

**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, 2012** and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and 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.

**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 half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2012 and December 31, 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

**F. R. A. N. T. S. & Co.**

Chartered Accountants

**Engagement Partner: Muhammad Talib****Multan: February 27, 2013**

327-B, Gulgasht Colony, Multan. Tel: +92-61-6750328

E-mail: [multan@frants.pk](mailto:multan@frants.pk) Website: [www.frants.pk](http://www.frants.pk)**KARACHI | LAHORE | ISLAMABAD | PESHAWAR | SIALKOT | KABUL**

## DIRECTOR'S REVIEW

In the Name of Allah the Most Beneficent the Most Merciful

Dear Shareholders,

Your directors are pleased to present before you the reviewed accounts of the company for the half year ended December 31, 2012.

### OPERATING RESULTS

During the financial period under review, Company's financial performance has been much improved as compared to the corresponding period despite tough market situation & energy shortage in the country.

By the grace of Almighty Allah and with the efforts of staff, during the period your Company has earned a profit of Rs. 77.4 million before tax; almost increased by 13% to the last year's profit before tax i.e. Rs. 68.3 million. The management succeeded to improve current ratio to 1:0.99, but fuel price adjustment reduced it. It was levied despite of court's decision in the favor of industry previously. However your organization's management is confident to cover the gap up to this year end. During the financial period, prices of yarn and fabric have shown an upward trend improving the Company's sales but GP ratio which has been almost same i.e. 11.52% (2011: 11.47%) because of increase in fuel price and inflation affected prices of other factors of production. Operating cost increased to Rs 140 million (2011: Rs. 117 million) mainly due to fuel price adjustment surcharge. In other areas management succeeded to maintain. However the management is working to reduce it further.

### FUTURE OUTLOOK

It is vital to mention that effective and efficient controls and cost effectiveness is the key to compete in the market and ultimately for survival of the company, the management is working on both issues. Energy issue has almost been resolved by the management on its own part by installing gas gensets, but power shut down of gas supply has suffered us great. Moreover fuel price adjustment surcharge seems to put another kick back.

### ACKNOWLEDGMENT

Your directors place on record their appreciation for the efforts made by the workers and staff of the company for their devotion to work.

Your directors would also like to express their thanks to financial institutions especially Bank Al-Habib Limited, Bank Al-Falah Limited, Allied Bank Limited, Faysal Bank Limited, Meezan Bank Limited, MCB Bank Limited, United Bank Limited, and Habib Bank Limited for their support and assistance.

