

ACCOUNTS

For the Third Quarter &
Nine Months Period Ended
March 31, 2019
(Un-Audited)



**AHMAD HASSAN
TEXTILE MILLS LTD.**

BOARD OF DIRECTORS

- | | |
|--------------------------------|--|
| 1. Mian Muhammad Javed Anwar | - Chairman / Non-Executive Director |
| 2. Mr. Muhammad Aurangzeb | - Chief Executive / Executive Director |
| 3. Mr. Muhammad Haris | - Executive Director |
| 4. Mrs. Salma Javed | - Non-Executive Director |
| 5. Mrs. Waheeda Parvaiz | - Non-Executive Director |
| 6. Mr. Muhammad Jahanzaib | - Non-Executive Director |
| 7. Mr. Syed Raza Abbas Jaffari | - Rep. N.I.T |
| 8. Mr. Nazeer 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, 2019.

SUMMARIZED FINANCIAL RESULTS:

	March 2019 (Rupees)	March 2018 (Rupees)
Sales-Net	5,482,030,941	3,651,120,963
Gross Profit	320,411,215	212,856,739
G.P Ratio	5.84%	5.83%
Profit after taxation	24,986,596	15,500,952

REVIEW OF OPERATIONS:

The financial results of your Company show profit after taxation of Rs 24.99 Million which is Rs 9.49 million excess than same period of the previous year. Our gross profit ratio remains almost same due to increase in raw material prices. Cost of sales is increased by 50.12%, Distribution cost is increased by 12.08%, Admin cost is increased by 7.23% and finance cost is also increased by 22.17% mainly due to increase in KIBOR rates from 6.61 % to 11.10 % 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 generate better profit than same period of the last year to sustain shareholder's wealth and stakeholder's interest.

FUTURE OUTLOOK

Pakistani textile industry, considered as the backbone of the export sector, is facing challenges on regular basis due to high production cost, delay in receiving refunds and tight monetary policy mainly due to instability of exchange rates, continuous increase in KIBOR and current political situation. Due to these factors, we have tough competition from India, Bangladesh, Vietnam, Thailand and other states in the foreign market. On the other side, your directors are hopeful regarding government serious initiatives to safeguard textile industry which is the highest foreign exchange earner and largest employment provider.

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

Director

Multan

Dated: April 27, 2019

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2019**

	March 31, 2019 Un-Audited Rupees	June 30, 2018 Audited Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,862,016,034	2,762,250,958
Investment property	43,311,500	43,311,500
Intangible assets	194,221	408,735
Long term deposits	13,262,777	12,337,177
	2,918,784,532	2,818,308,370
CURRENT ASSETS		
Stores, spare parts and loose tools	49,923,871	51,824,641
Stock-in-trade	1,319,094,997	869,769,472
Trade debts	461,580,929	393,907,106
Loan and advances	100,478,087	59,063,437
Due from Government	86,569,243	97,071,850
Other receivables	10,105,267	5,402,894
Short term investment	55,960	76,840
Cash and bank balances	19,018,815	19,477,569
	2,046,827,169	1,496,593,809
TOTAL ASSETS	4,965,611,701	4,314,902,179
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
Surplus on revaluation of property, plant and equipment	750,301,640	773,129,285
Revenue reserve - unappropriated profit	897,837,501	868,033,570
	1,824,967,913	1,817,991,627
Subordinated loans	105,000,000	105,000,000
NON-CURRENT LIABILITIES		
Long term loans and financing	536,300,999	464,058,353
Liabilities against assets subject to finance lease	7,852,805	7,035,960
Deferred taxation	206,437,996	206,075,724
	750,591,800	677,170,037
CURRENT LIABILITIES		
Trade and other payables	681,199,023	404,611,545
Unclaimed dividend	3,235,078	3,019,542
Short term finances under markup arrangements and other credit facilities	1,337,174,650	1,054,662,438
Current portion of non-current liabilities	160,414,556	188,356,535
Accrued finance cost	53,290,566	32,252,064
Provision for taxation	49,738,115	31,838,391
	2,285,051,988	1,714,740,515
TOTAL EQUITY AND LIABILITIES	4,965,611,701	4,314,902,179

Sd/-
Chief Executive

**CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019**

	Nine months period ended		Quarter ended	
	March 31, 2019 Rupees	March 31, 2018 Rupees	March 31, 2019 Rupees	March 31, 2018 Rupees
Sales - net	5,482,030,941	3,651,120,963	2,033,306,094	1,361,829,535
Cost of sales	(5,161,619,726)	(3,438,264,224)	(1,918,118,587)	(1,282,218,556)
Gross profit	320,411,215	212,856,739	115,187,507	79,610,979
Other income	303,932	21,747,149	41,590	7,387,393
(Loss) on trading	-	(55,976)	-	-
Distribution cost	(51,641,805)	(46,075,686)	(18,935,200)	(15,337,028)
Administrative expenses	(52,946,383)	(49,377,284)	(15,123,443)	(16,279,397)
Other operating expenses	(4,204,529)	(1,409,391)	(173,166)	(1,391,306)
	(108,488,785)	(75,171,188)	(34,190,219)	(25,620,338)
Profit from operations before finance cost	211,922,430	137,685,551	80,997,288	53,990,641
Finance cost	(127,487,503)	(104,349,647)	(56,700,463)	(37,699,764)
Profit before taxation	84,434,927	33,335,904	24,296,825	16,290,877
Taxation	(59,448,331)	(17,834,952)	(13,240,296)	(13,030,657)
Profit for the period	24,986,596	15,500,952	11,056,529	3,260,220
Earnings per share - basic and diluted	1.73	1.08	0.77	0.23

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD OF NINE MONTHS ENDED AT MARCH 31, 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 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 (UN-AUDITED)
FOR THE PERIOD OF NINE MONTHS ENDED MARCH 31, 2019

	Nine months period ended	
	March 31, 2019	March 31, 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	84,434,927	33,335,904
Adjustments for:		
Depreciation on property, plant and equipment	108,198,936	104,113,637
Amortization of intangible	214,514	214,514
Loss on remeasurement of investment	20,880	20,265
Gain on sale of property, plant and equipment	(262,342)	(2,495,423)
Finance cost	127,487,503	104,349,647
	235,659,491	206,202,640
Operating cash flows before movements in working capital	320,094,418	239,538,544
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,900,770	293,033
Stock in trade	(449,325,525)	(295,347,041)
Trade debts	(67,673,823)	(104,183,553)
Loans and advances	(41,414,650)	(25,563,648)
Tax refunds due from government	10,502,607	25,120,281
Other receivables	(4,702,373)	(570,776)
Increase / (decrease) in current liabilities		
Trade and other payables	276,587,478	85,099,626
	(274,125,516)	(315,152,078)
Cash generated from/(used in) operations	45,968,902	(75,613,534)
Income taxes paid	(41,186,335)	(22,869,466)
Finance cost paid	(106,449,001)	(97,027,276)
Long term deposit - net	(925,600)	(852,600)
	(148,560,936)	(120,749,342)
Net cash used in operating activities	(102,592,034)	(196,362,876)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(208,199,670)	(184,039,131)
Proceeds on disposal of property, plant and equipment	498,000	3,931,000
Net cash used in investing activities	(207,701,670)	(180,108,131)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan obtained	178,601,805	148,551,944
Repayment of long term financing	(134,301,138)	(95,913,075)
Finance lease-net	816,845	6,867,810
Short term borrowings - net	282,512,212	316,599,724
Dividend paid	(17,794,774)	-
Net cash generated from financing activities	309,834,950	376,106,403
Decrease in cash and bank balances during the period	(458,754)	(364,604)
Cash and bank balances at the beginning of the period	19,477,569	5,029,403
Cash and bank balances at the end of the period	19,018,815	4,664,799

Sd/-
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

Share Capital	Reserves			Total
	Capital		Revenue	
Issued, subscribed and paid up capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
Rupees				
Balance as at June 30, 2017 (Audited)	144,082,488	32,746,284	805,470,486	825,574,086
Total comprehensive income for the period	-	-	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 period	-	-	(23,859,162)	23,859,162
Balance as at March 31, 2018 (Un-audited)	144,082,488	32,746,284	781,611,324	864,934,200
Total comprehensive loss for the period			(5,382,669)	(5,382,669)
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax) for the period			(8,482,039)	8,482,039
Balance as at June 30, 2018 (Audited)	144,082,488	32,746,284	773,129,285	868,033,570
Distribution to owners:				
Final cash dividend of Rs 1.25 per share for the year ended June 30, 2018			(18,010,310)	(18,010,310)
Total comprehensive income for the period			24,986,596	24,986,596
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax) for the period	-	-	(22,827,645)	22,827,645
Balance as at March 31, 2019 (Un-audited)	144,082,488	32,746,284	750,301,640	897,873,501

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Nine months period ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees	Rupees	Rupees	Rupees
Profit for the period	24,986,596	15,500,952	11,056,529	3,260,220
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	24,986,596	15,500,952	11,056,529	3,260,220

If undelivered please return to
AHMAD HASSAN TEXTILE MILLS LTD.
46 - Hassan Panwana Colony,
MULTAN.

ڈائریکٹر کی جائزہ رپورٹ

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

محترم حصہ داران!

ہم ڈائریکٹر ان بخوشی آپ کے سامنے مورخہ 31 مارچ 2019 تک مکمل ہونے والے ادارے کے نو ماہ کے غیر آڈٹ شدہ اکاؤنٹس پیش کر رہے ہیں۔

مالیاتی نتائج کا خلاصہ

مارچ 2018	مارچ 2019	کل رقم فروختگی
3,651,120,963	5,482,030,941	کل منافع
212,856,739	320,411,215	شرح منافع
5.83%	5.84%	منافع بعد از ٹیکس
15,500,952	24,986,596	

کاروباری امور کا جائزہ

آپ کے ادارے کے مالیاتی نتائج منافع بعد از ٹیکس ادائیگی 24.99 ملین ظاہر کر رہے ہیں جو کہ پچھلے سال کے اسی عرصے کے مقابلے میں 9.49 ملین زیادہ ہے۔ ہماری شرح منافع تقریباً پچھلے سال کے برابر رہی ہے جس کی بڑی وجہ خام مال کی قیمتوں میں اضافہ ہے۔ ہماری پیداواری لاگت 50.12 فیصد بڑھی ہے ترسیل و تقسیم کے خرچوں میں 12.08 فیصد اضافہ ہوا ہے۔ انتظامی خرچے 7.23 فیصد بڑھے ہیں مالیاتی خرچوں میں بھی 22.17 فیصد اضافہ ہوا ہے جس کی بڑی وجہ پچھلے سال کی اسی عرصے کے مقابلے میں KIBOR میں 6.61 فیصد سے 11.10 فیصد تک اضافہ ہے۔ ان سارے حالات کے باوجود آپ کے ادارہ کی انتظامیہ پچھلے سال کے اسی عرصے کے مقابلے میں بہتر نفع کمانے میں کامیاب رہی ہے تاکہ حصہ داران کی دولت اور ادارے سے منسلک لوگوں کا اعتماد برقرار رکھ سکیں۔

مستقبل کا نقطہ نظر

ٹیکسٹائل کی صنعت پاکستان کی برآمدات کیلئے ایک ریڑھ کی ہڈی کی حیثیت رکھتی ہے۔ جو کہ پیداواری لاگت میں اضافہ، ریفرنڈ حاصل کرنے میں تاخیر اور حکومت کی سخت مالیاتی حکمت عملی کی وجہ سے مسلسل مشکلات کا شکار ہے۔ جسکی بڑی وجوہات زرمبادلہ کی شرح میں اتار چڑھاؤ، KIBOR میں مسلسل اضافہ اور موجودہ سیاسی صورت حال ہے۔ ان تمام عناصر کی وجہ سے ہمیں بھارت، بنگلہ دیش، ویت نام، تھائی لینڈ اور دوسرے بین الاقوامی ممالک کی ٹیکسٹائل کی صنعتوں سے سخت مقابلے کی صورتحال کا سامنا ہے۔ دوسری طرف آپ کے ڈائریکٹر ان پر امید ہیں کہ ٹیکسٹائل کی صنعت کو بچانے کیلئے موجودہ حکومت سنجیدہ کوششوں کا آغاز کرے گی۔ جو کہ زرمبادلہ کمانے اور بے روزگاری ختم کرنے میں اہم کردار ادا کرے گا۔

اعتراف

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

منجانب

چیف ایگزیکٹو ڈائریکٹر

ملتان، 27 اپریل 2019