

*3rd Quarterly
Report
March 31
2021
(Un-audited)*



**HAMID TEXTILE
MILLS LIMITED**



Registration Number
005



CERTIFICATE NO. SG05/0299



HAMID TEXTILE MILLS LIMITED

DIRECTORS' REVIEW

Your directors take pleasure to present before you the un-audited financial statements of the company for the 3rd quarter Ended on March 31, 2021.

OPERATING RESULTS:

The Sales revenue for the period under review has been increased from Rs. 192.891 million to Rs. 216.836 million as compared to the corresponding period and the increase in sales for the quarter is 12.41%. Management is focused to run both spinning & weaving section on self-production along with conversion basis so that to meet operational and fixed cost. The financial results could have been even better, if the external environmental factors allowing the textile sector to perform better which remain unfavorable. The company has incurred gross loss of Rs (0.833) million as compared to the corresponding period gross profit of Rs.2.886 million and the overall results depicts net loss after taxation for the 3rd quarter at Rs. 14.816 million (March 31, 2020 –loss after taxation of Rs. 12.383 million) inclusive of depreciation charged as expenditure of Rs.21.674 million. Due to the prevailing tough conditions, the management has been able to avoid cash loss.

The company is still facing liquidity problems due to the litigation with the bank and therefore, the company's working capital financial facilities from the bank stand expired. Due to the paucity of the desired working capital, the company operational activities are reliant on the company's own limited financial resources. However, the management is negotiating with Bank for settlement of bank loan which is expected to be achieved in foreseeable future which would be helpful in regularization of the financial limits.

FUTURE PROSPECTS:

The business outlook is very challenging due to persistent political and economic conditions prevailing in the country and the textile sector particular with old machine setup persistently facing difficulty in revival of the companies. The management of the company is making best efforts to continue operate the unit without any cash losses and the decision to work on conversion basis is in line with that policy that would be helpful to avoid cash losses. The management expects that settlement proposal shall be accepted by the bank and the company would be able to revive the financial facilities by restructuring of facilities.

The management has chalked out plan for increase in production which will make the unit more stable and viable. The management has planned for regular investment in plant and machinery, which is very difficult in the current circumstances but will be possible after the restructuring and rescheduling of the existing financial liabilities and will yield benefit for the project.

NOTE OF THANKS:

The board puts on record its gratitude to its valued shareholders, customers and raw material suppliers whose co-operation, constant support and patronage have helped your company to achieve the desired results.

The board also expresses its thanks for the valuable teamwork, loyalty and laudable efforts rendered by the executives, staff members and workers of your company and wish to place on record its appreciation for the same.

For and on behalf of the Board of Directors

DIRECTOR

Date: April 29, 2021

DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	425,111,135	447,558,576
		-	-
CURRENT ASSETS			
Stores, spares and loose tools		8,876,011	8,331,606
Stock in trade	8	27,701,740	19,578,548
Trade debts		14,644,858	24,906,160
Loans and advances		7,565,979	3,545,196
Trade deposits and short term prepayments		760,631	210,000
Tax refunds due from the Government		3,226,701	2,721,218
Cash and bank balances		2,780,990	745,251
		65,556,909	60,037,980
Total Assets		490,668,044	507,596,556
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 shares (June 30, 2020: 15,000,000) of Rs. 10/= each		150,000,000	150,000,000
		132,716,000	132,716,000
Issued subscribed and paid up capital		(285,056,710)	(283,835,661)
Accumulated losses		(152,340,710)	(151,119,661)
Surplus on revaluation of property, plant and Equipment		388,361,209	401,956,307
		236,020,499	250,836,646
NON-CURRENT LIABILITIES			
Deferred liabilities		93,099,614	96,091,258
		93,099,614	96,091,258
CURRENT LIABILITIES			
Trade and other payables		45,609,193	39,328,357
Accrued mark-up		32,676,328	32,676,328
Loan from Director	9	11,353,719	16,755,276
Short term borrowings		24,520,298	24,520,298
Current & overdue portion of long term liabilities		47,388,393	47,388,393
		-	-
		161,547,931	160,668,652
CONTINGENCIES AND COMMITMENTS			
		-	-
Total equity and liabilities		490,668,044	507,596,556

The annexed notes form an integral part of these condensed financial statements.


