



*Quarterly Accounts September 30, 2017
(Un-Audited)*



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COMPANY INFORMATION

CHAIRPERSON

Mrs. Shahnaz Umar

CHIEF EXECUTIVE

Mr. Nadeem Aslam Butt

BOARD OF DIRECTORS

Mrs. Shahnaz Umar
Mr. Muhammad Umar Virk
Mr. Nadeem Aslam Butt
Mrs. Fatima Nadeem
Mrs. Sadiya Umair
Mr. Shaukat Nazir Malik (Independent Director)
Mr. Usman Khalid

AUDIT COMMITTEE

Mr. Shaukat Nazir Malik	Chairman
Mr. Muhammad Umar Virk	Member
Mr. Usman Khalid	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Sadiya Umair	Chairperson
Mr. Nadeem Aslam Butt	Member
Mrs. Fatima Nadeem	Member

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr.Saeed Ahmad Khan

AUDITORS

Messrs Rehman Sarfaraz Rahim Iqbal Rafiq. Chartered Accountants
Members of Russell Bedford International.
72-A, Faisal Town, Lahore.

LEGAL ADVISER

Salman Akram Raja.
Raja Mohammad Akram & Co., Advocates &
Legal Consultants , 33-C Main Gulberg Lahore.

REGISTRAR OF THE COMPANY

Vision Consulting Ltd.
3 – C , 1st floor, LDA Flats, Lawrance Road Lahore
Ph: + 92 42 36283096 - 97, Fax: 92 42 36312550

REGISTERED OFFICE

44-E-1,Gulberg III, Lahore
Ph: + 92 342 571 4191 - 95 , Fax: + 92 342 571 0048
W: www.hiratex.com.pk

MILLS

8 KM Manga Raiwind Road Raiwind District Kasur



Directors' Report

We hereby present the un-audited financial statements of the Company for 1st Quarter ended on September 30, 2017. The Company's sales are Rs. 791.849 million as compared to Rs. 1005.649 million during the corresponding period of last year. Gross Profit for the period is Rs. 49.970 million showing a decrease of 40.43 % over the gross profit of Rs. 83.884 million in the corresponding period. Decrease in G.P. is due to decrease in sale rates and increase in fuel\ power and wages cost.

Loss from operations is Rs. 25.56 million as compared to profit of Rs. 9.507 million in the corresponding period. The decrease in operational profit is mainly due to decrease in G.P. Profit after tax is Rs. 12.678 million as compared to profit of Rs. 22.412 million in the corresponding period. Hira Terry Mills Limited has contributed Rs. 45.525 million in the current profit of the company. Earning per share for three months period is Rs. 0.15 as compared to Rs. 0.28 during the corresponding period of last year.

Though the result of the current quarter is not satisfactory due to difficult business condition but at the same time the management is hopeful for better profitability of the company for the remaining year due to the export rebates announced by the government and issued SRO on October 20, 2017.

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication & devotion displayed in the success & growth of the company. The Directors also wish to place on record their thanks to the Bankers and other Stake holders for their continued support to the company.

On behalf of the Board

Mrs. Shahnaz Umar
(Chairperson)

Nadeem Aslam Butt
(Chief Executive Officer)

Lahore
October 30, 2017



ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2017 کو تختہ پہلی سہ ماہی کے لیے کمپنی کی غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوش محسوس کرتے ہیں کمپنی کی زیر جائزہ مدت کے دوران فروخت شدہ مال کی مالیت 791.849 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 1005.649 ملین تھی۔ زیر جائزہ مدت کے دوران مجموعی منافع (GP) 49.970 ملین روپے رہا جو گزشتہ سال اسی مدت کے دوران 83.884 ملین روپے تھا۔ اس طرح اس مدت میں مجموعی منافع پچھلے سال کی اسی مدت کے مقابلے میں 40.43 فیصد کم رہا۔ مجموعی منافع میں کمی کی بڑی وجہ ایندھن اور مزدور کی اجرت کی لاگت میں اضافہ اور قابل فروخت مال کے دام میں کمی ہے۔

