

ACCOUNTS

For the Third Quarter &
Nine Months Period Ended
March 31, 2018
(Un-Audited)



**AHMAD HASSAN
TEXTILE MILLS LTD.**

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,

Your Directors are pleased to present before you un-audited accounts of your Company for the nine months ended March 31, 2018.

SUMMARIZED FINANCIAL RESULTS:

	March 2018 (Rupees)	March 2017 (Rupees)
Sales-Net	3,651,120,963	2,967,268,558
Gross Profit	212,856,739	193,809,982
G.P. Ratio	5.83%	6.53%
Profit after taxation	15,500,952	3,375,250

REVIEW OF OPERATIONS:

The financial results of your Company show profit after taxation of Rs 15.5 Million which is Rs 12.1 million excess than same period of the previous year. It indicates that the Company has initiated journey for growth. But our export segment is still under pressure due to less margin and low prices offered by neighboring countries.

Our gross profit ratio has decreased to 5.83% from 6.53% due to increase in raw material prices and energy cost. Cost of sales is increased by 24%, Distribution cost is decreased by 14% Admin cost and finance cost are increased by 28% each in the period under review as compared to the same period in last financial year. Besides of all above cost increase factors, your management of the Company is still able to recover cost factors by identification of further growth opportunities and keep concentration on cost minimization policies for the betterment of the shareholder's wealth.

FUTURE OUTLOOK

As export is backbone of the textile industry, so revival of industry depends upon the government policies regarding increase in export by decreasing power supply cost, refund of rebates and devaluation of local currency so that we may able to offer competitive prices in the world. Secondly, your directors are always keen to replace all old machinery with latest energy efficient machineries for cost saving aspects. Keeping in view of government immediate actions and your director's machinery replacement policies, we hope that soon we will be able to offer competitive prices in the market which strengthen our profitability and shareholder's wealth.

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.

Chief Executive Officer Director

Multan
Dated: April 25, 2018

**CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2018 (UN-AUDITED)**

	March 31, 2018 Un-Audited Rupees	June 30, 2017 Audited Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,788,840,434	2,710,350,518
Intangible assets	480,239	694,753
Long term deposits	12,240,497	11,387,897
	<u>2,801,561,171</u>	<u>2,722,433,168</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	40,606,528	40,899,561
Stock-in-trade	1,189,806,730	894,459,689
Trade debts	355,299,841	251,116,288
Loan and advances	72,336,561	46,772,913
Due from Government	126,353,737	151,474,018
Other receivables	4,910,770	4,339,994
Short term investment	84,960	105,225
Cash and bank balances	4,664,799	5,029,403
	<u>1,794,063,927</u>	<u>1,394,197,091</u>
TOTAL ASSETS	<u>4,595,625,098</u>	<u>4,116,630,259</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
Capital reserve	32,746,284	32,746,284
Revenue reserve - unappropriated profit	864,934,200	825,574,086
	<u>1,041,762,972</u>	<u>1,002,402,858</u>
Surplus on revaluation of property, plant and equipment	781,611,324	805,470,486
Subordinated loans	105,000,000	105,000,000
NON-CURRENT LIABILITIES		
Long term loans and financing	534,071,847	508,658,848
Liabilities against assets subject to finance lease	7,620,016	752,206
Deferred taxation	190,407,276	189,156,824
	<u>732,099,139</u>	<u>698,567,878</u>
CURRENT LIABILITIES		
Trade and other payables	311,355,528	226,255,900
Short term finances under markup arrangements and other credit facilities	1,413,087,740	1,096,488,016
Current portion of non-current liabilities	158,378,423	131,152,553
Accrued finance cost	35,829,048	28,506,677
Provision for taxation	16,500,925	22,785,891
	<u>1,935,151,663</u>	<u>1,505,189,037</u>
TOTAL EQUITY AND LIABILITIES	<u>4,595,625,098</u>	<u>4,116,630,259</u>

Sd/-
Chief Executive Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND NINE MONTHS ENDED
MARCH 31, 2018 (UN-AUDITED)**

