

# AHMAD HASSAN TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT SEPTEMBER 30, 2022

|   | Un-Audited<br>September 30, 2022<br>Rupees | Audited<br>June 30, 2022<br>Rupees |
|---|--|------------------------------------|
| <b>ASSETS</b>   |  |                                    |
| <b>NON-CURRENT ASSETS</b>                               |  |                                    |
| Property, plant and equipment                           | 1,673,291,909                              | 1,691,677,506                      |
| Long term deposits                                      | 11,847,377                                 | 11,712,377                         |
|   | 1,685,139,286                              | 1,703,389,883                      |
| <b>CURRENT ASSETS</b>                                   |  |                                    |
| Stores, spare parts and loose tools                     | 56,748,525                                 | 35,698,716                         |
| Stock-in-trade  | 1,281,736,099                              | 1,394,834,730                      |
| Trade debts   | 422,059,287                                | 216,815,701                        |
| Loans and advances                                      | 101,028,477                                | 84,896,118                         |
| Due from Government                                     | 63,554,457                                 | 95,930,666                         |
| Other receivables                                       | 2,741,355                                  | 3,220,755                          |
| Short term investment                                   | 9,086,268                                  | 18,651,248                         |
| Cash and bank balances                                  | 631,643                                    | 1,850,882                          |
|   | 1,937,586,111                              | 1,851,898,816                      |
| <b>TOTAL ASSETS</b>                                     | <b>3,622,725,397</b>                       | <b>3,555,288,699</b>               |
| <b>EQUITY AND LIABILITIES</b>                           |  |                                    |
| <b>SHARE CAPITAL AND RESERVES</b>                       |  |                                    |
| 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 | 542,552,428                                | 547,739,232                        |
| Revenue reserve - unappropriated profit                 | 1,142,156,384                              | 1,060,732,426                      |
|   | 1,802,170,450                              | 1,725,933,296                      |
|   |  |                                    |
| Subordinated loans                                      | 62,500,000                                 | 62,500,000                         |
| <b>NON-CURRENT LIABILITIES</b>                          |  |                                    |
| Long term loans and financing                           | 204,000,884                                | 222,494,564                        |
| Lease liabilities                                       | 36,751,965                                 | 991,931                            |
| Deferred income - government grant                      | -  | -                                  |
| Gas infrastructure development Cess                     | 12,525,194                                 | 14,426,662                         |
| Deferred taxation                                       | 72,910,436                                 | 71,513,084                         |
|   | 326,188,479                                | 309,426,241                        |
| <b>CURRENT LIABILITIES</b>                              |  |                                    |
| Trade and other payables                                | 654,276,820                                | 868,066,355                        |
| Unclaimed dividend                                      | 3,726,469                                  | 3,726,469                          |
| Short term borrowings                                   | 573,794,264                                | 405,858,509                        |
| Current portion of non-current liabilities              | 102,929,524                                | 102,395,078                        |
| Accrued finance cost                                    | 18,361,547                                 | 14,645,410                         |
| Provision for taxation                                  | 78,777,844                                 | 62,737,341                         |
|   | 1,431,866,468                              | 1,457,429,162                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                     | <b>3,622,725,397</b>                       | <b>3,555,288,699</b>               |

Sd/-  
Chief Executive

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|  | September 30, 2022<br>Rupees | September 30, 2021<br>Rupees |
|--|------------------------------|------------------------------|
| Sales - net  | 1,384,978,189                | 1,010,839,414                |
| Cost of sales  | (1,232,810,708)              | (911,333,656)                |
| <b>Gross profit</b>  | <b>152,167,481</b>           | <b>99,505,758</b>            |
|  |                              |                              |
| Other income   | 663,134                      | 1,113,690                    |
| Profit on trading  | -                            | 8,500,000                    |
| Distribution cost  | (5,531,231)                  | (524,174)                    |
| Administrative expenses  | (17,585,184)                 | (13,619,472)                 |
| Other operating expenses   | (15,137,197)                 | (8,404,232)                  |
|  | (37,590,478)                 | (12,934,188)                 |
| <b>Profit before finance cost</b>  | <b>114,577,003</b>           | <b>86,571,570</b>            |
| Finance cost   | (20,901,996)                 | (8,842,411)                  |
| <b>Profit before taxation</b>  | <b>93,675,007</b>            | <b>77,729,159</b>            |
| Taxation   | (17,437,854)                 | 7,445,579                    |
| <b>Profit after taxation</b>   | <b>76,237,153</b>            | <b>85,174,738</b>            |
| <b>Earnings/(loss) per share</b>   | <b>9.00</b>                  | <b>10.05</b>                 |
| <b>CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022</b> |                              |                              |
|  |                              |                              |
|  |                              |                              |
|  |                              |                              |
|  |                              |                              |
|  |                              |                              |
|  |                              |                              |
|  |                              |                              |
| <b>Profit for the period</b>   | <b>76,237,153</b>            | <b>85,174,738</b>            |
| <b>Other comprehensive Income / (Loss) for the period:</b>   |                              |                              |
| Items that will not be subsequently reclassified to profit or loss:  |                              |                              |
| Impact of revaluation carried out during the period  | -                            | -                            |
| Less: related deferred tax   | -                            | -                            |
|  | -                            | -                            |
| <b>Total comprehensive income for the period</b>   | <b>76,237,153</b>            | <b>85,174,738</b>            |

Sd/-  
Director

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|  | September 30, 2022<br>Rupees | September 30, 2021<br>Rupees |
|--|------------------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                              |                              |
| Profit before taxation   | 93,675,007                   | 77,729,159                   |
| Adjustments for non cash charges and other items:  |                              |                              |
| Depreciation on property, plant and equipment  | 21,127,463                   | 17,049,487                   |
| Provision for Workers' Profit Participation Fund   | 5,020,020                    | 4,157,958                    |
| Provision for Workers' Welfare Fund  | 1,907,608                    | 1,585,989                    |
| Duty Drawback of taxes on export sales   | -                            | (1,787)                      |
| Gain on disposal of Fixed assets   | -                            | (1,007,490)                  |
| Dividend Income  | (6,000)                      | (104,413)                    |
| Unrealized (gain) / loss on remeasurement of short term investments                                | 42,472                       | 2,649,285                    |
| Exchange rate fluctuation loss / (gain) - net  | (142,195)                    | -                            |
| Amortization of deferred government grant  | -                            | (81,820)                     |
| Finance cost - net   | 20,901,996                   | 8,842,411                    |
| <b>Profit before working capital changes</b>   | <b>48,851,364</b>            | <b>33,089,620</b>            |
| <b>Effect on cash flows due to working capital changes (Increase) / decrease in current assets</b> | <b>142,526,371</b>           | <b>110,818,779</b>           |
| Stores, spares and loose tools   | (21,049,809)                 | (35,437,305)                 |
| Stock in trade   | 113,098,631                  | (277,711,932)                |
| Trade debts  | (205,101,391)                | (88,284,520)                 |
| Loans and advances (excluding advance income tax)  | (7,685,932)                  | (37,317,896)                 |
| Due from government  | 32,376,209                   | (12,349,772)                 |
| Other receivables  | 479,400                      | -                            |
| <b>Increase / (decrease) in current liabilities</b>  | <b>(220,717,164)</b>         | <b>275,051,905</b>           |
| Trade and other payables   | (308,600,056)                | (176,049,520)                |
| <b>Cash used in operation</b>  | <b>(166,073,685)</b>         | <b>(65,230,741)</b>          |
| Income tax paid - net  | (8,446,426)                  | (19,501,575)                 |
| Long term deposits - net   | (135,000)                    | -                            |
| Duty drawback of taxes on export sales received  | -                            | 1,787                        |
|  | (8,581,426)                  | (19,499,788)                 |
| <b>Net cash used in operating activities</b>   | <b>(174,655,111)</b>         | <b>(84,730,529)</b>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                              |                              |
| Additions to property, plant and equipment   | (2,741,866)                  | (1,270,931)                  |
| Proceeds from disposal of fixed assets   | -                            | 1,280,409                    |
| Short term investments   | 9,522,508                    | 5,000,000                    |
| Dividend received  | 6,000                        | 104,413                      |
| <b>Net cash generated from investing activities</b>  | <b>6,786,642</b>             | <b>5,113,891</b>             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                              |                              |
| Long term finances-net   | (17,959,232)                 | 33,116,343                   |
| Repayment of finance lease   | 35,760,034                   | (160,811)                    |
| Long term payable  | (1,901,468)                  | (5,470,913)                  |
| Short term finances - net  | 167,935,755                  | 54,867,148                   |
| Finance cost paid  | (17,185,859)                 | (5,951,671)                  |
| <b>Net cash generated from financing activities</b>  | <b>166,649,230</b>           | <b>76,400,096</b>            |
| <b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>(1,219,239)</b>           | <b>(3,216,542)</b>           |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>  | <b>1,850,882</b>             | <b>4,442,391</b>             |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>  | <b>631,643</b>               | <b>1,225,849</b>             |

Sd/-  
Chief Financial Officer

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

|  | Reserves      |   |                       |               | Total         |
|--|---------------|---|-----------------------|---------------|---------------|
|  | Capital       |   | Revenue               |               |               |
|  | Share premium | Surplus on revaluation of property, plant and equipment | Unappropriated profit |               |               |
| Balance as at June 30, 2021 (Audited)  | 84,715,354    | 32,746,284  | 343,783,721           | 860,441,793   | 1,321,687,152 |
| <b>Total comprehensive income for the period:</b>  |               |   |                       |               |               |
| Profit for the period  | -             | -   | -                     | 85,174,738    | 85,174,738    |
| Other comprehensive income for the period  | -             | -   | -                     | -             | -             |
|  | -             | -   | -                     | 85,174,738    | 85,174,738    |
| <b>Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)</b> |               |   |                       |               |               |
|  | -             | -   | (3,318,535)           | 3,318,535     | -             |
| Balance as at September 30, 2021 Un-Audited)   | 84,715,354    | 32,746,284  | 340,465,186           | 948,935,066   | 1,406,861,890 |
| <b>Distribution to owners:</b>   |               |   |                       |               |               |
| Final cash dividend of Rs. 2.05 per share for the year ended June 30, 2021   | -             | -   | -                     | (17,366,647)  | (17,366,647)  |
| <b>Total comprehensive income for the period:</b>  |               |   |                       |               |               |
| Profit for the period  | -             | -   | -                     | 116,147,287   | 116,147,287   |
| Other comprehensive income for the period  | -             | -   | 220,290,766           | -             | 220,290,766   |
|  | -             | -   | 220,290,766           | 116,147,287   | 336,438,053   |
| <b>Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)</b> |               |   |                       |               |               |
|  | -             | -   | (13,016,720)          | 13,016,720    | -             |
| Balance as at June 30, 2022 (Audited)  | 84,715,354    | 32,746,284  | 547,739,232           | 1,060,732,426 | 1,725,933,296 |
| <b>Total comprehensive income for the period:</b>  |               |   |                       |               |               |
| Profit for the period  | -             | -   | -                     | 76,237,153    | 76,237,153    |
| Other comprehensive income for the period  | -             | -   | -                     | -             | -             |
|  | -             | -   | -                     | 76,237,153    | 76,237,153    |
| <b>Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)</b> |               |   |                       |               |               |
|  | -             | -   | (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 |

## NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2022

- 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.

# ACCOUNTS

## For the First Quarter Ended September 30, 2022 (Un-Audited)



# AHMAD HASSAN TEXTILE MILLS LTD.

### BOARD OF DIRECTORS

|                           |                                 |                        |
|---------------------------|---------------------------------|------------------------|
| CHAIRMAN                  | Mrs. Salma Javed                | Non-Executive Director |
| CHIEF EXECUTIVE DIRECTORS | Mr. Muhammad Haris              | Executive Director     |
|                           | Mian Muhammad Javed             | Executive Director     |
|                           | Mrs. Bushra Ali                 | Non-Executive Director |
|                           | Mr. Haseeb Haris Mughal         | Non-Executive Director |
|                           | Mr. Muhammad Umar Farooq Janjua | 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, 2022.

#### SUMMARIZED FINANCIAL RESULTS:

| Summary of Profit and Loss | September 2022<br>(Rupees) | September 2021<br>(Rupees) |
|----------------------------|----------------------------|----------------------------|
| Sales-Net                  | <b>1,384,978,189</b>       | 1,010,839,414              |
| Gross Profit               | <b>152,167,481</b>         | 99,505,758                 |
| Profit After Taxation      | <b>76,237,153</b>          | 85,174,738                 |
| G. P. Ratio                | <b>10.99%</b>              | 9.84%                      |
| Earnings Per Share         | <b>9.00</b>                | 10.05                      |
| Distribution Expenses      | <b>5,531,231</b>           | 524,174                    |
| Admin Expenses             | <b>17,585,184</b>          | 13,619,472                 |
| Finance Cost               | <b>20,901,996</b>          | 8,842,411                  |

#### REVIEW OF FINANCIAL RESULTS:

During the period under review, sales of the Company recorded increase of 37% as compared to preceding period. Gross profit of the Company increased from 9.84% to 10.99% which is almost 10% higher in terms of percentage. Profit after tax decreased from 8.43% to 5.5% which is mainly attributable to increase of Finance Cost & Taxation. Distribution & Admin costs increased mainly due to inflation factor whereas finance cost increased due to higher interest rate.

#### FUTURE OUTLOOK

Current financial year is being considered as one of the toughest year for textile industry. Demand of textile products in the local & international market have been significantly decreased. Uncertainty prevailing in the country due to political instability has further worsen the situation. Resultantly, operations of the textile mills have either been shut done or running on reduce capacity. Although, the Government has recently fixed electricity tariff of Rs. 20 / unit for textile industry but it is not ample step to support textile industry. The government should provide comprehensive package for textile industry which may include provision of LTFF loans for installation of solar system, subsidization of mark-up rates on working capital facilities, reduction of gas tariff & withdrawal of super tax on textile industry.

Besides of increasing trend of raw material prices & energy cost, your directors are determined to maintain high profit margin and reducing the cost of doing business.

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, 2022

## 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 2021<br>(روپوں میں) | ستمبر 2022<br>(روپوں میں) | کل رقم فرہنگی        |
|---------------------------|---------------------------|----------------------|
| 1,010,839,414             | <b>1,384,978,189</b>      | کل منافع             |
| 99,505,758                | <b>152,167,481</b>        | بعد ادا کی گئی منافع |
| 85,174,738                | <b>76,237,153</b>         | جی پی تناسب          |
| 9.84%                     | <b>10.99%</b>             | ٹی شیئر آمدنی        |
| 10.05                     | <b>9.00</b>               | تقسیم کے اخراجات     |
| 524,174                   | <b>5,531,231</b>          | ایڈمن کے اخراجات     |
| 13,619,472                | <b>17,585,184</b>         | مالیاتی لاگت         |

کاروباری امور کا جائزہ

زیر جائزہ مدت کے دوران، کمپنی کی فروخت میں گزشتہ مدت کے مقابلے میں 37 فیصد اضافہ ریکارڈ

کیا گیا۔ کمپنی کا مجموعی منافع %9.84 سے بڑھ کر %10.99 ہو گیا جو کہ فیصد کے لحاظ سے تقریباً %10

زیادہ ہے۔ بعد از ٹیکس منافع %8.43 سے کم ہو کر %5.5 ہو گیا جو بنیادی طور پر مالیاتی لاگت اور

ٹیکسیشن میں اضافے سے منسوب ہے۔ ڈسٹری بیوشن اور ایڈمن کی لاگت میں اضافہ بنیادی طور پر افراط زر

کے عنصر کی وجہ سے ہوا جبکہ شرح سود میں اضافے کی وجہ سے فنانس لاگت میں اضافہ ہوا۔

مستقبل کا نقطہ نظر:

موجودہ مالی سال کو ٹیکسٹائل انڈسٹری کے لیے مشکل ترین سال قرار دیا جا رہا ہے۔ مقامی اور بین

الاقوامی مارکیٹ میں ٹیکسٹائل مصنوعات کی مانگ میں نمایاں کمی ہوئی ہے۔ سیاسی عدم استحکام کی وجہ سے

ملک میں پھیلی غیر یقینی صورتحال نے مزید بگاڑ دیا ہے۔ نتیجتاً ٹیکسٹائل ملوں کا آپریشن یا تو بند کر دیا گیا ہے یا

صلاحیت کم ہونے پر چل رہا ہے۔ حالانکہ حکومت نے حال ہی میں بجلی کی قیمتیں روپے مقرر کی ہیں۔

ٹیکسٹائل انڈسٹری کے لیے 20 / یونٹ لیکن یہ ٹیکسٹائل انڈسٹری کو سپورٹ کرنے کے لیے کافی قدم نہیں

ہے۔ حکومت ٹیکسٹائل انڈسٹری کے لیے جامع پیکیج فراہم کرے جس میں سولر سسٹم کی تنصیب کے لیے

LTFF قرضوں کی فراہمی، ورکنگ کپٹیل کی سہولیات پر مارک اپ ریٹس کی سبسڈی، گیس ٹیرف میں کمی

اور ٹیکسٹائل انڈسٹری پر سپر ٹیکس کا خاتمہ شامل ہو۔

خام مال کی قیمتوں اور توانائی کی لاگت کے بڑھتے ہوئے رجحان کے علاوہ، آپ کے ڈائریکٹرز

زیادہ منافع کے مارجن کو برقرار رکھنے اور کاروبار کرنے کی لاگت کو کم کرنے کے لیے پرعزم ہیں۔

ہمیں امید ہے 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 لگن 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

کرنا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ملتان

ڈائریکٹر

چیف ایگزیکٹو

28 اکتوبر، 2022