

ACCOUNTS

First Quarterly Report

2024

July-September (Un-Audited)



**AHMAD HASSAN
TEXTILE MILLS LTD.**



CORPORATE INFORMATION

BOARD OF DIRECTORS

<i>Chairperson</i>	Mrs. Salma Javed	Non-Executive Director
<i>Directors</i>	Mian Muhammad Javed	Executive Director
	Mr. Muhammad Haris	Executive Director
	Mrs. Bushra Ali	Non-Executive Director
	Mr. Haseeb Haris Mughal	Non-Executive Director
	Mr. Ali Kamal	Independent Director
	Mr Nazir Ahmad Khan	Independent Director

AUDIT COMMITTEE

<i>Chairman</i>	Mr. Nazir Ahmad Khan	Independent Director
<i>Members</i>	Mr. Haseeb Haris Mughal	Non-Executive Director
	Mrs. Salma Javed	Non-Executive Director

HR & R COMMITTEE

<i>Chairman</i>	Mr. Nazir Ahmad Khan	Independent Director
<i>Members</i>	Mr. Muhammad Haris	Executive Director
	Mrs. Salma Javed	Non-Executive Director

CHIEF FINANCIAL OFFICER Jamal Ahmed

HEAD OF INTERNAL AUDIT Rao Saqib Ali

COMPANY SECRETARY Muhammad Nafees Ahmad Rahi

AUDITORS M/s Yousuf Adil (Chartered Accountants)

BANKERS Bank Al-Habib Limited
Allied Bank Limited
Bank Al-Falah Limited
Soneri Bank Limited
National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited

REGISTERED OFFICE 46 - Hassan Parwana Colony, Multan.

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

SHARES REGISTRAR M/s Vision Consulting Limited
5-C, LDA Flats, Lawarncce Road, Lahore.



Directors' Review

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

Dear Shareholders

We have pleasure in presenting the un-audited financial statements of your Company for the quarter ended September 30, 2024.

SUMMARIZED FINANCIAL RESULTS:

Summary of Profit and Loss	September 2024 (Rupees)	September 2023 (Rupees)
Sales-Net	1,544,127,881	1,295,796,027
Gross Profit	101,146,915	83,230,972
G. P. Ratio	6.55%	6.42%
Profit Before Taxation	27,777,476	28,711,810
Profit Before Tax Ratio	1.80%	2.22%
Profit After Taxation	8,535,979	17,157,018
Profit After Tax Ratio	0.55%	1.32%
Finance Cost	49,664,701	28,767,852
Earnings Per Share	1.01	2.03

REVIEW OF FINANCIAL RESULTS:

During the period under review, sales revenue of the Company witnessed growth of 19% as compared to preceding period. Gross profit of the Company slightly increased by 0.13% as compared to corresponding period. Profit before and after taxation decreased from 2.22% to 1.80% and 1.32% to 0.55% respectively which is majorly attributable to increase of financial cost by 73% as compared to corresponding period. Increase of finance cost being attributed to increase of working capital requirement which in turn escalated due to increase of credit period of receivables in the local market by almost 30-45 days.

FUTURE OUTLOOK

Due to international recession coupled with high cost of production in our country, textile products are facing severe competition in the international market. Issue of weak demand of textile products in the local market, rising power tariffs owing to removal of energy subsidies along with inflationary pressures are getting chronic day by day. Budgetary measures recently introduced in the Finance Act 2024 such as withdrawal of zero rating on local supplies under EFS, change of taxation regime on exports from final tax to normal tax will further effects competitiveness of textile industry. However, gradual reduction of policy rate by the State Bank of Pakistan will relatively reduce cost pressure.

We hope all of your directors' sincerely efforts towards the reduction in business cost; will result in increase in shareholder's wealth and stakeholder's interest in your Company.

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: October 28, 2024

On the behalf of the Board of Directors

Chief Executive

Director

ڈائریکٹرز کی جائزہ رپورٹ

شروع اللہ کے نام سے جو نہایت مہربان اور رحم کرنے والا ہے

محترم حصہ داران!

