

ACCOUNTS

For the First Quarter Ended
September 30, 2019
(Un-Audited)



**AHMAD HASSAN
TEXTILE MILLS LTD.**

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46 - Hassan Parwana Colony,
MULTAN.

BOARD OF DIRECTORS

CHAIRMAN	Mian Muhammad Javed Anwar	Non-Executive Director
CHIEF EXECUTIVE DIRECTORS	Main Muhammad Aurangzeb	Executive Director
	Mr. Muhammad Haris	Executive Director
	Mr. Muhammad Jahanzaib	Executive Director
	Mrs. Salma Javed	Non-Executive Director
	Mrs. Waheeda Parvaiz	Non-Executive Director
	Mr. Syed Raza Abbas Jafferri	Rep. N.I.T.
	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, 2019.

SUMMARIZED FINANCIAL RESULTS:

	Sep-2019 (Rupees)	Sep-2018 (Rupees)
Sales-Net	1,926,687,575	1,755,496,350
Gross Profit	224,069,335	116,560,059
Profit After Taxation	80,516,634	15,161,553
G.P Ratio	11.63%	6.64%
Earnings per Share	5.59	1.05

REVIEW OF OPERATIONS:

Alhamdulillah, The strong concentration with focused approach of your directors along with continuous efforts of staff pay off the Company and its shareholders. We are very much succeeded to grab the local market share with better profit margin. As a result, during the period under consideration, our Gross Profit ratio increased to 11.63 % from 6.64%, Profit after tax increases to 80.52 million from 15.16 million. But Distribution cost increased by 38.84%, Admin cost increased by 29.47%, and finance cost increases by 72.98% due to increase in KIBOR as compare to the same period of the previous year.

FUTURE OUTLOOK

Company is still planning to optimize the production process with least cost by utilization the energy efficient machineries. So, in continuity of BMR, your directors have planned to replace further 5 looms to save production cost. On the other hand, your directors are also expecting from government to announce comprehensive package for revival of export, cut down the KIBOR for reduction in finance cost and take solid steps to control the raw material prices.

The directors of the Company have proposed to maintain Spinning and Weaving segments as separate legal entities for better management and control. For this purpose, after the appointment of the Corporate and Legal consultants, the related proceedings are in process for discussion in Board of Directors' meeting.

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

Multan

Dated: October 28, 2019

Chief Executive

Director

ڈائریکٹرز کی جائزہ رپورٹ

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

محترم حصہ داران!

ہم ڈائریکٹران، بخوشی آپ کے سامنے مورخہ 30 ستمبر 2019 تک مکمل ہونے والے تین ماہ کے ادارے کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

	ستمبر 2019	ستمبر 2018
کل رقم فروختگی	1,926,687,575	1,755,496,350
کل منافع	224,069,335	116,560,059
منافع بعد از ٹیکس	80,516,634	15,161,553
شرح منافع	11.63%	6.64%
فی حصص آمدنی	5.59	1.05

کاروباری امور کا جائزہ

اللہ کا شکر ہے کہ ڈائریکٹرز کی توجہ اور بہترین کام کرنے کی صلاحیت اور اس کے ساتھ ساتھ عملے کی انتھک کوششوں کا صلہ اس ادارے کو ان تین ماہ میں کامیابی کی صورت میں ملا ہے۔ جس سے ادارے نے مقامی منڈی میں اپنی ساکھ بہتر کرنے کے ساتھ ساتھ شرح منافع میں بھی اضافہ کیا ہے جس کی وجہ سے اسی سال کے تین ماہ میں ادارے کا شرح منافع 6.64 فیصد سے بڑھ کر 11.63 فیصد تک پہنچ گیا ہے منافع بعد از ٹیکس بھی 15.16 ملین سے بڑھ کر 80.52 ملین تک پہنچ گیا ہے۔ لیکن ترسیل و تقسیم کے خرچوں میں 38.84 فیصد تک اضافہ ہوا، انتظامی امور کے خرچوں میں بھی 29.47 فیصد تک اضافہ ہوا اور مالیاتی خرچوں میں بھی پچھلے سال کے اسی عرصے کے مقابلے میں KIBOR کے بڑھنے کی وجہ سے 72.98 فیصد تک اضافہ ہوا ہے۔

مستقبل کا نقطہ نظر

ادارہ ابھی بھی منوثر توانائی والی مشینوں کو استعمال میں لاتے ہوئے، پیداواری لاگت کو کم کرنے کے ساتھ ساتھ پیداواری صلاحیت کو بڑھانے کیلئے کوشاں ہے۔ اسی لئے گزشتہ سالوں کی پرانی مشینوں کو جدید مشینوں کے ساتھ تبدیل کرنے کے عمل کو جاری رکھتے ہوئے اس سال بھی ادارہ پیداواری لاگت کو کم کرنے کیلئے مزید پانچ جدید لومز کو تبدیل کرنے کا ارادہ رکھتا ہے اسی کے ساتھ ساتھ آپ کے ڈائریکٹران موجودہ حکومت سے توقع رکھتے ہیں کہ وہ بہت جلد برآمدات کی بحالی، مالیاتی خرچوں میں کمی کیلئے KIBOR کو کم کرنے اور خام مال کی قیمتوں میں کمی کیلئے ایک مضبوط حکمت عملی بنائے گی۔ آپ کے ڈائریکٹران نے ادارے کے کاروباری امور اور دیگر انتظامات کو بہتر طور پر چلانے کیلئے سپننگ اور ویوینگ کے شعبوں کو علیحدہ علیحدہ خود مختار ادارے کے طور پر قائم کرنے کی تجویز دی ہے۔ جس کیلئے کارپوریٹ اور قانونی مشیروں کو تعینات کر دیا گیا ہے جو کہ بہت جلد اپنے کام کو ڈائریکٹرز کی میٹنگ میں مزید کاروائی کیلئے پیش کریں گے۔

اظہار تشکر

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 کبھی شکر گزار ہیں۔

منجانب

چیف ایگزیکٹو ڈائریکٹر

تاریخ 28 اکتوبر 2019

ملتان

**STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30,2019**

	Un-audited Sept 30, 2019 Rupees	Audited June 30, 2019 Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,807,146,333	2,841,368,043
Investment property	43,311,500	43,311,500
Intangible assets	111,212	122,717
Long term deposits	13,262,777	13,262,777
Long term investment	20,198,768	17,837,014
	<u>2,884,030,590</u>	<u>2,915,902,051</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	62,957,547	60,940,689
Stock-in-trade	1,189,178,825	1,108,560,342
Trade debts	580,594,576	481,533,726
Loans and advances	134,872,244	111,787,562
Due from Government	56,807,775	57,775,795
Other receivables	6,147,904	6,109,505
Short term investments	45,920	52,000
Cash and bank balances	16,102,943	16,765,243
	<u>2,046,707,734</u>	<u>1,843,524,862</u>
TOTAL ASSETS	<u>4,930,738,324</u>	<u>4,759,426,913</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 reserves:		
Share premium	32,746,284	32,746,284
Surplus on revaluation of property, plant and equipment	735,130,119	742,422,219
Revenue reserve - unappropriated profit	1,009,494,627	921,685,893
	<u>1,921,453,518</u>	<u>1,840,936,884</u>
Subordinated loans	105,000,000	105,000,000
NON-CURRENT LIABILITIES		
Long term loans and financing	461,674,874	492,597,908
Liabilities against assets subject to finance lease	6,155,597	7,020,700
Deferred taxation	228,769,584	213,958,218
	<u>696,600,055</u>	<u>713,576,826</u>
CURRENT LIABILITIES		
Trade and other payables	687,554,692	681,408,533
Unclaimed dividend	3,224,502	3,235,078
Short term finances under markup arrangements and other credit facilities	1,223,681,483	1,138,700,665
Current portion of non-current liabilities	144,017,886	153,233,348
Accrued finance cost	54,521,891	52,539,990
Provision for taxation	94,684,297	70,795,589
	<u>2,207,684,751</u>	<u>2,099,913,203</u>
TOTAL LIABILITIES	<u>2,904,284,806</u>	<u>2,813,490,029</u>
TOTAL EQUITY AND LIABILITIES	<u>4,930,738,324</u>	<u>4,759,426,913</u>

Sd/-
Chief Executive

**STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)**

	September, 2019 Rupees	September, 2018 Rupees
Sales - net	1,926,687,575	1,755,496,350
Cost of sales	(1,702,618,240)	(1,638,936,291)
Gross profit	<u>224,069,335</u>	<u>116,560,059</u>
Other income	669,773	671,561
Distribution cost	(20,452,687)	(14,731,407)
Administrative expenses	(20,537,266)	(15,862,139)
Other operating expenses	(6,735,141)	(48,762)
	<u>(47,055,321)</u>	<u>(29,970,747)</u>
Profit before finance cost	<u>177,014,014</u>	<u>86,589,312</u>
Finance cost	(56,655,234)	(32,752,066)
Profit before taxation for the period	<u>120,358,780</u>	<u>53,837,246</u>
Taxation	(39,842,146)	(38,675,693)
Profit after taxation for the period	<u><u>80,516,634</u></u>	<u><u>15,161,553</u></u>
Earnings per share - basic and diluted	<u><u>5.59</u></u>	<u><u>1.05</u></u>

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)**

	SEP-2019 Rupees	SEP-2018 Rupees
Profit after taxation for the period	<u>80,516,634</u>	<u>15,161,553</u>
Other comprehensive income for the period	-	-
Total comprehensive Income for the period	<u><u>80,516,634</u></u>	<u><u>15,161,553</u></u>

Sd/-
Director

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Sep-2019 Rupees	Sep-2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	120,358,780	53,837,246
Adjustments for:		
Depreciation on property, plant and equipment	35,790,117	34,838,849
Amortization on intangible asset	11,505	71,505
Gain on sale of property, plant and equipment	-	(262,342)
Unrealized (gain)/loss on re-measurement of investment	6,080	22,560
Finance cost	56,655,234	32,752,066
	92,462,936	67,422,638
Operating cash flows before movements in working capital	212,821,716	121,259,884
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,016,858)	(2,080,968)
Stock in trade	(80,618,483)	(112,497,700)
Trade debts	(99,060,850)	(39,919,688)
Loans and advances (excluding advance income tax)	603,520	(11,181,441)
Tax refunds due from government	968,020	28,648,064
Other receivables	(38,399)	(519,543)
Increase / (decrease) in current liabilities		
Trade and other payables	6,146,159	55,843,996
	(174,016,891)	(81,707,280)
Cash generated from operations	38,804,825	39,552,704
Income tax paid - net	(24,830,274)	(43,284,792)
Net cash generated from / (used in) operating activities	13,974,551	(3,732,088)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(1,568,407)	(170,589,038)
Proceeds from disposal of property, plant and equipment	-	498,000
Long term investment	(2,361,754)	-
Long term deposits	-	(520,200)
Net cash used in investing activities	(3,930,161)	(170,611,238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances obtained	-	166,044,917
Repayment of long term finances	(40,138,496)	(42,198,517)
Repayment of finance lease	(865,103)	(613,291)
Dividend paid	(10,576)	-
Short term finances - net	84,980,818	70,054,733
Finance cost paid	(54,673,333)	(34,866,001)
Net cash (used in) / generated from financing activities	(10,706,690)	158,421,841
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(662,300)	(15,921,485)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	16,765,243	19,477,569
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	16,102,943	3,556,084

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Issued, subscribed and paid up share capital	Reserves			Total
		Capital		Revenue	
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
Balance as at June 30, 2018 (Audited)	144,082,488	32,746,284	773,129,285	868,033,570	1,817,991,627
<i>Total comprehensive income for the period:</i>					
Profit after taxation for the period	-	-	-	15,161,553	15,161,553
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	15,161,553	15,161,553
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	(7,636,751)	7,636,751	-
Balance as at September 30, 2018 (Un-Audited)	144,082,488	32,746,284	765,492,534	890,831,874	1,833,153,180
Balance as at June 30, 2019 (Audited)	144,082,488	32,746,284	742,422,219	921,685,893	1,840,936,884
<i>Total comprehensive income for the period:</i>					
Profit after taxation for the period	-	-	-	80,516,634	80,516,634
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	80,516,634	80,516,634
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	(7,292,100)	7,292,100	-
Balance as at September 30, 2019 (Un-Audited)	144,082,488	32,746,284	735,130,119	1,009,494,627	1,921,453,518

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

- 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/-
Chief Financial Officer