	Nine months period ended		Quarter ended	
	March 31, 2018 Rupees	March 31, 2017 Rupees	March 31, 2018 Rupees	March 31, 2017 Rupees
Sales - net	3,651,120,963	2,967,268,558	1,361,829,535	1,080,447,487
Cost of sales	(3,438,264,224)	(2,773,458,576)	(1,282,218,556)	(1,022,533,314)
Gross profit	212,856,739	193,809,982	79,610,979	57,914,173
Other income	21,747,149	1,645,196	7,387,393	669,561
(Loss) / profit on trading	(55,976)	29,890	-	(86,234)
Distribution cost	(46,075,686)	(53,599,723)	(15,337,028)	(19,201,600)
Administrative expenses	(49,377,284)	(38,442,001)	(16,279,397)	(10,859,086)
Other operating expenses	(1,409,391)	(196,271)	(1,391,306)	(119,957)
	<u>(75,171,188)</u>	<u>(90,562,909)</u>	<u>(25,620,338)</u>	<u>(29,597,316)</u>
Profit from operations before finance cost	137,685,551	103,247,073	53,990,641	28,316,857
Finance cost	(104,349,647)	(81,464,795)	(37,699,764)	(26,214,385)
Profit before taxation	33,335,904	21,782,278	16,290,877	2,102,472
Taxation	(17,834,952)	(18,407,028)	(13,030,657)	(2,065,651)
Profit for the period	15,500,952	3,375,250	3,260,220	36,821
Earnings per share - basic and diluted	1.08	0.23	0.23	0.003

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD OF NINE MONTHS ENDED AT
MARCH 31, 2018 (UN-AUDITED)**

- 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 preparation of these quarterly accounts are the same as adopted in the preceding annual accounts.
- Figures from previous year has 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/-
Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD OF NINE MONTHS ENDED
MARCH 31, 2018 (UN-AUDITED)**

	Nine Months	
	March 31, 2018 Rupees	March 31, 2017 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	33,335,904	21,782,278
Adjustments for:		
Depreciation on property, plant and equipment	104,113,637	98,237,494
Amortization of intangible	214,514	183,835
Gain on sale of property, plant and equipment	(2,495,423)	-
Finance cost	104,349,647	81,464,795
	206,182,375	179,886,124
Operating cash flows before movements in working capital	239,518,279	201,668,402
(Increase) / decrease in current assets		
Stores, spares and loose tools	293,033	3,890,400
Stock in trade	(295,347,041)	(634,318,999)
Trade debts	(104,183,553)	(42,324,354)
Loans and advances	(25,563,648)	24,979,176
Tax refunds due from government	25,120,281	(26,975,112)
Short term investments	20,265	841,674
Other receivables	(570,776)	2,040,273
Increase / (decrease) in current liabilities		
Trade and other payables	85,099,628	31,012,243
	(315,131,812)	(640,854,699)
	(75,613,533)	(439,186,297)
Cash used in operations	(22,869,466)	(23,944,977)
Income taxes paid	(97,027,276)	(78,973,405)
Finance cost paid	(852,600)	34,578,513
Long term deposit	(120,749,342)	(68,339,869)
Net cash used in operating activities	(196,362,875)	(507,526,166)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(184,039,131)	(23,034,733)
Addition in intangible assets	-	(230,092)
Proceeds on disposal of property, plant and equipment	3,931,000	-
Net cash used in investing activities	(180,108,131)	(23,264,825)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	148,551,944	25,416,544
Repayment of long term financing	(95,913,075)	(95,878,034)
Lease liability -net	6,867,810	-
Short term borrowings - net	316,599,724	596,955,712
Dividend paid	-	(2,565)
Net cash generated from financing activities	376,106,403	526,491,657
Decrease in cash and bank balances during the period	(364,604)	(4,299,334)
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	4,664,799	1,004,212

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD OF NINE MONTHS ENDED
MARCH 31, 2018 (UN-AUDITED)**

Share Capital	Reserves		Total	
	Capital	Revenue		
Issued, subscribed and paid up capital	Share premium	Unappropriated profit		
Rupees				
Balance as at June 30, 2016 (Audited)	144,082,488	32,746,284	795,228,419	972,057,191
Profit for the nine months ended March 31, 2017	-	-	3,375,250	3,375,250
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax) for the nine months ended March 31, 2017	-	-	24,937,396	24,937,396
Balance as at March 31, 2017 (Un-audited)	144,082,488	32,746,284	823,541,065	1,000,369,837
Balance as at June 30, 2017 (Audited)	144,082,488	32,746,284	825,574,086	1,002,402,858
Profit for the nine months ended March 31, 2018	-	-	15,500,952	15,500,952
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax) for the nine months ended March 31, 2018	-	-	23,859,162	23,859,162
Balance as at March 31, 2018 (Un-audited)	144,082,488	32,746,284	864,934,200	1,041,762,972