ہمیں 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ اکاؤنٹس

پیش کرنے میں خوشی ہے۔

ستمبر 2023 (روپوں میں)	ستمبر 2024 (روپوں میں)	مالیاتی نتائج کا خلاصہ
1,295,796,027	1,544,127,881	نیٹ پروفٹ
83,230,972	101,146,915	گراس پروفٹ
6.42%	6.55%	جی ڈی ٹاؤن
28,711,810	27,777,476	پروفٹ قبل اوٹس ٹاؤن
2.22%	1.80%	پروفٹ بعد اوٹس ٹاؤن
17,157,018	8,535,979	ٹیکسٹائل سے قبل پروفٹ
1.32%	0.55%	ٹیکسٹائل کے بعد پروفٹ
28,767,852	49,664,701	مالیاتی لاگت
2.03	1.01	مناجی ٹی شیئر

کاروباری امور کا جائزہ

زیر جائزہ مدت کے دوران کمپنی کے نیٹ پروفٹ میں گزشتہ مدت کے مقابلے میں 19 فیصد اضافہ دیکھا گیا۔ کمپنی کے مجموعی منافع میں اسی مدت کے مقابلے میں 0.13 فیصد کا تھوڑا سا اضافہ ہوا۔ ٹیکس سے پہلے اور بعد کا منافع بالترتیب 2.22 فیصد سے کم ہو کر 1.80 فیصد اور 1.32 فیصد سے 0.55 فیصد ہو گیا ہے جس کی بڑی وجہ اسی مدت کے مقابلے میں مالیاتی لاگت میں 73 فیصد اضافہ ہے۔ مالیاتی لاگت میں اضافے کی وجہ سے ورلنگ کپیکل کی ضرورت میں اضافہ ہے جو کے مقامی مارکیٹ میں تقریباً 30-45 ڈون تک وصولیوں کی کریڈٹ مدت میں اضافے کی وجہ سے بڑھ گئی ہے۔

مستقبل کا نقطہ نظر:

ہمارے ملک میں پیداواری لاگت کے ساتھ ساتھ بین الاقوامی کساد بازاری کی وجہ سے ٹیکسٹائل مصنوعات کو بین الاقوامی مارکیٹ میں سخت مقابلے کا سامنا ہے۔ مقامی مارکیٹ میں ٹیکسٹائل مصنوعات کی کمزور مانگ کا مسئلہ، توانائی کی سہولتیں ختم کرنے کی وجہ سے بجلی کے نرخوں میں اضافہ اور ہنگامی کا دباؤ دن بہ دن دائمی ہوتا جا رہا ہے۔ EFS کے تحت مقامی سپلائرز پر مالیاتی ایکٹ 2024 میں حال ہی میں متعارف کرائے گئے بجلی کے اقدامات جیسے زبردستی ٹیک کی واپسی، برآمدات پر ٹیکس کے نظام کو ترمیمی ٹیکس سے نارٹل ٹیکس میں تبدیل کرنا ٹیکسٹائل انڈسٹری کی مسابقت کو مزید متاثر کرے گا۔ تاہم اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں بتدریج کمی لاگت کے دباؤ کو نسبتاً کم کرے گی۔

ہمیں امید ہے کہ کاروباری لاگت میں کمی کے لئے آپ کے نام ڈائریکٹرز کی مخلصانہ کوششیں، اس کے نتیجے میں شیئر ہولڈرز کی دولت اور آپ کی کمپنی میں اسٹیبل ہولڈرز کی دلچسپی میں اضافہ ہوگا۔

اعتراف

آپ کے ڈائریکٹرز کمپنی کے کارکنوں اور بھلے کے کام کے تئیں گہری لگن کی وجہ سے کی جانی والی کوششوں کی تعریف کرتے ہیں۔
آپ کے ڈائریکٹرز بھی شیئر ہولڈرز اور مالیاتی اداروں کے تعاون اور مدد کے لئے ان کا شکریہ ادا کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

