



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 Aurangzeb

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. Umair Zafar

COMPANY SECRETARY

Mr. Abdul Sattar (FCA)

AUDITORS

M/s 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
Soneri Bank Limited
Meezan Bank Limited
National Bank of Pakistan

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.



DIRECTORS' REVIEW

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

Dear Shareholders

We have pleasure in presenting the un-audited accounts of your Company for the six months ended December 31, 2016.

SUMMARIZED FINANCIAL RESULTS:

	Dec. 2016 (Rupees)	Dec. 2015 (Rupees)
Sales-Net	1,886,821,071	1,761,243,618
Gross Profit	135,895,809	94,931,956
Profit/(Loss) after taxation	3,338,429	(36,425,546)
G.P Ratio	7.20%	5.39%
Basic earnings / (loss) per share	0.23	(2.53)

REVIEW OF OPERATIONS:

By the grace of Almighty Allah, despite unfavorable market conditions and global recessionary climate, still your Company has been able to make a profit of Rs 3.3 Million. Our Gross Profit ratio has been increased up to 7.20% (December 2015:5.39%) due to our successful effort to enter in new textile markets, timely BMR and also due to better controls on working and operational parameters of the Company, even the raw material prices (Cotton) has increased up to 21%.

FUTURE OUTLOOK

Your company could achieve stable growth in business due to continued pursuit of strategy to work with innovative ideas, developing areas of its activities and reducing cost of production through process innovation. Directors hope even better performance in upcoming six months of ongoing financial year. Therefore, they are concentrating on further BMR of Rs 400 Million and also focusing on diversification of our product range along with value addition and consolidating our effort on quality improvement.

We hope all these arrangements will contribute towards the reduction in company's fixed cost as well as variable cost specially energy cost and management expects better performance.

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.

Multan
Dated: February 25, 2017

On behalf of the Board of Directors
Sd/-
Mian Muhammad Javed Anwar
Chairman



AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF 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, 2016** 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 "condensed interim financial information"). Management is responsible for the preparation and fair presentation of this condensed 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 condensed 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, 2016 and December 31, 2015 have not been reviewed by us, as we are required to review only the cumulative figures for the six months period ended December 31, 2016.

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 condensed 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 condensed interim financial information as of and for the six months period ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

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

Chartered Accountants

Multan

February 25, 2017

Engagement Partner: Nouman Razaq Khan



**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2016**

	Note	December 31, 2016	June 30, 2016
		Un-Audited Rupees	Audited Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,535,983,026	2,580,089,602
Intangible assets		600,000	720,000
Long term deposits		4,706,097	39,284,610
		<u>2,541,289,123</u>	<u>2,620,094,212</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		43,095,287	43,324,716
Stock-in-trade	6	1,276,696,206	649,312,126
Trade debts		277,314,763	179,055,558
Loans, advances and prepayments		78,654,233	70,278,765
Tax refunds due from Government		123,754,620	99,368,227
Other receivables		9,523,612	6,984,828
Short term investment		103,789	953,299
Cash and bank balances		714,762	5,303,546
		<u>1,809,857,272</u>	<u>1,054,581,065</u>
TOTAL ASSETS		<u>4,351,146,395</u>	<u>3,674,675,277</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		<u>200,000,000</u>	<u>200,000,000</u>
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		<u>815,187,543</u>	<u>795,228,419</u>
		992,016,315	972,057,191
Surplus on revaluation of property, plant and equipment		822,644,051	839,264,746
Subordinated loans		105,000,000	105,000,000
NON-CURRENT LIABILITIES			
Long term financing		<u>355,162,713</u>	<u>390,301,180</u>
Deferred taxation		<u>198,704,151</u>	<u>198,966,471</u>
		553,866,864	589,267,651
CURRENT LIABILITIES			
Trade and other payables		<u>244,946,196</u>	<u>101,712,315</u>
Short term finances under markup arrangements and other credit facilities		1,460,138,971	888,393,138
Current portion of non-current liabilities		127,303,377	129,356,390
Accrued finance cost		28,664,700	25,716,646
Provision for taxation		<u>16,565,921</u>	<u>23,907,200</u>
		1,877,619,165	1,169,085,689
CONTINGENCIES AND COMMITMENTS			
	7		
TOTAL EQUITY AND LIABILITIES		<u>4,351,146,395</u>	<u>3,674,675,277</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

