
COMPANY INFORMATION

BOARD OF DIRECTORS:

Chairman

Chief Executive

Directors

Mian Muhammad Javed Anwar

Mian Muhammad Pervez

Mrs. Salma Javed

Mrs. Waheeda Pervez

Mr. Muhammad Haris

Mr. Muhammad Aurangzeb

Mr. Raza Abbas Jafferri (*Rep. N.I.T*)

AUDIT COMMITTEE

Chairman

Members

Mr. Muhammad Haris

Mrs. Salma Javed

Mr. Muhammad Aurangzeb

COMPANY SECRETARY:

Mr. Shamsur Rahman

CHIEF FINANCIAL OFFICER

Mr. Sohail Nadeem

HEAD OF INTERNAL AUDIT

Mr. Najeeb Ahmad Khah

AUDITORS

M. Yousuf Adil Saleem & Co.,

Chartered Accountants

61-B, Ali Imran Centre, Abdali Road,

Multan.

BANKERS

Bank Al-Falah Limited

Habib Bank Limited

Bank Al-Habib Limited

Faysal Bank Limited

United Bank Limited

Allied Bank Limited

MCB Bank Limited

Meezan Bank Limited

REGISTERED / HEAD OFFICE

46 - Hassan Parwana Colony, Multan.

MILLS

M.M. Road, Chowk Sarwar Shaheed,

Dist. Muzaffargarh.

DIRECTORS' REVIEW

In the Name of Allah the Most Beneficent the Most Merciful

It is my privilege, on behalf of the Management, to present before you the half-yearly auditors' reviewed accounts of the Company for the period ended December 31, 2008.

OPERATING RESULTS

Alhamd-o-Lillah, during the current six months period your Company performed satisfactorily and achieved sales revenue of Rs.1,401 (M) as compared to Rs.1,219 (M) in the corresponding period of last year (Out of this sales revenue Rs.557 (M) represents export sales), this represents an increase of 14.9%. Loss before tax was Rs.12.9 (M). The Company has a tax loss of Rs.217 (M); however the provision for taxation has been provided on the basis of export sales i.e. Rs.5.57 (M) making a total loss of Rs.18.4 (M) after charging depreciation of Rs.49.8 (M). In addition to above prices of raw material i.e. cotton has badly affected the profitability of the Company resultantly increases the cost of production.

FUTURE OUTLOOK

Future prospects are at best uncertain. Availability and cost of energy will remain the foremost challenges. Interest cost have also registered a sharp increase; 6-Month kibar has increased to 14.67% as compared to approximately 10% last year. Demand/Price for yarn, however, has not reflected the sharp increase in cost due to world-wide economic slowdown/recession, under the circumstances, margins for the Company remain under pressure.

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 the Financial Institutions for their support and assistance.

Multan
26.02.2009

On behalf of the Board
Mian Muhammad Javed Anwar
Chairman

Independent Auditors' Report on Review of Interim Financial Information to the Members of Ahmed Hassan Textile Mills Limited

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Ahmad Hassan Textile Mills Limited** ("the Company") as of December 31, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six-months period then ended and other explanatory notes (the interim financial information). Management is responsible for the preparation and presentation of this interim financial information, in accordance with the approved accounting standards as applicable in Pakistan. For interim financial purpose our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed profit and loss account for the three-months ended December 31, 2008 have not been reviewed as we are required to review only the cumulative figures for the six-months ended December 31, 2008.

Scope of Review

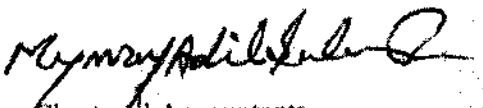
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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.