کمپنی کا اپریشنل نقصان 25.56 ملین روپے رہا جب کہ پچھلے سال اسی مدت کے دوران منافع 9.507 ملین روپے تھا۔ منافع میں یہ کمی مجموعی منافع میں کمی کی وجہ سے ہوئی۔ بعد از ٹیکس منافع 12.678 ملین روپے رہا جب کہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع 22.412 ملین روپے تھا۔ موجودہ منافع میں میسر زحرائیری ملز لمیٹڈ کا 45.525 ملین روپے منافع شامل ہے۔ رواں سہ ماہی کے لئے فی حصص آمدنی (EPS) گزشتہ سال کی اسی مدت میں 0.28 روپے کے مقابلہ میں 0.15 روپے ہے۔

اگرچہ مشکل کا روبرو بری حالات کی وجہ سے رواں سہ ماہی کے دوران کمپنی کی کارکردگی تسلی بخش نہ رہی۔ تاہم کمپنی کی انتظامیہ حکومت کی جانب سے برآمدی رعایت کے اعلان سے سال کے باقی ماندہ عرصہ کے لئے بہتر منافع کے لئے پرامید ہے۔

ڈائریکٹرز، کمپنی کے عملے اور کارکنان کی اپنے کام کی لگن اور ایثار کے لئے جو انھوں نے کمپنی کی کامیابی اور بہتری کے لئے کی ہیں ان کو تحسین کی نظر سے دیکھتے اور سراہتے ہیں ڈائریکٹرز مینکٹرز اور دیگر حصہ داروں کا کمپنی کی مسلسل حمایت پر شکریہ ادا کرتے ہیں۔

منجانب بورڈ

مسر شہناز عمر

(چیئر پرسن)

ندیم اسلم ہٹ

چیف ایگزیکٹو آفیسر

لاہور

30 اکتوبر، 2017



Condensed Interim Balance Sheet

	Un-Audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	2,526,163,697	2,545,357,331
Long term investment- note 3	807,978,269	762,452,734
Long term Advance & Deposits	32,552,314	32,249,742
	3,366,694,280	3,340,059,807
CURRENT ASSETS		
Stores, spares and loose tools	132,883,603	115,297,420
Stock in trade	1,751,950,654	2,017,328,533
Trade debts	104,605,273	78,287,805
Advances, Deposits, Prepayments & other receivables	213,327,045	223,710,662
Tax refundable due from Government - (Net of provision)	93,612,795	100,897,812
Sales Tax Refundable	86,457,941	85,671,176
Cash and bank balances	32,223,070	6,211,703
	2,415,060,382	2,627,405,111
TOTAL ASSETS	5,781,754,661	5,967,464,918
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized capital		
87,000,000 ordinary shares of Rs. 10 each	870,000,000	870,000,000
Issued, subscribed and paid-up capital		
86,577,920 ordinary shares of Rs. 10 each	865,779,200	865,779,200
Reserves	82,500,000	82,500,000
Unappropriated profit	1,033,028,285	1,020,350,274
Shares Holders' Equity	1,981,307,485	1,968,629,474
Surplus on revaluation of property, plant and equipment	529,234,822	529,234,822
NON CURRENT LIABILITIES		
Long term Financing	392,929,824	400,384,490
Liabilities against assets subject to finance Lease	25,032,473	25,659,431
Deferred Liabilities	93,524,844	92,110,458
CURRENT LIABILITIES		
Trade and other payables	615,110,116	701,857,076
Mark-up accrued	56,310,232	59,686,751
Short term borrowings	1,986,311,047	2,056,268,085
Current maturity of long term liabilities	101,993,818	133,634,330
	2,759,725,213	2,951,446,242
CONTINGENCIES AND COMMITMENTS -note 4	-	-
TOTAL EQUITY AND LIABILITIES	5,781,754,661	5,967,464,918

The annexed notes form an integral part of these financial statements

Lahore

Date : October 30, 2017

Chief Executive

Chief Financial Officer

Chairperson



Condensed Interim Profit and Loss Account (Un-audited)

