

*1st Quarterly
Report
September 30
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 1st Quarter Ended on September 30, 2021.

OPERATING RESULTS:

The Sales revenue for the period under review has been increased from Rs. 60.915 million to Rs.126.372 million as compared to the corresponding period and the increase in sales for the quarter is 107.45%. Management is focused to run weaving section on self-production along with spinning on 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 Profit of Rs 4.395 million as compared to the corresponding period gross loss of Rs. (2.321) million and the overall results depicts net profit after taxation for the 1st quarter at Rs. 3.648 million (September 30, 2020 –loss after taxation of Rs. 4.089 million) inclusive of depreciation charged as expenditure of Rs.6.655 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

CHIEF EXECUTIVE
October 29, 2021

DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS AT SEPTEMBER 30, 2021

	Note	Un-audited September, 2021 Rupees	Audited June 30, 2021 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	413,619,264	418,478,355
		-	-
CURRENT ASSETS			
Stores, spares and loose tools		8,978,080	7,887,572
Stock in trade	8	53,252,728	36,603,168
Trade debts		16,591,222	9,818,319
Loans and advances		3,264,429	2,940,431
Trade deposits and short term prepayments		355,000	355,000
Tax refunds due from the Government		5,436,656	4,255,126
Cash and bank balances		985,069	6,787,924
		88,863,184	68,647,540
Total Assets		502,482,448	487,125,895
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		(281,073,842)	(288,976,595)
Accumulated losses		(148,357,842)	(156,260,595)
		379,574,965	383,829,510
Surplus on revaluation of property, plant and Equipment		231,217,123	227,568,915
NON-CURRENT LIABILITIES			
Deferred liabilities		93,172,311	99,508,433
		93,172,311	99,508,433
CURRENT LIABILITIES			
Trade and other payables		58,957,995	46,513,528
Accrued mark-up		32,676,328	32,676,328
Loan from Director	9	14,550,000	8,950,000
Short term borrowings		24,520,298	24,520,298
Current & overdue portion of long term liabilities		47,388,393	47,388,393
		-	-
		178,093,013	160,048,547
CONTINGENCIES AND COMMITMENTS			
		-	-
Total equity and liabilities		502,482,448	487,125,895

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


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-Audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	September, 2021 Rupees	September, 2020 Rupees
Sales	126,372,028	60,915,654
Cost of Sales	<u>(121,976,785)</u>	<u>(63,237,544)</u>
Gross Profit/ (Loss)	4,395,243	(2,321,890)
OPERATING EXPENSES		
- Distribution	<u>664,685</u>	<u>106,500</u>
- Administration	<u>4,834,406</u>	<u>4,310,395</u>
	<u>(5,499,091)</u>	<u>(4,416,895)</u>
Operating Profit/ (Loss)	(1,103,848)	(6,738,785)
Other Income	-	632,596
Finance Cost	<u>(4,420)</u>	<u>(3,436)</u>
Profit/ (Loss) Before Taxation	(1,108,268)	(6,109,625)
Taxation	<u>4,756,475</u>	<u>2,019,942</u>
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	<u>3,648,208</u>	<u>(4,089,683)</u>
Earning/ (Loss) per Share - Basic & Diluted	<u>0.27</u>	<u>(0.31)</u>

