

ACCOUNTS

**For the Third Quarter &
Nine Months Period Ended
March 31, 2024
(Un-Audited)**



**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 nine months ended March 31, 2024.

SUMMARIZED FINANCIAL RESULTS:

Particulars	March 31, 2024	March 31, 2023	Increase (Decrease)
	(Rupees)	(Rupees)	(%)
Sales-Net	3,841,947,746	3,295,968,489	17
Gross Profit	211,296,875	292,612,527	(28)
Distribution cost	28,199,282	30,000,031	(6)
Administrative Expenses	55,919,940	55,940,009	(0)
Other Operating Expenses	5,718,399	20,569,392	(72)
Finance Cost	91,991,371	60,008,604	53
Profit after Taxation	37,656,018	96,794,024	(61)
Earnings Per Share	4.45	11.43	(61)

REVIEW OF FINANCIAL RESULTS:

Despite increase of sales by 17%, GP to sales ratio reduced from 8.88% to 5.50% which is majorly attributable to increase of Power & Fuel, raw material, salaries & wages costs as compared to preceding period. Furthermore, net profit for the current period also eroded due to increase of financial cost by 53% as compared to preceding period. Distribution & Administrative costs almost stood at the same level as recorded in corresponding period.

FUTURE OUTLOOK

Current year is equally challenging for textile industry as it was observed in the last year. The issues faced by the textile industry in 2023 still persist in the current year. Inflation is effecting all over the world but more significantly to Pakistan which has caused to suppress consumer demand of textiles products. War between Ukraine and Russia is another issue, which is fuelled by Middle East unrest, which has not only effected demand of textile products internationally but also disrupted trade routes and triggered energy crisis. Pakistan has lost export of almost \$1.8 billion during FY23, a decline of 9.82%. For FY24, the government has set a textile export target of \$25 billion. Industry stakeholders believe that the country cannot achieve its stated export target for textiles due to overall economic & political uncertainties, high energy prices. High markups and ballooning circular debt of energy sector in Pakistan. We reiterate that Textile Industry having no power line losses, rate be charged on actual distribution rate without being burdened by other inefficiencies.

It is envisaged that textile units focusing on production efficiencies, cost



competitiveness and better customer services will be able to survive in these unprecedented challenging circumstances.

Keeping in view of current economic scenario, management of your company has been acting proactively to reduce controllable costs. In pursuance thereto, your Company is focusing on cheaper source of electricity generation available in market with minimal financial cost.

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 the behalf of the Board of Directors

Chief Executive

Director

Multan

Dated: April 29, 2024

ڈائریکٹرز کی جائزہ رپورٹ

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

محترم حصہ داران!

ہمیں 31 مارچ 2024 کو ختم ہونے والے نو ماہ کے لئے آپ کی کمپنی کے غیر آڈٹ شدہ اکاؤنٹس پیش کرنے میں خوشی ہے۔

مالیاتی نتائج کا خلاصہ	مارچ 2024 (روپوں میں)	مارچ 2023 (روپوں میں)	اضافہ/(کمی) %
کل رقم فریجنگی	3,841,947,746	3,295,968,489	17
کل منافع	211,296,875	292,612,527	(28)
فروخت اور سٹیم کے اخراجات	28,199,282	30,000,031	(6)
انتظامی اخراجات	55,919,940	55,940,009	(0)
دیگر آپریٹنگ اخراجات	5,718,399	20,569,392	(72)
گیس سے کل منافع	91,991,371	60,088,604	53
گیس کے بعد منافع	37,656,018	96,794,024	(61)
فی فیئر آمدنی	4.45	11.43	(61)

کاروباری امور کا جائزہ

فروخت میں 17 فیصد اضافے کے باوجود جی پی ٹی سیکڑ ریٹو 8.88 فیصد سے کم ہو کر 5.50 فیصد رہ گیا جس کی بڑی وجہ بجلی اور ایندھن، خام مال اور تنخواہوں اور اجرت کے اخراجات میں گزشتہ مدت کے مقابلے میں اضافہ ہے۔ مزید برآں، گزشتہ مدت کے مقابلے میں مالیاتی لاگت میں 53 فیصد اضافے کی وجہ سے موجودہ مدت کے لیے خالص منافع میں بھی کمی واقع ہوئی۔

