

*1st Quarterly
Report
September 30
2023
(Un-audited)*



**HAMID TEXTILE
MILLS LIMITED**



Registration Number
005



CERTIFICATE NO. SG05/0299



HAMID TEXTILE MILLS LIMITED

DIRECTORS' REVIEW

Your directors take pleasure in presenting before you the unaudited financial statements of the company for the 1st Quarter Ended on September 30, 2023.

OPERATING RESULTS:

During the period under review, sales have increased from Rs. 125.316 million to Rs. 200.932 million compared to the corresponding period, showing a 60.34% increase. The management is focused on running the weaving section on self-production while spinning on a conversion basis to meet operational and fixed costs. However, unfavorable external environmental factors have affected the textile sector's performance, leading to an increase in the cost of doing business compared to the comparative quarter. The company incurred a gross profit of Rs. 2.991 million compared to Rs. 1.067 million in the corresponding period. However, the overall result showed a net loss after taxation for the 1st quarter at Rs. 4.187 million (September 30, 2022 – loss after taxation of Rs. 6.348 million), including depreciation charged as expenditure of Rs. 10.32 million. Despite the prevailing tough conditions, the management was able to avoid cash loss.

Unfortunately, the company is still facing liquidity problems due to ongoing litigation with the bank. As a result, the company's working capital financial facilities from the bank stand expired. The company's operational activities are currently reliant on its own limited financial resources. However, the management is negotiating with the bank for a settlement of the bank loan, which is expected to be achieved in the foreseeable future. This settlement would be helpful in regularizing the financial limits.

FUTURE PROSPECTS:

The prevailing political and economic conditions in the country have made the business outlook very challenging, particularly for the textile sector, which is struggling to revive companies with old machine setups. Despite these difficulties, the company's management is working hard to operate the unit without incurring cash losses. The decision to work on a conversion basis is consistent with this policy and will help to avoid cash losses. The management expects the bank to accept the settlement proposal, which will allow the company to restructure its financial facilities and revive its operations. 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 27, 2023

DIRECTOR



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

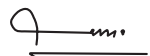
AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	586,676,730	596,999,533
CURRENT ASSETS			
Stores, spares and loose tools		11,321,403	11,606,664
Stock in trade	8	38,713,910	52,115,185
Trade debts		18,386,158	28,480,612
Loans and advances		16,636,000	2,898,477
Trade deposits and short term prepayments		360,000	360,000
Tax refunds due from the Government		1,899,514	3,137,895
Cash and bank balances		8,975,237	3,658,352
		<u>96,292,223</u>	<u>102,257,185</u>
Total Assets		<u>682,968,953</u>	<u>699,256,718</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 shares (June 30, 2023: 15,000,000) of Rs. 10/= each		<u>150,000,000</u>	<u>150,000,000</u>
Issued subscribed and paid up capital		132,716,000	132,716,000
Accumulated losses		<u>(238,780,565)</u>	<u>(240,637,117)</u>
		(106,064,565)	(107,921,117)
Surplus on revaluation of property, plant and Equipment		<u>502,131,725</u>	<u>508,175,661</u>
		396,067,160	400,254,544
NON-CURRENT LIABILITIES			
Deferred liabilities		<u>98,933,661</u>	<u>102,702,037</u>
		98,933,661	102,702,037
CURRENT LIABILITIES			
Trade and other payables		73,035,013	64,761,849
Accrued mark-up		32,676,328	32,676,328
Loan from Director	9	10,348,100	11,248,100
Short term borrowings		24,520,298	24,520,298
Current & overdue portion of long term liabilities		47,388,393	47,388,393
Provisions		-	15,705,169
		<u>187,968,132</u>	<u>196,300,137</u>
Total equity and liabilities		<u>682,968,953</u>	<u>699,256,718</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 OF PROFIT OR LOSS (Un-Audited)

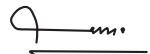
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	September, 2023 Rupees	September, 2022 Rupees
Sales	200,932,741	125,316,645
Cost of Sales	(197,941,599)	(124,249,048)
Gross Profit / (Loss)	2,991,142	1,067,597
OPERATING EXPENSES		
- Distribution	646,900	265,265
- Administration	7,782,242	7,117,658
	(8,429,142)	(7,382,923)
Operating Profit / (Loss)	(5,438,000)	(6,315,326)
Other Income	-	-
Finance Cost	(6,100)	(907)
Profit/ (Loss) Before Taxation	(5,444,100)	(6,316,233)
Taxation	1,256,716	(32,033)
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	(4,187,384)	(6,348,266)
Earning / (Loss) per Share - Basic & Diluted	(0.32)	(0.48)

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, 2023

	September 2023 Rupees	September 2022 Rupees
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit / (loss) before taxation	(5,444,100)	(6,316,233)
ADJUSTMENTS		
Depreciation	10,322,803	6,325,326
Gain on disposal of fixed assets	-	-
Finance cost	6,100	907
	<u>10,328,903</u>	<u>6,326,233</u>
Operating profit before adjustment of working capital	4,884,803	10,000
(Increase) / decrease in current assets:		
Stores, spares and loose tools	285,261	(950,295)
Stock in trade	13,401,275	(9,680,583)
Trade debts	10,094,454	(10,241,654)
Loans and advances	(13,737,523)	3,922,183
Trade deposits and short term prepayments	-	-
Tax refunds due from the Government	1,238,378	(957,671)
	<u>11,281,845</u>	<u>(17,908,020)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	7,526,484	14,879,472
Cash inflow from operations	23,693,132	(3,018,548)
Gratuity paid	-	-
Finance cost	(6,100)	(907)
Paid Provision for LESCO Bill	(15,705,169)	-
Taxes paid	(1,764,979)	(883,342)
Net cash inflow from operating activities	<u>6,216,884</u>	<u>(3,902,797)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Disposal proceeds of Fixed Assets	-	-
Net cash used in from investing activities	<u>-</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term loan from related parties - unsecured	-	2,700,000
Short term loan from related parties - unsecured	(900,000)	-
Net cash inflow / (outflow) from financing activities	<u>(900,000)</u>	<u>2,700,000</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	5,316,884	(1,202,797)
Cash and cash equivalents at the beginning of the period	<u>3,658,352</u>	<u>4,549,361</u>
Cash and cash equivalents at the end of the period	<u><u>8,975,237</u></u>	<u><u>3,346,564</u></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, 2023

	Share Capital	Un-appropriated profit / (Loss)	Surplus on Revaluation of Fixed Assets	Total
	(Amounts in Rupees)			
Balance as on June 30, 2022 (Audited)	132,716,000	(264,091,913)	366,811,332	235,435,419
Total Comprehensive income for the three months then ended	-	(2,352,781)	-	(2,352,781)
Incremental Depreciation charged to revaluation surplus	-	-	(3,995,485)	(3,995,485)
Balance as on September 30, 2022	132,716,000	(266,444,694)	362,815,847	229,087,153
Balance as on June 30, 2023 (Audited)	132,716,000	(240,637,117)	508,175,661	400,254,544
Total Comprehensive income for three months then ended	-	1,856,552	-	1,856,552
Incremental Depreciation charged to revaluation surplus	-	-	(6,043,936)	(6,043,936)
Balance as on September 30, 2023	132,716,000	(238,780,565)	502,131,725	396,067,160

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	September 2023 Rupees	September 2022 Rupees
PROFIT / (LOSS) FOR THE PERIOD	(4,187,384)	(6,348,266)
Items that may be reclassified subsequently to profit or loss:		
Incremental Depreciation on revalued assets	6,043,936	3,995,485
	-	-
	6,043,936	3,995,485
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,856,552	(2,352,781)

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, 2023

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, 2023.
- 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, 2023.
- There are no commitments as at September 30, 2023.

	Un-Audited September 30 2023 Rupees	Audited June 30, 2023 Rupees
7 Property, Plant and Equipments		
Book Value as at July 1st, 2022	596,999,533	403,280,038
Revaluation Surplus	-	219,020,800
Deletion during the period	-	-
Depreciation for the period	(10,322,803)	(25,301,305)
	586,676,730	596,999,533
8 Stock In Trade		
Raw Materials	35,658,339	39,738,892
Work in Process	2,126,421	2,939,398
Finished Goods	929,150	9,436,895
	38,713,910	52,115,185
9 Loan from Director-related parties (unsecured)		
Opening balance	11,248,100	10,902,600
Contribution during the period / year	-	2,700,000
Repayments during the period / year	(900,000)	(2,354,500)
	10,348,100	11,248,100
10 Basic Earning Per Share		
Profit / (Loss) after tax for the three months ended	(4,187,384)	(6,348,266)
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	(0.32)	(0.48)

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 27, 2023.


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 Mrs. Nighat Khawar Mrs. Momina Khawar Ali Mr. Muhammad Alamgir Mr. Abid Hussain Mr. Muhammad Amin
AUDIT COMMITTEE	
Chairman	Mr. Abid Hussain
Member	Mrs. Khushbu Ammad
Member	Mr. Muhammad Amin
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	142, Block - D Model Town, Lahore
MILLS	Changa Manga Road, Wan Adhan Pattoki, Kasur
TELEFAX	049-4528188
TELEPHONE	049-4528177, 049-4528099
EMAIL	accounts@hamid-textile.com , sales@hamid-textile.com corporate@hamid-textile.com ,

UPC/Book Post



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