Director


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	MARCH 31, 2021	MARCH 31, 2020	MARCH 31, 2021	MARCH 31, 2020
	Rupees	Rupees	Rupees	Rupees
Sales	216,836,853	192,891,419	98,245,500	62,078,558
Cost of Sales	<u>(217,670,810)</u>	<u>(190,004,713)</u>	<u>(95,738,802)</u>	<u>(60,025,336)</u>
Gross Profit/ (Loss)	<u>(833,957)</u>	<u>2,886,706</u>	<u>2,506,698</u>	<u>2,053,222</u>
OPERATING EXPENSES				
- Distribution	<u>(470,769)</u>	<u>(283,500)</u>	<u>(264,369)</u>	<u>(99,900)</u>
- Administration	<u>(13,352,324)</u>	<u>(12,009,894)</u>	<u>(4,824,002)</u>	<u>(3,838,273)</u>
	<u>(13,823,093)</u>	<u>(12,293,394)</u>	<u>(5,088,371)</u>	<u>(3,938,173)</u>
	<u>(14,657,050)</u>	<u>(9,406,688)</u>	<u>(2,581,673)</u>	<u>(1,884,951)</u>
Other Operating Income	<u>632,596</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Profit/ (Loss)	<u>(14,024,454)</u>	<u>(9,406,688)</u>	<u>(2,581,673)</u>	<u>(1,884,951)</u>
Finance Cost	<u>(530,785)</u>	<u>(83,626)</u>	<u>(1,719)</u>	<u>(6,188)</u>
Profit/ (Loss) Before Taxation	<u>(14,555,239)</u>	<u>(9,490,314)</u>	<u>(2,583,392)</u>	<u>(1,891,139)</u>
Taxation	<u>(260,906)</u>	<u>(2,893,371)</u>	<u>(260,906)</u>	<u>(931,178)</u>
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	<u>(14,816,145)</u>	<u>(12,383,685)</u>	<u>(2,844,298)</u>	<u>(2,822,317)</u>
Earning/ (Loss) per Share - Basic & Diluted	<u>10 (1.12)</u>	<u>(0.93)</u>	<u>(0.21)</u>	<u>(0.21)</u>

The annexed notes form an integral part of these condensed financial statements.


Director


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

	MARCH 31 2021 Rupees	MARCH 31 2020 Rupees
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit / (loss) before taxation	(14,555,239)	(9,490,315)
ADJUSTMENTS		
Depreciation	21,674,038	23,995,469
Gain on disposal of fixed assets	(632,596)	-
Finance cost	530,785	83,626
	<u>21,572,227</u>	<u>24,079,095</u>
Operating profit before adjustment of working capital	7,016,988	14,588,780
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(544,405)	26,126
Stock in trade	(8,123,192)	(1,209,782)
Trade debts	10,261,302	(4,582,602)
Loans and advances	(4,020,783)	(725,318)
Trade deposits and short term prepayments	(550,634)	(161,303)
Tax refunds due from the Government	(2,582,805)	42,798
	<u>(5,560,517)</u>	<u>(6,610,081)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	6,052,860	13,374,078
Cash inflow from operations	7,509,331	21,352,777
Gratuity paid	-	-
Finance cost	(530,785)	(83,626)
Taxes paid	(947,250)	(5,421,682)
Net cash inflow from operating activities	<u>6,031,296</u>	<u>15,847,469</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(844,000)	-
Disposal proceeds of Fixed Assets	2,250,000	-
Net cash used in from investing activities	<u>1,406,000</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term loan from related parties - unsecured	9,472,000	(15,106,356)
Short term loan from related parties - unsecured	(14,873,557)	-
Net cash inflow / (outflow) from financing activities	<u>(5,401,557)</u>	<u>(15,106,356)</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	2,035,739	741,113
Cash and cash equivalents at the beginning of the period	745,251	348,959
Cash and cash equivalents at the end of the period	<u>2,780,990</u>	<u>1,090,072</u>

The annexed notes from an integral part of these condensed financial statements.


Director


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

	Share Capital	Un-appropriated profit / (Loss)	Surplus on Revaluation of Fixed Assets	Total
	(Amounts in Rupees)			
Balance as on June 30, 2019 (Audited)-Restated	132,716,000	(289,563,256)	421,791,976	264,944,720
Total Comprehensive income for the nine months	-	(12,383,686)	-	(12,383,686)
Incremental Depreciation charged to revaluation surplus	-	21,826,171	(21,826,171)	-
Balance as on March 31, 2020 (Audited)	132,716,000	(280,120,772)	399,965,803	252,561,031
Balance as on June 30, 2020 (Audited)	132,716,000	(283,835,662)	401,956,307	250,836,645
Total Comprehensive income for nine months then ended on March 31, 2021	-	(14,816,145)	-	(14,816,145)
Incremental Depreciation charged to revaluation surplus	-	13,595,098	(13,595,098)	-
Balance as on March 31, 2021	132,716,000	(285,056,711)	388,361,209	236,020,499

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE PERIOD ENDED MARCH 31, 2021

NOTE	NINE MONTHS ENDED		THREE MONTHS ENDED	
	MARCH 31, 2021 Rupees	MARCH 31, 2020 Rupees	MARCH 31, 2021 Rupees	MARCH 31, 2020 Rupees
PROFIT / (LOSS) FOR THE PERIOD	(14,816,145)	(12,383,685)	(2,844,298)	(2,822,317)
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(14,816,145)	(12,383,685)	(2,844,298)	(2,822,317)

The annexed notes form an integral part of these financial statements


Director


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2021

1 THE COMPANY AND NATURE OF ITS BUSINESS

Hamid Textile Mills Limited "The Company" was incorporated in Pakistan on April 09, 1987 as Private Limited Company and was subsequently converted on February 15, 1988 in public Limited Company under the Companies Ordinance, 1984 (Repealed by Companies Act, 2017). The principal activity of the company is manufacturing and sale of Yarn and Grey fabric.

