

DIRECTORS' REVIEW

In the name of Allah the Most Beneficent the Most Merciful

Dear Shareholders,

Your directors are pleased to present before you the un-audited accounts of the company for the third quarter ended March 31, 2009.

OPERATING AND FINANCIAL RESULTS

Regarding operating results during the period of nine months, performance of your company is satisfactory but the period under observation is again a difficult one for the textile industry due to high financial cost i.e. increase in KIBOR RATES plus spreads charged by the financial institutions which is around 15% as compared to last year which was around 10%. Further the cotton prices again showed tremendous increase i.e. around 15% (imported + local) as compared to last year.

In addition to above issues, continuous increase in electricity rates and minimum wages have also put the profit of the company on stake along with mandatory load shedding that has placed adverse affect on production and ultimately reduced the turnover.

FUTURE OUTLOOK

The company is involved in continuous efforts to cope the above hurdles though production of high quality yarn and fabric to increase its turnover. However significant reduction in financial cost is primarily important for the future prospects of the textile industry.

ACKNOWLEDGEMENT

Your directors would also like to express their thanks to the financial institution for their support and assistance and appreciate the efforts made by workers and staff of the company for their deep devotion to work.

AHMAD HASSAN TEXTILE MILLS LIMITED
Balance Sheet as at March 31,2009

	Un-Audited As at March 31 2009 Rupees	Audited As at June 30, 2008 Rupees
SHARE CAPITAL & RESERVE		
Authorised capital 200,000,000		
Ordinary shares of Rs. 10 each	200,000,000	200,000,000
Issued, subscribed & paid-up-capital 14,408,249 ordinary shares of Rs. 10/- each	144,082,488	144,082,488
Share deposit money		
Capital Reserve	32,746,284	32,746,284
Unappropriated Profit	67,745,568	106,063,245
	244,574,340	282,892,017
Surplus on revaluation of property, plant and equipment	538,415,518	552,715,105
NON-CURRENT LIABILITIES		
Long term financing	435,804,963	429,635,358
Subordination loans from director's	90,000,000	90,000,000
Liabilities against assets subject to finance lease	35,952,553	32,548,952
Long term morabaha	112,291,890	94,218,916
Deferred liabilities	131,393,246	120,204,926
	805,442,652	766,608,152
CURRENT LIABILITIES		
Trade & other liabilities	145,026,221	130,751,623
Interest / markup accrued on loans	74,130,054	58,414,938
Short term borrowings	1,288,445,171	897,128,670
Current portion of ; long term financing	52,346,634	94,533,819
Liabilities against assets subject to finance lease	14,343,025	37,649,319
long term morabaha	-	36,145,944
Provision for taxation	9,239,715	13,182,974
	1,583,530,820	1,267,807,287
CONTINGENCIES & COMMITMENTS	-	-
	3,171,963,330	2,870,022,561

CHAIRMAN

CHIEF EXECUTIVE

	Un-Audited As at March 31 2009 Rupees	Audited As at June 30, 2008 Rupees
FIXED CATTAL EXPENDITURE		
Property,plant and equipment	1,951,173,615	2,017,040,206
Long term investment	259,792	259,792
Long term security deposits	4,582,497	4,582,497
	1,956,015,904	2,021,882,495
CURRENT ASSETS		
Stores, spares and loose tools	58,513,731	51,493,295
Stock in trade	885,079,847	582,794,991
Trade debts	217,181,059	161,739,614
Loans and advances	37,486,029	31,891,156
Trade deposits and short term prepayments	5,497,322	-
Other receivables	9,132,275	10,756,357
Other financial assets	-	8,427,813
Cash and bank balances	3,057,163	1,036,840
	1,215,947,426	848,140,066
	3,171,963,330	2,870,022,561

DIRECTOR

CHIEF FINANCIAL OFFICER

Ahmad Hassan Textile Mills Ltd.**Profit & Loss Account****For the period of nine months ended March 31, 2009****(Un-Audited)**