مستقبل کا نقطہ نظر:

موجودہ سال ٹیکسٹائل انڈسٹری کے لیے اتنا ہی چیلنجنگ ہے جیسا کہ پچھلے سال میں دیکھا گیا تھا۔ 2023 میں ٹیکسٹائل انڈسٹری کو درپیش مسائل موجودہ سال میں بھی برقرار ہیں۔ منجانبی پوری دنیا پر اثر انداز ہو رہی ہے لیکن پاکستان پر زیادہ نمایاں ہے جس کی وجہ سے ٹیکسٹائل مصنوعات کی مارکیٹ میں کمی آئی ہے۔ یوکرین اور روس کے درمیان ایک اور مسئلے میں جنگ جس نے نہ صرف بین الاقوامی سطح پر ٹیکسٹائل مصنوعات کی مارکیٹ کو متاثر کیا ہے بلکہ تجارتی راستوں کو بھی متاثر کیا ہے اور توانائی کے بحران کو جنم دیا ہے۔ پاکستان نے مالی سال 23 کے دوران تقریباً 1.8 بلین ڈالر کی برآمدات کھودی ہیں، جو کہ 9.82 فیصد کی کمی ہے۔ مالی سال 24 کے لیے حکومت نے ٹیکسٹائل کی برآمد کا ہدف 25 بلین ڈالر مقرر کیا ہے۔ صنعت کے اسٹیبلشمنٹ ہولڈرز کا خیال ہے کہ ملک مجموعی اقتصادی اور سیاسی غیر یقینی صورتحال اور توانائی کی بلند قیمتوں کی وجہ سے ٹیکسٹائل کے لیے اپنا پیمانہ کردہ برآمدی ہدف حاصل نہیں کر سکتا۔

یہ تصور کیا جاتا ہے کہ ٹیکسٹائل پنشن جو پیداواری استعداد، لاگت کی مسابقت اور بہتر کسٹمر سروسز پر قبضہ مرکوز کرتے ہیں ان بے مثال چیلنجنگ حالات میں زندہ رہنے کے قابل ہوں گے۔

موجودہ معاشی منظر نامے کو مد نظر رکھتے ہوئے، ہماری کمپنی کی انتظامیہ قابل کنٹرول اخراجات کو کم کرنے کے لیے فعال طور پر کام کر رہی ہے۔ اس سلسلے میں، آپ کی کمپنی کم سے کم مالیاتی لاگت کے ساتھ مارکیٹ میں دستیاب بجلی پیدا کرنے کے سستے ذرائع پر قبضہ مرکوز کر رہی ہے۔

خام مال کی قیمتوں اور دیگر ان پٹ اخراجات کے بڑھتے ہوئے رجحان کے علاوہ، آپ کے ڈائریکٹرز سیکڑز کو بہتر بنانے، کاروبار کرنے کی لاگت کو کم کرنے اور زیادہ منافع کو برقرار رکھنے 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 اسٹیبلشمنٹ 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 کرتا چاہیں گے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ملتان

ڈائریکٹر

چیف ایگزیکٹو

29 اپریل 2024



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED AS AT MARCH 31, 2024**

	March 31, 2024 Un-Audited Rupees	June 30, 2023 Audited Rupees
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,656,184,498	1,636,465,404
Long term deposits	11,354,877	11,847,375
Investment property - Land	29,514,550	-
	1,697,053,925	1,648,312,779
CURRENT ASSETS		
Stores, spare parts and loose tools	45,689,492	50,775,618
Stock-in-trade	1,141,042,693	1,115,879,467
Trade debts	328,306,353	226,426,757
Loans, advances and prepayments	82,236,496	55,202,258
Due from Government	259,565,611	207,581,898
Other receivables	3,250,602	3,343,355
Short term investment	29,736,464	18,382,292
Cash and bank balances	2,155,017	17,174,375
	1,891,982,728	1,694,766,020
TOTAL ASSETS	3,589,036,653	3,343,078,799
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
Surplus on revaluation of property, plant and equipment	512,867,692	527,309,623
Revenue reserve - unappropriated profit	1,200,763,476	1,155,019,175
	1,831,092,806	1,799,790,436
Subordinated loans	62,500,000	62,500,000
NON-CURRENT LIABILITIES		
Long term loans and financing	159,553,787	150,652,445
Lease liabilities	22,798,362	27,774,501
Gas infrastructure development cess	-	12,953,609
Deferred taxation	71,575,550	90,303,689
	253,927,699	281,684,244
CURRENT LIABILITIES		
Trade and other payables	613,496,865	700,379,910
Unclaimed dividend	5,363,596	3,722,109
Short term borrowings (including temporary overdraft)	576,167,716	343,631,499
Current portion of non-current liabilities	172,817,705	86,167,004
Accrued finance cost	27,694,720	16,828,026
Provision for taxation	45,975,546	48,375,571
CONTINGENCIES AND COMMITMENTS	1,441,516,148	1,199,104,119
TOTAL EQUITY AND LIABILITIES	3,589,036,653	3,343,078,799

Sd/-
Chief Executive



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED AS AT MARCH 31, 2024**

	Nine months period ended		Quarter ended	
	Mar 31, 2024	Mar 31, 2023	Mar 31, 2024	Mar 31, 2023
	Rupees	Rupees	Rupees	Rupees
Sales - net	3,841,947,746	3,295,968,489	1,344,186,118	966,653,690
Cost of sales	(3,630,650,871)	(3,003,355,962)	(1,298,104,685)	(919,123,322)
Gross profit	211,296,875	292,612,527	46,081,433	47,530,368
Other income/ (loss)	33,544,936	4,445,475	1,945,977	2,239,173
Profit on trading	6,230,418	644,774	6,221,598	209,101
Distribution cost	(28,199,282)	(30,000,031)	(6,719,287)	(4,499,413)
Administrative expenses	(55,919,940)	(55,940,009)	(19,419,518)	(15,879,180)
Other operating expenses	(5,718,399)	(20,569,392)	(15,000)	(1,276,025)
	(50,062,267)	(101,419,183)	(17,986,230)	(19,206,344)
Profit before finance cost	161,234,608	191,193,344	28,095,203	28,324,024
Finance cost	(91,991,371)	(60,088,604)	(37,725,290)	(18,497,762)
Profit before taxation	69,243,237	131,104,740	(9,630,087)	9,826,262
Taxation	(31,587,219)	(34,310,716)	11,966,862	(1,778,275)
Profit after taxation	37,656,018	96,794,024	2,336,775	8,047,987
Earnings per share - basic and diluted	4.45	11.43	0.28	0.95

**CONDENSED INTERIM STATEMENT
OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED AS AT MARCH 31, 2024**

	Nine months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Rupees	Rupees	Rupees	Rupees
Profit for the period	37,656,018	96,794,024	2,336,775	8,047,987
Other comprehensive Income / (Loss) for the period:				
Items that will not be subsequently reclassified to profit or loss:				
Impact of revaluation carried out during the period	-	-	-	-
Less: related deferred tax	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	37,656,018	96,794,024	2,336,775	8,047,987

Sd/-
Director



CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS ENDED AS AT MARCH 31, 2024

Nine month period ended.....	
	Mar 31, 2024	Mar 31, 2023
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	69,243,237	131,104,740
Adjustments for:		
Depreciation on property, plant and equipment	65,982,898	71,790,257
Provision for Workers' Profit Participation Fund	4,092,121	7,081,146
Provision for Workers' Welfare Fund	1,579,278	2,667,444
Gain on disposal of property, plant and equipment	(497,509)	(2,117,130)
Dividend Income	(406,014)	(915,716)
Provision for gratuity	14,840,304	14,280,379
Unrealized (gain) / loss on remeasurement of short term investments	(1,835,104)	(116,912)
Exchange rate fluctuation loss / (gain) - net	-	9,775,802
(Gain) / loss on disposal of short term investment	(1,723,223)	(219,639)
Finance cost - net	91,991,371	60,088,604
	174,024,122	162,314,235
Cash flows before working capital changes	243,267,359	293,418,975
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	5,086,126	(12,580,489)
Stock in trade	(25,163,226)	245,557,630
Trade debts	(101,879,596)	(79,312,123)
Loans and advances (excluding advance income tax)	(5,903,213)	(80,879,144)
Due from Government	(51,983,713)	(5,833,425)
Other receivables	92,753	463,400
Increase / (decrease) in current liabilities		
Trade and other payables	(80,777,050)	(186,920,197)
	(260,527,919)	(119,504,348)
Cash (used in) / generated from operations	(17,260,560)	173,914,627
Income tax paid - net	(73,846,408)	(18,942,480)
Finance cost paid - net	(81,124,677)	(62,762,030)
Long term deposits - net	492,498	(135,000)
Paid to Workers' Profit Participation Fund	(11,777,389)	-
Staff gratuity paid	(14,840,304)	(10,677,890)
	(181,096,280)	(92,517,400)
Net cash (used in) / generated from operating activities	(198,356,840)	81,397,227
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(112,028,577)	(84,284,654)
Decrease in Capital Work in Progress	26,263,094	13,837,940
Investment property acquired	(29,514,550)	45,710,000
Proceeds from disposal of property, plant and equipment	561,000	9,336,789
Short term investments - net	(7,795,845)	915,716
Dividend received	406,014	-
Net cash (used in) investing activities	(122,108,864)	(14,484,209)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finances (paid) / obtained	82,206,357	(63,533,132)
Lease finance obtained during the period	-	36,000,000
Repayment of principal portion of lease liabilities	(4,584,063)	(3,212,602)
Repayment of GIDC	-	(875,884)
Dividend paid	(4,712,165)	(9,470,048)
Short term finances - net	232,536,217	(25,924,613)
Net cash generated from / (used in) financing activities	305,446,346	(67,016,279)
Net decrease in cash and cash equivalents	(15,019,358)	(103,261)
Cash and cash equivalents at beginning of the period	17,174,375	1,850,882
Cash and cash equivalents at end of the period	2,155,017	1,747,621

Sd/-
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED AS AT MARCH 31, 2024

	Issued, subscribed and paid up share capital	Reserves			Total
		Capital		Revenue	
		Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profit	
Rupees					
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
Total comprehensive income for the period:					
Profit for the period	-	-	-	(3,875,930)	(3,875,930)
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	(3,875,930)	(3,875,930)
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-			
			(5,090,902)	5,090,902	-
Balance as at June 30, 2023 (Audited)	84,715,354	32,746,284	527,309,623	1,155,019,175	1,799,790,436
Distribution to owners:					
Final cash dividend of Rs. 0.75 per share for the year ended June 30, 2023				(6,353,648)	(6,353,648)
Total comprehensive income for the period:					
Profit / (Loss) for the period	-	-	-	37,656,018	37,656,018
Other comprehensive income for the period	-	-	-	-	-
	-	-	-	37,656,018	37,656,018
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-			
			(14,441,931)	14,441,931	-
Balance as at March 31, 2024 (Un-audited)	84,715,354	32,746,284	512,867,692	1,200,763,476	1,831,092,806

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED AS AT MARCH 31, 2024

1. 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".
2. Accounting policies adopted for the preparation of these quarterly accounts are the same as adopted in the preceding annual accounts.
3. Figures from previous year have been re-arranged for the purpose of comparison wherever necessary.
4. Figures in these accounts have been rounded off to the nearest rupee.
5. Provisions for taxation has been calculated on turnover basis.

AHMAD HASSAN TEXTILE MILLS LTD.

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