. 134.457 million).		

## 7. (LOSS) / EARNINGS PER SHARE

There is no dilutive effect on the basic (loss) /earnings per share of the Company.

	Six months period ended	
	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>8. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(28,482,548)	(19,112,206)
Adjustments for:		
Depreciation on property, plant and equipment	75,960,503	68,700,317
Amortization of Intangible assets	120,000	-
Gain on disposal of property, plant and equipment	-	(772,704)
Profit on investments	(89,851)	(25,772)
Mark-up on security deposit with SNGPL	(864,838)	(859,750)
Gain on exchange rate fluctuation	(148,540)	-
Finance cost	50,628,715	55,358,033
	125,605,989	122,400,124
<b>Cash flows before working capital changes</b>	97,123,441	103,287,918
<b>Working capital changes:</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	284,941	(8,681,588)
Stock-in-trade	(154,282,664)	(283,687,813)
Trade debts	18,698,540	102,966,600
Loans, advances and prepayments - excluding advance income tax	(30,012,639)	(49,602,680)
Tax refunds due from Government (excluding Income tax)	93,939	(2,917,755)
Other receivables (excluding profit on deposit with SNGPL)	1,498,216	8,111,817
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables (excluding unclaimed dividend, provision for Workers' Profit Participation Fund and provision for Workers' Welfare Fund)	87,968,510	48,778,037
	(75,751,157)	(185,033,382)
<b>CASH GENERATED FROM / (USED IN) OPERATIONS</b>	21,372,284	(81,745,464)

## 8.1 CASH AND CASH EQUIVALENTS

Cash and bank balances	2,286,013	4,923,551
Short term running finances	(239,384,674)	(98,018,206)
	(237,098,661)	(93,094,655)

# Ahmad Hassan Textile Mills Limited

## 9. RELATED PARTY TRANSACTIONS

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

	Six months period ended	
	December 31, 2015 Rupees	December 31, 2014 Rupees
<b>Associated Undertaking:</b>		
Sale of goods	78,790,453	73,736,400
Lease rent	501,575	575,000
<b>Chief executive, directors and executives:</b>		
Remuneration and benefits	7,650,000	5,808,000

## 10. SEGMENT REPORTING

### 10.1 REPORTABLE SEGMENTS

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

During the six months period ended December 31, 2015, the Company renewed lease agreement with its associated undertaking to take on lease the Ginning section of associated undertaking. The Ginning section was operated by the Company against the consideration of lease rental payment.

The Company's reportable segments are as follows:

- Ginning segment - production of cotton lint from raw cotton.
- 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:

### 10.2 SEGMENT REVENUE AND RESULTS

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

	Ginning Rupees	Spinning Rupees	Weaving Rupees	Six months period ended	
				December 31, 2015 Rupees	December 31, 2014 Rupees
<b>Sales - net</b>					
External	79,522,754	513,152,338	1,168,568,526	1,761,243,618	1,657,885,365
Inter-segment	210,755,813	374,304,749	-		
	290,278,567	887,457,087	1,168,568,526		
<b>Cost of sales - excluding</b>					
inter-segment purchase	(288,913,728)	(630,840,226)	(746,557,708)	(1,666,311,662)	(1,542,174,072)
Inter-segment purchase	-	(210,755,813)	(374,304,749)		
	(288,913,728)	(841,596,039)	(1,120,862,457)		
<b>Gross profit</b>	<b>1,364,839</b>	<b>45,861,048</b>	<b>47,706,069</b>	<b>94,931,956</b>	<b>115,711,293</b>
Profit / (loss) on trading	-	-	34,137	34,137	(77,770)
Distribution and marketing expenses	-	(8,241,321)	(39,412,029)	(47,653,350)	(55,573,961)
Administrative expenses	-	(12,668,574)	(13,628,885)	(26,297,459)	(25,208,106)
Finance cost	(1,364,839)	(30,279,235)	(18,984,641)	(50,628,715)	(55,358,033)
<b>Loss before tax</b>	<b>-</b>	<b>(5,328,082)</b>	<b>(24,285,349)</b>	<b>(29,613,431)</b>	<b>(20,506,577)</b>
Other operating expenses				(89,400)	(266,375)
Other income				1,220,283	1,660,746
Taxation - current				(7,644,127)	(7,204,922)
Taxation - deferred				(298,871)	39,687,925
<b>(Loss) / profit after taxation</b>				<b>(36,425,546)</b>	<b>13,370,797</b>

# Ahmad Hassan Textile Mills Limited

## 10.3 SEGMENT ASSETS AND LIABILITIES

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

	Ginning Rupees	Spinning Rupees	Weaving Rupees	December 31, 2015 Un-Audited Rupees	June 30, 2015 Audited Rupees
<b>Segment assets:</b>					
Operating property, plant and equipment	-	1,255,689,983	1,375,676,277	2,631,366,260	2,607,728,322
Capital work-in-progress	-	5,946,342	1,060,008	7,006,350	58,111,016
Intangible assets				840,000	960,000
Long term deposits				39,284,610	39,284,610
<b>Total operating assets</b>				<b>2,678,497,220</b>	<b>2,706,083,948</b>
Stores, spare parts and loose tools		20,296,097	25,831,618	46,127,715	46,412,656
Stock-in-trade		396,407,967	298,830,854	695,238,821	540,956,157
Trade debts	39,879,126	48,866,565	140,067,612	188,934,177	207,484,177
Other unallocated corporate assets				204,092,835	166,502,001
<b>Total assets as per balance sheet</b>				<b>3,812,890,768</b>	<b>3,667,438,939</b>
<b>Segment liabilities</b>	11,834,484	21,039,718	90,747,104	123,621,306	83,509,043
Unallocated corporate liabilities				1,875,489,011	1,733,723,898
<b>Total liabilities as per balance sheet</b>				<b>1,999,110,317</b>	<b>1,817,232,941</b>

## 10.4 REVENUE FROM MAJOR CUSTOMERS

Revenue from major customers whose revenue exceeds 5% (December 31, 2014: 5%) of sales is Rs. 351.267 million (December 31, 2014: Rs. 329.00 million).

## 10.5 GEOGRAPHICAL INFORMATION

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

	Six months period ended	
	December 31, 2015	December 31, 2014
	Rupees	Rupees
Pakistan	947,203,119	585,939,098
America	22,388,881	9,239,054
Asia	559,080,128	739,764,841
Europe	232,571,490	322,942,372
	<b>1,761,243,618</b>	<b>1,657,885,365</b>

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

## 11. CORRESPONDING FIGURES

No significant re-arrangements have been made in this condensed interim financial information in respect of corresponding figures.

## 12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 27, 2016 by the board of directors of the Company.

## 13. GENERAL

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

Sd/-  
Mian Muhammad Javed Anwar  
Chairman

Sd/-  
Mian Muhammad Pervez  
Chief Executive Officer

Sd/-  
Muhammad Haris  
Director

Sd/-  
Abdul Sattar  
Chief Financial Officer