چیف ایگزیکٹو

ملتان

28 اکتوبر 2024



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2024

ASSETS	Un-Audited	Audited
	September 30, 2024	June 30, 2024
	Rupees	Rupees
NON-CURRENT ASSETS		
Property, plant and equipment	1,682,847,296	1,705,004,326
Long term deposits	13,739,322	13,739,322
	1,696,586,618	1,718,743,648
CURRENT ASSETS		
Stores and spares	62,486,298	64,432,671
Stock-in-trade	1,168,768,882	1,257,467,390
Trade debts	597,578,393	367,450,616
Loans and advances	104,420,596	80,589,795
Due from Government	345,930,360	374,633,658
Other receivables	3,364,131	3,297,797
Short term investment	17,360,476	28,232,957
Cash and bank balances	836,458	8,570,843
	2,300,745,594	2,184,675,727
TOTAL ASSETS	3,997,332,212	3,903,419,375
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital	200,000,000	200,000,000
Issued, subscribed and paid up share capital	84,715,354	84,715,354
Capital reserve	32,746,284	32,746,284
Surplus on revaluation of property, plant and equipment	503,512,713	508,050,844
Revenue reserve - unappropriated profit	1,221,659,243	1,208,585,131
	1,842,633,594	1,834,097,613
Subordinated loans	62,500,000	62,500,000
NON-CURRENT LIABILITIES		
Long term financing	188,695,062	194,602,173
Lease liabilities	19,190,360	21,032,552
Deferred taxation	83,802,504	83,802,504
	291,687,926	299,437,229
CURRENT LIABILITIES		
Trade and other payables	865,795,024	747,279,775
Unclaimed dividend	4,110,591	4,110,591
Short term borrowings	599,402,477	699,131,943
Current portion of non-current liabilities	213,845,180	161,857,896
Accrued finance cost	35,284,059	32,172,464
Provision for taxation	82,073,361	62,831,864
	1,800,510,692	1,707,384,533
TOTAL EQUITY AND LIABILITIES	3,997,332,212	3,903,419,375

Sd/-
Chief Executive



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	September 30, 2024	September 30, 2023
	Rupees	Rupees
Revenue from contracts	1,544,127,881	1,295,796,027
Cost of sales	(1,442,980,966)	(1,212,565,055)
Gross profit	101,146,915	83,230,972
Other income	1,486,988	9,885,157
Distribution cost	(6,598,134)	(12,414,005)
Administrative expenses	(17,411,187)	(21,480,913)
Other operating expenses	(1,182,405)	(1,741,549)
	(23,704,738)	(25,751,310)
Profit before finance cost	77,442,177	57,479,662
Finance cost	(49,664,701)	(28,767,852)
Profit before taxation	27,777,476	28,711,810
Taxation	(19,241,497)	(11,554,792)
Profit after taxation	8,535,979	17,157,018
Earnings/(loss) per share	1.01	2.03

**CONDENSED INTERIM STATEMENT
OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter ended	
	September 30, 2024	September 30, 2023
	Rupees	Rupees
Profit for the period	8,535,979	17,157,018
Other comprehensive Income / (Loss) for the period:		
Items that will not be subsequently reclassified to profit or loss:		
Impact of revaluation carried out during the period	-	-
Less: related deferred tax	-	-
Total comprehensive income / (loss) for the period	8,535,979	17,157,018

