



*Quarterly Accounts September 30, 2020  
(Un-Audited)*



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## COMPANY INFORMATION

### CHAIRPERSON

Mrs. Shahnaz Umar

### CHIEF EXECUTIVE

Mr. Mohammad Mahboob

### BOARD OF DIRECTORS

Mrs. Shahnaz Umar	( Non-Executive / Chairperson )
Mr. Mohammad Mahboob	( Executive Director / Chief Executive Officer )
Mrs. Sadiya Umair	( Non-Executive )
Mr. Muhammad Tariq	( Non-Executive )
Mr. Saeed Ahmed Khan	( Executive Director )
Mr. Shaukat Nazir Malik	( Non-Executive / Independent Director )
Mrs. Zainab Malik	( Non-Executive / Independent Director )

### AUDIT COMMITTEE

Mr. Shaukat Nazir Malik	Chairman
Mr. Muhammad Tariq	Member
Mrs. Zainab Malik	Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Zainab Malik	Chairperson
Mrs. Sadiya Umair	Member
Mr. Mohammad Mahboob	Member

### COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Saeed Ahmad Khan

### AUDITORS

M/S Rahman Sarfaraz Rahim Iqbal Rafiq. (Chartered Accountants)  
Member of Russell Bedford International.  
72-A, Faisal Town, Lahore.

### TAX ADVISER

M/S Tipu Associates  
97/8-B, Babar Block, Garden Town, Lahore

### INTERNAL AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq (Chartered Accountants)  
Member of Russel Badford 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

### REGISTERED OFFICE

44-E-1, Gulberg III, Lahore  
Ph: + 92 42 3571 4191-94 , Fax: + 92 42 3571 0048  
W: [www.hiratex.com.pk](http://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, 2020. The Company's sales are Rs. 489.995 million as compared to Rs. 269.345 million during the corresponding period of last year. Gross Profit for the period is Rs. 12.626 million showing an increase of 116.56 % over the gross loss of Rs. 76.250 million in the corresponding period. Increase in G.P. is due to better sales rates and reduction in wages cost.

Loss from operations is Rs. 8.492 million as compared to loss of Rs. 136.429 million in the corresponding period. The decrease in operational loss is mainly due to increase in G.P. Loss after tax is Rs. 13.392 million as compared to loss of Rs. 176.68 million in the corresponding period. Loss per share for three months period is Rs. 0.15 as compared to loss of Rs. 2.04 during the corresponding period of last year.

The result of the current quarter is quite satisfactory in the current difficult business condition and the management of the company is utilizing its full skills to improve the efficiency of the company and is hopeful for better profitability of the company for the remaining year.

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)

**Mr. Mohammad Mahboob**  
(Chief Executive Officer)

Lahore  
October 29, 2020



## ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2020 کو تختہ چلی 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 489.995 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 269.345 ملین تھی۔ زیر جائزہ مدت کے دوران مجموعی منافع (GP) 12.628 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران 76.250 ملین روپے کا مجموعی نقصان تھا۔ اس طرح اس مدت میں مجموعی منافع پچھلے سال کی اسی مدت کے مقابلے میں 116.56 فیصد زیادہ رہا۔ مجموعی منافع میں اضافہ کی بڑی وجہ قابل فروخت مال کے دام میں بہتری اور مزدوری کی لاگت میں کمی تھی۔

کمپنی کا آپریشنل نقصان 8.492 ملین روپے رہا جب کہ پچھلے سال اسی مدت کے دوران نقصان 136.429 ملین روپے تھا۔ نقصان میں یہ کمی مجموعی منافع میں اضافہ کی وجہ سے ہوا۔ بعد از ٹیکس نقصان 13.392 ملین روپے رہا جب کہ پچھلے سال اسی مدت میں بعد از ٹیکس نقصان 176.681 ملین روپے تھا۔ رواں سہ ماہی کے لئے فی حصص نقصان 0.15 روپے ہے جبکہ گزشتہ سال کی اسی مدت میں فی حصص نقصان 2.04 روپے تھا۔

مشکل کاروباری حالات کی وجہ سے رواں سہ ماہی کے دوران کمپنی کی کارکردگی کافی تسلی بخش رہی۔ تاہم کمپنی کی انتظامیہ کارکردگی میں مزید بہتری کیلئے پوری کوشش کر رہی ہے اور بہتر منافع کے لئے پرامید ہے۔

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

منجانب یورڈ

مسز شہناز عمر

(چیف پرنس)