2 BASIS OF PREPARATION

These condensed interim financial statements 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.

3 The Quarterly Financial Statements are being submitted to Shareholders as required by Section 237 of companies Act 2017.

4. The accounting policies adopted for the preparation of the accounts are same as those applied in the preparation of the preceding annual published financial statements of the company for the period ended June 30, 2020.

5. These accounts have been prepared on going concern basis without any adjustment of assets and liabilities as the management is confident of improvement in company's efficiency and profitability in future.

6 Contingencies and commitments

6.1 There is no change in contingencies from those disclosed in the annual accounts for the year ended June 30, 2020.

6.2 There are no commitments as at March 31, 2021.

	Un-Audited March 31 2021 Rupees	Audited June 30, 2020 Rupees
7 Property, Plant and Equipments		
Book Value as at July 1st, 2020	447,558,576	479,552,534
Additions during the period	844,001	-
Deletion during the period	(1,617,404)	-
Depreciation for the period	(21,674,038)	(31,993,958)
	425,111,135	447,558,576
8 Stock In Trade		
Raw Materials	23,951,469	17,074,148
Work in Process	2,550,271	1,168,831
Finished Goods	1,200,000	1,335,569
	27,701,740	19,578,548
9 Short Term Loan from Director related parties- unsecured		
Opening balance	16,755,276	35,433,355
Contribution during the period / year	9,472,000	1,160,000
Repayments during the period / year	(14,873,557)	(19,838,079)
	11,353,719	16,755,276
9.1 During the period Rs. 8.9 million received from executive director Mr.Khawar Almas Khawaja, and Rs.0.522 million from chief executive Mr Dilshad Ali and made repayments to chief executive officer Mr dilshad Ali.		
10 Basic Earning Per Share		
Profit/ (Loss) after tax for the three months ended	(14,816,145)	(12,383,685)
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	(1.12)	(0.93)
11 Corresponding Figures		
11.1 Corresponding Figures have been rearranged and regrouped where ever necessary for the purpose of comparison. However no significant changes have been made.		
11.2 Figures have been rounded off to the nearest rupee.		
12 Date of Authorization		
These accounts have been approved by the Board of Directors on April 29, 2021		
13 Approval and authentication of Financial Statements		
As per u/s 232 of Companies Act 2017 Provided that when the chief executive is for the time being not available then the financial statements may be signed by at least two directors, at the time of approval and authentication of 3rd quarterly report chief executive of the company wasn't available therefore financial statement are signed by two directors.		


Director


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

COMPANY PROFILE

CHAIRMAN	Mrs. Khushbu Ammad
CHIEF EXECUTIVE	Mr. Dilshad Ali
DIRECTORS	Mr. Dilshad Ali Mrs. Khushbu Ammad Mr. Khawar Almas Khawaja Mrs. Nighat Khawar Mr. Muhammad Alamgir Mr. Abid Hussain Mr. Zeeshan Ali Qamar
AUDIT COMMITTEE	
Chairman	Mr. Abid Hussain
Member	Mrs. Khushbu Ammad
Member	Mr. Zeeshan Ali Qamar
HR AND REMUNERATION COMMITTEE	
Chairman	Mr. Abid Hussain
Member	Mr. Khawar Almas Khawaja
Member	Mr. Muhammad Alamgir
COMPANY SECRETARY	Mr. Ralph Nazir Ullah
CHIEF FINANCIAL OFFICER	Mr. Tauqeer Hussain
LEGAL ADVISOR	Mr. Sajjad Haider Tanvir Ali Shah (Bukhari Law Chamber)
AUDITORS	HLB Ijaz Tabussum & Co. Chartered Accountants, Lahore.
INTERNAL AUDITORS	Awan & Co. (Chartered Accountants), Lahore.
SHARES REGISTRAR	Corplink (Pvt) Ltd. Lahore
BANKERS	National Bank of Pakistan Bank Alfalah Limited. Meezan Bank Limited. Habib Metropolitan Bank Ltd.
REGISTERED OFFICE	House # 133-A-1, Block-A Model Town, Lahore.
MILLS	Changa Manga Road, Wan Adhan Pattoki, Kasur.
TELEFAX	049-4528188
TELEPHONE	049-4528177, 049-4528099
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