

*Half Yearly  
Report  
December 31,  
2024  
(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 2<sup>nd</sup> Quarter Ended on December 31, 2024.

### **OPERATING RESULTS:**

During the period under review, sales have increased from Rs. 364.323 million to Rs. 451.384 million compared to the corresponding period, showing a 23.90% increase. The management is focused on running the unit on optimum level 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. 9.205 million compared to Rs. 8.161 million in the corresponding period. However, the overall result showed a net loss after levy and taxation for the 2<sup>nd</sup> quarter at Rs. 22.360 million (December 31, 2023 – loss after taxation of Rs. 5.502 million), including depreciation charged as expenditure of Rs. 19.009 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 as well 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 24, 2025

DIRECTOR



# HAMID TEXTILE MILLS LIMITED

## INDEPENDENT AUDITORS' REVIEW REPORT

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **HAMID TEXTILE MILLS LIMITED** as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of 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, 2024 and 2023 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, 2024.

### 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. 9.206 Million, loss before tax and leavy amounting of Rs.14.119 Million and net capital deficiency before revaluation surplus of RS 121.193 Million during the six months then ended and company's current liabilities exceed current assets by Rs. 57.285 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, 2024 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 Mr. Ijaz Akbar (FCA).

**HLB IJAZ TABUSSUM & CO.**  
Chartered Accountants

**Place: Lahore**  
**Date: 24 February 25**  
**UDIN: RR202410415UwGc27BfD**



# HAMID TEXTILE MILLS LIMITED


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS AT DECEMBER 31, 2024

	Note	Un-audited December 31, 2024 Rupees	Audited June 30, 2024 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	543,391,457	555,401,186
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		13,050,956	13,752,485
Stock in trade	8	81,527,662	73,103,621
Trade debts		117,231,678	70,592,713
Loans and advances		16,511,174	720,870
Trade deposits and short term prepayments		360,000	360,000
Tax refunds due from the Government		9,452,400	11,269,655
Cash and bank balances		11,064,148	5,118,964
		<u>249,198,018</u>	<u>174,918,309</u>
<b>Total Assets</b>		<u><b>792,589,475</b></u>	<u><b>730,319,495</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised share capital</b>			
15,000,000 shares (June 30, 2024: 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>(253,909,430)</u>	<u>(242,886,212)</u>
		(121,193,430)	(110,170,212)
Surplus on revaluation of property, plant and Equipment		<u>472,662,600</u>	<u>483,999,917</u>
		351,469,169	373,829,704
<b>NON-CURRENT LIABILITIES</b>			
Long term loan	9	35,000,000	25,000,000
Deferred liabilities		<u>99,637,205</u>	<u>96,158,890</u>
		134,637,205	121,158,890
<b>CURRENT LIABILITIES</b>			
Trade and other payables		193,177,732	122,844,281
Accrued mark-up		33,495,078	32,676,328
Loan from Director	10	7,901,600	7,901,600
Short term borrowings		24,520,298	24,520,298
Current & overdue portion of long term liabilities		47,388,393	47,388,393
Provisions		-	-
		<u>306,483,100</u>	<u>235,330,900</u>
<b>Total equity and liabilities</b>		<u><b>792,589,475</b></u>	<u><b>730,319,495</b></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 DECEMBER 31, 2024

	SIX MONTHS ENDED		THREE MONTHS ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	DECEMBER 31, 2024	DECEMBER 31, 2023
	Rupees	Rupees	Rupees	Rupees
Sales	451,384,258	364,323,675	245,822,209	163,390,934
Cost of Sales	(442,178,520)	(356,162,437)	(238,590,897)	(158,220,838)
Gross Profit/ (Loss)	9,205,738	8,161,238	7,231,312	5,170,096
OPERATING EXPENSES				
- Distribution	(2,228,224)	(1,901,700)	(1,198,450)	(1,254,800)
- Administration	(18,445,606)	(15,608,314)	(9,617,496)	(7,826,072)
	(20,673,830)	(17,510,014)	(10,815,946)	(9,080,872)
	(11,468,092)	(9,348,776)	(3,584,634)	(3,910,776)
Other Operating Income	-	-	-	-
Operating Profit/ (Loss)	(11,468,092)	(9,348,776)	(3,584,634)	(3,910,776)
Finance Cost	(2,651,262)	(6,415)	(1,518,769)	(315)
Profit/ (Loss) Before Taxation and levy	(14,119,354)	(9,355,191)	(5,103,403)	(3,911,091)
Levy	(5,642,303)	(4,554,046)	(3,072,778)	(2,042,387)
Profit/ (Loss) Before Taxation	(19,761,657)	(4,801,145)	(2,030,626)	(1,868,704)
Taxation	(2,598,878)	(701,396)	(5,603,747)	(416,062)
Profit / (Loss) After Taxation Carried To Statement Of Comprehensive Income	(22,360,535)	(5,502,541)	(7,634,372)	(2,284,766)
Earning/ (Loss) per Share - Basic & Diluted	11 (1.68)	(0.41)	(0.58)	(0.17)