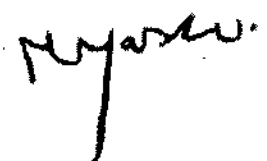
Conclusion

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 ended December 31, 2008 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

Islamabad

Date: 26 FEB 2009


Chartered Accountants



AHMAD HASSAN TEXTILE MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET- (UN-AUDITED)
AS AT DECEMBER 31, 2008

	Un-Audited December 31, 2008	Audited June 30, 2008		Un-Audited December 31, 2008	Audited June 30, 2008
Note	Rupees	Rupees	Note	Rupees	Rupees
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorized capital			Property, plant and equipment	7	1,986,573,488
20,000,000 ordinary shares of Rs.10 each	200,000,000	200,000,000	Long term investments		259,688
			Long term security deposits		4,582,497
Issued, subscribed and paid up capital					1,991,415,673
14,408,248.8 (June 30, 2008: 14,408,248.8) ordinary shares of Rs. 10 each	144,082,488	144,082,488			2,021,882,495
Capital reserve	32,746,284	32,746,284			
Unappropriated profits	99,893,350	106,063,245			
	276,722,122	282,892,017			
Surplus on revaluation of property, plant and equipment	538,415,518	552,715,105			
NON-CURRENT LIABILITIES					
Long term financing	444,575,739	429,635,358			
Long term loans from related parties	90,000,000	90,000,000			
Liabilities against assets subject to finance lease	47,611,466	32,548,952			
Long term morabaha	76,145,946	94,218,916			
Deferred liabilities	131,008,084	120,204,926			
	789,341,235	766,608,152			
CURRENT LIABILITIES			CURRENT ASSETS		
Trade and other payables	170,361,070	130,751,623	Stores, spares and loose tools	56,174,862	51,493,295
Interest/ markup accrued on loans	72,975,719	58,414,938	Stock in trade	981,864,008	582,794,991
Short term borrowings	1,390,473,188	897,128,670	Trade debts - considered good	222,503,169	161,739,614
Current portion of :			Loans and advances - considered good	59,656,176	31,891,156
Long term financing	53,098,519	94,533,819	Trade deposits and short term prepayments	3,120,182	-
Liabilities against assets subject to finance lease	2,926,293	37,649,319	Other receivables - considered good	11,181,710	10,756,357
Long term morabaha	36,145,944	36,145,944	Other financial assets	6,310,427	8,427,813
Provision for taxation	6,304,697	13,182,974	Cash and bank balances	4,538,098	1,036,840
	1,732,285,430	1,267,807,287		1,345,348,632	848,140,066
CONTINGENCIES AND COMMITMENTS					
	-	-			
	<u>3,336,764,305</u>	<u>2,870,022,561</u>		<u>3,336,764,305</u>	<u>2,870,022,561</u>

The annexed selected notes form an integral part of these financial statements.

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 ENDED DECEMBER 31, 2008

 Six months Three months	
	December 31 2008 Rupees (July - December)	December 31 2007 Rupees	December 31 2008 Rupees (October - December)	December 31 2007 Rupees
Sales	1,401,660,816	1,219,093,630	476,044,414	598,777,912
Cost of sales	<u>(1,206,370,762)</u>	<u>(1,143,713,112)</u>	<u>(394,172,193)</u>	<u>(559,066,122)</u>
Gross profit	195,290,054	75,380,518	81,872,221	39,711,790
Other operating income	<u>2,938,974</u>	<u>920,284</u>	<u>740,399</u>	<u>1,544,990</u>
	198,229,028	76,300,802	82,612,620	41,256,780
Distribution cost	(31,619,427)	(29,660,779)	(23,787,923)	(16,044,455)
Administrative expenses	(11,882,945)	(10,881,908)	(5,699,032)	(5,262,482)
Other operating expenses	(1,655,012)	(5,967,461)	(1,655,012)	(5,956,361)
Finance cost	<u>(165,991,611)</u>	<u>(72,790,407)</u>	<u>(87,896,545)</u>	<u>(36,060,160)</u>
Loss before taxation	(12,919,967)	(42,999,753)	(36,425,892)	(22,066,678)
Provision for taxation	<u>(5,575,482)</u>	<u>(6,519,551)</u>	<u>(2,075,482)</u>	<u>(3,417,972)</u>
Loss after taxation	<u><u>(18,495,449)</u></u>	<u><u>(49,519,304)</u></u>	<u><u>(38,501,374)</u></u>	<u><u>(25,484,650)</u></u>
Loss per share	<u><u>(1.28)</u></u>	<u><u>(3.44)</u></u>	<u><u>(2.67)</u></u>	<u><u>(1.77)</u></u>

The annexed selected notes form an integral part of these financial statements.