Multan:  
Dated: 27.02.2013

On behalf of the Board

  
Mian Muhammad Javed Anwer  
Chairman


**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF**  
**YEAR ENDED DECEMBER 31, 2012**

**F. R. A. N. T. S. & CO.**  
**CHARTERED ACCOUNTANTS**  
327-B, Gulgasht Colony, Multan  
061-6750328

**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT DECEMBER 31, 2012**

|  |      | December 31,<br>2012<br>Un-Audited | June 30,<br>2012<br>Audited |
|--|------|------------------------------------|-----------------------------|
| <b>ASSETS</b>  | Note | Rupees                             | Rupees                      |
| <b>NON-CURRENT ASSETS</b>  |      |                                    |                             |
| Property, plant and equipment  | 4    | 1,619,674,892                      | 1,612,312,862               |
| Long term investments  |      | 259,324                            | 259,376                     |
| Long term deposits   |      | 40,039,760                         | 39,180,010                  |
|  |      | <u>1,659,973,976</u>               | <u>1,651,752,248</u>        |
| <b>CURRENT ASSETS</b>  |      |                                    |                             |
| Stores, spares and loose tools   |      | 30,564,374                         | 33,084,000                  |
| Stock-in-trade   |      | 700,259,491                        | 458,637,533                 |
| Trade debts  |      | 288,332,258                        | 244,238,658                 |
| Loans, advances and prepayments  |      | 87,394,632                         | 123,074,530                 |
| Tax refunds due from Government  |      | 16,879,365                         | 12,864,588                  |
| Short term investments   |      | -                                  | 20,394,452                  |
| Other receivables  |      | 17,971,394                         | 3,607,356                   |
| Current portion of long term investments   |      | 104                                | 104                         |
| Cash and bank balances   |      | 1,593,308                          | 3,666,866                   |
|  |      | <u>1,142,994,926</u>               | <u>899,568,087</u>          |
| <b>TOTAL ASSETS</b>  |      | <u>2,802,968,902</u>               | <u>2,551,320,335</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<br>14,408,248.8 (June 30, 2012: 14,408,248.8)<br>ordinary shares of Rs. 10 each |      | 144,082,488                        | 144,082,488                 |
| Capital reserve - share premium  |      | 32,746,284                         | 32,746,284                  |
| Revenue reserve - unappropriated profit  |      | 539,637,373                        | 496,839,670                 |
|  |      | <u>716,466,145</u>                 | <u>673,668,442</u>          |
| Surplus on revaluation of<br>property, plant and equipment   |      | 408,652,078                        | 416,680,723                 |
| <b>NON-CURRENT LIABILITIES</b>   |      |                                    |                             |
| Long term financing  |      | 203,511,279                        | 253,635,983                 |
| Subordinated loans   |      | 105,000,000                        | 105,000,000                 |
| Deferred taxation  |      | 196,440,549                        | 186,190,549                 |
|  |      | <u>504,951,828</u>                 | <u>544,826,532</u>          |
| <b>CURRENT LIABILITIES</b>   |      |                                    |                             |
| Trade and other payables   |      | 237,061,347                        | 187,004,426                 |
| Finances under mark up arrangements and<br>other credit facilities   |      | 755,058,101                        | 491,724,544                 |
| Current portion of non-current liabilities   |      | 139,744,153                        | 178,418,769                 |
| Mark-up accrued  |      | 22,219,058                         | 25,356,419                  |
| Provision for taxation   |      | 18,816,192                         | 33,640,570                  |
|  |      | <u>1,172,898,851</u>               | <u>916,144,638</u>          |
| <b>CONTINGENCIES AND COMMITMENTS</b>   | 5    |                                    |                             |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <u>2,802,968,902</u>               | <u>2,551,320,335</u>        |

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

  
 CHAIRMAN

  
 CHIEF EXECUTIVE  
 OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL  
 OFFICER

**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2012**

|  | Half year ended      |                      | Quarter ended        |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | December 31,<br>2012 | December 31,<br>2011 | December 31,<br>2012 | December 31,<br>2011 |
|  | Rupees               | Rupees               | Rupees               | Rupees               |
| Sales - net  | 1,881,619,183        | 1,616,192,916        | 974,276,735          | 827,049,886          |
| Cost of sales  | (1,664,921,771)      | (1,430,861,451)      | (868,359,714)        | (726,891,280)        |
| <b>Gross profit</b>  | <b>216,697,412</b>   | <b>185,331,465</b>   | <b>105,917,021</b>   | <b>100,158,606</b>   |
| Other operating income   | 4,154,710            | 4,090,560            | 5,149,948            | 3,925,884            |
| Profit on trading  | 21,868               | 7,894,309            | 21,868               | 7,894,309            |
| Distribution cost  | (55,340,325)         | (50,658,646)         | (20,709,221)         | (25,758,398)         |
| Administrative expenses  | (19,108,160)         | (14,510,682)         | (10,512,922)         | (7,297,205)          |
| Other operating expenses   | (23,888,725)         | (3,017,284)          | (23,744,725)         | (2,998,084)          |
|  | (94,160,632)         | (56,201,743)         | (49,795,052)         | (24,233,494)         |
| <b>Profit from operations</b>  | <b>122,536,780</b>   | <b>129,129,722</b>   | <b>56,121,969</b>    | <b>75,925,112</b>    |
| Finance cost   | (45,171,828)         | (60,831,501)         | (23,515,877)         | (27,882,024)         |
| <b>Profit before taxation</b>  | <b>77,364,952</b>    | <b>68,298,221</b>    | <b>32,606,092</b>    | <b>48,043,088</b>    |
| Provision for taxation   | (24,585,584)         | (46,477,356)         | (4,842,400)          | (40,611,557)         |
| <b>Profit after taxation</b>   | <b>52,779,368</b>    | <b>21,820,865</b>    | <b>27,763,692</b>    | <b>7,431,531</b>     |
| <b>Other comprehensive income:</b><br>Incremental depreciation arising<br>due to surplus on revaluation of<br>property, plant and equipment -<br>net of deferred tax | 8,028,645            | 8,362,291            | 3,987,933            | 4,344,768            |
| <b>Total comprehensive income -<br/>net of tax</b>   | <b>60,808,013</b>    | <b>30,183,156</b>    | <b>31,751,625</b>    | <b>11,776,299</b>    |
| <b>Earnings per share -<br/>basic and diluted</b>  | <b>3.66</b>          | <b>1.51</b>          | <b>1.93</b>          | <b>0.52</b>          |

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

  
**CHAIRMAN**

  
**CHIEF EXECUTIVE  
OFFICER**


  
**DIRECTOR**

  
**CHIEF FINANCIAL  
OFFICER**

**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

|   | Note | Half year ended      |                     |
|---|------|----------------------|---------------------|
|   |      | December 31,         | December 31,        |
|   |      | 2012                 | 2011                |
|   |      | Rupees               | Rupees              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                           |      |                      |                     |
| Cash (used in) / generated from operations                            | 6    | (48,101,299)         | 9,473,020           |
| Income taxes paid   |      | (14,109,642)         | (16,327,548)        |
| Finance cost paid   |      | (48,309,189)         | (68,879,805)        |
| Long term deposits  |      | -                    | (15,700)            |
| Workers' Profit Participation Fund paid                               |      | (7,973,415)          | (4,711,891)         |
| Staff gratuity paid   |      | (3,917,017)          | (3,315,117)         |
|   |      | (74,309,263)         | (93,250,061)        |
| <b>Net cash used in operating activities</b>                          |      | <b>(122,410,562)</b> | <b>(83,777,041)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                           |      |                      |                     |
| Additions to property, plant and equipment                            |      | (56,035,111)         | (9,158,740)         |
| Proceeds from disposal of property, plant and equipment               |      | 5,075,000            | 200,000             |
| Redemption of long term investments                                   |      | 52                   | 52                  |
| <b>Net cash used in investing activities</b>                          |      | <b>(50,960,059)</b>  | <b>(8,958,688)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                           |      |                      |                     |
| Repayment of long term finances                                       |      | (85,884,609)         | (63,905,639)        |
| Repayment of principal portion of finance lease                       |      | (2,914,711)          | (7,696,775)         |
| Finances under mark-up arrangements and other credit facilities - net |      | 263,333,647          | 170,138,019         |
| Dividend paid   |      | (3,237,264)          | (1,491,882)         |
| <b>Net cash generated from financing activities</b>                   |      | <b>171,297,063</b>   | <b>97,043,723</b>   |
| <b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>         |      | <b>(2,073,558)</b>   | <b>4,307,994</b>    |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE HALF YEAR</b>    |      | <b>3,666,866</b>     | <b>5,469,621</b>    |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR</b>          |      | <b>1,593,308</b>     | <b>9,777,615</b>    |

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

  
 CHAIRMAN

  
 CHIEF EXECUTIVE  
 OFFICER

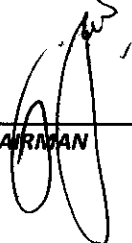
  
 DIRECTOR

  
 CHIEF FINANCIAL  
 OFFICER

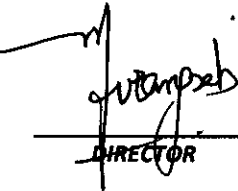
**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