Sd/-
Muhammad Aurangzeb
Director

Sd/-
Abdul Sattar
Chief Financial Officer



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2016**

	Six months period ended		Quarter ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees	Rupees	Rupees	Rupees
Note				
Sales - net	1,886,821,071	1,761,243,618	1,000,117,182	969,534,743
Cost of sales	(1,750,925,262)	(1,666,311,662)	(929,083,716)	(932,983,909)
Gross profit	135,895,809	94,931,956	71,033,466	36,550,834
Other income	975,635	1,220,283	843,902	1,027,823
Profit on trading	116,124	34,137	116,124	34,137
Distribution cost	(34,398,123)	(47,653,350)	(13,188,725)	(23,590,828)
Administrative expenses	(27,582,915)	(26,297,459)	(16,076,707)	(13,782,506)
Other operating expenses	(76,314)	(89,400)	(76,314)	(48,200)
	(60,965,593)	(72,785,789)	(28,381,720)	(36,359,574)
Profit from operations before finance	74,930,216	22,146,167	42,651,746	191,260
Finance cost	(55,250,410)	(50,628,715)	(31,683,174)	(25,148,184)
Profit / (loss) before taxation	19,679,806	(28,482,548)	10,968,572	(24,956,924)
Taxation	(16,341,377)	(7,942,998)	(10,861,212)	(7,419,521)
Profit / (loss) for the period	3,338,429	(36,425,546)	107,360	(32,376,445)
Earnings / (loss) per share - basic and diluted	0.23	(2.53)	0.01	(2.25)

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

Sd/-
Muhammad Aurangzeb
Director

Sd/-
Abdul Sattar
Chief Financial Officer



Ahmad Hassan Textile Mills Limited

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED DECEMBER 31, 2016**

	Six months period ended		Quarter ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees	December 31, 2016 Rupees	December 31, 2015 Rupees
Profit / (loss) for the period	3,338,429	(36,425,546)	107,360	(32,376,445)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income / (loss) for the period	3,338,429	(36,425,546)	107,360	(32,376,445)

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

Sd/-
Muhammad Aurangzeb
Director

Sd/-
Abdul Sattar
Chief Financial Officer



**CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2016**

	Note	Six months period ended	
		December 31, 2016 Rupees	December 31, 2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	9	(491,233,562)	21,372,284
Income tax paid		(11,525,121)	(13,404,001)
Finance cost paid		(52,284,260)	(49,701,707)
Long term deposits - net		34,578,513	-
		(29,230,868)	(63,105,708)
Net cash used in operating activities		(520,464,430)	(41,733,424)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(21,320,950)	(48,493,775)
Short term investment matured		849,510	513,500
Profit on investments		65,622	89,851
Mark-up on security deposit with SNGPL		1,729,676	-
Net cash used in investing activities		(18,676,142)	(47,890,424)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finances obtained		25,166,544	35,655,732
Repayment of long term finances		(62,358,024)	(61,048,012)
Short term finances under markup arrangements and other credit facilities - net		611,558,613	77,765,598
Dividend paid		(2,565)	-
Net cash generated from financing activities		574,364,568	52,373,318
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		35,223,996	(37,250,530)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(218,388,428)	(199,848,131)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	9.1	(183,164,432)	(237,098,661)

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

Sd/-
Muhammad Aurangzeb
Director

Sd/-
Abdul Sattar
Chief Financial Officer



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

	Share Capital	Reserves		Total
		Capital	Revenue	
	Issued, subscribed and paid up capital	Share premium	Unappropriated profit	
Rupees				
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
Balance as at June 30, 2016 (Audited)	144,082,488	32,746,284	795,228,419	972,057,191
Total comprehensive income for the period	-	-	3,338,429	3,338,429
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	16,620,695	16,620,695
Total comprehensive income for the period	-	-	19,959,124	19,959,124
Balance as at December 31, 2016 (Un-audited)	144,082,488	32,746,284	815,187,543	992,016,315

