



Half Yearly Report

For the half year ended December 31, 2023

(Reviewed)

Ahmad Hassan Textile Mills Ltd.



COMPANY PROFILE

BOARD OF DIRECTORS

<i>Chairperson</i>	Mrs. Salma Javed	Non-Executive Director
<i>Directors</i>	Mian Muhammad Javed	Executive Director
	Mr. Muhammad Haris	Executive Director
	Mrs. Bushra Ali	Non-Executive Director
	Mr. Haseeb Haris Mughal	Non-Executive Director
	Mr. Ali Kamal	Independent Director
	Mr Nazir Ahmad Khan	Independent Director

AUDIT COMMITTEE

<i>Chairman</i>	Mr. Nazir Ahmad Khan	Independent Director
<i>Members</i>	Mr. Haseeb Haris Mughal	Non-Executive Director
	Mrs. Salma Javed	Non-Executive Director

HR & R COMMITTEE

<i>Chairman</i>	Mr. Nazir Ahmad	Independent Director
<i>Members</i>	Mr. Muhammad Haris	Executive Director
	Mrs. Salma Javed	Non-Executive Director

CHIEF FINANCIAL OFFICER Jamal Ahmed

HEAD OF INTERNAL AUDIT Rao Saqib Ali

COMPANY SECRETARY Muhammad Nafees Ahmad Rahi

AUDITORS M/s Yousuf Adil (Chartered Accountants)

BANKERS Bank Al-Habib Limited
Allied Bank Limited
Bank Al-Falah Limited
Soneri Bank Limited
National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited

REGISTERED OFFICE 46 - Hassan Parwana Colony, Multan.

MILLS M.M. Road, Chowk Sarwar Shaheed,
Distt. Muzaffargarh.

SHARES REGISTRAR M/s Vision Consulting Limited
5-C, LDA Flats, Lawarnce Road, Lahore.



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 six months ended December 31, 2023.

SUMMARIZED FINANCIAL RESULTS:

Summary of Profit and Loss	Dec. 2023 (Rupees)	Dec. 2022 (Rupees)	Increase/ (decrease)
Sales-Net	2,497,761,628	2,329,314,799	7.23%
Gross Profit	165,215,442	247,082,159	-33.13%
Profit before taxation	78,873,324	136,209,882	-42.09%
Profit after taxation	35,319,247	88,746,037	-60.20%
Selling & Distribution Exp.	21,479,995	18,816,952	14.15%
Administrative expenses	36,500,422	33,813,091	7.95%
Other Operating expenses	5,703,399	19,293,367	-70.44%
Finance cost	54,266,077	41,590,842	30.48%
Earnings per share	4.17	10.48	-60.21%

REVIEW OF OPERATING RESULT

Despite challenging circumstances faced by the textile industry, the management of your Company got successfully landed the Company into profitability zone. Sales revenue of the Company registered minor increase of 7% as compared to the preceding period. Whereas gross profit squeezed by 33% in current period which is mainly attributable to increase of yarn as well as power & fuel cost. Due to decrease of gross profit coupled with increase of financial cost by 30%, net profitability of the Company decreased by 60% in current period. Minor increase in Selling & distribution expenses and Administrative expenses was observed in current period which is attributable to inflation. Due to reduction of profitability, provision of WPPF & WWF recorded on lower side thus causing reduction of other operating expenses by 70% in current period as compared to corresponding period.

FUTURE OUTLOOK

Political instability is considered as one of the significant factor of poor economic growth. Complex economic situation is foreseen in the country due to challenges like political instability, high inflation rate, devaluation of currency and high level of sovereign debt.

Despite severe business slump been observed in the Textile industry since 2022, the government has withdrawn all subsidies leading to increase cost of electricity significantly. It is envisaged that cost of electricity is going to further increase due to commitment of the government with IMF for supply of gas to captive power producer at full RLNG rates. In addition therewith, increase of minimum wages rate to Rupees



thirty two thousand, increase of prices of raw material and high interest rate has significantly increased cost of doing business which in turn has resulted to potentially squeeze profitability of textile sector. On the demand side, export sales of textiles products showing continuously declining trend and demand in local market is already under stress thus unable to absorb completely textile produce. Owing to declining demand of textile products, prices of textile products have not been escalating to such level that equalizes with increase in prices of input products. At this critical juncture of time, Council of common interest recently made amendment in petroleum policy 2012 whereby gas producers would be entitled to sell up to 35 percent of their own gas to third parties. This action subject to approval of IMF if materializes will result to reduction of electricity cost. It is expected that current crises may continue till the end of current calendar year 2024.