|   | Share Capital                  | Reserves          |                       | Total              |
|---|--------------------------------|-------------------|-----------------------|--------------------|
|   |                                | Capital           | Revenue               |                    |
|   | issued, subscribed and paid up | Share premium     | Unappropriated profit |                    |
| Rupees  |                                |                   |                       |                    |
| <b>Balance as at June 30, 2011 - (Audited)</b>  | 144,082,488                    | 32,746,284        | 402,081,637           | 578,910,409        |
| <b>Total comprehensive income for the half year:</b>  |                                |                   |                       |                    |
| Profit for the half year  | -                              | -                 | 21,820,865            | 21,820,865         |
| Other comprehensive income for the half year:   |                                |                   |                       |                    |
| Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax | -                              | -                 | 8,362,291             | 8,362,291          |
| Total comprehensive income  | -                              | -                 | 30,183,156            | 30,183,156         |
| <b>Transactions with owners of the Company recognized directly in equity:</b>   |                                |                   |                       |                    |
| Final dividend for the year ended June 30, 2011 @ Rs. 1.25 per share  | -                              | -                 | (18,010,525)          | (18,010,525)       |
| <b>Balance as at December 31, 2011 - (Un-Audited)</b>   | <u>144,082,488</u>             |                   | <u>414,254,268</u>    | <u>591,083,040</u> |
| <b>Balance as at June 30, 2012 - Audited</b>  | 144,082,488                    | 32,746,284        | 496,839,670           | 673,668,442        |
| <b>Total comprehensive income for the half year:</b>  |                                |                   |                       |                    |
| Profit for the half year  | -                              | -                 | 52,779,368            | 52,779,368         |
| Other comprehensive income for the half year:   |                                |                   |                       |                    |
| Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax | -                              | -                 | 8,028,645             | 8,028,645          |
| Total comprehensive income  | -                              | -                 | 60,808,013            | 60,808,013         |
| <b>Transactions with owners of the Company recognized directly in equity:</b>   |                                |                   |                       |                    |
| Final dividend for the year ended June 30, 2012 @ Rs. 1.25 per share  | -                              | -                 | (18,010,310)          | (18,010,310)       |
| <b>Balance as at December 31, 2012 - (Un-Audited)</b>   | <u>144,082,488</u>             | <u>32,746,284</u> | <u>539,637,373</u>    | <u>716,466,145</u> |

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information.

  
 CHAIRMAN

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

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**1. THE COMPANY AND ITS OPERATIONS**

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. Its shares are quoted on all Stock exchanges in Pakistan. It is principally engaged in the manufacturing and sale of yarn and fabric. The registered office of the Company is situated at 46-Hassan Parwana Colony, Multan. The mill is located at District Muzaffargarh.

**2. STATEMENT OF COMPLIANCE**

This condensed interim financial information of the Company for the half year ended December 31, 2012 has been prepared in accordance with the requirements of International Accounting Standards (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

This 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 Karachi, Lahore and Islamabad 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, 2012 and December 31, 2011 have not been reviewed by the auditors of the Company as they have reviewed only the cumulative figures for the half year ended December 31, 2012. This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2012. Comparative balance sheet is extracted from annual financial statements as of June 30, 2012 whereas comparative profit and loss account, cash flow statement and statement of changes in equity are extracted from un-audited condensed interim financial information for the half year ended December 31, 2011.

The figures of this condensed interim financial information are presented in Pak Rupees which is the Company's functional and presentation currency.

**3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS**

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, 2012.

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, 2012.

**3.1. New and amended standards and interpretations adopted during the half year**

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on or after July 01, 2012 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**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