محمد مجیب

چیف ایگزیکٹو آفیسر

لاہور

29 اکتوبر 2020ء



## Condensed Interim Statement of Financial Position

as at September 30, 2020

	Un-Audited September 30, 2020	Audited June 30, 2020
	Rupees	Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,271,257,995	2,295,738,076
Right-of-use assets	62,259,751	62,259,751
Long term investment-	-	-
Long term Advance & Deposits	48,148,652	48,148,652
	2,381,666,398	2,406,146,479
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	48,727,778	37,366,947
Stock in trade	337,564,233	288,798,084
Trade debts	165,888,640	184,206,555
Advances, Deposits, Prepayments & other receivables	258,437,767	252,842,646
Tax refundable due from Government - (Net of provision)	38,097,905	42,997,856
Cash and bank balances	11,087,678	9,616,009
	859,804,001	815,828,097
<b>TOTAL ASSETS</b>	<b>3,241,470,399</b>	<b>3,221,974,576</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
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
Share premium	82,500,000	82,500,000
Surplus on revaluation of property, plant and equipment	435,243,736	438,903,099
Loan from directors and sponsors	481,500,000	481,500,000
Unappropriated profit	(1,809,432,995)	(1,799,700,701)
<b>Shares Holders' Equity</b>	<b>55,589,941</b>	<b>68,981,598</b>
<b>NON CURRENT LIABILITIES</b>		
Long term finances - Secured	1,136,343,968	1,136,343,968
Loan from directors and family members - Unsecured	-	-
Liabilities against assets subject to finance Lease	3,934,917	4,904,925
Employees retirement benefits	14,876,450	14,876,450
Deferred taxation	220,860,514	220,860,514
	1,376,015,849	1,376,985,857
<b>CURRENT LIABILITIES</b>		
Trade and other payables	568,341,880	558,699,716
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	391,114,911	366,899,587
Short term borrowings	809,279,436	809,279,436
Current maturity of long term liabilities	38,371,166	38,371,166
	1,809,864,609	1,776,007,121
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,241,470,399</b>	<b>3,221,974,576</b>

The annexed notes form an integral part of these financial statements

Lahore  
Date : October 29, 2020

  
Chief Executive

  
Chief Financial Officer

  
Chairperson



## Condensed Interim Statement of Profit and Loss (Un-audited)

*For the quarter ended as at September 30, 2020*

	September 30, 2020	September 30, 2019
	Rupees	Rupees
Sales - net	489,995,077	269,345,668
Cost of goods sold	<u>477,369,430</u>	<u>345,595,468</u>
Gross profit	12,625,647	(76,249,800)
Other income	12,960,000	12,000,000
Distribution cost	8,100	7,500
Administrative expenses	7,896,801	12,706,358
Other operating expenses	-	-
Finance cost	<u>26,172,452</u>	<u>59,465,810</u>
	34,077,353	72,179,668
Profit from Operations	<u>(8,491,706)</u>	<u>(136,429,468)</u>
Share of profit of Hira Terry Mills Limited	-	(37,557,723)
Profit/(Loss) before tax	(8,491,706)	(173,987,191)
Provision for taxation	4,899,951	2,693,457
Profit/(Loss) after tax	<u>(13,391,657)</u>	<u>(176,680,648)</u>
Earnings/(Loss) per share - basic and diluted	(0.15)	(2.04)

The annexed notes form an integral part of these financial statements

Lahore  
Date : October 29, 2020

  
Chief Executive

  
Chief Financial Officer

  
Chairperson



## Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended September 30, 2020

	Quarter ended	
	Sept. 30, 2020 Rupees	Sept. 30, 2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	(8,491,706)	(173,987,191)
Add Depreciation of property, plant and equipment	30,631,162	32,772,607
Employee benefits- provision for the period	5,659,474	5,659,474
Share of Profit of Hira Terry Mills Limited	-	37,557,723
Finance cost	26,172,452	59,465,810
	<b>53,971,382</b>	<b>(38,531,577)</b>
(Increase)/ decrease in store, spare and loose tools	(11,360,831)	1,564,122
(Increase)/ decrease in stock in trade	(48,766,149)	(235,398,733)
(Increase)/ decrease in trade debts	18,317,915	379,686,565
(Increase)/ decrease in loans & advances	(5,595,121)	11,271,913
(Increase)/ decrease in Tax refundables	4,899,951	35,714,310
Increase/ (decrease) in trade & other payables	9,642,164	(28,669,712)
<b>Cash generated from operations</b>	<b>21,109,311</b>	<b>125,636,888</b>
Finance cost paid	(1,957,128)	(4,088,983)
Gratuity paid	(3,400,421)	(1,673,700)
Sales Tax / Income taxes paid	(20,000)	-
Net cash used operating activities	<b>15,731,762</b>	<b>119,874,205</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(13,290,085)	-
Long term deposits	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(13,290,085)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	-	-
Payment of liabilities against assets subject to finance lease	(970,008)	-
Short term borrowings - secured	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(970,008)</b>	<b>-</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>1,471,669</b>	<b>86,853,352</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>9,616,009</b>	<b>8,316,676</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>11,087,678</b>	<b>95,170,028</b>