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

Sd/-
Muhammad Aurangzeb
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, 2016**

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. Its shares are quoted on the Pakistan Stock Exchange. The Company is principally engaged in the manufacturing and sale of yarn and fabric. The Company is also engaged in cotton ginning business by operating a ginning factory on lease from its associated undertaking. The registered office of the Company is situated at 46-Hassan Parwana Colony, Multan. The spinning and weaving mills are located at M. M. Road, Chowk Sarwar Shaheed, District Muzaffargarh. The ginning factory is located at Chowk Naseer Abad, Tehsil Jatoi, District Muzaffargarh.

2. STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the six months period ended December 31, 2016 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, 2016, 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, 2016 and December 31, 2015 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, 2016. This condensed interim financial information should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2016 as it provides an update of previously reported information. Comparative balance sheet is extracted from annual financial statements as of June 30, 2016, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are extracted from un-audited condensed interim financial information for the six months period ended December 31, 2015.

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, 2016.

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, 2016 except the company has re-assessed the remaining useful life of generators, power grid station and electric installations as detailed in note 5.1.1.

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, 2016.

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.



		December 31, 2016	June 30, 2016
	Note	Un-Audited Rupees	Audited Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	5.1	2,535,983,026	2,579,844,159
Capital work-in-progress	5.2	-	245,443
		<u>2,535,983,026</u>	<u>2,580,089,602</u>

5.1. The following is movement in operating property, plant and equipment during the period:

		Six months period ended	
		December 31, 2016	December 31, 2015
		Rupees	Rupees
Opening carrying value		<u>2,579,844,159</u>	<u>2,607,728,322</u>
Add:	Additions or transfers during the period - at cost		
	Plant and machinery	19,720,003	95,123,206
	Factory equipments	1,205,500	-
	Power plant - generators	-	2,045,567
	Electric installations	440,077	1,591,493
	Office equipment	-	116,975
	Computer equipments	200,813	-
	Vehicles	-	721,200
		<u>21,566,393</u>	<u>99,598,441</u>
		<u>2,601,410,552</u>	<u>2,707,326,763</u>
Less:	Depreciation charge for the period	(65,427,526)	(75,960,503)
		<u>2,535,983,026</u>	<u>2,631,366,260</u>

5.1.1 The Company has re-assessed the remaining useful life of generators, power grid station and electric installations. Rate of depreciation for generators, power grid station and electric installations has been reduced from 10%, 10% and 15% to 5%, 5% and 10% respectively. The depreciation charge for the period onward has been revised accordingly. Had there been no change in estimates, the depreciation charge for the year would have increased and the profit before tax for the period would have decreased by Rs. 18.87 million approximately. However, it is not practicable to approximate the effect of change in estimate for future periods.

Following is movement in property, plant and equipment for the six months period ended June 30,

		Six months period ended	
		June 30, 2016	June 30, 2015
		Rupees	Rupees
Opening carrying value		<u>2,631,366,260</u>	<u>2,474,312,938</u>
	Additions during January 01 to June 30	51,365,002	206,636,556
	Carrying value of assets disposed of January 01 to June 30	-	(64,937)
	Impact of revaluation carried out during the period	(25,218,688)	-
	Depreciation charged during January 01 to June 30	(77,668,415)	(73,156,235)
		<u>2,579,844,159</u>	<u>2,607,728,322</u>

5.2. Capital work-in-progress comprises 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:

		Six months period ended	
		December 31, 2016	December 31, 2015
		Rupees	Rupees
	Opening balance	245,443	58,111,016
	Additions during the period - Plant and machinery - at cost	12,233,309	807,731
Less:	Transfers during the period	(12,478,752)	(51,912,397)
	Closing balance	-	<u>7,006,350</u>



Following is movement in Capital work-in-progress for the six months period ended June 30,