|  |             | <b>December 31,<br/>2012<br/>Un-Audited<br/>Rupees</b> | <b>June 30,<br/>2012<br/>Audited<br/>Rupees</b> |
|--|-------------|--|---|
| <b>4. PROPERTY, PLANT AND EQUIPMENT</b>  | <b>Note</b> |  |   |
| Operating property, plant and equipment  | 4.1         | 1,585,638,260  | 1,546,168,208                                   |
| Capital work-in-progress   | 4.2         | 34,036,632   | 66,144,654                                      |
|  |             | <u>1,619,674,892</u>                                   | <u>1,612,312,862</u>                            |
| <b>4.1. The following is movement in operating property, plant and equipment during the half year / year:</b>  |             |  |   |
| <b>Opening carrying value</b>  |             | <b>1,546,168,208</b>                                   | <b>1,582,831,964</b>                            |
| Add: Additions during the half year / year:  |             |  |   |
| Owned - cost   |             |  |   |
| Plant and machinery  |             | 12,871,027   | -   |
| Gas installations  |             | -  | 18,739,816                                      |
| Generators   |             | 32,198,777   | 27,275,046                                      |
| Electric installations   |             | 1,914,019  | -   |
| Factory equipment  |             | 144,920  | -   |
| Office equipment   |             | 262,340  | 501,414   |
| Grid station   |             | 35,769,200   | -   |
| Vehicles   |             | 4,982,850  | 1,293,100                                       |
|  |             | <u>88,143,133</u>                                      | <u>47,809,376</u>                               |
|  |             | <u>1,634,311,341</u>                                   | <u>1,630,641,340</u>                            |
| Less: Carrying value of assets disposed-off during the half year / year  |             | (5,211,655)  | (86,297)  |
| Depreciation charge for the half year / year   |             | (43,461,426)   | (84,386,835)                                    |
| <b>Closing carrying value</b>  |             | <u><b>1,585,638,260</b></u>                            | <u><b>1,546,168,208</b></u>                     |
| <b>4.2. Capital work-in-progress comprises of cost of generators and advances to suppliers against capital expenditure. The following is movement in capital work-in-progress during the half year / year:</b> |             |  |   |
|  |             | <b>December 31,<br/>2012<br/>Un-Audited<br/>Rupees</b> | <b>June 30,<br/>2012<br/>Audited<br/>Rupees</b> |
| Opening balance  |             | 66,144,654   | 18,049,176                                      |
| Add: Additions during the half year / year   |             | 17,614,067   | 66,835,294                                      |
| Less: Transfers during the half year / year  |             | (49,722,089)   | (18,739,816)                                    |
| Closing balance  |             | <u>34,036,632</u>                                      | <u>66,144,654</u>                               |

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**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

**5. CONTINGENCIES AND COMMITMENTS**

**5.1. 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, 2012 except for the following:

The Company has not accounted for partial amount of Rs. 40,351,945 (June 30, 2012: nil) regarding Fuel Price Adjustment Surcharge (FPAS) claimed by Multan Electric Power Company Limited (MEPCO) in the monthly electricity bills. The amount has not been booked in the light of the decision of Honourable Islamabad High Court declaring this charge as illegal. Amount paid till December 31, 2012 has been booked in receivables. MEPCO has filed an appeal with the Honourable Supreme Court of Pakistan, which is admitted. The management is of the opinion that decision of the Honourable Supreme Court of Pakistan will be in favour of the Company, hence this amount has not been accounted for in this condensed interim financial information.

**5.2. COMMITMENTS**

The Company's commitments against letter of credit outstanding as at December 31, 2012 amount to Rs. 101.533 million (June 30, 2012: Rs. Nil)

Foreign bills discounted outstanding as at December 31, 2012 aggregated Rs. Nil (June 30, 2012: Rs. 65.098 million.)

**6. CASH FLOWS FROM OPERATING ACTIVITIES**

|  | Half year ended      |                      |
|--|----------------------|----------------------|
|  | December 31,<br>2012 | December 31,<br>2011 |
|  | Rupees               | Rupees               |
| Profit before taxation                                     | 77,364,952           | 68,298,221           |
| Adjustments for:   |                      |                      |
| Depreciation on property, plant and equipment              | 43,461,426           | 41,679,144           |
| Provision for gratuity                                     | 2,400,000            | 2,400,000            |
| Provision for Workers' Profit Participation Fund           | 5,054,724            | 2,978,884            |
| Loss / (gain) on disposal of property, plant and equipment | 136,655              | (113,703)            |
| Loss / (gain) on exchange rate fluctuation                 | 345,511              | (3,892,243)          |
| Mark up on security deposit with SNGPL                     | (859,750)            | -                    |
| Accrued mark-up / finance cost                             | 45,171,828           | 60,831,501           |
|  | <b>95,710,394</b>    | <b>103,883,583</b>   |
| Cash flows before working capital changes c/f              | <b>173,075,346</b>   | <b>172,181,804</b>   |

