

*3rd Quarterly
Report
March 31
2020
(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, 2020.

OPERATING RESULTS:

The Sales revenue for the period under review has been increased from Rs. 167.939 million to Rs.192.891 million as compared to the corresponding period and the increase in sales for the quarter is 14.86% .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 earned gross Profit of Rs.2.886 million as compared to the corresponding period gross profit of Rs.0.125 million and the overall results depicts net loss after taxation for the 3rd quarter at Rs. 12.383 million (March 31, 2019 –loss after taxation of Rs. 12.483 million) inclusive of depreciation charged as expenditure of Rs.23.996 million. Due to the prevailing tough conditions, the management has been able to avoid any 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

Date: June 16, 2020



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT MARCH 31, 2020

	Note	Un-audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	455,557,065	479,552,534
		-	-
CURRENT ASSETS			
Stores, spares and loose tools		10,323,888	10,350,014
Stock in trade	8	23,143,851	21,934,069
Trade debts		20,353,272	15,770,670
Loans and advances		10,103,071	9,377,753
Trade deposits and short term prepayments		394,409	233,106
Tax refunds due from the Government		5,471,104	3,489,046
Cash and bank balances		1,090,073	348,959
		70,879,667	61,503,618
Total Assets		526,436,732	541,056,152
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 shares (June 30, 2019: 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		(205,993,107)	(215,435,591)
Accumulated losses		(73,277,107)	(82,719,591)
		423,528,043	445,354,214
Surplus on revaluation of property, plant and equipment.			
NON-CURRENT LIABILITIES			
		-	-
Deferred liabilities		2,469,506	2,469,506
		2,469,506	2,469,506
CURRENT LIABILITIES			
Trade and other payables		48,804,273	35,933,649
Accrued mark-up		32,676,328	32,676,328
Loan from Director	9	20,326,999	35,433,355
Short term borrowings		24,520,298	24,520,298
Current & overdue portion of long term liabilities		47,388,393	47,388,393
		-	-
		173,716,291	175,952,023
CONTINGENCIES AND COMMITMENTS			
		-	-
Total equity and liabilities		526,436,732	541,056,152

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


CHIEF EXECUTIVE


CFO


DIRECTOR



HAMID TEXTILE MILLS LIMITED

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

FOR THE PERIOD ENDED MARCH 31, 2020

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	MARCH 31,	MARCH 31,	MARCH 31,	MARCH 31,
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Sales	192,891,419	167,939,298	62,078,558	57,430,964
Cost of Sales	(190,004,713)	(167,813,944)	(60,025,336)	(56,064,168)
Gross Profit/ (Loss)	<u>2,886,706</u>	<u>125,354</u>	<u>2,053,222</u>	<u>1,366,796</u>
OPERATING EXPENSES				
- Distribution	(283,500)	(198,128)	(99,900)	(179,128)
- Administration	(12,009,894)	(10,136,639)	(3,838,273)	(3,069,902)
	<u>(12,293,394)</u>	<u>(10,334,767)</u>	<u>(3,938,173)</u>	<u>(3,249,030)</u>
	<u>(9,406,689)</u>	<u>(10,209,413)</u>	<u>(1,884,952)</u>	<u>(1,882,234)</u>
Other Operating Income	-	-	-	-
Operating Profit/ (Loss)	<u>(9,406,689)</u>	<u>(10,209,413)</u>	<u>(1,884,952)</u>	<u>(1,882,234)</u>
Finance Cost	<u>(83,626)</u>	<u>(174,698)</u>	<u>(6,188.07)</u>	<u>(57,494)</u>
Profit/ (Loss) Before Taxation	<u>(9,490,315)</u>	<u>(10,384,111)</u>	<u>(1,891,140)</u>	<u>(1,939,728)</u>
Taxation	<u>(2,893,371)</u>	<u>(2,099,241)</u>	<u>(931,178)</u>	<u>(717,887)</u>
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	<u>(12,383,686)</u>	<u>(12,483,352)</u>	<u>(2,822,318)</u>	<u>(2,657,615)</u>
Earning/ (Loss) per Share - Basic & Diluted	<u>10 (0.93)</u>	<u>(0.94)</u>	<u>(0.21)</u>	<u>(0.20)</u>

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


CHIEF EXECUTIVE


CFO


DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2020

	March 2020 Rupees	March 2019 Rupees
A. CASH FLOW FROM OPERATING ACTIVITY		
Loss before taxation	(9,490,315)	(10,384,111)
ADJUSTMENTS		
Depreciation	23,995,469	26,354,539
De-Recognition of financial liabilities	-	-
Finance cost	83,626	174,698
	24,079,095	26,529,237
Operating profit before adjustment of working capital	14,588,780	16,145,126
(Increase) / decrease in current assets:		
Stores, spares and loose tools	26,126	559,443
Stock in trade	(1,209,782)	(1,618,528)
Trade debts	(4,582,602)	3,194,315
Loans and advances	(725,318)	(12,753,597)
Trade deposits and short term prepayments	(161,303)	(374,528)
Tax refunds due from the Government	42,798	(144,429)
	(6,610,081)	(11,137,324)
Increase/(decrease) in current liabilities:		
Trade and other payables	13,374,078	5,324,679
Cash inflow from operations	21,352,778	10,332,481
Gratuity paid	-	-
Finance cost	(83,626)	(174,698)
Taxes paid	(5,421,682)	(2,195,533)
Net cash inflow from operating activities	15,847,470	7,962,250
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Net cash used in from investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings	(15,106,356)	(7,062,863)
Long term loans from related parties-unsecured	-	-
Repayment of Finance Lease (overdue)	-	-
Net cash inflow / (outflow) from financing activities	(15,106,356)	(7,062,863)
Net Increase in cash and cash equivalents (A+B+C)	741,114	899,387
Cash and cash equivalents at the beginning of the period	348,959	6,320,865
Cash and cash equivalents at the end of the period	<u>1,090,073</u>	<u>7,220,252</u>