Keeping in view of current economic scenario, management of your company has been acting proactively to reduce controllable costs. In pursuance thereto, your Company successfully commissioned solar system having rated capacity of 988.9 KWP on January 27, 2022 financed by ABL under LTFF facility of SBP. While another solar system having rated capacity of 892.8 KWP financed by NBP recently commissioned by the Company on January 01, 2024.

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.

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 behalf of the Board of Directors

Chief Executive

Director

Multan

Dated; February 24, 2024

ڈائریکٹرز کی جائزہ رپورٹ

عزیز شیئر ہولڈرز!

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

اضافہ/ (کمی) %	دسمبر 2022	دسمبر 2023	خلاصہ کردہ مالی نتائج:
7.23%	2,329,314,799	2,497,761,628	کل رقم فروختگی
-33.13%	247,082,159	165,215,442	کل منافع
-42.09%	136,209,882	78,873,324	ٹیکس سے قبل منافع
-60.20%	88,746,037	35,319,247	ٹیکس کے بعد منافع
14.15%	18,816,952	21,479,995	فروخت اور تقسیم کے اخراجات
7.95%	33,813,091	36,500,422	انتظامی اخراجات
-70.44%	19,293,367	5,703,399	دیگر آپریٹنگ اخراجات
30.48%	41,590,842	54,266,077	مالیاتی لاگت
-60.21%	10.48	4.17	نی شیئر آمدنی

کاروباری امور کا جائزہ

ٹیکسٹائل انڈسٹری کو درپیش مشکل حالات کے باوجود آپ کی کمپنی کی انتظامیہ نے کامیابی کے ساتھ کمپنی کو منافع بخش زون میں پہنچا دیا۔ کمپنی کی سیلز ریویو میں گزشتہ مدت کے مقابلے میں 7% کا معمولی اضافہ درج کیا گیا ہے۔ جبکہ مجموعی منافع میں موجودہ مدت میں 33% کمی واقع ہوئی ہے جو بنیادی طور پر یارن کے ساتھ ساتھ بجلی اور ایندھن کی قیمت میں اضافے سے منسوب ہے۔ مجموعی منافع میں کمی اور مالیاتی لاگت میں 30% اضافے کی وجہ سے، موجودہ مدت میں کمپنی کے خالص منافع میں 60% کمی واقع ہوئی۔ موجودہ مدت میں فروخت اور تقسیم کے اخراجات اور انتظامی اخراجات میں معمولی اضافہ دیکھا گیا جس کی وجہ افراط زر ہے۔ منافع میں کمی کی وجہ سے، WPPF اور WWF کی فراہمی چلی طرف ریکارڈ کی گئی اس طرح اسی مدت کے مقابلے میں موجودہ مدت میں دیگر آپریٹنگ اخراجات میں 70 فیصد کمی واقع ہوئی۔

مستقبل کا نقطہ نظر

سیاسی عدم استحکام کو کمزور اقتصادی ترقی کا ایک اہم عنصر سمجھا جاتا ہے۔ سیاسی عدم استحکام، مہنگائی کی بلند شرح، کرنسی کی قدر میں کمی اور خود مختار قرضوں کی بلند سطح جیسے چیلنجوں کی وجہ سے ملک میں پیچیدہ اقتصادی صورتحال کا اندازہ لگایا جا رہا ہے۔

