

ACCOUNTS

**For the First Quarter Ended
September 30, 2023
(Un-Audited)**



**AHMAD HASSAN
TEXTILE MILLS LTD.**



BOARD OF DIRECTORS

CHAIRPERSON	Mrs. Salma Javed	Non-Executive Director
CHIEF EXECUTIVE	Mr. Muhammad Haris	Executive Director
DIRECTORS	Mian Muhammad Javed	Executive Director
	Mrs. Bushra Ali	Non-Executive Director
	Mr. Haseeb Haris Mughal	Non-Executive Director
	Mr. Ali Kamal	Independent Director
	Mr. Nazir Ahmed Khan	Independent Director

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 quarter ended September 30, 2023.

SUMMARIZED FINANCIAL RESULTS:

Summary of Profit and Loss	September 2023 (Rupees)	September 2022 (Rupees)
Sales-Net	1,295,796,027	1,384,978,189
Gross Profit	83,230,972	152,167,481
Profit After Taxation	17,157,018	76,237,153
G. P. Ratio	6.42%	10.99%
Earnings Per Share	2.03	9.00
Distribution Expenses	12,414,005	5,531,231
Admin Expenses	21,480,913	17,585,184
Finance Cost	28,767,852	20,901,996

REVIEW OF FINANCIAL RESULTS:

During the period under review, sales of the Company witnessed reduction of 6.44% as compared to preceding period. Gross profit of the Company decreased from 10.99% to 6.42% as compared to preceding period. Profit after taxation decreased from 5.50% to 1.32% which is mainly attributable to low selling rates of fabric, high purchase rates of yarn, escalation of costs due to inflation and high interest rates. Distribution & Admin costs mainly increased due to inflation factor whereas finance cost increased due to higher interest rate.

FUTURE OUTLOOK

Textile industry in Pakistan is facing multidimensional challenges which are causing problems to compete both locally and globally. These problems encompass reduction of demand locally as well as globally, high rate of inflation, high rates of raw materials, high cost of energy & labor, volatility of exchange rates and escalation of government taxes. In order to maintain the Company in profitability zone, a bonafide effort is being made by the management to maintain cost and efficiency through strategies such as optimizing capacity utilization, rationalizing expenses, and implementing effective procurement strategy. In pursuance thereof, the Company is in process of installing additional solar system having rated capacity of 895.320 KWP.

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.

On the behalf of the Board of Directors

Multan

Chief Executive

Director

Dated: October 28, 2023

ڈائریکٹرز کی جائزہ رپورٹ

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

محترم حصہ داران!

ہمیں 30 ستمبر 2022 کو ختم ہونے والی سہ ماہی کے لیے آپ کی کمپنی کے غیر آڈٹ شدہ اکاؤنٹس

پیش کرنے میں خوشی ہے۔

ستمبر 2022 (روپوں میں)	ستمبر 2023 (روپوں میں)	مالیاتی نتائج کا خلاصہ
1,384,978,189	1,295,796,027	کل رقم فروختگی
152,167,481	83,230,972	کل منافع
76,237,153	17,157,018	بعد ادائیگی کے منافع
10.99%	6.42%	معیاری تناسب
9.00	2.03	نیٹ شیئر آمدنی
5,531,231	12,414,005	تقسیم کے اخراجات
17,585,184	21,480,913	ایڈمن کے اخراجات
20,901,996	28,767,852	مالیاتی لاگت

کاروباری امور کا جائزہ
زیر جائزہ مدت کے دوران، کمپنی کی فروخت میں گزشتہ مدت کے مقابلے میں 6.44 فیصد کمی کی دیکھی گئی ہے۔ کمپنی کا مجموعی منافع گزشتہ مدت کے مقابلے میں 10.99% سے کم ہو کر 6.42% ہو گیا۔ ٹیکسٹن کے بعد منافع 5.50% سے کم ہو کر 1.32% ہو گیا جس کی بنیادی وجہ ٹیکس کمی کی فروخت، سوت کی قیمتوں میں اضافہ، افراط زر کی وجہ سے اخراجات میں اضافہ اور سود کی بلند شرح ہے۔ ڈسٹری بیوٹن اور ایڈمن لاگت میں بنیادی طور پر افراط زر کے عنصر کی وجہ سے اضافہ ہوا ہے جبکہ بلند شرح سود کی وجہ سے فنانس لاگت میں اضافہ ہوا ہے۔

مستقبل کا نقطہ نظر:

پاکستان میں ٹیکسٹائل کی صنعت کو متعدد مسائل کا سامنا ہے جس کی وجہ سے مقامی اور عالمی سطح پر مقابلہ کرنے میں مسائل پیدا ہو رہے ہیں۔ ان مسائل میں مقامی اور عالمی سطح پر طلب میں کمی، افراط زر کی بلند شرح، خام مال کی بلند شرح، توانائی اور مزدوری کی قیمت میں اضافہ، شرح مبادلہ میں اتار چڑھاؤ اور حکومتی ٹیکسوں میں اضافہ شامل ہیں۔ کمپنی کو منافع بخش زون میں برقرار رکھنے کے لئے، انتظامیہ کی جانب سے صلاحیت کے استعمال کو بہتر بنانے، اخراجات کو مستقر بنانے اور خریداری کی موثر حکمت عملی کے ذریعے لاگت اور کارکردگی کو برقرار رکھنے کے لئے حتمی کوشش کی جا رہی ہے۔ کمپنی KWP 895.320 کی دوپہ بندی کی صلاحیت کے ساتھ اضافی شمسی توانائی کا نظام نصب کرنے جا رہی ہے۔

ہم امید کرتے ہیں کہ کاروباری لاگت میں کمی کے لیے آپ کے تمام ڈائریکٹرز کی مخلصانہ کوششیں؛ اس کے نتیجے میں شیئر ہولڈرز کی دولت اور آپ کی کمپنی میں اسٹیک ہولڈرز کی دلچسپی میں اضافہ ہوگا۔

اعتراف

آپ کے ڈائریکٹرز کمپنی کے کارکنوں اور عملے کی کام کے تئیں گہری گلن کی وجہ سے کی جانے والی کوششوں کی تعریف کرتے ہیں۔

آپ کے ڈائریکٹرز بھی شیئر ہولڈرز اور مالیاتی اداروں کے تعاون اور مدد کے لیے ان کا شکریہ ادا کرتا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ملتان

ڈائریکٹر

چیف ایگزیکٹو

28 اکتوبر 2023



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2023

	Un-Audited September 30, 2023	Audited June 30, 2023
	Rupees	Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,589,486,629	1,636,465,404
Investment property	30,074,550	-
Long term deposits	11,847,377	11,847,375
	1,631,408,556	1,648,312,779
CURRENT ASSETS		
Stores, spare parts and loose tools	44,931,159	50,775,618
Stock-in-trade	1,075,722,880	1,115,879,467
Trade debts	493,682,263	226,426,757
Loans and advances	71,865,571	55,202,258
Due from Government	167,307,093	207,581,898
Other receivables	3,343,355	3,343,355
Short term investment	28,847,030	18,382,292
Cash and bank balances	407,954	17,174,375
	1,886,107,305	1,694,766,020
TOTAL ASSETS	3,517,515,861	3,343,078,799
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	522,503,046	527,309,623
Revenue reserve - unappropriated profit	1,176,982,772	1,155,019,175
	1,816,947,456	1,799,790,436
Subordinated loans	62,500,000	62,500,000
NON-CURRENT LIABILITIES		
Long term loans and financing	162,011,337	150,652,445
Lease liabilities	26,035,866	27,774,501
Deferred income - government grant	-	-
Gas infrastructure development Cess	14,055,627	12,953,609
Deferred taxation	86,583,176	90,303,689
	288,686,006	281,684,244
CURRENT LIABILITIES		
Trade and other payables	709,214,888	700,379,910
Unclaimed dividend	4,040,056	3,722,109
Short term borrowings	399,722,470	343,631,499
Current portion of non-current liabilities	152,016,521	86,167,004
Accrued finance cost	20,737,587	16,828,026
Provision for taxation	63,650,877	48,375,571
	1,349,382,399	1,199,104,119
TOTAL EQUITY AND LIABILITIES	3,517,515,861	3,343,078,799

Sd/-
Chief Executive



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	September 30, 2023	September 30, 2022
	Rupees	Rupees
Sales - net	1,295,796,027	1,384,978,189
Cost of sales	(1,212,565,055)	(1,232,810,708)
Gross profit	83,230,972	152,167,481
Other income	9,885,157	663,134
Distribution cost	(12,414,005)	(5,531,231)
Administrative expenses	(21,480,913)	(17,585,184)
Other operating expenses	(1,741,549)	(15,137,197)
	(25,751,310)	(37,590,478)
Profit before finance cost	57,479,662	114,577,003
Finance cost	(28,767,852)	(20,901,996)
Profit before taxation	28,711,810	93,675,007
Taxation	(11,554,792)	(17,437,854)
Profit after taxation	17,157,018	76,237,153
Earnings/(loss) per share	2.03	9.00

**CONDENSED INTERIM STATEMENT
OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended	
	September 30, 2023	September 30, 2022
	Rupees	Rupees
Profit for the period	17,157,018	76,237,153
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 for the period	17,157,018	76,237,153

Sd/-
Director



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,711,810	93,675,007
Adjustments for non cash charges and other items:		
Depreciation on property, plant and equipment	21,069,576	17,049,487
Provision for Workers' Profit Participation Fund	1,079,512	4,157,958
Provision for Workers' Welfare Fund	647,036	1,585,989
Duty Drawback of taxes on export sales	-	(1,787)
Gain on disposal of Fixed assets	-	(1,007,490)
Dividend Income	-	(104,413)
Loss/(gain) on disposal of short term investment	(776,128)	-
Unrealized (gain) / loss on remeasurement of short term investments	(241,933)	2,649,285
Exchange rate fluctuation loss / (gain) - net	(8,867,096)	-
Amortization of deferred government grant	-	(81,820)
Finance cost - net	28,767,852	8,842,411
Profit before working capital changes	41,678,819	33,089,620
Effect on cash flows due to working capital changes	70,390,629	126,764,627
(Increase) / decrease in current assets		
Stores, spares and loose tools	5,844,459	(35,437,305)
Stock in trade	40,156,587	(277,711,932)
Trade debts	(258,388,410)	(88,284,520)
Loans and advances (excluding advance income tax)	(8,022,633)	(37,317,896)
Due from government	40,274,805	(12,349,772)
Increase / (decrease) in current liabilities		
Trade and other payables	18,885,818	275,051,905
	(161,249,374)	(176,049,520)
Cash used in operation	(90,858,746)	(49,284,893)
Income tax paid - net	(8,640,681)	(19,501,575)
Paid to workers' profit participation fund	(11,777,389)	-
Duty drawback of taxes on export sales received	-	1,787
	(20,418,070)	(19,499,788)
Net cash used in operating activities	(111,276,816)	(68,784,681)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	25,909,203	(1,270,931)
Investment property	(30,074,550)	-
Proceeds from disposal of fixed assets	-	1,280,409
Short term investments	(9,446,677)	5,000,000
Dividend received	-	104,413
Net cash (used in) / generated from investing activities	(13,612,024)	5,113,891
CASH FLOWS FROM FINANCING ACTIVITIES		
Unclaimed dividend	317,947	-
Long term finances-net	78,025,547	33,116,343
Repayment of finance lease	(1,714,677)	(160,811)
Long term payable	260,922	(5,470,913)
Short term finances - net	56,090,971	54,867,148
Finance cost paid	(24,858,291)	(5,951,671)
Net cash generated from financing activities	108,122,419	76,400,096
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,766,421)	12,729,306
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	17,174,375	4,442,391
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	407,954	17,171,697

Sd/-
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Reserves				Total
	Capital		Revenue		
	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit		
Issued, subscribed and paid up share capital					
Rupees					
Balance as at June 30, 2022 (Audited)	84,715,354	32,746,284	547,739,232	1,060,732,426	1,725,933,296
Total comprehensive income for the period:					
Profit for the period	-	-	-	76,237,153	76,237,153
Other comprehensive income for the period	-	-	-	-	-
				76,237,153	76,237,153
Surplus on revaluation of land, buildings and plant & machinery (net of deferred tax)	-	-	(5,186,804)	5,186,804	-
Balance as at September 30, 2022 (Un-Audited)	84,715,354	32,746,284	542,552,428	1,142,156,383	1,802,170,450
Total comprehensive income for the period:					
Profit for the period	-	-	-	16,680,941	16,680,941
Other comprehensive income for the period	-	-	-	-	-
				16,680,941	16,680,941
Final cash dividend of Rs. 2.25 per share for the year ended June 30, 2022				(19,060,954)	(19,060,954)
Transfer from revaluation surplus on account of incremental depreciation - net of deferred tax	-	-	(15,242,805)	15,242,805	-
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
Transfer from revaluation surplus on account of incremental depreciation - 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	1,816,947,456

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

- 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