PROPERTY, PLANT AND EQUIPMENT - continued

	Six months period ended	
	June 30, 2016	June 30, 2015
	Rupees	Rupees
Opening balance	7,006,350	5,289,335
Additions during January 01 to June 30	15,467,229	94,844,910
Transfers during January 01 to June 30	(22,228,136)	(42,023,229)
Closing balance	245,443	58,111,016
	December 31,	June 30,
	2016	2016
	Un-Audited	Audited
	Rupees	Rupees
6. STOCK IN TRADE		
Raw material	814,526,545	302,231,450
Work-in-process	64,935,712	44,148,987
Finished goods	397,233,949	302,931,689
	1,276,696,206	649,312,126

7. CONTINGENCIES AND COMMITMENTS

7.1. 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, 2016, except following:

- Reference to note 25.1.5 of the financial statements of the Company for the year ended June 30, 2016, the Honourable Supreme Court of Pakistan has decided the case in favor of the taxpayers which has resulted into estimation of contingency of Rs. 14.689 million.
- During the period under review, the Bankers of the Company have given a guarantee to SNGPL amounting to Rs. 62 million on behalf of the Company.
- The Company has given an un-dated cheque of Rs. 3,304,075 (June 30, 2016: Nil) as security to SNGPL against any default in sui gas charges.

7.2 COMMITMENTS

- Aggregate amount of contractual commitments for capital expenditure and property, plant and equipment against Letter of credits amount to Rs. 152,240,000 (June 30, 2016: Rs. 16,554,745)
- The Company's commitments other than capital expenditure; against letter of credit outstanding as at December 31, 2016 amount to Nil (June 30, 2016: 0.832 million).
- Foreign bills discounted outstanding as at December 31, 2016 aggregate to Rs. 122.14 million (June 30, 2016: Rs. 109.701 million).

8. TAXATION

	Six months period ended	
	December 31, 2016	December 31, 2015
	Rupees	Rupees
Current tax:		
Minimum tax payable on local sales	13,035,709	9,483,409
Final tax on exports realization	5,502,212	8,140,405
	18,537,921	17,623,814
Tax credits under section 65B of Income Tax Ordinance, 2001	(1,972,000)	(9,716,877)
	16,565,921	7,906,937
Prior year adjustment	37,776	(262,810)
Deferred tax - net	(262,320)	298,871
	16,341,377	7,942,998



	Six months period ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees
9. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	19,679,806	(28,482,548)
Adjustments for:		
Depreciation on property, plant and equipment	65,427,526	75,960,503
Amortization of Intangible assets	120,000	120,000
Profit on investments	(65,622)	(89,851)
Mark-up on security deposit with SNGPL	-	(864,838)
Loss / (gain) on exchange rate fluctuation - net	22,914	(148,540)
Finance cost	55,250,410	50,628,715
	120,755,228	125,605,989
Cash flows before working capital changes - carried forward	140,435,034	97,123,441
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	229,429	284,941
Stock-in-trade	(627,384,080)	(154,282,664)
Trade debts	(98,282,119)	18,698,540
Loans, advances and prepayments (excluding advance income tax)	(33,326,777)	(30,012,639)
Tax refunds due from Government (excluding Income tax)	(11,854,939)	93,939
Other receivables (excluding profit on deposit with SNGPL)	(4,268,460)	1,498,216
Increase / (decrease) in current liabilities:		
Trade and other payables (excluding unclaimed dividend, provision for Workers' Profit Participation Fund and provision for Workers' Welfare Fund)	143,218,350	87,968,510
	(631,668,596)	(75,751,157)
	(491,233,562)	21,372,284
CASH (USED IN) / GENERATED FROM OPERATIONS		
9.1 CASH AND CASH EQUIVALENTS		
Cash and bank balances	714,762	2,286,013
Short term running finances	(183,879,194)	(239,384,674)
	(183,164,432)	(237,098,661)
10. RELATED PARTY TRANSACTIONS		
The related parties comprise an associated undertaking (Ahmad Cotton Industries), chief executive, directors and executives of the Company. Transactions with related parties during the period are as follows:		
Associated Undertaking:		
Sale of goods	89,741,708	78,790,453
Lease rent	524,143	501,575
Chief executive, directors and executives:		
Rental Payments	1,500,000	-
Managerial remuneration	9,088,400	7,650,000
Meeting fees	11,000	4,500
11. SEGMENT REPORTING		
11.1 REPORTABLE SEGMENTS		
The management has determined the operating segments of the Company on the basis of the difference in the products produced.		
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 as follows:		