	Jan 01,2009 to Mar 31,2009 Rupees	Jan 01,2008 to Mar 31,2008 Rupees	July 01,2008 to Mar 31,2009 Rupees	July 01,2007 to Mar 31,2008 Rupees
Sales	643,164,173.00	693,263,094.00	2,044,824,989.00	1,912,356,724.00
Cost of Sales	<u>(591,800,139.00)</u>	<u>(640,566,126.00)</u>	<u>(1,798,170,901.00)</u>	<u>(1,784,279,238.00)</u>
Gross Profit	51,364,034.00	52,696,968.00	246,654,088.00	128,077,486.00
Other operating Income	2,624,005.00	464,403.00	4,404,453.00	1,384,687.00
Distribution cost	(10,099,902.00)	(8,821,774.00)	(41,719,329.00)	(38,482,553.00)
Administrative expenses	(5,596,123.00)	(4,926,244.00)	(17,479,068.00)	(15,808,152.00)
Other operating expenses	-	-	(496,486.00)	(5,967,461.00)
Finance cost	<u>(67,504,778.00)</u>	<u>(47,556,859.00)</u>	<u>(233,496,389.00)</u>	<u>(120,347,266.00)</u>
	(80,576,798.00)	(60,840,474.00)	(288,786,819.00)	(179,220,745.00)
Loss before taxation	(29,212,764.00)	(8,143,506.00)	(42,132,731.00)	(51,143,259.00)
Provision for taxation	<u>(2,935,018.00)</u>	<u>(3,042,233.00)</u>	<u>(8,510,500.00)</u>	<u>(9,561,784.00)</u>
Loss after taxation	<u><u>(32,147,782.00)</u></u>	<u><u>(11,185,739.00)</u></u>	<u><u>(50,643,231.00)</u></u>	<u><u>(60,705,043.00)</u></u>
EARNING PER SHARRE	<u><u>(2.23)</u></u>	<u><u>(0.78)</u></u>	<u><u>(3.51)</u></u>	<u><u>(4.21)</u></u>

Notes to the Accounts

- 1 These un-audited accounts are being presented to the shareholders as required under SECP Notification No. SRO 764(1)/2001 dated 05.11.2001 and in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting"
- 2 Accounting policies adopted for the preparation of these quarterly accounts are same as adopted in the preceding annual accounts.
- 3 During the current period, Company reviewed the useful life of the below mentioned 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

- 4 Figures from the previous year have been re-arranged for the purpose of comparison wherever necessary
- 5 Figures in these accounts have been rounded off to the nearest rupee.

CHAIRMAN

Ahmad hassan textile Mills Ltd
Cash Flow Statement
For the period of nine months ended March 31,2009
(Un-Audited)

	March 31, 2009 Rupees	March 31, 2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	(42,132,731)	(51,143,259)
Adjustments for:		
Depreciation of property, plant and equipment	80,104,109	88,363,559
Staff retirement benefits - gratuity	17,632,699	2,200,000
Gain on sale of property, plant and equipment	(185,780)	-
Financial cost	233,496,389	120,347,266
Cash flow from operating activities before working capital changes	<u>288,914,686</u>	<u>159,767,566</u>
(Increase)/decrease in current assets		
Stores, spares and loose tools	(7,020,436)	12,788,485
Stock in trade	(302,284,856)	(335,225,228)
Trade debts	(55,441,445)	(36,606,830)
Loans and advances	(5,594,873)	(69,017,992)
Trade deposits and short term prepayments	(5,497,322)	-
Other receivables	1,624,082	3,514,042
Other financial assets	8,427,813	-
(Decrease)/increase in trade other payables	14,274,598	26,227,917
	<u>(351,512,439)</u>	<u>(398,319,606)</u>
Cash used in operations	(62,597,753)	(238,552,040)
Staff retirement benefits - gratuity paid	(6,155,092)	(821,450)
income taxes refunded / paid	(12,453,758)	(2,938,720)
Net cash used in operating activities	(81,206,603)	(242,312,210)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(20,504,729)	(47,241,573)
Capital work in progress	-	(57,481,262)
Sale proceeds of property, plant & equipment	4,189,670	-
Net cash used in investing activities	(16,315,059)	(104,722,835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	2,891,000	(20,675,304)
Long term finances repaid	(38,908,580)	-
Lease rentals - net	(19,902,693)	(31,545,620)
Long term Morabaha	(18,072,970)	-
Short term borrowings	391,316,501	506,919,764
Financial cost paid	(217,781,273)	(106,386,509)
Net cash generated from financing activities	99,541,985	348,312,331
Net increase in cash and bank balances during the period	2,020,323	1,176,286
Cash and bank balances at the beginning of the period	1,036,840	4,972,535
Cash and bank balance at the end of the period	3,057,163	6,148,821

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Ahmad Hassan Textile Mills Ltd.
Statement of Change in Equity
For the period of nine months ended March 31, 2009
(Un-Audited)

	Share Capital	Capital Reserve	Share Deposit Money	Unappropriated profit	Total
Balance as at July 01, 2007	144,082,488	32,746,284	-	192,934,811	369,763,583
Loss for the period	-	-	-	(60,705,043)	(60,705,043)
Balance as at March 31, 2008	144,082,488	32,746,284	-	132,229,768	309,058,540
Balance as at July 01, 2008	144,082,488	32,746,284	-	106,063,245	282,892,017
Loss for the period	-	-	-	(50,643,231)	(50,643,231)
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 March 31, 2009	144,082,488	32,746,284	-	67,745,568	244,574,340

CHAIRMAN

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER