

ACCOUNTS

For the Third Quarter & Nine Months Period Ended March 31, 2023 (Un-Audited)



AHMAD HASSAN TEXTILE MILLS LTD.

BOARDS OF DIRECTORS

CHAIRPERSON	Mrs. Salma Javed	Non-Executive Director
DIRECTOR	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 feel immense pleasure for presenting the Condensed Interim Financial Statements of your Company for the nine months ended March 31, 2023.

SUMMARIZED FINANCIAL RESULTS:

	March 2023	March 2022	Increase/ (decrease)
	(Rupees)	(Rupees)	%
Sales Net	3,295,968,489	4,247,657,875	(22.41)
Gross Profit	292,612,527	333,126,968	(12.16)
Gross Profit Ratio	8.88%	7.84%	13.20
Profit After Taxation	96,794,024	176,761,574	(45.24)
Net Profit Ratio	2.94%	4.16%	(29.43)
Selling & Distribution Expenses	30,000,031	27,915,202	7.47
Administrative Expenses	55,940,009	42,483,107	31.68
Other Operation Expenses	20,569,392	18,437,104	11.57
Finance Cost	60,088,604	34,119,639	76.11
Earning Per Share	11.43	20.87	(45.24)

REVIEW OF OPERATIONS:

By the grace of Al-mighty Allah, management of the Company has successfully landed the Company into profitability zone despite all adverse circumstances. Sales of the Company recorded to Rs. 3,296 million as compared to Rs. 4,248 million thus registering decrease of 22.41%. Gross profit ratio showed improvement in current period and stood to 8.88% as compared to 7.84% recorded in preceding period which is mainly attributable better selling rates for export sales of fabric. Selling & distribution expenses, Administrative and other operation expenses recorded on higher level which is mainly attributable to inflation prevailing in the country. Financial cost showed sky rocketed increase by 76.11% which also contributed to decrease net profitability from 4.16% (registered in preceding period) to 2.94% (registered in current period).

FUTURE OUTLOOK

"Uncertainty always creates doubt and doubt creates fear". Future of textile industry is still uncertain & vague. On one hand, political & economic instability, higher cost coupled with shortage of raw materials, restricted imports, higher rates of fuel & power and unprecedented higher interest rate have been observed in the country. While on the other hand, demand for textile products has been observed on lower level in the local market which has been further aggravated by lowering of demand in international markets caused by increase in cost of living of the consumers in the foreign countries. Resultantly, textiles industry is unable to pass on increase in costs to its customers which has resulted to significantly squeeze profitability of the industry. Consequently, next quarter has been envisaged still challenging and difficult for textile industry.

In the wake of existing situation, management of your company acted proactively and successfully commissioned solar system having rated capacity of 988.9 KWP on January 27, 2022. Now the Company has intention to increase capacity of solar system by further 01 MW. For the purpose of financing the project, negotiation with banks is under process of finalization.

Besides increasing trend of raw material prices & other input costs, your directors are determined to improve sales, reduce costs of doing business and maintain high profitability.

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2023

	March 31, 2023 Un-Audited Rupees	June 30, 2022 Audited Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,646,741,093	1,691,677,506
Long term deposits	11,847,377	11,712,377
	1,658,588,470	1,703,389,883
CURRENT ASSETS		
Stores and spares	48,279,205	35,698,716
Stock-in-trade	1,149,277,100	1,394,834,730
Trade debts	286,352,022	216,815,701
Loans, advances and prepayments	118,966,970	84,896,118
Due from government	101,764,091	95,930,666
Other receivables	2,757,355	3,220,755
Short term investment	9,651,010	18,651,248
Cash and bank balances	1,747,621	1,850,882
	1,718,795,374	1,851,898,816
TOTAL ASSETS	3,377,383,844	3,555,288,699
EQUITY AND LIABILITIES		
Share capital and reserves		
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
Revaluation surplus on property, plant and equipment	532,400,525	547,739,232
Unappropriated profit - revenue reserve	1,153,804,203	1,060,732,426
	1,803,666,366	1,725,933,296
Subordinated loans	62,500,000	62,500,000
NON-CURRENT LIABILITIES		
Long term financing	173,892,845	222,494,564
Lease liabilities	29,182,197	991,931
Gas infrastructure development cess	12,871,012	14,426,662
Deferred taxation	67,744,906	71,513,084
	283,690,960	309,426,241
CURRENT LIABILITIES		
Trade and other payables	690,894,751	868,066,355
Unclaimed dividend	13,317,375	3,726,469
Short term borrowings	379,933,896	405,858,509
Current portion of non-current liabilities	92,740,563	102,395,078
Accrued finance cost	11,971,984	14,645,410
Provision for taxation	38,667,949	62,737,341
	1,227,526,518	1,457,429,162
CONTINGENCIES AND COMMITMENTS		
TOTAL EQUITY AND LIABILITIES	3,377,383,844	3,555,288,699

