

*Half Yearly
Report
December 31,
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 Half Year Ended on December 31, 2023.

OPERATING RESULTS:

During the period under review, sales have increased from Rs. 269.769 million to Rs. 364.323 million compared to the corresponding period, showing a 35.05% 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. 8.161 million compared to Rs. 4.103 million in the corresponding period. However, the overall result showed a net loss after taxation for the 2nd quarter at Rs. 5.502 million (December 31, 2022 – loss after taxation of Rs. 10.920 million), including depreciation charged as expenditure of Rs. 20.645 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

Date: February 26, 2024

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, 2023 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, 2023 and 2022 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, 2023.

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. 8.161 Million, loss before tax amounting of Rs. 9.355 Million and net capital deficiency before revaluation surplus of RS 101.336 Million during the six months then ended and company's current liabilities exceed current assets by Rs. 87.306 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, 2023 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: 26-02-24
UDIN: RR202310189nKbUQjBVP



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS AT DECEMBER 31, 2023

	Note	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	576,353,928	596,999,533
CURRENT ASSETS			
Stores, spares and loose tools		11,492,738	11,606,664
Stock in trade	8	32,330,998	52,115,185
Trade debts		35,276,117	28,480,612
Loans and advances		3,629,383	2,898,477
Trade deposits and short term prepayments		360,000	360,000
Tax refunds due from the Government		1,899,517	3,137,895
Cash and bank balances		11,005,574	3,658,352
		95,994,328	102,257,185
Total Assets		672,348,256	699,256,718
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
15,000,000 shares (June 30, 2023: 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		(234,051,786)	(240,637,117)
Accumulated losses		(101,335,786)	(107,921,117)
Surplus on revaluation of property, plant and Equipment		496,087,789	508,175,661
		394,752,003	400,254,544
NON-CURRENT LIABILITIES			
Deferred liabilities		94,295,341	102,702,037
		94,295,341	102,702,037
CURRENT LIABILITIES			
Trade and other payables		68,662,294	64,761,849
Accrued mark-up		32,676,328	32,676,328
Loan from Director	9	10,053,600	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
		183,300,912	196,300,137
Total equity and liabilities		672,348,256	699,256,718

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, 2023

NOTE	SIX MONTHS ENDED		THREE MONTHS ENDED	
	DECEMBER 31, 2023	DECEMBER 31, 2022	DECEMBER 31, 2023	DECEMBER 31, 2022
	Rupees	Rupees	Rupees	Rupees
Sales	364,323,675	269,769,424	163,390,934	144,452,779
Cost of Sales	<u>(356,162,437)</u>	<u>(265,665,765)</u>	<u>(158,220,838)</u>	<u>(141,416,717)</u>
Gross Profit/ (Loss)	8,161,238	4,103,659	5,170,096	3,036,062
OPERATING EXPENSES				
- Distribution	<u>(1,901,700)</u>	<u>(874,113)</u>	<u>(1,254,800)</u>	<u>(608,848)</u>
- Administration	<u>(15,608,314)</u>	<u>(13,951,920)</u>	<u>(7,826,072)</u>	<u>(6,834,262)</u>
	<u>(17,510,014)</u>	<u>(14,826,033)</u>	<u>(9,080,872)</u>	<u>(7,443,110)</u>
	<u>(9,348,776)</u>	<u>(10,722,374)</u>	<u>(3,910,776)</u>	<u>(4,407,048)</u>
Other Operating Income	-	-	-	-
Operating Profit/ (Loss)	<u>(9,348,776)</u>	<u>(10,722,375)</u>	<u>(3,910,776)</u>	<u>(4,407,048)</u>
Finance Cost	<u>(6,415)</u>	<u>(1,111)</u>	<u>(315)</u>	<u>(204)</u>
Profit / (Loss) Before Taxation	<u>(9,355,191)</u>	<u>(10,723,486)</u>	<u>(3,911,091)</u>	<u>(4,407,252)</u>
Taxation	<u>3,852,650</u>	<u>(196,848)</u>	<u>1,626,325</u>	<u>(164,815)</u>
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	<u>(5,502,541)</u>	<u>(10,920,334)</u>	<u>(2,284,766)</u>	<u>(4,572,067)</u>
Earning / (Loss) per Share - Basic & Diluted	10 <u>(0.41)</u>	<u>(0.82)</u>	<u>(0.17)</u>	<u>(0.34)</u>