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, 2008

 Six months	
	December 31 2008 Rupees	December 31 2007 Rupees
(July - December)		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(12,919,967)	(42,999,753)
Adjustments for:		
Depreciation	49,874,834	58,054,689
Provision for staff retirement benefits-gratuity	14,016,046	2,458,792
Gain on disposal of property, plant and equipment	(185,780)	-
Loss on valuation of other financial assets	1,602,612	5,764,673
Finance cost	165,991,611	72,790,407
Cash flow from operating activities before working capital changes	218,379,356	96,068,808
(Increase)/ decrease in current assets:		
Stores, spares and loose tools	(4,681,567)	6,148,540
Stock in trade	(399,069,017)	(293,467,087)
Trade debts - considered good	(60,763,555)	(120,621,177)
Loans and advances - considered good	(36,401,275)	(148,229,460)
Trade deposits and short term prepayments	(3,120,182)	(2,916,774)
Other receivables - considered good	2,231,240	(3,613,312)
Increase in current liabilities:		
Trade and other payables	39,609,447	55,616,699
	(462,194,909)	(507,082,571)
Cash used in operations	(243,815,553)	(411,013,763)
Income tax paid	(6,474,096)	(12,500,504)
Staff retirement benefits-gratuity paid	(5,186,922)	(1,302,685)
Net cash used in operating activities (A)	(255,476,571)	(424,816,952)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(20,697,058)	(103,379,744)
Other financial assets	514,774	16,000,000
Long term investment redeemed	104	-
Proceeds from disposal of property, plant and equipment	1,474,722	-
Net cash used in investing activities (B)	(18,707,458)	(87,379,744)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	(3,132,589)	41,439,708
Long term financing repaid	(41,435,300)	(28,576,158)
Lease finance -net	(19,660,512)	(20,285,831)
Short term borrowings -net	493,344,518	582,142,522
Finance cost paid	(151,430,830)	(63,805,127)
Net cash generated from financing activities (C)	277,685,287	510,915,114
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	3,501,258	(1,281,582)
Cash and cash equivalents at the beginning of the period	1,036,840	4,972,535
Cash and cash equivalents at the end of the period	4,538,098	3,690,953

The annexed selected notes form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

AHMAD HASSAN TEXTILE MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY- (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Share capital	Capital reserve	Share deposit money	Unappropriated profit	Total
	------(R u p e e s)-----				
Balance as at July 01, 2007	144,082,488	32,746,284	-	192,934,811	369,763,583
Loss for the six months ended December 31, 2007	-	-	-	(49,519,304)	(49,519,304)
Balance as at December 31, 2007	144,082,488	32,746,284	-	143,415,507	320,244,279
Balance as at July 01, 2008	144,082,488	32,746,284	-	106,063,245	282,892,017
Loss for the six months ended December 31, 2008	-	-	-	(18,495,449)	(18,495,449)
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	12,325,554	12,325,554
Balance as at December 31, 2008	144,082,488	32,746,284	-	99,893,350	276,722,122

The annexed selected notes form an integral part of these financial statements.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

AHMAD HASSAN TEXTILE MILLS LIMITED
SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION- (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on 03 December, 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 manufacture and sale of yarn and fabric. The registered office of the company is situated in Multan. The mill is located at District Muzaffargarh.

The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

2. STATEMENT OF COMPLIANCE

These un-audited financial statements have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 'Interim Financial Reporting', in compliance with the requirements of section 245 of the Companies Ordinance, 1984 and are presented in accordance with the requirements of Clause (xxi) of Regulation 37 of Chapter XI of the respective Listing Regulations of Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited. A limited scope review of these interim financial statements has been performed by the external auditors of the company in accordance with the requirements of the said clause of the Code of Corporate Governance. This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended 30 June 2008. Comparative balance sheet is extracted from annual audited financial statements for the year ended 30 June 2008 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from unaudited condensed interim financial information for the six months ended on 31 December 2007.

3. ACCOUNTING CONVENTIONS

The accounting convention and policies adopted for the preparation of these half yearly financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2008.