2022 سے ٹیکسٹائل انڈسٹری میں شدید کاروباری مندی دیکھنے کے باوجود، حکومت نے تمام سبسڈیز واپس لے لی ہیں جس کی وجہ سے بجلی کی قیمت میں نمایاں اضافہ ہوا ہے۔ یہ تصور کیا جاتا ہے کہ حکومت کی آئی ایم ایف کے ساتھ کمپیٹیو پاور پروڈیوسر کو مکمل آر ایل این جی نرخوں پر ٹیکس کی فراہمی کی عزم کی وجہ سے بجلی کی قیمت میں مزید اضافہ ہونے والا ہے۔ اس کے علاوہ کم از کم اجرت کی شرح میں بتیس ہزار روپے تک اضافہ، خام مال کی قیمتوں میں اضافے اور سود کی بلند شرح نے کاروبار کرنے کی لاگت میں نمایاں اضافہ کیا ہے جس کے نتیجے میں ٹیکسٹائل سیکٹر کے منافع کو ممکنہ طور پر نچوڑ دیا گیا ہے۔ ڈیمانڈ کی طرف،

ٹیکسٹائل مصنوعات کی برآمدی فروخت مقامی مارکیٹ میں مسلسل گرتے ہوئے رجحان اور طلب کو ظاہر کرتی ہے، پہلے ہی دباؤ کا شکار ہے اس لیے ٹیکسٹائل کی پیداوار مکمل طور پر جذب کرنے سے قاصر ہے۔ ٹیکسٹائل مصنوعات کی مانگ میں کمی کی وجہ سے ٹیکسٹائل مصنوعات کی قیمتیں اس حد تک نہیں بڑھ رہی ہیں جو ان پٹ مصنوعات کی قیمتوں میں اضافے کے برابر ہو۔ وقت کے اس نازک موڑ پر، مشترکہ مفادات کی کونسل نے حال ہی میں پٹرولیم پالیسی 2012 میں ترمیم کی ہے جس کے تحت گیس پیدا کرنے والے اپنی گیس کا 35 فیصد تک تیسرے فریق کو فروخت کرنے کے حقدار ہوں گے۔ یہ کارروائی آئی ایم ایف کی منظوری سے مشروط ہے اگر عملی ہوتی ہے تو اس کے نتیجے میں بجلی کی لاگت میں کمی کی آئے گی۔ توقع ہے کہ موجودہ بحران موجودہ کیلنڈر سال 2024 کے اختتام تک جاری رہ سکتے ہیں۔

موجودہ معاشی منظر نامے کو مد نظر رکھتے ہوئے، آپ کی کمپنی کی انتظامیہ قابل کنٹرول اخراجات کو کم کرنے کے لیے فعال طور پر کام کر رہی ہے۔ اس کی تعمیل میں، آپ کی کمپنی نے 27 جنوری 2022 کو KWP 988.9 کی درجہ بندی کی صلاحیت کے ساتھ SBP کی LTFF سہولت کے تحت ABL کی مالی اعانت کے ساتھ سولر سٹم کو کامیابی کے ساتھ شروع کیا۔ جبکہ KWP 892.8 کی ریٹیڈ صلاحیت کے ساتھ ایک اور سولر سٹم NBP کے ذریعے حال ہی میں 01 جنوری 2024 کو کمپنی کے ذریعے شروع کیا گیا۔

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۔

اعتراف

ہم امید کرتے ہیں 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۔

بورڈ آف ڈائریکٹرز کی طرف سے

ملتان:

ڈائریکٹر

چیف ایگزیکٹو

24 فروری 2024



INDEPENDENT AUDITOR’S REVIEW REPORT
To the members of Ahmad Hassan Textile Mills Limited
Report on review of interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Ahmad Hassan Textile Mills Limited** (the Company) as at December 31, 2023 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