9

**AHMAD HASSAN TEXTILE MILLS LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM**  
**FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

|  | Half year ended      |                      |
|--|----------------------|----------------------|
|  | December 31,<br>2012 | December 31,<br>2011 |
|  | Rupees               | Rupees               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES - continued</b>  |                      |                      |
| Cash flows before working capital changes b/f  | 173,075,346          | 172,181,804          |
| Working capital changes:   |                      |                      |
| <i>(Increase) / decrease in current assets:</i>  |                      |                      |
| Stores, spares and loose tools   | 2,519,626            | 6,040,305            |
| Stock-in-trade   | (241,621,958)        | (239,202,143)        |
| Trade debts  | (44,439,111)         | 68,715,856           |
| Loans, advances and prepayments -<br>excluding advance income tax  | 20,629,578           | 37,786,672           |
| Tax refunds due from government  | (4,014,777)          | (2,166,370)          |
| Short term investments   | 20,394,452           | -                    |
| Other receivables  | (14,364,038)         | 854,248              |
| <i>Increase / (decrease) in current liabilities:</i>   |                      |                      |
| Trade and other payables (excluding provision for<br>gratuity, unclaimed dividend and provision for<br>Workers' Profit Participation Fund) | 39,719,583           | (34,737,352)         |
|  | (221,176,645)        | (162,708,784)        |
| <b>CASH (USED IN) /GENERATED FROM OPERATIONS</b>   | <b>(48,101,299)</b>  | <b>9,473,020</b>     |

**7. RELATED PARTY TRANSACTIONS**

The related parties comprise of an associated undertaking (Ahmad Cotton Industries), Chief Executive Officer, directors and executives of the Company. Transactions with related parties during the half year / year are as follows:

|   | Half year ended      |                      |
|---|----------------------|----------------------|
|   | December 31,<br>2012 | December 31,<br>2011 |
|   | Rupees               | Rupees               |
| <b>Associated Undertaking:</b>                            |                      |                      |
| Purchase of goods and services                            | 83,663,533           | 117,962,798          |
| <b>Chief Executive Officer, Directors and Executives:</b> |                      |                      |
| Remuneration and benefits                                 | 5,890,800            | 1,560,000            |

**AHMAD HASSAN TEXTILE MILLS LIMITED  
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

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**8. CORRESPONDING FIGURES**

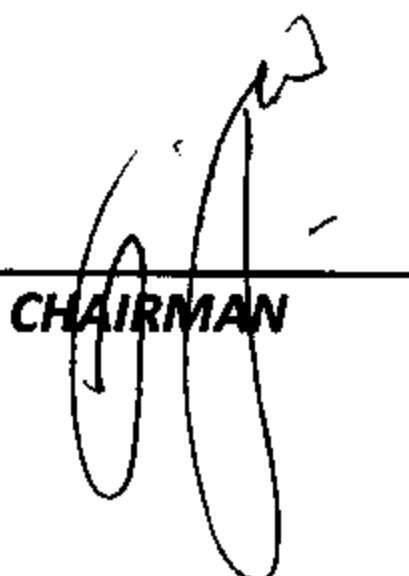
Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

**9. DATE OF AUTHORIZATION FOR ISSUE**

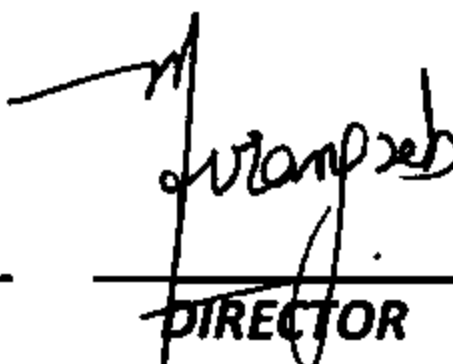
This condensed interim financial information was authorized for issue on February 27, 2013 by the board of directors of the Company.

**10. GENERAL**

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

  
\_\_\_\_\_  
**CHAIRMAN**

  
\_\_\_\_\_  
**CHIEF EXECUTIVE  
OFFICER**

  
\_\_\_\_\_  
**DIRECTOR**

  
\_\_\_\_\_  
**CHIEF FINANCIAL  
OFFICER**