

*1st Quarterly
Report
September 30
2018
(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, 2018.

OPERATING RESULTS:

The Sales revenue for the period under review has been increased from Rs. 23.516 million to Rs.55.047 million as compared to the corresponding period and the increase in sales for the quarter is 134.08% and reason for this increase is that spinning unit was not operational in the corresponding quarter i.e. September 30, 2017 which is in operation during the quarter ended on September 30, 2018. 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.0.759 million as compared to the corresponding period gross loss of Rs. 3.836 million and the overall results depicts net loss after taxation for the 1st quarter at Rs. 4.972 million (September 30, 2017 –loss after taxation of Rs. 0.174 million) inclusive of depreciation charged as expenditure of Rs.8.785 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
October 29, 2018

DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS AT SEPTEMBER 30, 2018

	Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	505,907,072	514,691,918
		-	-
CURRENT ASSETS			
Stores, spares and loose tools		10,783,249	10,899,269
Stock in trade	9	24,023,015	21,337,679
Trade debts		14,844,132	16,720,570
Loans and advances		1,767,874	579,239
Trade deposits and short term prepayments		627,359	229,996
Tax refunds due from the Government		3,295,231	3,277,551
Cash and bank balances		13,744,204	6,320,865
		69,085,063	59,365,168
Total Assets		574,992,135	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
		132,716,000	132,716,000
Issued subscribed and paid up capital		(228,926,016)	(231,922,347)
Accumulated losses		(96,210,016)	(99,206,347)
Surplus on revaluation of property, plant and equipment.		469,261,381	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		47,562,399	42,378,247
Accrued mark-up		32,676,328	32,676,328
Loan from Director	8	48,646,576	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
		-	-
		200,793,994	194,886,221
CONTINGENCIES AND COMMITMENTS			
		-	-
Total equity and liabilities		574,992,135	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 (Un-Audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018 Rupees	September 30, 2017 Rupees
Sales	55,047,414	23,516,216
Cost of Sales	<u>(55,807,195)</u>	<u>(27,352,867)</u>
Gross Profit/ (Loss)	(759,781)	(3,836,651)
OPERATING EXPENSES		
- Distribution	19,000	201,223
- Administration	3,447,669	3,963,559
	<u>(3,466,669)</u>	<u>(4,164,782)</u>
Operating Profit/ (Loss)	(4,226,450)	(8,001,433)
Finance Cost	<u>(58,182)</u>	<u>(71,983)</u>
Profit/ (Loss) Before Taxation	(4,284,632)	(8,073,416)
Taxation	<u>(688,093)</u>	<u>7,898,696</u>
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	<u>(4,972,725)</u>	<u>(174,720)</u>
Earning/ (Loss) per Share - Basic & Diluted	<u>(0.37)</u>	<u>(0.01)</u>

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

CHIEF EXECUTIVE

CFO

DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT CASH FLOW (Un-audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	SEPTEMBER 2018 Rupees	SEPTEMBER 2017 Rupees
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit / (loss) before taxation	(4,284,632)	(8,073,416)
ADJUSTMENTS		
Depreciation	8,784,846	6,244,224
De-Recognition of financial liabilities	-	-
Finance cost	58,182	71,983
	<u>8,843,028</u>	<u>6,316,207</u>
Operating profit before adjustment of working capital	4,558,396	(1,757,209)
(Increase) / decrease in current assets:		
Stores, spares and loose tools	116,020	34,329
Stock in trade	(2,685,335)	(19,266,357)
Trade debts	1,876,438	(4,166,183)
Loans and advances	(1,188,634)	10,871
Trade deposits and short term prepayments	(397,363)	(279,323)
Tax refunds due from the Government	(17,681)	(38,698)
	<u>(2,296,555)</u>	<u>(23,705,361)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	4,870,292	15,992,572
Cash inflow from operations	<u>7,132,133</u>	<u>(9,469,998)</u>
Gratuity paid	-	(30,000)
Finance cost	(58,182)	(71,983)
Taxes paid	(374,234)	(313,543)
Net cash inflow from operating activities	<u>6,699,718</u>	<u>(9,885,524)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(27,500)
Net cash used in from investing activities	<u>-</u>	<u>(27,500)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term borrowings	723,621	-
Long term loans from related parties-unsecured	-	11,260,000
Repayment of Finance Lease (overdue)	-	(800,000)
Net cash inflow / (outflow) from financing activities	<u>723,621</u>	<u>10,460,000</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	7,423,339	546,976
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>13,744,204</u>	<u>1,327,599</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 SEPTEMBER 30, 2018

	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 the year		159,551,315	-	159,551,315
Revaluation Surplus		(146,957,869)	146,957,869	
Incremental Depreciation charged to revaluation surplus	-	-	(22,131,640)	(22,131,640)
Balance as on June 30, 2018	132,716,000	(231,922,347)	477,230,438	378,024,093
Balance as on June 30, 2018 (Audited)	132,716,000	(231,922,347)	477,230,437	378,024,092
Total Comprehensive income for the period ended on September 30, 2018		2,996,331	-	2,996,331
Incremental Depreciation charged to revaluation surplus	-	-	(7,969,056)	(7,969,056)
Balance as on September 30, 2018	132,716,000	(228,926,016)	469,261,381	373,051,367

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	SEPTEMBER 2018 Rupees	SEPTEMBER 2017 Rupees
PROFIT / (LOSS) FOR THE PERIOD	(4,972,725)	(174,720)
Items that may be reclassified subsequently to profit or loss:		
Incremental Depreciation on revalued assets	7,969,056	5,532,910
Related deferred tax	-	(1,715,202)
	7,969,056	3,817,708
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,996,331	3,642,988

The annexed notes form an integral part of these financial statements


CHIEF EXECUTIVE


CFO


DIRECTOR



HAMID TEXTILE MILLS LIMITED

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2018

- 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.
- 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.
- 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, 2018.
- The company earned gross loss of Rs. (0.759) million, loss before tax amounting of Rs. (4.226) million and net capital deficiency of Rs. 96.210 million during the Three months then ended September 30, 2018. (September 30, 2017 loss before tax amounting pf Rs. (8.073) million) and company's current liabilities exceed current assets by Rs.131.709 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.
- Contingencies and commitments**
 - There is no change in contingencies from those disclosed in the annual accounts for the year ended June 30, 2018.
 - There are no commitments as at September 30, 2018.

	Un-Audited September 30, 2018 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	(8,784,846)	(25,196,650)
	505,907,072	514,691,918
8 Short Term Loan from Director related parties- unsecured		
Opening balance	47,922,955	46,693,739
Contribution during the period / year	1,700,000	1,229,216
Repayments during the period / year	(976,379)	-
	48,646,576	47,922,955
9 Stock In Trade		
Raw Materials	20,277,943	15,394,161
Work in Process	2,174,769	2,153,420
Finished Goods	1,570,303	3,790,098
	24,023,015	21,337,679
	September 30, 2018 Rupees	September 30, 2017 Rupees
10 Basic Earning Per Share		
Profit/ (Loss) after tax for the Three months ended	(4,972,725)	(174,720)
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	(0.37)	(0.01)
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 October 29, 2018.		


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 BANKERS	Corplink(Pvt) Ltd. Lahore National Bank of Pakistan Bank Alfalah Limited. Meezan Bank Limited. Habib Metropolitan Bank Ltd. Soneri Bank Ltd.
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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