

*3rd Quarterly
Report
March 31
2019
(Un-audited)*



HAMID TEXTILE
MILLS LIMITED



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, 2019.

OPERATING RESULTS:

The Sales revenue for the period under review has been increased from Rs. 119.605 million to Rs. 167.939 million as compared to the corresponding period and the increase in sales for the period is 40.41% and reason for this increase is that spinning unit was not operational in the corresponding period for two and half months, which is in operation during the period ended on March 31, 2019. 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 profit of Rs. 0.125 million as compared to the corresponding period gross profit of Rs. 0.194 million and the overall results depicts net loss after taxation for the 3rd quarter at Rs. 12.483 million (March 31, 2018—Profit after taxation of Rs. 0.307 million) inclusive of depreciation charged as expenditure of Rs. 26.354 million. Despite of 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: April 29, 2019

DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS AT MARCH 31, 2019

	Note	Un-audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	488,337,379	514,691,918
		-	-
CURRENT ASSETS			
Stores, spares and loose tools		10,339,826	10,899,269
Stock in trade	9	22,956,208	21,337,679
Trade debts		13,526,255	16,720,570
Loans and advances		13,332,837	579,239
Trade deposits and short term prepayments		604,524	229,996
Tax refunds due from the Government		3,421,980	3,277,551
Cash and bank balances		7,220,251	6,320,865
		71,401,880	59,365,168
Total Assets		559,739,259	574,057,086
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 shares (June 30, 2018: 15,000,000) of Rs. 10/= each		150,000,000	150,000,000
Issued subscribed and paid up capital		132,716,000	132,716,000
Accumulated losses		(220,498,532)	(231,922,347)
		(87,782,532)	(99,206,347)
Surplus on revaluation of property, plant and equipment.		453,323,270	477,230,437
NON-CURRENT LIABILITIES			
Long term loan from related parties - unsecured		-	-
Deferred liabilities		1,146,776	1,146,776
		1,146,776	1,146,776
CURRENT LIABILITIES			
Trade and other payables		47,606,634	42,378,247
Accrued mark-up		32,676,328	32,676,328
Loan from Director	8	40,860,092	47,922,955
Short term borrowings		24,520,298	24,520,298
Current & overdue portion of long term liabilities		47,388,393	47,388,393
		-	-
		193,051,745	194,886,221
CONTINGENCIES AND COMMITMENTS			
		-	-
Total equity and liabilities		559,739,259	574,057,086

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


CHIEF EXECUTIVE


CFO


DIRECTOR



HAMID TEXTILE MILLS LIMITED

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

FOR THE PERIOD ENDED MARCH 31, 2019

NOTE	NINE MONTHS ENDED		THREE MONTHS ENDED	
	MARCH 31, 2019	MARCH 31, 2018	MARCH 31, 2019	MARCH 31, 2018
	Rupees	Rupees	Rupees	Rupees
Sales	167,939,298	119,605,469	57,430,964	37,689,856
Cost of Sales	(167,813,944)	(119,411,232)	(56,064,168)	(35,849,663)
Gross Profit/ (Loss)	125,354	194,237	1,366,796	1,840,193
OPERATING EXPENSES				
- Distribution	(198,128)	(425,550)	(179,128)	-
- Administration	(10,136,639)	(10,151,015)	(3,069,902)	(3,238,688)
	(10,334,767)	(10,576,565)	(3,249,030)	(3,238,688)
	(10,209,413)	(10,382,328)	(1,882,234)	(1,398,495)
Other Operating Income	-	4,532,417	-	-
Operating Profit/ (Loss)	(10,209,413)	(5,849,911)	(1,882,234)	(1,398,495)
Finance Cost	(174,698)	(209,825)	(57,494)	(78,034)
Profit/ (Loss) Before Taxation	(10,384,111)	(6,059,736)	(1,939,728)	(1,476,529)
Taxation	(2,099,241)	6,366,990	(717,887)	(28,152)
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	(12,483,352)	307,254	(2,657,615)	(1,504,681)
Earning/ (Loss) per Share - Basic & Diluted	(0.94)	0.02	(0.20)	(0.11)