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, 2024

	Share Capital	Un-appropriated profit / (Loss)	Surplus on Revaluation of Fixed Assets	Total
	(Amounts in Rupees)			
Balance as on June 30, 2023 (Audited)	132,716,000	(240,637,117)	508,175,661	400,254,544
Total Comprehensive income for the 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	132,716,000	(234,051,786)	496,087,789	394,752,003
Balance as on June 30, 2024 (Audited)	132,716,000	(242,886,212)	483,999,917	373,829,704
Total Comprehensive income for six months then ended	-	(22,360,535)	-	(22,360,535)
Incremental Depreciation charged to revaluation surplus	-	11,337,317	(11,337,317)	-
Balance as on December 31, 2024	132,716,000	(253,909,431)	472,662,600	351,469,169

  
Chief Executive

  
Chief Financial Officer

  
Director



# HAMID TEXTILE MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOW (Unaudited)

FOR THE PERIOD ENDED DECEMBER 31, 2024

	December 31 2024 Rupees	December 31 2023 Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit / (loss) before taxation	(14,119,354)	(9,355,191)
<b>ADJUSTMENTS</b>		
Depreciation	19,009,729	20,645,605
Provision for gratuity	879,437	-
Finance cost	2,651,262	6,415
	<u>22,540,428</u>	<u>20,652,020</u>
Operating profit before adjustment of working capital	8,421,074	11,296,829
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	701,529	113,926
Stock in trade	(8,424,041)	19,784,187
Trade debts	(46,638,965)	(6,795,505)
Loans and advances	(15,790,304)	(730,906)
Trade deposits and short term prepayments	-	-
Tax refunds due from the Government	1,817,256	1,238,378
	<u>(68,334,525)</u>	<u>13,610,080</u>
<b>Increase/(decrease) in current liabilities:</b>		
Trade and other payables	68,894,220	2,568,952
Cash inflow from operations	8,980,769	27,475,861
Gratuity paid	-	-
Finance cost	(1,832,512)	(6,415)
Paid Provision for LESCO Bill	-	(15,705,169)
Taxes paid	(4,203,073)	(3,222,553)
Net cash inflow from operating activities	<u>2,945,184</u>	<u>8,541,724</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(7,000,000)	-
Disposal proceeds of Fixed Assets	-	-
Net cash used in from investing activities	<u>(7,000,000)</u>	<u>-</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term loan from related parties - unsecured	-	(1,194,500)
Long term loan from Other than banking companies - unsecured	10,000,000	-
Net cash inflow / (outflow) from financing activities	10,000,000	(1,194,500)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	5,945,184	7,347,224
Cash and cash equivalents at the beginning of the period	5,118,964	3,658,352
Cash and cash equivalents at the end of the period	<u>11,064,148</u>	<u>11,005,574</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, 2024

NOTE	SIX MONTHS ENDED		THREE MONTHS ENDED	
	DECEMBER 31, 2024 Rupees	DECEMBER 31, 2023 Rupees	DECEMBER 31, 2024 Rupees	DECEMBER 31, 2023 Rupees
<b>PROFIT / (LOSS) FOR THE PERIOD</b>	(22,360,535)	(5,502,541)	(7,634,372)	(2,284,766)
Items that may be reclassified subsequently to profit or loss:	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>(22,360,535)</u>	<u>(5,502,541)</u>	<u>(7,634,372)</u>	<u>(2,284,766)</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, 2024

#### 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, 2024.

5. The management using going concern assumption is valid and the management is of view that overall assets of the company exceeds the total obligations to pay, the company is alive and continuously maintaining its operations with directors and sponsors loan and generating sufficient internal funds to maintain its operations. it is true that company is facing financial constraints due to pending litigation in Hon'ble Courts with National Bank of Pakistan and had been facing all odd factors prevailing in Pakistan economy, textile sector in particular and having financial constraints stated herein, the operations of the company remains alive in last decade which justifies that preparation of financial statements as going concern is justified.

#### 6. Contingencies and commitments

6.1 There is no change in contingencies from those disclosed in the annual accounts for the year ended June 30, 2024.

6.2 There are no commitments as at December 31, 2024.

	Un-Audited December 31 2024 Rupees	Audited June 30, 2024 Rupees
<b>7. Property, Plant and Equipments</b>		
Book Value as at July 1st, 2024	555,401,186	596,999,533
Addition during the period	7,000,000	-
Deletion during the period	-	(350,000)
Depreciation for the period	(19,009,729)	(41,248,346)
	<b>543,391,457</b>	<b>555,401,186</b>
<b>8. Stock In Trade</b>		
Raw Materials	61,136,756	34,108,512
Work in Process	4,989,706	4,939,706
Finished Goods	15,401,200	34,055,403
	<b>81,527,662</b>	<b>73,103,621</b>
<b>9. Long Term Loan Other Than Banking Companies: (Un-secured)</b>		
Opening balance	25,000,000	25,000,000
Receipt during the period / year	10,000,000	-
	<b>35,000,000</b>	<b>25,000,000</b>
<b>10. Loan from Director-related parties (unsecured)</b>		
Opening balances	7,901,600	11,248,100
Contribution during the period / year	-	-
Repayments during the period / year	-	(3,346,500)
	<b>7,901,600</b>	<b>7,901,600</b>
<b>11. Basic Earning Per Share</b>		
Profit / (Loss) after tax for the six months then ended	(22,360,535)	(5,502,541)
Weighted average number of ordinary shares	13,271,600	13,271,600
Basic earning per share	<b>(1.68)</b>	<b>(0.41)</b>

#### 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 24, 2025.

  
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
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