

*Half Yearly  
Report  
December 31  
2018  
(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 2<sup>nd</sup> Quarter Ended on December 31, 2018.

### OPERATING RESULTS:

The Sales revenue for the period under review has been increased from Rs. 81.915 million to Rs. 110.508 million as compared to the corresponding period and the increase in sales for the period is 34.90% 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 December 31, 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. 1.241 million as compared to the corresponding period gross loss of Rs. 1.645 million and the overall results depicts net loss after taxation for the 2<sup>nd</sup> quarter at Rs. 9.825 million (December 31, 2017-Profit after taxation of Rs. 1.811 million) inclusive of depreciation charged as expenditure of Rs. 17.569 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: February 25, 2019

DIRECTOR



# HAMID TEXTILE MILLS LIMITED

## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF

### 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, 2018 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, 2018 and 2017 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, 2018.

##### 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 sustaining gross loss amounting of RS. 1.241 Million, loss before tax amounting of Rs. 8.444 Million and net capital deficiency of RS 93.094 Million during the six months then Ended and company's current liabilities exceed current assets by Rs. 127.777 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, 2018 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 Muhamamd Aslam Tabussum (FCA)

  
**TABUSSUM SALEEM & CO.**  
Chartered Accountants

**Place: Lahore**  
**Date: February 25, 2019**



# HAMID TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Note	Un-audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	497,122,225	514,691,918
		-	-
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		10,186,516	10,899,269
Stock in trade	9	25,621,367	21,337,679
Trade debts		21,901,841	16,720,570
Loans and advances		8,830,645	579,239
Trade deposits and short term prepayments		494,498	229,996
Tax refunds due from the Government		3,354,204	3,277,551
Cash and bank balances		1,270,031	6,320,865
		71,659,101	59,365,168
<b>Total Assets</b>		<b>568,781,326</b>	<b>574,057,086</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised share capital</b>			
<b>15,000,000 shares (June 30, 2018: 15,000,000) of</b>			
<b>Rs. 10/= each</b>		<b>150,000,000</b>	<b>150,000,000</b>
Issued subscribed and paid up capital		132,716,000	132,716,000
Accumulated losses		(225,809,973)	(231,922,347)
		(93,093,973)	(99,206,347)
Surplus on revaluation of property, plant and equipment.		461,292,326	477,230,437
<b>NON-CURRENT LIABILITIES</b>			
Long term loan from related parties - unsecured		-	-
Deferred liabilities		1,146,776	1,146,776
		1,146,776	1,146,776
<b>CURRENT LIABILITIES</b>			
Trade and other payables		46,495,602	42,378,247
Accrued mark-up		32,676,328	32,676,328
Loan from Director	8	48,355,576	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
		199,436,197	194,886,221
<b>CONTINGENCIES AND COMMITMENTS</b>			
		-	-
<b>Total equity and liabilities</b>		<b>568,781,326</b>	<b>574,057,086</b>

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 DECEMBER 31, 2018

NOTE	SIX MONTHS ENDED		THREE MONTHS ENDED	
	DECEMBER 31, 2018	DECEMBER 31, 2017	DECEMBER 31, 2018	DECEMBER 31, 2017
	Rupees	Rupees	Rupees	Rupees
Sales	110,508,334	81,915,613	55,460,920	58,399,397
Cost of Sales	(111,749,776)	(83,561,569)	(55,942,581)	(56,208,702)
Gross Profit/ (Loss)	(1,241,442)	(1,645,956)	(481,661)	2,190,695
OPERATING EXPENSES				
- Distribution	(19,000)	(425,550)	-	(224,327)
- Administration	(7,066,737)	(6,912,327)	(3,619,068)	(2,948,768)
	(7,085,737)	(7,337,877)	(3,619,068)	(3,173,095)
	(8,327,179)	(8,983,833)	(4,100,729)	(982,400)
Other Operating Income	-	4,532,417	-	4,532,417
Operating Profit/ (Loss)	(8,327,179)	(4,451,416)	(4,100,729)	3,550,017
Finance Cost	(117,204)	(131,791)	(59,022)	(59,808)
Profit/ (Loss) Before Taxation	(8,444,383)	(4,583,207)	(4,159,751)	3,490,209
Taxation	(1,381,354)	6,395,142	(693,261)	(1,503,554)
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	(9,825,737)	1,811,935	(4,853,012)	1,986,655
Earning/ (Loss) per Share - Basic & Diluted	(0.74)	0.14	(0.37)	0.15