4. LONG TERM FINANCING

During the period, the Company has obtained Term Finance II amounting to Rs. 2.89 million from Bank Al Habib Limited for purchase of vehicle. The loan is repayable in 12 equal quarterly installments and is secured against hypothecation of vehicle valuing Rs. 4.00 million and 20% down payment.

5. TAXATION

Tax for the period represents provision made under section 154 of the Income Tax Ordinance, 2001 (the Ordinance). However, final liability shall be determined on the basis of annual results.

6. CONTINGENCIES AND COMMITMENTS

- 6.1** Commitments outstanding in respect of irrevocable letters of credit as at period-end is nil (June 30, 2008: Rs. 96 million).
- 6.2** Foreign bills discounted outstanding as at December 31, 2008 is nil (June 2008: Rs 37.89 million)
- 6.3** In addition to the above there is no change in the status as reported in the annual financial statements as at June 30, 2008.

7. PROPERTY, PLANT AND EQUIPMENT	Note	Un-Audited December 31, 2008 Rupees	Audited June 30, 2008 Rupees
Operating assets	7.1	1,969,216,441	1,923,000,949
Capital work in progress		17,357,047	94,039,257
		<u>1,986,573,488</u>	<u>2,017,040,206</u>

7.1 Operating assets

Opening book value	1,923,000,949	1,119,102,252
--------------------	---------------	---------------

Additions/ transfers/ revaluation surplus during the period/ year

Owned

Cost

Building on freehold land- factory	-	2,907,446
Building on freehold land- residential	-	5,846,045
Plant and machinery	26,635,056	252,758,506
Grid Station	64,747,312	-
Factory equipments	222,000	-
Office equipments	88,100	360,200
Furniture and fixtures	-	48,300
Vehicles	5,686,800	2,019,420
Revaluation Surplus		
Freehold Land	-	54,984,742
Building on freehold land- factory	-	216,292,841
Building on freehold land- residential	-	46,114,592
Plant and machinery	-	343,756,332
Generator	-	123,698
	97,379,268	925,212,122

Book value of assets disposed- off
during the period / year

(1,288,942)

-

Depreciation charge for the period / year

Normal at cost

(34,714,555)

(121,313,425)

Incremental on revaluation surplus

(15,160,279)

-

Closing Book value

1,969,216,441

1,923,000,949

7.2 During the current period, Company reviewed the useful life of some of the property, plant and equipment and estimated that useful life of these assets is higher than existing. Accordingly depreciation rates of the following property, plant and equipment were reduced from 10% p.a to 5% p.a.

Nature of property, plant and equipment

Factory building

Residential building

Plant and machinery

The above mentioned revision has been accounted for as change in accounting estimates in accordance with the requirements of IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly the effect of change in accounting estimate has been recognized prospectively in the profit and loss account for the current period. Had there been no change in the accounting estimate, the loss before taxation for the period would have been increased by 43.784 million and written down value of these property, plant and equipment would have been decreased by the same amount.

8. RELATED PARTY TRANSACTIONS

- 8.1 The company, during the period, purchased raw material aggregating to Rs. 206,712,756 (June 30, 2008: Rs. 613,823,132) from Ahmad Cotton Industries (Pvt.) Ltd, an associated undertaking.
- 8.2 These transactions have been carried-out on commercial terms and conditions.

	Un-Audited December 31, 2008 Rupees	Audited June 30, 2008 Rupees
8.3 Remuneration of Chief Executive Officer, Directors and Executives		
Managerial Remuneration	990,000	1,980,000
No. of persons	3	3

9. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the State Bank of Pakistan (SBP) has allowed grace period of one year in principal repayments of LTF-EOP, Debt Swap and LTFF loans originally falling due from January 01, 2009 to December 31, 2009 vide its Circular SMEFD No. 1 dated January 22, 2009. The Company, being qualified to avail the facility, has applied to all concerned banks for approval of such grace period. Accordingly, installments of LTF-EOP and debt swap loans qualifying under the Circular have been grouped under non-current liabilities.

10. DATE OF AUTHORIZATION OF INTERIM FINANCIAL INFORMATION

These financial statements were authorised for issue by the Board of Directors of the company on February 26, 2009.

11. GENERAL

- 12.1 Figures have been rounded off to the nearest rupee.

CHAIRMAN

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER