

ACCOUNTS

For the First Quarter Ended
September 30, 2017
(Un-Audited)



**AHMAD HASSAN
TEXTILE MILLS LTD.**

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ڈائریکٹران کی جائزہ رپورٹ

محترم حصہ داران

ہم ڈائریکٹران بخوشی آپ کے سامنے مورخہ 30 ستمبر 2017ء تک مکمل ہونے والے تین ماہ کے ادارے کے فیئر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

2017 ستمبر	2016 ستمبر	کل رقم فروختگی
1,106,224,589	886,703,889	کل منافع
74,895,423	64,862,343	منافع بعد از ٹیکس
2,967,629	3,231,069	شرح منافع
6.77%	7.31%	فی حصص آمدنی
.21	.22	

کاروباری امور کا جائزہ

اس سال کا آغاز بھی بین الاقوامی طور پر پاپوس کن رجحان کے ساتھ ہوا ہے۔ اس لئے اس سے مابقی میں بھی ہم کل منافع کی صورت میں حوصلہ افزاء کارکردگی نہیں دکھاسکے۔ پچھلے سہ ماہی ستمبر 2016ء کے مقابلے میں ہمارا شرح منافع 7.31 فیصد سے کم ہو کر 6.77 فیصد ہو گیا ہے۔ علاقائی مقابلے کی وجہ سے ہماری براہ راست برآمدات میں 13 فیصد کمی آئی ہے لیکن کاروباری سہا اور شہرت برقرار رکھنے کیلئے ہم نے اپنی توجہ مقامی منڈی کی طرف اور زیادہ کر دی ہے اور اس کے ساتھ ساتھ کاروباری لاگت بچانے کیلئے ہم توانائی کا موثر استعمال کرنے والی مشینوں کی تنصیب کر رہے ہیں۔ جس کے نتیجے میں آپ کے ڈائریکٹرز اس سہ ماہی ستمبر 2017ء کے اختتام پر ادارے کو منافع میں رکھنے میں کامیاب ہوئے ہیں۔ ہماری پچھلی سہ ماہی 2016ء کے مقابلے میں فروختگی قیمت، خام مال کی قیمت کے بڑھنے کی وجہ سے 34 فیصد بڑھی ہے، ترسیل و تقسیم کے اخراجات میں 21 فیصد کمی آئی ہے، انتظامی اخراجات 12 فیصد بڑھے ہیں اور ہمارے معاشی خرچے بھی 31 فیصد سے بڑھے ہیں۔

مستقبل کا نقطہ نظر

آئندہ آنے والی سہ ماہی کا منافع کپاس کی قیمت پر منحصر ہے۔ ہم حکومت کے ٹیکسٹائل کیلئے امدادی مراعات اور برآمدی چھوٹ کے منصوبے کو جاری رکھنے کا خیر مقدم کرتے ہیں اور توقع کرتے ہیں کہ بجلی اور گیس کی قیمتیں بھی علاقائی مد مقابلوں سے کم ہوں گی۔

آپ کے ڈائریکٹران پیداواری لاگت کم کرنے اور پرانی مشینری کو نئی جدید مشینری کے ساتھ تبدیل کرنے کے طریقہ کار کو جاری رکھنے کی وجہ سے پرامید ہیں کہ حصہ داران کی دولت میں اضافہ ہوگا اور آپ کے ادارہ کا علاقائی اور بین الاقوامی طور پر مسابقتی فائدے کا باعث بنے گا۔ جس سے حصہ داران بھی فائدہ اٹھائیں گے۔

اعتراف

آپ کے ڈائریکٹران تمام کارکنان اور عملہ کی جانب سے پر خلوص اور جانفشانی سے کئے گئے کام کو خراج تحسین پیش کرتے ہیں اور آپ کے ڈائریکٹران تمام حصہ داران اور مالیاتی اداروں کے تعاون اور مدد کے بھی شکر گزار ہیں۔

منجانب!

ڈائریکٹران

میاں محمد پرویز محمد حارث

ملتان

تاریخ 28 اکتوبر 2017

BOARD OF DIRECTORS

1. Mian Muhammad Javed Anwar - Chairman
2. Main Muhammad Parvez - Chief Executive Officer
3. Mr. Muhammad Haris - Director
4. Mr. Muhammad Aurangzeb - Director
5. Mrs. Salma Javed - Director
6. Mr. Muhammad Jahanzeb - Director
7. Mr. Syed Raza Abbas Jafferi - (Rep. NIT)
8. Mr. Nazir Ahmad Khan - Independent Director

DIRECTORS' REVIEW

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

Dear Shareholders

Yours Directors are pleased to present before you un-audited accounts of your Company for the quarter ended September 30, 2017.

SUMMARIZED FINANCIAL RESULTS:

	Sep 2017 (Rupees)	Sep 2016 (Rupees)
Sales-Net	1,106,224,589	886,703,889
Gross Profit	74,895,423	64,862,243
Profit After Taxation	2,967,629	3,231,069
G.P Ratio	6.77%	7.31%
Earnings Per Share	.21	.22

REVIEW OF OPERATIONS:

This year too started with depressing international trends, Therefore we again do not report encouraging results in terms of gross profit margin, which is decreased to 6.77% from 7.31% as compare to September 2016 quarter. Due to regional competition, direct export of the Company is declined by 13% but in order to keep our goodwill and reputation, we have shifted our efforts to keep more focus on local market and keep installing new energy efficient machinery to control our production cost. As a result, your directors have succeeded to keep Company in profits for the current period ended September 2017. Our cost of sales increases by 34% due to high cost of raw material, Distribution cost decreases by 21%, Admin cost increases by 12% and finance cost increases by 31% as compare to the last period ended September 2016.

FUTURE OUTLOOK

Profitability of the upcoming quarter will be based on the cotton prices. We appreciate government efforts for a textile relief package and continuity of export rebate scheme and also hope to have electricity / gas prices competitive with the regional competitors.

Your directors are quite hopeful to generate more shareholder's wealth by cutting down own production cost and with continuity of BMR policy, so that your Company may able to get competitive advantages in local and international markets for the beneficial of the all shareholders.

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 behalf of the Board of Directors

Sd/-

Chief Executive

Multan.

Mian Muhamad Parvez

Dated: October 28, 2017

Sd/-

Director

Muhammad Haris

**BALANCE SHEET AS AT SEPTEMBER 30, 2017
(UN-AUDITED)**

	Un-audited Sept 30, 2017 Rupees	Audited June 30, 2017 Rupees
ASSETS		
Non-current assets		
Property, plant and equipment	2,723,626,324	2,710,350,518
Intangible asset	623,248	694,753
Long term deposits	11,448,037	11,387,897
	<u>2,735,697,609</u>	<u>2,722,433,168</u>
Current assets		
Stores, spares and loose tools	36,066,263	40,899,561
Stock in trade	841,764,896	894,459,689
Trade debts	260,535,099	251,116,288
Loans and advances	57,486,551	46,772,913
Tax refunds due from government	142,518,894	151,474,018
Other receivables	3,936,977	4,339,994
Short term investment	104,865	105,225
Cash and bank balances	2,711,631	5,029,403
	<u>1,345,125,176</u>	<u>1,394,197,091</u>
Total Assets	<u><u>4,080,822,785</u></u>	<u><u>4,116,630,259</u></u>
EQUITY AND LIABILITIES		
Share capital and reserves		
Authorized share capital	200,000,000	200,000,000
Issued, subscribed and paid up share capital	144,082,488	144,082,488
Share premium	32,746,284	32,746,284
Unappropriated profit	836,444,990	825,574,086
	<u>1,013,273,762</u>	<u>1,002,402,858</u>
Surplus on revaluation of property, plant and equipment	797,567,211	805,470,486
Subordinated loan	105,000,000	105,000,000
Non-current liabilities		
Long term loans and financing	502,891,963	508,658,848
Liabilities against assets subject to finance lease	591,081	752,206
Deferred taxation	190,908,867	189,156,824
	<u>694,391,911</u>	<u>698,567,878</u>
Current liabilities		
Trade and other payables	218,379,505	226,255,900
Short term borrowings	1,050,018,410	1,096,488,016
Current portion of non-current liabilities	142,678,125	131,152,553
Accrued finance cost	26,385,666	28,506,677
Provision for taxation	33,128,195	22,785,891
	<u>1,470,589,901</u>	<u>1,505,189,037</u>
	<u><u>4,080,822,785</u></u>	<u><u>4,116,630,259</u></u>