Chartered Accountants

Multan

Date: 27 February, 2024

UDIN: RR20231008810Isb3wuP



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
ASSETS	Note	Rupees	Rupees
Non-current assets			
Property, plant and equipment	3	1,675,590,544	1,636,465,404
Investment Property	4	29,514,550	-
Long term deposits		11,847,375	11,847,375
		1,716,952,469	1,648,312,779
Current assets			
Stores and spares		45,046,314	50,775,618
Stock in trade	5	1,114,730,490	1,115,879,467
Trade debts		258,252,919	226,426,757
Loans, advances and prepayments		46,823,399	55,202,258
Due from government		293,485,349	207,581,898
Short term Investment		29,279,277	18,382,292
Other receivables		3,248,104	3,343,355
Cash and bank balances		13,678,645	17,174,375
		1,804,544,497	1,694,766,020
Total assets		3,521,496,966	3,343,078,799
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		84,715,354	84,715,354
Share premium		32,746,284	32,746,284
Surplus on revaluation of property plant and equipment - net of deferred tax		517,680,682	527,309,623
Unappropriated profit		1,193,613,711	1,155,019,175
		1,828,756,031	1,799,790,436
Subordinated loans		62,500,000	62,500,000
Non-current liabilities			
Long term financing	6	212,447,956	150,652,445
Lease liabilities		24,955,318	27,774,501
Deferred taxation		99,396,865	90,303,690
Gas infrastructure development cess		-	12,953,609
		336,800,139	281,684,244
Current liabilities			
Trade and other payables		748,047,438	700,379,910
Short term borrowings	7	387,563,289	343,631,499
Current portion of non-current liabilities		98,889,062	86,167,004
Accrued mark up		21,044,909	16,828,026
Unclaimed dividend		7,761,633	3,722,109
Provision for taxation		30,134,465	48,375,571
		1,293,440,796	1,199,104,119
Contingencies and commitments	8		
Total equity and liabilities		3,521,496,966	3,343,078,799

The annexed notes from 1 to 15 form an integral part of these interim financial statements

Sd/-
CHIEF EXECUTIVE

Sd/-
DIRECTOR

Sd/-
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

Six month period ended Three month period ended		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
	----- Rupees -----				
Revenue from contracts - net	9	2,497,761,628	2,329,314,799	1,201,965,601	944,336,610
Cost of goods sold	10	(2,332,546,186)	(2,082,232,640)	(1,119,981,131)	(849,421,932)
Gross profit		165,215,442	247,082,159	81,984,470	94,914,678
Profit on trading		8,820	435,673	8,820	435,673
Other income		31,598,959	2,206,302	21,713,802	1,543,168
		196,823,221	249,724,134	103,698,272	96,893,519
Selling and distribution expense		(21,479,995)	(18,816,952)	(9,065,990)	(13,285,721)
Administrative expenses		(36,500,422)	(33,813,091)	(15,019,509)	(16,227,907)
Other operating expenses		(5,703,399)	(19,293,367)	(3,961,850)	(4,156,170)
		(63,683,816)	(71,923,410)	(28,047,349)	(33,669,798)
Finance cost		(54,266,077)	(41,590,842)	(25,498,225)	(20,688,846)
Profit before taxation		78,873,328	136,209,882	50,152,698	42,534,875
Taxation		(43,554,081)	(47,463,845)	(31,999,289)	(30,025,991)
Profit after taxation		35,319,247	88,746,037	18,153,409	12,508,884
Earnings per share - basic and diluted		4.17	10.48	2.14	1.48

The annexed notes from 1 to 15 form an integral part of these interim financial statements



**CONDENSED INTERIM STATEMENT OF
OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	...Six month period ended ... December 31, 2023	December 31, 2022	...Three month period ended ... December 31, 2023	December 31, 2022
	----- Rupees -----			
Profit for the period	35,319,247	88,766,037	18,153,409	12,508,884
Other comprehensive income:	-	-	-	-
Total comprehensive income for the period	35,319,247	88,766,037	18,153,409	12,508,884

The annexed notes from 1 to 15 form an integral part of these interim financial statements



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Share capital	Share premium	Capital Reserve		Unappropriated profit	Subordinated loans	Total
			Surplus on revaluation of property, plant and equipment				
Rupees							
Balance as at July 01, 2022	84,715,354	32,746,284	547,739,232	1,060,732,426	62,500,000	1,788,433,296	
Profit for the six months period ended December 31, 2022	-	-	-	88,746,037	-	88,746,037	
Other comprehensive (loss) for the period	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	88,746,037	-	88,746,037	
Transactions with shareholders:							
Dividend for the year ended June 30, 2022 @ Rs. 2.25 per Share	-	-	-	(19,060,955)	-	(19,060,955)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	(10,251,928)	10,251,928	-	-	
Balance as at December 31, 2022	84,715,354	32,746,284	537,487,304	1,140,669,436	62,500,000	1,858,118,378	
Balance as at July 01, 2023	84,715,354	32,746,284	527,309,623	1,155,019,175	62,500,000	1,862,290,436	
Profit for the six months period ended December 31, 2023	-	-	-	35,319,247	-	35,319,247	
Other comprehensive (loss) for the period	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	35,319,247	-	35,319,247	
Transactions with shareholders:							
Dividend for the year ended June 30, 2023 @ Rs. 0.75 per Share	-	-	-	(6,353,652)	-	(6,353,652)	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	(9,628,941)	9,628,941	-	-	
Balance as at December 31, 2023	84,715,354	32,746,284	517,680,682	1,193,613,711	62,500,000	1,891,256,031	

Sd/-
CHIEF EXECUTIVE

Sd/-
DIRECTOR

Sd/-
CHIEF FINANCIAL OFFICER

The annexed notes from 1 to 15 form an integral part of these interim financial statements



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

Six month period ended....	
	December 31, 2023 Rupees	December 31, 2022 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	78,873,328	136,209,882
Adjustments for :		
Depreciation on property, plant and equipment	42,110,885	46,953,027
Finance cost - net	54,266,077	41,590,842
Provision for workers' profit participation fund	4,092,121	7,343,093
Provision for workers' welfare fund	1,579,278	2,783,533
Provision for gratuity	8,970,054	9,527,775
Exchange rate fluctuation gain	(28,552,246)	8,136,741
Loss/(gain) on disposal of short term investment	(1,338,441)	(207,592)
Unrealized (gain) / loss on remeasurement of short term investments	(1,214,073)	(570,232)
Amortization of deferred government grant	-	(102,496)
Gain on disposal of property, plant and equipment	(494,192)	(67,400)
	79,419,463	115,387,291
Operating cash flows before working capital changes	158,292,791	251,597,173
(Increase) / decrease in current assets		
Stores and spares	5,729,304	(19,229,854)
Stock in trade	1,148,977	289,199,376
Trade debts	(3,273,916)	5,453,631
Loans and advances (excluding advance income tax)	(12,510,069)	(33,120,227)
Due from government	(92,924,578)	(61,179,092)
Other receivables	95,251	3,500
	(101,735,031)	181,127,334
(Decrease) / increase in current liabilities		
Trade and other payables	53,773,518	(270,436,790)
Cash generated from operations	110,331,278	162,287,717
Income tax paid - net	(24,791,957)	(5,836,772)
Finance cost paid - net	(49,050,713)	(43,521,888)
Gratuity paid	(8,970,054)	(9,527,775)
Paid to WPPP	(12,775,872)	-
	(95,588,596)	(58,886,435)
Net cash generated from operating activities	14,742,682	103,401,283
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(783,895)	(46,179,114)
Additions to capital work in progress	(110,022,488)	(1,193,605)
Short term investments-net	(8,344,471)	10,114,235
Proceeds from disposal of property, plant and equipment	550,000	38,795,270
Net cash (used in) / generated from investing activities	(118,600,854)	1,536,786
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finance	(34,103,741)	(49,595,977)
Long term finance obtained	95,555,040	-
Short term finances - net	(140,053,336)	54,330,188
Lease obtained during the period	-	36,000,000
Repayment of principal portion of lease liabilities	(2,706,520)	(2,383,247)
Dividend paid	(2,314,128)	(6,934,191)
Repayment of GIDC	-	(2,162,390)
	(83,622,685)	29,254,383
Net increase in cash and cash equivalents (A+B+C)	(187,480,856)	134,192,452
Cash and cash equivalents at beginning of the period	(88,554,006)	(182,932,392)
Cash and cash equivalents at end of the period	(276,034,862)	(48,739,940)

The annexed notes from 1 to 15 form an integral part of these interim financial statements

Sd/-
CHIEF EXECUTIVE

Sd/-
DIRECTOR

Sd/-
CHIEF FINANCIAL OFFICER



**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

1. LEGAL STATUS

- 1.1 Ahmad Hassan Textile Mills Limited (the Company) was incorporated in Pakistan on December 03, 1989 as a Public Limited Company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacturing and sale of fabric. Registered / Head office of the Company is situated at 46-Hassan Parwana Colony, Multan, while the mill of the Company is located at M.M. Road, Chowk Sarwar Shaheed, District Muzaffargarh having area of 83 Kanals and 04 Marlas.
- 1.2 These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. Material Accounting Policy Information

2.1 Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These interim financial statements are unaudited but subject to limited scope review by auditors and is being submitted to the shareholders as required under Section 237 of the Act.

- 2.2 These condensed interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with annual audited financial statements for the year ended June 30, 2023. Comparative condensed interim statement of financial position has been extracted from annual audited financial statements for the year ended June 30, 2023 whereas comparative condensed interim statement of profit or loss and condensed interim statement of comprehensive income, comparative condensed interim statement of changes in equity and comparative condensed interim statement of cash flows have been extracted from un-audited condensed interim financial statements for the six months period ended December 31, 2022.

2.3 Accounting policies and methods of computation

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2023 except for those mentioned in note 2.4 & 2.5.

- 2.4 Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2023, which do not have any impact on the Company's financial reporting other than as disclosed following:

During the period, the Company adopted Disclosures of Accounting Policies (Amendment to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

2.5 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Any gain or loss on disposal of investment property, calculated as difference between the proceed from disposal and the carrying amount is recognised in the statement of profit or loss.



		(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
3. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	3.1	1,564,698,290	1,606,081,088
Capital work-in-progress	3.2	110,892,254	30,384,316
		<u>1,675,590,544</u>	<u>1,636,465,404</u>
3.1 Operating assets			
Opening carrying value- operating assets		1,574,422,955	1,657,722,900
Opening carrying value- right of use assets		31,658,133	2,072,666
		<u>1,606,081,088</u>	<u>1,659,795,566</u>
Additions during the period / year			
Plant and machinery		430,000	8,423,618
Electric installations		-	55,000
Office equipment		305,395	186,000
Computer equipment		48,500	240,482
Furniture & fixtures		-	150,671
Vehicles- owned		-	39,643,425
Vehicles- right of use asset		-	36,000,000
		<u>783,895</u>	<u>84,699,196</u>
Disposal for the period/year		(55,808)	(43,592,870)
Depreciation charge for the period/year		(38,945,072)	(88,406,271)
Depreciation charge for the period/year- right of use assets		(3,165,813)	(6,414,533)
		<u>1,564,698,290</u>	<u>1,606,081,088</u>
Closing carrying value			
Closing carrying value -operating fixed assets		1,536,205,970	1,574,422,955
Closing carrying value- right of use assets		28,492,320	31,658,133
		<u>1,564,698,290</u>	<u>1,606,081,088</u>
3.2 Capital Work in progress			
Opening carrying value		30,384,316	31,881,940
Additions during the period/ year		110,022,488	30,384,316
Capitalized during the period/ year		(29,514,550)	(31,881,940)
Closing carrying value		<u>110,892,254</u>	<u>30,384,316</u>
4. Investment property			
Investment property comprises of agricultural land held by the Company for capital appreciation purposes, and is not currently in use by the Company for business purposes. The investment property is located at Mattital road, District Multan.			
		(Unaudited) December 31, 2023 Rupees	(Audited) June 30, 2023 Rupees
5. STOCK IN TRADE			
Raw materials		314,408,415	262,913,431
Work in process		76,716,324	71,121,407
Finished goods - fabrics		723,605,751	781,844,629
		<u>1,114,730,490</u>	<u>1,115,879,467</u>

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
		Rupees	Rupees
6. LONG TERM FINANCING	Note		
<i>From banking companies - secured</i>			
Allied Bank Limited			
- LTFF II	6.1	37,131,166	49,508,220
- LTFF IV	6.2	53,515,423	59,148,623
		90,646,589	108,656,843
National Bank of Pakistan			
- LTFF II	6.3	185,496,034	103,778,075
Soneri Bank Limited			
- Term Finance	6.4	4,168,598	6,425,006
Current portion of long term loans		(67,863,265)	(68,207,479)
		212,447,956	150,652,445

6.1 Allied Bank Limited - LTFF II

This finance has been obtained from Allied Bank Limited (ABL) for purchase of plant and machinery (Looms). The loan is repayable in 12 equal half yearly installments commenced from October 24, 2018. It carries mark up at rate of SBP + 1.5% and secured against joint pari passu charge on present and future fixed assets of the company.

6.2 Allied Bank Limited - LTFF IV

This finance has been obtained from Allied Bank Limited (ABL) under SBP financing scheme for renewable energy for purchase of solar system. Loan is repayable in 27 equal quarterly installments commencing from February 2022 with 3 months grace period. This loan is secured against exclusive charge amounting to Rs. 96 million over specific machinery of solar system. It carries mark up at rate of SBP rate + 2%.

6.3 National Bank of Pakistan - LTFF II

This finance has been obtained from National Bank of Pakistan to finance property plant and equipment (Toyota Air Jet Looms) under SBP's Refinance Scheme & wages and is repayable in 24 equal quarterly instalments commencing from May 2020 with 18 months grace period. This loan is secured against first pari passu charge on present and future fixed asset of the company. It carries mark up at SBP rate + 1.5%.

6.4 Soneri Bank Limited - Term finance

This finance has been obtained from Soneri Bank Limited for import of spare parts for over hauling of generators. This facility is repayable in at sight/LC to retired from follow on TF facility. It carries mark up at 3MK + 1.5%. This loan is secured against specific charge of Rs. 26.7 million over three gas generator JGS-320 and personal guarantees of directors of the company.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
		Rupees	Rupees
7. SHORT TERM BORROWINGS	Note		
From banking companies			
Secured - under markup arrangements			
Cash finance	7.1	97,849,782	202,903,118
Running finance	7.2	289,713,507	105,728,381
Finance against packing credit		-	35,000,000
		387,563,289	343,631,499



- 7.1 These cash finance facilities have been obtained from various commercial banks for working capital requirements, and are secured against personal guarantee of directors and pledge of stock of the company of the Company. Cash finance facilities carry mark up at the rates ranging from 22.10% to 22.53% per annum (2023: 12.64% to 22.98% per annum).
- 7.2 These facilities have been obtained from various banks for working capital requirements, and are secured against joint pari passu charge over all present and future current assets of the company. Running finance facilities carry mark up at the rates ranging from 21.46% to 22.90% per annum (2023: 16.16% to 23.08% per annum).

8. CONTINGENCIES AND COMMITMENTS

- 8.1 There is no significant change in status of contingent liabilities since the annual financial statements as at June 30, 2023.
- 8.2 The Company's commitments against capital expenditure as at December 31, 2023 amount to Rs. Nil (June 30, 2023: Nil). The Company's commitments other than capital expenditure; against letters of credits outstanding as at December 31, 2023 amount to Rs. Nil (June 30, 2023: Nil).

----- (Unaudited) -----					
		...Six month period endedThree month period ended ...	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		Rupees	Rupees	Rupees	Rupees
9. REVENUE FROM					
	- CONTRACTS				
	Local	1,635,600,732	1,304,056,345	750,049,776	774,348,667
	Export	862,160,896	1,025,258,454	451,915,825	169,987,943
		2,497,761,628	2,329,314,799	1,201,965,601	944,336,610
10. COST OF GOODS SOLD					
	Raw materials consumed	1,868,632,333	1,572,126,605	915,634,212	586,613,498
	Salaries, wages and benefits	110,553,862	115,111,115	58,566,140	55,223,812
	Stores consumed	33,490,286	45,433,238	16,682,549	19,155,855
	Chemical consumed	30,344,186	31,276,955	16,596,726	12,850,179
	Packing materials consumed	6,473,963	4,695,783	3,369,382	2,023,039
	Power and fuel	189,032,698	128,426,383	107,019,396	25,966,416
	Repair and maintenance	1,267,261	749,120	560,426	288,995
	Insurance	4,153,007	3,758,299	1,881,430	1,810,812
	Rent, rates and taxes	331,010	331,017	-	194,197
	Depreciation	35,623,619	37,386,447	17,819,560	18,734,069
		2,279,902,225	1,939,294,962	1,138,129,821	722,860,872
	Work-in-process				
	Opening stock	71,121,407	86,814,948	95,825,367	95,825,367
	Closing stock	(76,716,324)	(56,484,944)	(76,716,324)	(56,484,944)
		(5,594,917)	30,330,004	19,109,043	39,340,423
	Cost of goods manufactured	2,274,307,308	1,969,624,966	1,157,238,864	762,201,295
	Finished goods				
	Opening stock	781,844,629	956,572,372	931,185,335	931,185,335
	Closing stock	(723,605,751)	(843,964,698)	(723,605,751)	(843,964,698)
		58,238,878	112,607,674	207,579,584	87,220,637
		2,332,546,186	2,082,232,640	1,364,818,448	849,421,932

11. RELATED PARTY TRANSACTIONS

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with related parties. Significant transactions with related parties are as follows:

<u>Relationship and nature of transaction</u>	----- (Unaudited) -----			
	Six month period ended		Three month period ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Chief executive:				
- Managerial remuneration	2,605,680	2,250,000	1,302,840	1,125,000
- Dividend	1,929,390	4,276,814	1,929,390	4,276,814
Directors :				
- Managerial remuneration	2,250,000	2,250,000	1,125,000	1,125,000
- Meeting fee	42,000	26,000	14,500	-
- Dividend	1,431,163	4,090,023	1,431,163	4,090,023
Shareholders - dividend	2,993,099	3,163,883	2,993,099	3,163,883
Executives / key management personnel :				
- Advances (received back) / given - net		-	-	-
- Remuneration and benefits	2,496,000	-	1,248,000	-

11.1 All transactions with related parties have been carried out on agreed terms and conditions.

12. FAIR VALUE MEASUREMENTS

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Information about fair value hierarchy and asset classified under the hierarchy are as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derive from prices).
- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

12.1 Fair value of property, plant and equipment

The Company follows the revaluation model for its free hold land, building on free hold land, plant and machinery. The fair value measurement as at March 17, 2022 was performed by K Associates (Private) Limited, independent valuer not related to the Company. K.G Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value of these assets was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In estimating the fair value of free hold land, building on free hold land, plant and machinery the highest and best use of these assets is their current use.

	----- (Unaudited) -----		
	December 31, 2023		
	Level 1	Level 2	Level 3
	-----Rupees-----		
Property, plant and equipment			
Freehold lands	-	74,880,000	-
Buildings on freehold lands	-	-	-
- Factory	-	225,616,408	-
- Residential	-	62,391,613	-
- Plant and machinery	-	1,104,938,501	-
Short term investment		29,279,277	
	-	1,467,826,522	-



	------(Audited)-----		
	June 30, 2023		
	Level 1	Level 2	Level 3
	-----Rupees-----		
Property, plant and equipment			
Freehold lands	-	74,880,000	-
Buildings on freehold lands	-		-
- Factory	-	231,401,444	-
- Residential	-	63,991,398	-
- Plant and machinery	-	1,132,845,130	-
Short term investment		18,382,292	
	-	1,521,500,264	-

Other than this the fair value of all financial assets and financial liabilities are approximat e to their carrying value. There were no tranfers between levels during the period.

13. FINANCIAL RISK MANAGEMENT

The Company's risk management objectives and policies are consistent with those objectives and policies which were disclosed in the annual audited financial statements of the Company as at and for the year ended June 30, 2023.

14. DATE OF AUTHORIZATION OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were authorized for issue on 24-02-2024 by the Board of Directors of the Company.

15. FIGURES

Figures have been rounded-off to the nearest rupee except stated otherwise.

AHMAD HASSAN TEXTILE MILLS LIMITED

46 - Hassan Parwana Colony,
MULTAN, PAKISTAN.

Tel: +92-(061)-4512933,4512362

Fax: +92-(061)-4512361

E-mail: sec@ahtml.com.pk, Web: www.ahtml.com.pk