11.2 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, 2016 Rupees	December 31, 2015 Rupees
Sales - net					
External	89,741,708	496,762,602	1,300,316,761	1,886,821,071	1,761,243,618
Inter-segment	256,086,507	578,118,920	-		
	345,828,215	1,074,881,522	1,300,316,761	1,886,821,071	1,761,243,618
Cost of sales - excluding inter-segment purchase	(342,748,019)	(740,513,400)	(667,663,843)	(1,750,925,262)	(1,666,311,662)
Inter-segment purchase	-	(256,086,507)	(578,118,920)		
	(342,748,019)	(996,599,907)	(1,245,782,763)	(1,750,925,262)	(1,666,311,662)
Gross profit	3,080,196	78,281,615	54,533,998	135,895,809	94,931,956
Other income	-	-	975,635	975,635	1,220,283
Profit / (loss) on trading	-	-	116,124	116,124	34,137
Distribution cost	-	(20,901,598)	(13,496,525)	(34,398,123)	(47,653,350)
Administrative expenses	(2,198,227)	(12,158,522)	(13,226,166)	(27,582,915)	(26,297,459)
Other operating expenses	-	-	(76,314)	(76,314)	(89,400)
Finance cost	(1,017,655)	(33,955,698)	(20,277,057)	(55,250,410)	(50,628,715)
Profit / (loss) before tax	(135,686)	11,265,797	8,549,695	19,679,806	(28,482,548)
Taxation - current				(16,603,697)	(7,644,127)
Taxation - deferred				262,320	(298,871)
Profit / (loss) after taxation				3,338,429	(36,425,546)

11.3 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,	June 30,
				2016 Un-Audited Rupees	2016 Audited Rupees
Segment assets:					
Operating property, plant and equipment	-	1,206,146,882	1,329,836,144	2,535,983,026	2,580,089,602
Intangible assets	-	300,000	300,000	600,000	720,000
Long term deposits	-	4,706,097	-	4,706,097	39,284,610
Total operating assets				2,541,289,123	2,620,094,212
Stores, spare parts and loose tools	-	18,313,660	24,781,627	43,095,287	43,324,716
Stock-in-trade	-	915,468,740	361,227,466	1,276,696,206	649,312,126
Trade debts	44,899,576	32,320,948	200,094,239	277,314,763	179,055,558
Other unallocated corporate assets				212,751,016	182,888,665
Total assets as per balance sheet				4,351,146,395	3,674,675,277
Segment liabilities	38,211,755	79,925,353	66,312,581	184,449,689	50,638,794
Unallocated corporate liabilities				2,247,036,340	1,707,714,546
Total liabilities as per balance sheet				2,431,486,029	1,758,353,340

11.4 REVENUE FROM MAJOR CUSTOMERS

Revenue from major customers whose revenue exceeds 5% (December 31, 2015: 5%) of sales is Rs.609.692 million (December 31, 2015: Rs. 351.267 million).



11.5 GEOGRAPHICAL INFORMATION

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

	Six months period ended	
	December 31, 2016 Rupees	December 31, 2015 Rupees
Pakistan	1,301,434,238	947,203,119
America	28,964,302	22,388,881
Asia	298,575,834	559,080,128
Europe	257,846,697	232,571,490
	<u>1,886,821,071</u>	<u>1,761,243,618</u>

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

12. CORRESPONDING FIGURES

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

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on **February 25, 2017** by the board of directors of the Company.

14. GENERAL

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

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

Sd/-
Muhammad Aurangzeb
Director

Sd/-
Abdul Sattar
Chief Financial Officer