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


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT CASH FLOW (Un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	SEPTEMBER 2021 Rupees	SEPTEMBER 2020 Rupees
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit / (loss) before taxation	(1,108,268)	(6,109,625)
ADJUSTMENTS		
Depreciation	6,655,991	7,239,926
Gain on disposal of fixed assets	-	(632,596)
Finance cost	4,420	3,436
	<u>6,660,411</u>	<u>6,610,766</u>
Operating profit before adjustment of working capital	5,552,144	501,141
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(1,090,507)	49,880
Stock in trade	(16,649,559)	(4,112,106)
Trade debts	(6,772,901)	6,499,404
Loans and advances	(323,998)	(393,290)
Trade deposits and short term prepayments	-	-
Tax refunds due from the Government	(1,181,530)	(2,155,773)
	<u>(26,018,496)</u>	<u>(111,885)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	12,417,275	2,733,305
Cash inflow from operations	<u>(8,049,077)</u>	<u>3,122,561</u>
Gratuity paid	-	-
Finance cost	(4,420)	(3,436)
Taxes paid	<u>(1,552,458)</u>	<u>(38,976)</u>
Net cash inflow from operating activities	<u>(9,605,955)</u>	<u>3,080,149</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,796,900)	-
Disposal proceeds of Fixed Assets	-	2,250,000
Net cash used in from investing activities	<u>(1,796,900)</u>	<u>2,250,000</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term loan from related parties - unsecured	6,000,000	(5,531,300)
Short term loan from related parties - unsecured	(400,000)	-
Net cash inflow / (outflow) from financing activities	5,600,000	(5,531,300)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(5,802,855)	(201,151)
Cash and cash equivalents at the beginning of the period	6,787,924	745,251
Cash and cash equivalents at the end of the period	<u>985,069</u>	<u>544,100</u>

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


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	Share Capital	Un-appropriated profit / (Loss)	Surplus on Revaluation of Fixed Assets	Total
	(Amounts in Rupees)			
Balance as on June 30, 2020 (Audited)	132,716,000	(283,835,662)	401,956,307	250,836,645
Total Comprehensive income for the Three months		442,017	-	442,017
Incremental Depreciation charged to revaluation surplus	-	-	(4,531,700)	(4,531,700)
Balance as on September 30, 2020 (Audited)	132,716,000	(283,393,646)	397,424,607	246,746,961
Balance as on June 30, 2021 (Audited)	132,716,000	(288,976,595)	383,829,510	227,568,915
Total Comprehensive income for Three months then		7,902,753		7,902,753
Incremental Depreciation charged to revaluation surplus		-	(4,254,545)	(4,254,545)
Balance as on September 30, 2021	132,716,000	(281,073,842)	379,574,965	231,217,123

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2021

	September 2021 Rupees	September 2020 Rupees
PROFIT / (LOSS) FOR THE PERIOD	3,648,208	(4,089,683)
Items that may be reclassified subsequently to profit or loss:		
Incremental Depreciation on revalued assets	4,254,545	4,531,700
	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	7,902,753	442,017

The annexed notes form an integral part of these financial statements


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 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.

- The Quarterly Financial Statements are being submitted to Shareholders as required by Section 237 of companies Act 2017.
- 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, 2021.
- 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

- There is no change in contingencies from those disclosed in the annual accounts for the year ended June 30, 2021.
- There are no commitments as at September 30, 2021.

	Un-Audited September 30 2021 Rupees	Audited June 30, 2021 Rupees
7 Property, Plant and Equipments		
Book Value as at July 1st, 2021	418,478,355	447,558,576
Additions during the period	1,796,900	1,444,000
Deletion during the period	-	(1,618,511)
Depreciation for the period	(6,655,991)	(28,905,710)
	413,619,264	418,478,355
8 Stock In Trade		
Raw Materials	52,192,646	26,924,291
Work in Process	1,060,082	1,635,677
Finished Goods	-	8,043,200
	53,252,728	36,603,168
9 Short Term Loan from Director related parties- unsecured		
Opening balance	8,950,000	16,755,276
Contribution during the period / year	6,000,000	9,472,000
Repayments during the period / year	(400,000)	(17,277,276)
	14,550,000	8,950,000
10 Basic Earning Per Share		
Profit/ (Loss) after tax for the three months ended	3,648,208	(4,089,683)
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	0.27	(0.31)
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 October 29, 2021.		


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

COMPANY INFORMATION

CHAIRMAN	Mrs Khushbu Ammad
CHIEF EXECUTIVE	Mr Khawar Almas Khawaja
DIRECTORS	Mr Khawar Almas Khawaja Mrs Khushbu Ammad Mr Dilshad Ali 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
EMAIL	accounts@hamid-textilecom, sales@hamid-textilecom corporate@hamid-textilecom,

UPC/Book Post



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