

*Half Yearly
Report
December 31,
2022
(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 2nd quarter Ended on December 31, 2022.

OPERATING RESULTS:

The Sales revenue for the period under review has been decreased from Rs. 278.664 million to Rs. 269.769 million as compared to the corresponding period and the decrease in sales for the period is 3.19%. Management is focused to run spinning section on conversion basis & weaving section on self-production 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 4.103 million as compared to the corresponding period gross profit of Rs 6.715 million and the overall results depicts net loss after taxation for the 2nd quarter at Rs. 10.920 million (December 31, 2021 –loss after taxation of Rs. 5.811 million) inclusive of depreciation charged as expenditure of Rs. 12.650 million. Despite of 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

For and on behalf of the Board of Directors

CHIEF EXECUTIVE

Date: February 23, 2023

DIRECTOR



HAMID TEXTILE MILLS LIMITED

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF HAMID TEXTILE MILLS LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **HAMID TEXTILE MILLS LIMITED** as at December 31, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2022 and 2021 have not been reviewed, and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

Company is earning gross profit amounting of Rs. 4.104 Million, loss before tax amounting of Rs. 10.723 Million and net capital deficiency before revaluation surplus of RS 134.305 Million during the six months then ended and company's current liabilities exceed current assets by Rs. 95.282 Million. Borrowing facility from National Bank Limited expired since 2008 has neither been amended nor re-scheduled ever since. Furthermore, company did not provide us any plan till date of this report which could satisfy us that it has any design/ plan to functionally revive the Company.

The said conditions indicate a material uncertainty which may cast a significant doubt on Company's ability to continue as a going concern, whereas despite of all these negative facts the financial statements are prepared on going concern basis, as explained in note 5 to the accounts.

Conclusion

Based on our review, the accompanying condensed interim financial information does not give a true and fair view of financial position of the entity as at December 31, 2022 and of its financial performance and its cash flows for the half year then ended, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditors' report is Mrs. Saira Mudassar (FCA)

HLB IJAZ TABUSSUM & CO.
Chartered Accountants

Place: Lahore
Date: 23-02-23
UDIN: RR202210189xTUwE23YL



HAMID TEXTILE MILLS LIMITED


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS AT DECEMBER 31, 2022

| | Note | Un-audited December 31, 2022 Rupees | Audited June 30, 2022 Rupees |
|--|------|--|---------------------------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 390,629,387 | 403,280,039 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 11,217,249 | 9,735,147 |
| Stock in trade | 9 | 38,616,672 | 31,013,508 |
| Trade debts | | 34,591,089 | 21,597,805 |
| Loans and advances | | 314,006 | 4,159,791 |
| Trade deposits and short term prepayments | | 355,000 | 355,000 |
| Tax refunds due from the Government | | 1,821,643 | 3,943,697 |
| Cash and bank balances | | 7,349,067 | 4,549,361 |
| | | <u>94,264,727</u> | <u>75,354,309</u> |
| Total Assets | | 484,894,113 | 478,634,348 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital | | | |
| 15,000,000 shares (June 30, 2022: 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>(267,021,277)</u> | <u>(264,091,913)</u> |
| | | (134,305,277) | (131,375,913) |
| Surplus on revaluation of property, plant and Equipment | | | |
| | | <u>358,820,362</u> | <u>366,811,332</u> |
| | | 224,515,085 | 235,435,419 |
| NON-CURRENT LIABILITIES | | | |
| Deferred liabilities | | <u>70,832,547</u> | <u>74,007,818</u> |
| | | 70,832,547 | 74,007,818 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 71,658,862 | 53,703,493 |
| Accrued mark-up | | 32,676,328 | 32,676,328 |
| Loan from Director | 10 | 13,302,600 | 10,902,600 |
| Short term borrowings | | 24,520,298 | 24,520,298 |
| Current & overdue portion of long term liabilities | | 47,388,393 | 47,388,393 |
| | | - | - |
| | | <u>189,546,480</u> | <u>169,191,111</u> |
| Total equity and liabilities | | 484,894,113 | 478,634,348 |

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 DECEMBER 31, 2022

| | SIX MONTHS ENDED | | THREE MONTHS ENDED | |
|---|------------------|---------------|--------------------|---------------|
| | DECEMBER 31, | DECEMBER 31, | DECEMBER 31, | DECEMBER 31, |
| | 2022 | 2021 | 2022 | 2021 |
| | Rupees | Rupees | Rupees | Rupees |
| NOTE | | | | |
| Sales | 269,769,424 | 278,664,856 | 144,452,779 | 152,292,828 |
| Cost of Sales | (265,665,765) | (271,948,898) | (141,416,717) | (149,972,113) |
| Gross Profit/ (Loss) | 4,103,659 | 6,715,958 | 3,036,062 | 2,320,715 |
| OPERATING EXPENSES | | | | |
| - Distribution | (874,113) | (862,841) | (608,848) | (198,156) |
| - Administration | (13,951,920) | (10,185,010) | (6,834,262) | (5,350,604) |
| | (14,826,033) | (11,047,851) | (7,443,110) | (5,548,760) |
| | (10,722,374) | (4,331,894) | (4,407,048) | (3,228,045) |
| Other Operating Income | - | - | - | - |
| Operating Profit/ (Loss) | (10,722,374) | (4,331,894) | (4,407,048) | (3,228,045) |
| Finance Cost | (1,111) | (6,149) | (204) | (1,729) |
| Profit/ (Loss) Before Taxation | (10,723,485) | (4,338,043) | (4,407,252) | (3,229,774) |
| Taxation | (196,848) | (1,473,512) | (164,815) | (501,647) |
| Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income | (10,920,333) | (5,811,555) | (4,572,067) | (3,731,421) |
| Earning/ (Loss) per Share - Basic & Diluted | 11 (0.82) | (0.44) | (0.34) | (0.28) |

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

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

FOR THE PERIOD ENDED DECEMBER 31, 2022

| | Share Capital | Un-appropriated profit / (Loss) | Surplus on Revaluation of Fixed Assets | Total |
|--|---------------------|---------------------------------|--|-------------|
| | (Amounts in Rupees) | | | |
| Balance as on June 30, 2021 (Audited) | 132,716,000 | (288,976,596) | 383,829,510 | 227,568,914 |
| Total Comprehensive income for the six months then ended | | (5,811,555) | - | (5,811,555) |
| Incremental Depreciation charged to revaluation surplus | - | 8,509,089 | (8,509,089) | - |
| Balance as on December 31, 2021 | 132,716,000 | (286,279,062) | 375,320,421 | 221,757,359 |
| Balance as on June 30, 2022 (Audited) | 132,716,000 | (264,091,913) | 366,811,332 | 235,435,419 |
| Total Comprehensive income for six months then ended | | (2,929,363) | | (2,929,363) |
| Incremental Depreciation charged to revaluation surplus | | - | (7,990,970) | (7,990,970) |
| Balance as on December 31, 2022 | 132,716,000 | (267,021,277) | 358,820,362 | 224,515,086 |


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited)

FOR THE PERIOD ENDED DECEMBER 31, 2022

| | DECEMBER 2022 Rupees | DECEMBER 2021 Rupees |
|--|----------------------------|----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITY | | |
| Profit / (loss) before taxation | (10,723,485) | (4,338,043) |
| ADJUSTMENTS | | |
| Depreciation | 12,650,652 | 13,456,439 |
| Gain on disposal of fixed assets | - | - |
| Finance cost | 1,111 | 6,149 |
| | <u>12,651,763</u> | <u>13,462,588</u> |
| Operating profit before adjustment of working capital | 1,928,278 | 9,124,545 |
| (Increase) / decrease in current assets: | | |
| Stores, spares and loose tools | (1,482,102) | (909,841) |
| Stock in trade | (7,603,164) | (8,803,838) |
| Trade debts | (12,993,284) | (10,196,500) |
| Loans and advances | 3,845,785 | 2,556,182 |
| Trade deposits and short term prepayments | - | - |
| Tax refunds due from the Government | 2,122,053 | (525,594) |
| | <u>(16,110,712)</u> | <u>(17,879,591)</u> |
| Increase/(decrease) in current liabilities: | | |
| Trade and other payables | 17,955,369 | 16,755,105 |
| Cash inflow from operations | 3,772,935 | 8,000,059 |
| Gratuity paid | - | - |
| Finance cost | (1,111) | (6,149) |
| Taxes paid | (3,372,118) | (2,602,602) |
| Net cash inflow from operating activities | <u>399,706</u> | <u>5,391,308</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | - | (9,896,900) |
| Disposal proceeds of Fixed Assets | - | - |
| Net cash used in from investing activities | <u>-</u> | <u>(9,896,900)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short term loan from related parties - unsecured | 2,700,000 | 6,000,000 |
| Short term loan from related parties - unsecured | (300,000) | (2,466,900) |
| Net cash inflow / (outflow) from financing activities | <u>2,400,000</u> | <u>3,533,100</u> |
| Net Increase/(decrease) in cash and cash equivalents (A+B+C) | 2,799,706 | (972,492) |
| Cash and cash equivalents at the beginning of the period | 4,549,361 | 6,787,924 |
| Cash and cash equivalents at the end of the period | <u>7,349,067</u> | <u>5,815,432</u> |

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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)

FOR THE PERIOD ENDED DECEMBER 31, 2022

| NOTE | SIX MONTHS ENDED | | THREE MONTHS ENDED | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | DECEMBER 31, 2022 Rupees | DECEMBER 31, 2021 Rupees | DECEMBER 31, 2022 Rupees | DECEMBER 31, 2021 Rupees |
| PROFIT / (LOSS) FOR THE PERIOD | (10,920,333) | (5,811,555) | (4,572,067) | (3,731,421) |
| Items that may be reclassified subsequently to profit or loss: | - | - | - | - |
| | - | - | - | - |
| | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>(10,920,333)</u> | <u>(5,811,555)</u> | <u>(4,572,067)</u> | <u>(3,731,421)</u> |

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 INFORMATION (un-audited)

FOR THE PERIOD ENDED DECEMBER 31, 2022

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, 2022.

5. 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. Significant event during the year

Pakistan Stock Exchange directed Company to induct itself into Central Depository Company of Pakistan Limited (CDC), Company is in process to induct its shares into CDC.

7. Contingencies and commitments

7.1 There is no change in contingencies from those disclosed in the annual accounts for the year ended June 30, 2022.

7.2 There are no commitments as at December 31, 2022.

| | Un-Audited December 31 2022 Rupees | Audited June 30, 2022 Rupees |
|--|---|---------------------------------------|
| 8. Property, Plant and Equipments | | |
| Book Value as at July 1st, 2022 | 403,280,039 | 418,478,356 |
| Additions during the period | - | 12,000,150 |
| Deletion during the period | - | - |
| Depreciation for the period | (12,650,652) | (27,198,467) |
| | 390,629,387 | 403,280,039 |
| 9. Stock In Trade | | |
| Raw Materials | 34,312,719 | 28,384,677 |
| Work in Process | 2,595,973 | 2,628,831 |
| Finished Goods | 1,707,980 | - |
| | 38,616,672 | 31,013,508 |
| 10. Loan from Director-related parties (unsecured) | | |
| Opening balance | 10,902,600 | 8,950,000 |
| Contribution during the period / year | 2,700,000 | 6,000,000 |
| Repayments during the period / year | (300,000) | (4,047,400) |
| | 13,302,600 | 10,902,600 |
| 11. Basic Earning Per Share | | |
| Profit/ (Loss) after tax for the six months ended | (10,920,333) | (5,811,555) |
| Weighted average number of ordinary shares | 13,271,600 | 13,271,600 |
| Basic earning per share | (0.82) | (0.44) |
| 12. Corresponding Figures | | |
| 12.1 Corresponding Figures have been rearranged and regrouped where ever necessary for the purpose of comparison. However no significant changes have been made. | | |
| 12.2 Figures have been rounded off to the nearest rupee. | | |
| 13. Date of Authorization | | |
| These accounts have been approved by the Board of Directors on February 23, 2023. | | |


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

COMPANY PROFILE

| | |
|-------------------------------|---|
| 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 | 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 |
| E.MAIL | accounts@hamid-textile.com sales@hamid-textile.com corporate@hamid-textile.com |

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