Sd/-
Director



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	September 30, 2024	September 30, 2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,777,476	28,711,810
Adjustments for non cash charges and other items:		
Depreciation on property, plant and equipment	22,156,691	21,069,576
Provision for Workers' Profit Participation Fund	832,432	1,079,512
Provision for Workers' Welfare Fund	332,973	647,036
Gain on forward contracts	(572,710)	
Loss/(gain) on disposal of short term investment	(58,519)	(776,128)
Unrealized (gain) / loss on remeasurement of short term investments	-	(241,933)
Exchange rate fluctuation loss / (gain) - net	(778,886)	(8,867,096)
Finance cost - net	49,664,701	28,767,852
Profit before working capital changes	71,576,682	41,678,819
Effect on cash flows due to working capital changes	99,354,158	70,390,629
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,946,373	5,844,459
Stock in trade	88,698,508	40,156,587
Trade debts	(228,776,181)	(258,388,410)
Loans and advances (excluding advance income tax)	(14,756,081)	(8,022,633)
Due from government	28,703,298	40,274,805
Other receivables	(66,334)	-
Increase / (decrease) in current liabilities		
Trade and other payables	117,349,844	18,885,818
	(6,900,573)	(161,249,374)
Cash used in operation	92,453,585	(90,858,745)
Income tax paid - net	(9,074,720)	(8,640,686)
Long term deposits - net	-	-
Paid to workers' profit participation fund	-	(11,777,389)
	(9,074,720)	(20,418,075)
Net cash used in operating activities	83,378,865	(111,276,820)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	-	25,909,203
Investment property	-	(30,074,550)
Short term investments	10,931,341	(9,446,677)
Net cash (used in) / generated from investing activities	10,931,341	(13,612,024)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unclaimed dividend	-	317,947
Long term finances-net	45,710,463	78,025,547
Repayment of finance lease	(1,472,482)	(1,714,677)
Gas infrastructure development cess	-	260,922
Short term finances - net	(99,729,466)	56,090,971
Finance cost paid	(46,553,106)	(24,858,291)
Net cash generated from financing activities	(102,044,591)	108,122,419
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,734,385)	(16,766,425)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	8,570,843	17,174,375
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	836,458	407,950

Sd/-
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Reserves				Total
	Issued, subscribed and paid up share capital	Capital		Revenue	
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
Rupees					
Balance as at June 30, 2023 (Audited)	84,715,354	32,746,284	527,309,623	1,155,019,175	1,799,790,436
Total comprehensive income for the period:					
Profit for the period	-	-	-	17,157,018	17,157,018
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	17,157,018	17,157,018
Surplus on revaluation of land, buildings and plant & machinery (net of deferred tax)	-	-	(4,806,577)	4,806,577	-
Balance as at September 30, 2023 (Un-Audited)	84,715,354	32,746,284	522,503,046	1,176,982,770	1,816,947,455
Total comprehensive income for the period:					
Profit for the period	-	-	-	23,503,810	23,503,810
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	23,503,810	23,503,810
Final cash dividend of Rs. 0.75 per share for the year ended June 30, 2023				(6,353,652)	(6,353,652)
Transfer from revaluation surplus on account of incremental depreciation - net of deferred tax	-	-	(14,452,202)	14,452,202	-
Balance as at June 30, 2024 (Audited)	84,715,354	32,746,284	508,050,844	1,208,585,130	1,834,097,613
Total comprehensive income for the period:					
Profit for the period	-	-	-	8,535,979	8,535,979
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	8,535,979	8,535,979
Transfer from revaluation surplus on account of incremental depreciation - net of deferred tax	-	-	(4,538,131)	4,538,131	-
Balance as at September 30, 2024 (Un-Audited)	84,715,354	32,746,284	503,512,713	1,221,659,240	1,842,633,594

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

- These un-audited accounts are being presented to the shareholders as required under SECP notification No.764(1)/2001 dated 05-11-2001 and in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting".
- Accounting policies adopted for the preparation of these quarterly accounts are the same as adopted in the preceding annual accounts.
- Figures from previous year have been re-arranged for the purpose of comparison wherever necessary.
- Figures in these accounts have been rounded off to the nearest rupee.
- Provisions for taxation has been calculated on turnover basis.

AHMAD HASSAN TEXTILE MILLS LTD.

**46 - Hassan Parwana Colony,
MULTAN**

Ph # +92 61 4512933, 4512362

Fax # +92 61 4512361

email: sec@ahtml.com.pk

web: www.ahtml.com.pk