Sd/-
Mian Muhammad Pervez
Chief Executive Officer

**PROFIT & LOSS ACCOUNT - (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

	September 30, 2017 Rupees	September 30, 2016 Rupees
Sales - net	1,106,224,589	886,703,889
Cost of goods sold	(1,031,329,166)	(821,841,546)
Gross profit	<u>74,895,423</u>	<u>64,862,343</u>
Other operating income	838,838	131,733
	<u>75,734,261</u>	<u>64,994,076</u>
Distribution cost	(16,781,861)	(21,209,398)
Administrative expenses	(12,858,676)	(11,506,208)
Loss on trading	(55,976)	-
Other operating expenses	(11,560)	-
Finance cost	(30,964,212)	(23,567,236)
Profit before taxation	15,061,976	8,711,234
Taxation	(12,094,347)	(5,480,165)
Profit after taxation	<u>2,967,629</u>	<u>3,231,069</u>
Earnings per share -basic and diluted	<u>0.21</u>	<u>0.22</u>

**NOTES TO THE FINANCIAL STATEMENTS
(UN-AUDITED)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017

- 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.

Sd/-
Muhammad Haris
Director

**CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

**STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2017**

September 30, 2017
September 30, 2016
Rupees Rupees

A. CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	15,061,976	8,711,234
Adjustments for:		
Depreciation on property, plant and equipment	33,454,395	32,682,232
Amortization on intangible asset	71,505	60,000
Gain on sale of property, plant and equipment	(219,394)	-
Unrealized (gain)/loss on re-measurement of investment	360	-
Finance cost	30,964,212	23,567,236
	64,271,078	56,309,468
Operating cash flows before movements in working capital	79,333,054	65,020,702

(Increase) / decrease in current assets

Stores, spares and loose tools	4,833,298	(1,377,684)
Stock in trade	52,694,793	726,290
Trade debts	(9,418,811)	(19,737,677)
Loans and advances (excluding advance income tax)	(4,563,535)	(523,671)
Tax refunds due from government	8,955,124	(2,184,480)
Short term investments		
Other receivables	403,017	(9,135,525)
Short term investment realized	-	845,629
Increase / (decrease) in current liabilities		
Trade and other payables	(7,876,395)	3,097,397
	45,027,491	(28,289,721)

Cash generated from operations	124,360,545	36,730,981
Income taxes paid	(6,150,103)	(4,753,796)
Net cash generated from operating activities	118,210,442	31,977,185

B. CASH FLOWS FROM INVESTING ACTIVITIES

Addition to property, plant and equipment	(46,845,807)	(25,749,447)
Proceeds on disposal of property, plant and equipment	335,000	-
(Increase)/Decrease in long term deposits	(60,140)	16,748,730
Net cash used in investing activities	(46,570,947)	(9,000,717)

C. CASH FLOWS FROM FINANCING ACTIVITIES

Long term loan obtained	35,574,643	24,215,653
Repayment of long term financing	(29,815,956)	(26,182,452)
Short term borrowings - net	(46,469,606)	2,284,391
Repayment of lease	(161,125)	-
Finance cost paid	(33,085,223)	(23,757,480)
Net cash used in financing activities	(73,957,267)	(23,439,888)
Decrease in cash and bank balances during the period	(2,317,772)	(463,420)
Cash and bank balances at the beginning of the period	5,029,403	5,303,546
Cash and bank balances at the end of the period	2,711,631	4,840,126

Share Capital Issued, subscribed and paid up capital Rupees	Reserves		Total Rupees
	Capital Share premium Rupees	Revenue Unappropriated profits Rupees	

Balance at June 30, 2016	144,082,488	32,746,284	795,228,419	972,057,191
Profit for quarter ended September 30, 2016	-	-	3,231,069	3,231,069
Other comprehensive income for the quarter ended September 30, 2016	-	-	8,324,137	8,324,137
Total comprehensive income for the quarter ended September 30, 2016	-	-	11,555,206	11,555,206
Balance at September 30, 2016	144,082,488	32,746,284	806,783,625	983,612,397

Balance at June 30, 2017	144,082,488	32,746,284	825,574,086	1,002,402,858
Profit for quarter ended September 30, 2017	-	-	2,967,629	2,967,629
Other comprehensive income for the quarter ended September 30, 2017	-	-	7,903,274	7,903,274

Total comprehensive income for the quarter ended September 30, 2017	-	-	10,870,904	10,870,904
Balance at September 30, 2017	144,082,488	32,746,284	836,444,990	1,013,273,762

Sd/-

Sheikh Muhammad Naeem
Chief Financial Officer