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, 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 six months then ended on December 31, 2018		6,112,374		6,112,374
Incremental Depreciation charged to revaluation surplus			(15,938,111)	(15,938,111)
Balance as on December 31, 2018	132,716,000	(225,809,973)	461,292,326	368,198,355

CHIEF EXECUTIVE

CFO

DIRECTOR



# HAMID TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited)

FOR THE PERIOD ENDED DECEMBER 31, 2018

	DECEMBER 2018 Rupees	DECEMBER 2017 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit / (loss) before taxation	(8,444,383)	(4,583,207)
<b>ADJUSTMENTS</b>		
Depreciation	17,569,693	12,504,434
De-Recognition of financial liabilities	-	(4,532,417)
Finance cost	117,204	131,791
	<u>17,686,897</u>	<u>8,103,808</u>
Operating profit before adjustment of working capital	9,242,514	3,520,601
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	712,753	1,123,963
Stock in trade	(4,283,687)	(2,321,859)
Trade debts	(5,181,271)	(15,013,185)
Loans and advances	(8,251,405)	630,450
Trade deposits and short term prepayments	(264,502)	(1,441,931)
Tax refunds due from the Government	(76,653)	(223,207)
	<u>(17,344,765)</u>	<u>(17,245,770)</u>
<b>Increase/(decrease) in current liabilities:</b>		
Trade and other payables	4,094,530	15,235,074
Cash inflow from operations	<u>(4,007,721)</u>	<u>1,509,905</u>
Gratuity paid	-	(30,000)
Finance cost	(117,204)	(2,295,250)
Taxes paid	<u>(1,358,530)</u>	<u>(1,022,974)</u>
Net cash inflow from operating activities	<u>(5,483,455)</u>	<u>(1,838,319)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-	(1,927,500)
Net cash used in from investing activities	<u>-</u>	<u>(1,927,500)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term borrowings	432,621	-
Long term loans from related parties-unsecured	-	6,609,000
Repayment of Finance Lease (overdue)	-	(800,000)
Net cash inflow / (outflow) from financing activities	<u>432,621</u>	<u>5,809,000</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	<u>(5,050,834)</u>	<u>2,043,181</u>
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>1,270,031</u>	<u>2,823,804</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, 2018

	DECEMBER 2018 Rupees	DECEMBER 2017 Rupees
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	(9,825,737)	1,811,935
Items that may be reclassified subsequently to profit or loss:		
Incremental Depreciation on revalued assets	15,938,111	11,065,820
Related deferred tax	-	(3,319,746)
	<u>15,938,111</u>	<u>7,746,074</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>6,112,374</u>	<u>9,558,009</u>

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 INFORMATION (un-audited)

### FOR THE PERIOD ENDED DECEMBER 31, 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. (1.241) million, loss before tax amounting of Rs. (8.444) million and net capital deficiency of Rs.93.093 million during the Six months then ended December 31, 2018. (December 31, 2017 loss before tax amounting Rs. (4.583) million) and company's current liabilities exceed current assets by Rs.127.777 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

- 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 December 31, 2018.

	Un-Audited December 31, 2018 Rupees	Audited June 30, 2018 Rupees
<b>7 Property, Plant and Equipments</b>		
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	(17,569,693)	(25,196,650)
	<b>497,122,225</b>	<b>514,691,918</b>
<b>8 Short Term Loan from Director related parties- unsecured</b>		
Opening balance	47,922,955	46,693,739
Contribution during the period / year	3,700,000	1,229,216
Repayments during the period / year	(3,267,379)	-
	<b>48,355,576</b>	<b>47,922,955</b>
<b>9 Stock In Trade</b>		
Raw Materials	20,907,215	15,394,161
Work in Process	1,924,228	2,153,420
Finished Goods	2,789,924	3,790,098
	<b>25,621,367</b>	<b>21,337,679</b>
	<b>December 31, 2018 Rupees</b>	<b>December 31, 2017 Rupees</b>
<b>10 Basic Earning Per Share</b>		
Profit/ (Loss) after tax for the Three months ended	(9,825,737)	1,811,935
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	<b>(0.74)</b>	<b>0.14</b>
<b>11 Corresponding Figures</b>		
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.		
<b>12 Date of Authorization</b>		
These accounts have been approved by the Board of Directors on February 25, 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 <sup>st</sup> 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

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