Sd/-
Chief Executive

CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2023

	Nine months period ended		Quarter ended	
	Mar 31, 2023 Rupees	Mar 31, 2022 Rupees	Mar 31, 2023 Rupees	Mar 31, 2022 Rupees
Revenue from contracts	3,295,968,489	4,247,657,875	966,653,690	1,512,794,475
Cost of goods sold	(3,003,355,962)	(3,914,530,907)	(919,123,322)	(1,428,953,416)
Gross profit	292,612,527	333,126,968	47,530,368	83,841,059
Other income/ (loss)	4,445,475	2,369,026	2,239,173	(591,609)
Profit on trading	644,774	9,751,755	209,101	571,755
Selling & distribution expenses	(30,000,031)	(27,915,202)	(4,499,413)	(4,267,337)
Administrative expenses	(55,940,009)	(42,483,107)	(15,879,180)	(14,359,513)
Other operating expenses	(20,569,392)	(18,437,104)	(1,276,025)	(3,496,127)
	(101,419,183)	(76,714,632)	(19,206,344)	(22,142,831)
	191,193,344	256,412,336	28,324,024	61,698,228
Finance cost	(60,088,604)	(34,119,639)	(18,497,762)	(14,201,785)
Profit before taxation	131,104,740	222,292,697	9,826,262	47,496,443
Taxation	(34,310,716)	(45,531,123)	(1,778,275)	(16,071,308)
Profit after taxation	96,794,024	176,761,574	8,047,987	31,425,135
Earnings per share - basic and diluted	11.43	20.87	0.95	3.71

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD OF NINE MONTHS ENDED AT MARCH 31, 2023

- 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/-
Director

**CONDENSED INTERIM CASH FLOW STATEMENT
(UN-AUDITED) FOR THE PERIOD OF NINE MONTHS ENDED
MARCH 31, 2023**

	Mar 31, 2023	Mar 31, 2022
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	131,104,740	222,292,697
Adjustments for:		
Depreciation on property, plant and equipment	71,790,257	54,653,305
Provision for workers' profit participation fund	7,081,146	11,981,161
Provision for workers' welfare fund	2,667,444	4,552,841
Export rebates	-	(108,173)
Gain on disposal of property, plant and equipment	(2,117,130)	(1,007,490)
Dividend income	(915,716)	(8,000)
Provision for gratuity	14,280,379	-
Unrealized gain on remeasurement of short term investments	(116,912)	580,811
Exchange rate fluctuation loss	9,775,802	(120,917)
Gain on disposal of short term investment	(219,639)	-
Amortization of deferred government grant	-	(772,010)
Finance cost - net	60,088,604	34,119,639
	162,314,235	103,871,167
Cash flows before working capital changes	293,418,975	326,163,864
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(12,580,489)	5,294,794
Stock in trade	245,557,630	(400,086,531)
Trade debts	(79,312,123)	(90,615,892)
Loans and advances (excluding advance income tax)	(80,879,144)	(77,621,634)
Due from Government	(5,833,425)	(28,086,551)
Other receivables	463,400	(1,902)
Increase in current liabilities		
Trade and other payables	(186,920,197)	97,367,854
	(119,504,348)	(493,749,862)
Cash generated from / (used in) operations	173,914,627	(167,585,998)
Income tax paid - net	(18,942,480)	(54,217,976)
Finance cost paid - net	(62,762,030)	(26,308,917)
Long term deposits - net	(135,000)	674,800
Export rebates received	-	108,173
Paid to workers' profit participation fund	-	(10,926,109)
Staff gratuity paid	(10,677,890)	-
	(92,517,400)	(90,670,029)
Net cash generated / (used in) operating activities	81,397,227	(258,256,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(84,284,654)	(119,067,924)
Addition to capital work in progress	13,837,940	15,131,098
Short term investments	9,336,789	12,884,438
Proceeds from disposal of property, plant and equipment	45,710,000	5,341,700
Dividend received	915,716	8,000
Net cash used in investing activities	(14,484,209)	(85,702,688)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(9,470,048)	(8,786,079)
Long term finances (paid) / obtained	(63,533,132)	5,712,025
Lease finance obtained / (paid)	32,787,398	(1,590,359)
Repayment of GIDC	(875,884)	(7,815,168)
Short term finances - net	(25,924,613)	353,196,693
Net cash (used in) / generated from financing activities	(67,016,279)	340,717,112
Net increase / (decrease) in cash and cash equivalents	(103,261)	(3,241,603)
Cash and cash equivalents at the beginning of the year	1,850,882	4,442,391
Cash and cash equivalents at the end of the period	1,747,621	1,200,788

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED) FOR THE PERIOD OF NINE MONTHS ENDED
MARCH 31, 2023**

	Capital Reserves		Revenue Reserve	Total	
	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit		
Share capital	Rupees				
Balance as at June 30, 2021 (Audited)	84,715,354	32,746,284	343,783,721	860,441,793	1,321,687,152
Distribution to owners:					
Final cash dividend of Rs. 2.05 per share for the year ended June 30, 2021				(17,366,647)	(17,366,647)
Total comprehensive income for the period:					
Profit for the period	-	-	-	176,761,574	176,761,574
Other comprehensive income for the period	-	219,222,041	219,222,041	176,761,574	395,983,615
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	(10,592,951)	10,592,951	-
Balance as at March 31, 2022 (un-audited)	84,715,354	32,746,284	552,412,811	1,030,429,671	1,700,304,120
Total comprehensive income for the period:					
Profit for the period	-	-	-	24,560,451	24,560,451
Other comprehensive income for the period	-	-	1,068,725	24,560,451	1,068,725
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	(5,742,304)	5,742,304	-
Balance as at June 30, 2022 (Audited)	84,715,354	32,746,284	547,739,232	1,060,732,426	1,725,933,296
Distribution to owners:					
Final cash dividend of Rs. 22.5 per share for the year ended June 30, 2022				(19,060,954)	(19,060,954)
Total comprehensive income for the period:					
Profit for the period	-	-	-	96,794,024	96,794,024
Other comprehensive income for the period	-	-	-	96,794,024	96,794,024
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	(15,338,707)	15,338,707	-
Balance as at March 31, 2023 (Un-audited)	84,715,354	32,746,284	532,400,525	1,153,804,203	1,803,666,366

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED
MARCH 31, 2023**

	Nine months period ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	96,794,024	176,761,574	8,047,987	31,425,135
Other comprehensive income:				
<i>Items that will not be subsequently reclassified to profit or loss:</i>				
Revaluation surplus on property, plant and equipment	-	246,452,376	-	-
Related deferred tax thereon	-	(27,230,335)	-	-
	-	219,222,041	-	-
Total comprehensive income / (loss) for the period	96,794,024	395,983,615	8,047,987	31,425,135

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.

Sd/-
Chief Financial Officer

Multan
Dated: April 29, 2023

On behalf of the Board of Directors

Chief Executive Director

ڈائریکٹرز کی جائزہ رپورٹ

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

محترم حصہ داران!

ہمیں 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے لئے آپ کی کمپنی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرنے میں خوشی ہے۔

اضافہ/(کمی)	مارچ 2022 (روپوں میں)	مارچ 2023 (روپوں میں)	مالیاتی نتائج کا خلاصہ
(22.41)	4,247,657,875	3,295,968,489	کل رقم فروخت
(12.16)	333,126,968	292,612,527	کل منافع
13.20	7.84%	8.88%	معیاری تناسب
(45.24)	176,761,574	96,794,024	بعد ادا ہوئی ٹیکس منافع
(29.43)	4.16%	2.94%	خاص منافع کا تناسب
7.47	27,915,202	30,000,031	فروخت اور تقسیم کے اخراجات
31.68	42,483,107	55,940,009	ایگزٹریس کے اخراجات
11.57	18,437,104	20,569,392	دوسرے آپریٹنگ اخراجات
76.11	34,119,639	60,088,604	مالیاتی لاگت
(45.24)	20.87	11.43	نیٹ شیئر آمدنی

کاروباری امور کا جائزہ

اللہ تعالیٰ کے فضل و کرم سے کمپنی کی انتظامیہ نے تمام نامساعد حالات کے باوجود کامیابی کے ساتھ کمپنی کو منافع بخش ذون میں پہنچا دیا ہے۔ کمپنی کی فروخت روپے تک ریکارڈ کی گئی۔ 3,296 ملین روپے کے مقابلے میں 4,248 ملین اس طرح 22.41 فیصد کمی درج کی گئی۔ مجموعی منافع کا تناسب موجودہ مدت میں بہتری کا مظاہرہ کیا اور پچھلے عرصے میں ریکارڈ کردہ 7.84 فیصد کے مقابلے میں 8.88 فیصد رہا جو بنیادی طور پر فیورک کی برآمدی فروخت کے لئے بہتر فروخت کی قیمت میں اضافہ کی وجہ سے ہے۔ فروخت اور تقسیم کے اخراجات، انتظامی اور دیگر آپریشن کے اخراجات اعلیٰ سطح پر ریکارڈ کیے گئے ہیں جو بنیادی طور پر ملک میں موجودہ افراط زر سے منسوب ہیں۔ مالیاتی لاگت میں 76.11 فیصد اضافہ ہوا جس نے خالص منافع کو 4.16 فیصد (پچھلے عرصے میں رجسٹرڈ) سے 2.94 فیصد (موجودہ مدت میں رجسٹرڈ) کرنے میں بھی حصہ لیا۔

مستقبل کا نقطہ نظر:

”بے یقینی ہمیشہ تنگ پیدا کرتی ہے اور تنگ خوف پیدا کرتا ہے“۔ ٹیکسٹائل انڈسٹری کا مستقبل اب بھی غیر یقینی اور مبہم ہے۔ ایک طرف، ملک میں سیاسی اور اقتصادی عدم استحکام، اعلیٰ قیمت کے ساتھ خام مال کی قلت، محدود درآمدات، ایڈمن اور ٹیکس کی بلند شرحیں اور غیر معمولی بلند شرح سود کا مشاہدہ کیا گیا ہے۔ دوسری جانب مقامی مارکیٹ میں ٹیکسٹائل مصنوعات کی طلب چلی سٹاپ پر دیکھی گئی ہے جو کہ بیرونی ممالک میں صارفین کی زندگی کے اخراجات میں اضافے کی وجہ سے بین الاقوامی منڈیوں میں طلب میں کمی کی باعث مزید بڑھ گئی ہے۔ نتیجتاً، ٹیکسٹائل انڈسٹری لاگت میں اضافہ اپنے صارفین تک پہنچانے سے قاصر ہے جس کے نتیجے میں صنعت کے منافع میں نمایاں کمی آئی ہے۔ نتیجتاً، اگلی سہ ماہی ٹیکسٹائل انڈسٹری کے لیے اب بھی چیلنجنگ تصور کی گئی ہے۔

موجودہ صورتحال کے تناظر میں، آپ کی کمپنی کی انتظامیہ نے فعال طور پر کام کیا اور 27 جنوری 2022 کو KWP 988.9 کی دہریہ بندی کی صلاحیت کے ساتھ سولر سسٹم کو کامیابی سے شروع کیا۔ منصوبے کی مالی اعانت کے لیے بینکوں کے ساتھ بات چیت کو حتمی شکل دینے کا عمل جاری ہے۔

اعتراف

خام مال کی قیمتوں اور دیگر ان پٹ اخراجات کے بڑھتے ہوئے رجحان کے علاوہ، آپ کے ڈائریکٹرز سیکڑ کو بہتر بنانے، کاروبار کرنے کی لاگت کو کم کرنے اور زیادہ منافع کو برقرار رکھنے کے لیے پرعزم ہیں۔ ہم امید کرتے ہیں کہ کاروباری لاگت میں کمی کے لیے آپ کے تمام ڈائریکٹرز کی مخلصانہ کوششیں؛ اس کے نتیجے میں شیئر ہولڈر کی دولت اور آپ کی کمپنی میں اسٹیک ہولڈر کی دلچسپی میں اضافہ ہوگا۔

بورڈ آف ڈائریکٹرز کی جانب سے

ملتان

چیف ایگزیکٹو

29 اپریل 2023

ڈائریکٹر

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MULTAN

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