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


CHIEF EXECUTIVE


CFO


DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2019

	MARCH 2019 Rupees	MARCH 2018 Rupees
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit / (loss) before taxation	(10,384,111)	(6,059,736)
ADJUSTMENTS		
Depreciation	26,354,539	18,795,123
De-Recognition of financial liabilities	-	(4,532,417)
Finance cost	174,698	209,825
	<u>26,529,237</u>	<u>14,472,531</u>
Operating profit before adjustment of working capital	16,145,126	8,412,795
(Increase) / decrease in current assets:		
Stores, spares and loose tools	559,443	1,735,529
Stock in trade	(1,618,528)	(7,556,449)
Trade debts	3,194,315	(11,023,273)
Loans and advances	(12,753,597)	1,332,289
Trade deposits and short term prepayments	(374,528)	(2,868,439)
Tax refunds due from the Government	(144,429)	(257,177)
	<u>(11,137,325)</u>	<u>(18,637,520)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	5,324,679	12,653,496
Cash inflow from operations	<u>10,332,480</u>	<u>2,428,771</u>
Gratuity paid	-	(30,000)
Finance cost	(174,698)	(2,373,284)
Taxes paid	<u>(2,195,533)</u>	<u>(1,315,233)</u>
Net cash inflow from operating activities	<u>7,962,250</u>	<u>(1,289,746)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(1,927,500)
Net cash used in from investing activities	<u>-</u>	<u>(1,927,500)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings	(7,062,863)	3,543,500
Long term loans from related parties-unsecured	-	-
Repayment of Finance Lease (overdue)	-	(800,000)
Net cash inflow / (outflow) from financing activities	<u>(7,062,863)</u>	<u>2,743,500</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	899,387	(473,746)
Cash and cash equivalents at the beginning of the period	6,320,865	780,623
Cash and cash equivalents at the end of the period	<u>7,220,251</u>	<u>306,877</u>

The annexed notes from an integral part of these condensed 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, 2019

	Share Capital	Un-appropriated profit / (Loss)	Surplus on Revaluation of Fixed Assets	Total
(Amounts in Rupees)				
Balance as on June 30, 2017 (Audited)	132,716,000	(244,515,791)	352,404,209	240,604,418
Total Comprehensive income for nine months		11,926,365	-	11,926,365
Revaluation Surplus		-	-	
Incremental Depreciation charged to revaluation surplus	-	-	(11,619,111)	(11,619,111)
Balance as on March 31, 2018	132,716,000	(232,589,427)	340,785,098	240,911,672
Balance as on June 30, 2018 (Audited)	132,716,000	(231,922,347)	477,230,437	378,024,092
Total Comprehensive income for nine months then ended on March 31, 2019		11,423,815		11,423,815
Incremental Depreciation charged to revaluation surplus			(23,907,167)	(23,907,167)
Balance as on March 31, 2019	132,716,000	(220,498,532)	453,323,270	365,540,740

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE PERIOD ENDED MARCH 31, 2019

	MARCH 2019 Rupees	MARCH 2018 Rupees
PROFIT / (LOSS) FOR THE PERIOD	(12,483,352)	307,254
Items that may be reclassified subsequently to profit or loss:		
Incremental Depreciation on revalued assets	23,907,167	16,598,730
Related deferred tax	-	(4,979,619)
	23,907,167	11,619,111
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,423,815	11,926,365

The annexed notes form an integral part of these 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, 2019

- 1 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 These un-audited condensed accounts have been prepared in accordance with the requirements of International Accounting Standard No. 34" Interim Financial Reporting" as notified under companies Act 2017; and provisions of and directives issued under Companies Act, 2017.
- 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, 2018.
- 5 The company earned gross profit of Rs. 0.125 million, loss before tax amounting of Rs. (10.384) million and net capital deficiency of Rs. 87.782 million during the nine months then ended March 31, 2019. (March 31, 2018 loss before tax amounting Rs. (6.059) million) and company's current liabilities exceed current assets by Rs.121.649 million (June 30, 2018: Rs. 135.521 million).
Thus 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, 2018.
- 6.2 There are no commitments as at March 31, 2019.

	Un-Audited March 31 2019 Rupees	Audited June 30, 2018 Rupees
7 Property, Plant and Equipments		
Book Value as at July 1st, 2018	514,691,918	388,316,199
Revaluation Surplus	-	146,957,869
Additions during the period	-	4,614,500
Deletion during the period	-	-
Depreciation for the period	(26,354,539)	(25,196,650)
	488,337,379	514,691,918
8 Short Term Loan from related parties- unsecured		
Opening balance	47,922,955	46,693,739
Contribution during the period / year	5,800,000	1,229,216
Repayments during the period / year	(12,862,863)	-
	40,860,092	47,922,955
9 Stock In Trade		
Raw Materials	20,153,368	15,394,161
Work in Process	1,777,827	2,153,420
Finished Goods	1,025,013	3,790,098
	22,956,208	21,337,679
	March 31 2019 Rupees	March 31 2018 Rupees
10 Basic Earning Per Share		
Profit/ (Loss) after tax for the nine months ended	(12,483,352)	307,254
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	(0.94)	0.02

11 Corresponding Figures

Corresponding Figures have been rearranged and regrouped where ever necessary for the purpose of comparison. However no significant changes have been made.

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, 2019.


CHIEF EXECUTIVE


CFO


DIRECTOR



HAMID TEXTILE MILLS LIMITED

COMPANY PROFILE

CHAIRMAN	Mr. Basim Dilshad
CHIEF EXECUTIVE	Mr. Dilshad Ali
DIRECTORS	Mr. Dilshad Ali Mrs. Zulaibia Andleeb Mr. Khawar Almas Khawaja Mrs. Nighat Khawar Mr. Muhammad Alamgir Mr. Abid Hussain Mr. Basim Dilshad
AUDIT COMMITTEE	
Chairman	Mr. Abid Hussain
Member	Mrs. Zulaibia Andleeb
Member	Mr. Basim Dilshad
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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