For the quarter ended as at September 30, 2017

	September 30, 2017	September 30, 2016
	Rupees	Rupees
Sales - net	791,849,638	1,005,649,769
Cost of goods sold	741,879,342	921,765,281
Gross profit	49,970,296	83,884,488
Distribution cost	8,313,021	11,125,323
Administrative expenses	16,106,487	16,764,252
Other operating expenses	-	704,642
Finance cost	51,113,295	45,782,712
	75,532,803	74,376,929
Profit from Operations	(25,562,507)	9,507,559
Share of profit of Hira Terry Mills Limited	45,525,535	22,157,068
Profit/(Loss) before tax	19,963,028	31,664,627
Provision for taxation	7,285,017	9,251,978
Profit/(Loss) after tax	12,678,011	22,412,649
Earnings/(Loss) per share - basic and diluted	0.15	0.28

The annexed notes form an integral part of these financial statements

Lahore
Date : October 30, 2017


Chief Executive


Chief Financial Officer


Chairperson



Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended September 30, 2017

	Quarter ended	
	Sept. 30, 2017	Sept. 30, 2016
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	19,963,028	31,664,628
Add Depreciation of property, plant and equipment	28,303,752	29,575,653
Employee benefits- provision for the period	3,500,000	3,500,000
Share of Profit of Hira Terry Mills Limited	(45,525,535)	(22,157,068)
Finance cost	51,113,295	45,782,712
	57,354,540	88,365,924
(Increase)/ decrease in store, spare and loose tools	(17,586,183)	14,688,365
(Increase)/ decrease in stock in trade	265,377,879	(244,546,566)
(Increase)/ decrease in trade debts	(26,317,468)	11,231,003
(Increase)/ decrease in loans & advances	17,668,634	102,378,632
(Increase)/ decrease in Sales Tax refundables	(786,765)	(9,343,061)
Increase/ (decrease) in trade & other payables	(86,746,960)	37,391,844
Cash generated from operations	208,963,676	166,141
Finance cost paid	(54,489,815)	(57,618,559)
Gratuity paid	(2,085,614)	(2,054,100)
Income taxes paid	(2,537,962)	(2,537,962)
Net cash used operating activities	149,850,286	(62,044,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,857,173)	(13,122,283)
Long term deposits	(302,572)	-
NET CASH USED IN INVESTING ACTIVITIES	(14,159,745)	(13,122,283)
Long term financing	(39,095,178)	(33,336,324)
Payment of liabilities against assets subject to finance lease	(626,958)	(3,691,471)
Short term borrowings - secured	(69,957,038)	110,417,469
NET CASH FLOW FROM FINANCING ACTIVITIES	(109,679,174)	73,389,674
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	26,011,367	(1,777,090)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,211,703	26,734,940
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	32,223,070	24,957,850

The annexed notes form an integral part of these financial statements

Lahore
Date : October 30, 2017


Chief Executive


Chief Financial Officer


Chairperson



Condensed Interim Statement of Changes in Equity (Un-audited)

For the quarter ended September 30, 2017

	Share capital Rupees	Share premium Rupees	Unappropriated profits Rupees	Total Rupees
Balance as at June 30, 2016	865,779,200	82,500,000	996,958,197	1,945,237,397
Profit for the period	-	-	22,412,649	22,412,649
Balance as at Sep 30, 2016	<u>865,779,200</u>	<u>82,500,000</u>	<u>1,019,370,846</u>	<u>1,967,650,046</u>
Profit for the period	-	-	979,428	979,428
Balance as at June 30, 2017	<u>865,779,200</u>	<u>82,500,000</u>	<u>1,020,350,274</u>	<u>1,968,629,474</u>
Profit for the period	-	-	12,678,011	12,678,011
Balance as at Sep 30, 2017	<u><u>865,779,200</u></u>	<u><u>82,500,000</u></u>	<u><u>1,033,028,285</u></u>	<u><u>1,981,307,485</u></u>

The annexed notes form an integral part of these financial statements

Lahore
Date : October 30, 2017


Chief Executive


Chief Financial Officer


Chairperson



Condensed Interim Notes to the Financial Statements (Un-audited)

For the quarter ended as at September 30, 2017

1 CORPORATE INFORMATION

The Company was incorporated in Pakistan on January 31, 1991 as a Public Limited Company and its shares are quoted on Karachi and Lahore Stock Exchanges. The principal activity of the Company is to manufacture and sale of yarn. The registered office of the Company is located at 44-E/1 Gulberg III, Lahore and its mill is located at Raiwind Road Lahore.

2 BASIS OF PREPARATION

- 2.1 These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.
- 2.2 The accounting policies and methods of computation adopted in the preparation of these financial statements are the same as those applied in the preparation of the preceding published financial statements of the Company for the year ended June 30, 2017.

	Un-Audited September 30, 2017	Audited June 30, 2017
	Rupees	Rupees
3 LONG TERM INVESTMENTS		
Investment in related parties- unquoted		
Hira Terry Mills Limited -associated company		
18,450,000 fully paid ordinary shares of Rs. 10 each	184,500,000	184,500,000
Bonus Issue @20%	36,900,920	36,900,920
Share of Profit	586,577,349	541,051,814
	<u>807,978,269</u>	<u>762,452,734</u>

4 CONTINGENCIES AND COMMITMENTS

Contingencies - Guarantees

Guarantees issued by banks on behalf of the company	29,542,428	29,542,428
	<u>29,542,428</u>	<u>29,542,428</u>

Commitments

Letters of credit for import of machinery	-	-
Letters of credit for import of raw material	51,429,131	51,429,131
Letters of credit for import of stores and spares/Others	107,531,846	107,531,846
	<u>158,960,977</u>	<u>158,960,977</u>

		Un-Audited September 30, 2017	Un-Audited September 30, 2016
	Note	Rupees	Rupees
5 COST OF SALES			
Stock - opening		257,428,763	448,481,587
Cost of goods manufactured	5.1	752,965,447	957,463,349
Stocks - closing		268,514,868	484,179,655
		<u>741,879,342</u>	<u>921,765,281</u>



Condensed Interim Notes to the Financial Statements (Un-audited)

For the quarter ended as at September 30, 2017

	Un-Audited September 30, 2017	Un-Audited September 30, 2016
	Rupees	Rupees
5.1 Cost of goods manufactured		
Work in process - opening	28,968,189	55,854,531
Raw materials consumed	505,208,707	679,755,302
Overheads	258,070,973	276,108,478
Work in process - closing	39,282,422	53,985,231
	<u>752,965,447</u>	<u>957,733,080</u>

6 RELATED PARTY TRANSACTIONS

The Related parties comprise holding company, subsidiaries and associated undertakings, other related group companies, directors of the company, key management personnel and post employment benefit plans. The company in the normal course of business carries out transactions with various related parties.

Transactions with related parties		Un-Audited September 30, 2017	Audited June 30, 2017
Nature of relationship	Nature of transactions	Rupees	Rupees
Associated company	Sales of yarn, cotton, dyes and chemicals	159,301,173	1,069,123,450
	Purchases of towels, cotton, waste, stores and spares	3,850,308	15,715,336
	Expenses charged	5,450,000	21,868,486
	Interest charged on balance due	6,241,476	8,862,744
Sponsors	Interest on borrowings paid	-	-
	Office rent	1,350,000	4,800,000
Adamjee Insurance Company Limited	Insurance premium paid	4,405,501	21,497,591
Provident fund trust	Contribution for the year	584,137	2,711,694
Balances with related parties			
Associated company	Advance obtained	249,871,554	281,137,416
Sponsors	Borrowings	213,493,000	213,493,000
Provident fund trust	Payable to provident fund	386,018	470,504

7 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 30th October, 2017 by the Board of Directors of the Company.

8 PRESENTATION

- Figures in the financial statements have been rounded-off to the nearest Rupee.

Lahore
Date : October 30, 2017


Chief Executive


Chief Financial Officer


Chairperson