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, 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 six months then ended		(10,920,334)	-	(10,920,334)
Incremental Depreciation charged to revaluation surplus	-	7,990,970	(7,990,970)	-
Balance as on December 31, 2022	<u>132,716,000</u>	<u>(267,021,277)</u>	<u>358,820,362</u>	<u>224,515,085</u>
Balance as on June 30, 2023 (Audited)	132,716,000	(240,637,117)	508,175,661	400,254,544
Total Comprehensive income for six months then ended		(5,502,541)		(5,502,541)
Incremental Depreciation charged to revaluation surplus		12,087,872	(12,087,872)	-
Balance as on December 31, 2023	<u>132,716,000</u>	<u>(234,051,786)</u>	<u>496,087,789</u>	<u>394,752,003</u>


Chief Executive


Chief Financial Officer


Director



HAMID TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited)

FOR THE PERIOD ENDED DECEMBER 31, 2023

	December 31 2023 Rupees	December 31 2022 Rupees
A. CASH FLOW FROM OPERATING ACTIVITY		
Profit / (loss) before taxation	(9,355,191)	(10,723,485)
ADJUSTMENTS		
Depreciation	20,645,605	12,650,652
Gain on disposal of fixed assets	-	-
Finance cost	6,415	1,111
	<u>20,652,020</u>	<u>12,651,763</u>
Operating profit before adjustment of working capital	11,296,829	1,928,278
(Increase) / decrease in current assets:		
Stores, spares and loose tools	113,926	(1,482,102)
Stock in trade	19,784,187	(7,603,164)
Trade debts	(6,795,505)	(12,993,284)
Loans and advances	(730,906)	3,845,785
Trade deposits and short term prepayments	-	-
Tax refunds due from the Government	1,238,378	2,122,053
	<u>13,610,080</u>	<u>(16,110,712)</u>
Increase/(decrease) in current liabilities:		
Trade and other payables	2,568,952	17,955,369
Cash inflow from operations	27,475,861	3,772,935
Gratuity paid	-	-
Finance cost	(6,415)	(1,111)
Paid Provision for LESCO Bill	(15,705,169)	-
Taxes paid	(3,222,553)	(3,372,118)
Net cash inflow from operating activities	<u>8,541,724</u>	<u>399,706</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	-
Disposal proceeds of Fixed Assets	-	-
Net cash used in from investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short term loan from related parties - unsecured	-	2,700,000
Short term loan from related parties - unsecured	(1,194,500)	(300,000)
Net cash inflow / (outflow) from financing activities	<u>(1,194,500)</u>	<u>2,400,000</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	7,347,224	2,799,706
Cash and cash equivalents at the beginning of the period	3,658,352	4,549,361
Cash and cash equivalents at the end of the period	<u>11,005,574</u>	<u>7,349,067</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, 2023

NOTE	SIX MONTHS ENDED		THREE MONTHS ENDED	
	DECEMBER 31, 2023 Rupees	DECEMBER 31, 2022 Rupees	DECEMBER 31, 2023 Rupees	DECEMBER 31, 2022 Rupees
PROFIT / (LOSS) FOR THE PERIOD	(5,502,541)	(10,920,334)	(2,284,766)	(4,572,067)
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(5,502,541)</u>	<u>(10,920,334)</u>	<u>(2,284,766)</u>	<u>(4,572,067)</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, 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 December 31, 2023.

	Un-Audited December 31 2023 Rupees	Audited June 30, 2023 Rupees
8. 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	(20,645,605)	(25,301,305)
	576,353,928	596,999,533
9. Stock In Trade		
Raw Materials	29,002,556	39,738,892
Work in Process	3,022,622	2,939,398
Finished Goods	305,820	9,436,895
	32,330,998	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	(1,194,500)	(2,354,500)
	10,053,600	11,248,100
10. Basic Earning Per Share		
Profit / (Loss) after tax for the six months ended	(5,502,541)	(10,902,334)
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	(0.41)	(0.82)
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 February 26, 2024.		


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 # 142 Block D, 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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