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


CHIEF EXECUTIVE


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DIRECTOR



HAMID TEXTILE MILLS LIMITED

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

FOR THE PERIOD ENDED MARCH 31, 2020

	Share Capital	Un-appropriated profit / (Loss)	Surplus on Revaluation of Fixed Assets	Total
(Amounts in Rupees)				
Balance as on June 30, 2018 (Audited)	132,716,000	(231,922,347)	477,230,438	378,024,091
Total Comprehensive income for Nine months		11,423,815	-	11,423,815
Revaluation Surplus	-	-	-	-
Incremental Depreciation charged to revaluation surplus	-	-	(23,907,167)	(23,907,167)
Balance as on March 31, 2019 (Un-Audited)	132,716,000	(220,498,533)	453,323,271	365,540,739
Balance as on June 30, 2019 (Audited)	132,716,000	(215,435,592)	445,354,214	362,634,624
Total Comprehensive income for Nine months then ended on March 31, 2020 (Un-Audited)	-	9,442,485	-	9,442,485
Incremental Depreciation charged to revaluation surplus	-	-	(21,826,171)	(21,826,171)
Balance as on March 31, 2020	132,716,000	(205,993,107)	423,528,043	350,250,938

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE PERIOD ENDED MARCH 31, 2020

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	MARCH 31, 2020 Rupees	MARCH 31, 2019 Rupees	MARCH 31, 2020 Rupees	MARCH 31, 2019 Rupees
PROFIT / (LOSS) FOR THE PERIOD	(12,383,686)	(12,483,352)	(2,822,318)	(2,657,615)
Items that may be reclassified subsequently to profit or loss:				
Incremental Depreciation on revalued assets	21,826,171	23,907,167	7,275,390	7,969,056
Related deferred tax	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,442,485	11,423,815	4,453,072	5,311,441

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


CHIEF EXECUTIVE


CFO


DIRECTOR



HAMID TEXTILE MILLS LIMITED

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

FOR THE PERIOD ENDED MARCH 31, 2020

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, 2019.
5. The Sales revenue for the period under review has been increased from Rs. 167.939 million to Rs.192.891 million as compared to the corresponding period and the increase in sales for the quarter is 14.86%. 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 earned gross Profit of Rs.2.886 million as compared to the corresponding period gross profit of Rs.0.125 million and the overall results depicts net loss after taxation for the 3rd quarter at Rs. 12.383 million (March 31, 2019 –loss after taxation of Rs. 12.483 million) inclusive of depreciation charged as expenditure of Rs.23.996 million. 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, 2019.
- 6.2 There are no commitments as at March 31, 2020.

	Un-Audited March 31 2020 Rupees	Audited June 30, 2019 Rupees
7 Property, Plant and Equipments		
Book Value as at July 1st,	479,552,534	514,691,918
Revaluation Surplus	-	-
Additions during the period	-	-
Deletion during the period	-	-
Depreciation for the period	(23,995,469)	(35,139,384)
	455,557,065	479,552,534
8 Stock In Trade		
Raw Materials	20,520,915	18,972,982
Work in Process	1,779,271	1,757,517
Finished Goods	843,665	1,203,570
	23,143,851	21,934,069
9 Short Term Loan from Director related parties- unsecured		
Opening balance	35,433,355	47,922,955
Contribution during the period / year	-	-
Repayments during the period / year	(15,106,356)	(12,489,600)
	20,326,999	35,433,355

10 Corresponding Figures

- 10.1 Corresponding Figures have been rearranged and regrouped where ever necessary for the purpose of comparison.
- 10.2 However no significant changes have been Figures have been rounded off to the nearest rupee.

11 Date of Authorization

These accounts have been approved by the Board of Directors on June 16, 2020.


CHIEF EXECUTIVE


CFO


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/ CHIEF FINANCIAL OFFICER	Mr. Ralph Nazir Ullah
LEGAL ADVISOR	Mr. Javaid Hussain Shah (Javaid Shah Law Firm)
AUDITORS	Tabussum Saleem & 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. Soneri Bank Limited.
REGISTERED OFFICE	Suite # 1, 1 st Floor, Shan Arcade, New Garden Town, Lahore.
MILLS	Changa Manga Road, Wan Adhan Pattoki, Kasur.
TELEFAX	049-4528188
TELEPHONE	049-4528177, 049-4528099
E.MAIL	accounts@hamid-textile.com, sales@hamid-textile.com corporate@hamid-textile.com

UPC/Book Post



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