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE MONTHS ENDED
MARCH 31, 2018 (UN-AUDITED)**

	Nine months period ended		Quarter ended	
	March 31, 2018 Rupees	March 31, 2017 Rupees	March 31, 2018 Rupees	March 31, 2017 Rupees
Profit for the period	15,500,952	3,375,250	3,260,220	36,821
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	15,500,952	3,375,250	3,260,220	36,821

Sd/-
Chief Financial Officer

ڈائریکٹرز کی جائزہ رپورٹ

محترم حصہ داران!

ہم ڈائریکٹران، خوشی آپ کے سامنے مورخہ 31 مارچ 2018 تک مکمل ہونے والے ادارے کے نو ماہ کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

مالیاتی نتائج کا خلاصہ

مارچ 2017	مارچ 2018	
2,967,268,558	3,651,120,963	کل رقم فروختگی
193,809,982	212,856,739	کل منافع
6.53%	5.83%	شرح منافع
3,375,250	15,500,952	منافع بعد از ٹیکس

کاروباری امور کا جائزہ

آپ کے ادارے کے مالیاتی نتائج منافع بعد از ٹیکس ادائیگی 15.5 ملین ظاہر کر رہے ہیں جو کہ پچھلے سال کے اسی عرصے سے 12.1 ملین زیادہ ہے۔ جو ظاہر کرتا ہے کہ ادارے نے ترقی کی طرف دوبارہ سفر شروع کر دیا ہے۔ لیکن ہماری برآمدات کا شعبہ ابھی بھی کم منافع اور ہمسایہ ممالک کی تھوڑی قیمتوں کی وجہ سے دباؤ کا شکار ہے ہماری شرح منافع خام مال اور توانائی کی قیمتوں میں اضافے کی وجہ سے 6.53 فیصد سے کم ہو کر 5.83 فیصد پر آ گیا ہے ہماری پیداواری لاگت 24 فیصد سے بڑھی ہے۔ ترسیل و تقسیم کے خرچے 14 فیصد سے کم ہوئے ہیں جبکہ انتظامی اور مالیاتی خرچے بھی 28 فیصد سے بڑھے ہیں۔ باوجود اس کے کہ ہمارے خرچے بڑھے ہیں، آپ کے ادارے کی انتظامیہ حصہ داران کی دولت کے بڑھنے کی غرض سے ترقی کے نئے مواقع ڈھونڈنے اور لاگت کم کرنے کی حکمت عملی کو اپنانے کی وجہ سے پیداواری لاگت کو قابو کرنے میں کامیاب رہی ہے۔

مستقبل کا نقطہ نظر

برآمدات ٹیکسٹائل کی صنعت کی ریڑھ کی ہڈی ہے اس لئے اس صنعت کی بقاء، حکومت کے برآمدات بڑھانے کی کوششوں پر منحصر ہے جو کہ توانائی کی قیمتیں کم کر کے، برآمدات پر چھوٹ کی بروقت ادائیگی کر کے اور روپے کی قدر کو کم کر کے حاصل کی جاسکتی ہیں۔ دوسرے نمبر پر آپ کے ڈائریکٹران ہمیشہ سے اس کوشش میں رہے ہیں کہ پرانی مشینوں کو جدید اور کم توانائی کی لاگت والی مشینوں سے تبدیل کر کے پیداواری لاگت کو مزید کم کیا جائے۔

اعتراف

آپ کے ڈائریکٹران تمام کارکنان اور عملہ کی طرف سے کی گئی کوششوں کو تہ دل سے سراہتے ہیں اور آپ کے ڈائریکٹران تمام حصہ داران اور مالیاتی اداروں کے تعاون اور رہنمائی کے بھی شکر گزار ہیں۔

ملتان

منجانب

چیف ایگزیکٹو ڈائریکٹر

25 اپریل 2018