The annexed notes form an integral part of these financial statements

Lahore  
Date : October 29, 2020

  
Chief Executive

  
Chief Financial Officer

  
Chairperson





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

*For the quarter ended September 30, 2020*

	Share capital	Share premium	Unappropriated profits	Surplus on Revaluation	Total
	----- Rupees -----				
<b>Balance as at June 30, 2019</b>	865,779,200	82,500,000	(1,510,775,030)	465,056,876	(97,438,954)
Profit / (Loss) for the period			(176,680,648)		(176,680,648)
Incremental Depreciation			4,371,534	(4,371,534)	-
<b>Balance as at Sep 30, 2019</b>	865,779,200	82,500,000	(1,683,084,144)	460,685,342	(274,119,602)
Profit / (Loss) for the period			(127,107,923)		(127,107,923)
Other Comprehensive Income / (Loss)			(570,969)	(10,719,908)	(11,290,877)
Surplus on revaluation of property, Plant and equipment realised on disposal			796,419	(796,419)	-
Incremental depreciation			10,265,916	(10,265,916)	-
<b>Balance as at June 30, 2020</b>	865,779,200	82,500,000	(1,799,700,701)	438,903,099	(412,518,402)
Profit / (Loss) for the period			(13,391,657)		(13,391,657)
Incremental Depreciation			3,659,363	(3,659,363)	-
<b>Balance as at Sep 30, 2020</b>	865,779,200	82,500,000	(1,809,432,995)	435,243,736	(425,910,059)

The annexed notes form an integral part of these financial statements

Lahore  
Date : October 29, 2020

  
Chief Executive

  
Chief Financial Officer

  
Chairperson



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

*For the quarter ended as at September 30, 2020*

### 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 mill site Manga Raiwind Road Raiwind.

### 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 the provisions of and directives issued under the Companies Act, 2017.
- 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, 2019.

	Un-Audited September 30, 2020 Rupees	Audited June 30, 2020 Rupees
<b>3 LONG TERM INVESTMENTS</b>		
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	(221,400,920)	(221,400,920)
	<u>-</u>	<u>-</u>
<b>4 CONTINGENCIES AND COMMITMENTS</b>		
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	-	-
Letters of credit for import of stores and spares/Others	-	-
	<u>-</u>	<u>-</u>

### 5 COST OF SALES

		Un-Audited September 30, 2020 Rupees	Un-Audited September 30, 2019 Rupees
	Note		
Stock - opening		50,182,052	20,352,646
Cost of goods manufactured	5.1	469,899,676	459,226,579
Stocks - closing		42,712,298	133,983,757
		<u>477,369,430</u>	<u>345,595,468</u>



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

For the quarter ended as at September 30, 2020

	Un-Audited September 30, 2020 Rupees	Un-Audited September 30, 2019 Rupees
<b>5.1 Cost of goods manufactured</b>		
Work in process - opening	43,810,486	39,802,358
Raw materials consumed	307,190,729	217,737,105
Overheads	181,035,698	233,859,497
Work in process - closing	62,137,237	32,172,381
	<u>469,899,676</u>	<u>459,226,579</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, 2020 Rupees	Audited June 30, 2020 Rupees
<b>Nature of relationship</b>	<b>Nature of transactions</b>		
Associated company			
	Sales of yarn, cotton, dyes and chemicals	15,934,597	24,424,077
			4,680
	Purchases of towels, cotton, waste, stores and spares	290,000	-
	Expenses charged	5,664,420	19,920,317
	Rental Income	12,960,000	45,920,000
	Interest charged on balance due	-	32,152,046
Sponsors	Interest on borrowings waived	-	32,152,046
	Office rent		-
Provident fund trust	Contribution for the year	2,113,856	2,352,050
<b>Balances with related parties</b>			
Associated company	Advance obtained against rent	138,575,080	189,127,049
	Receivable against Yarn	33,739,817	23,601,006
Sponsors	Borrowings	481,500,000	481,500,000
Key Management Personnel	Short term employees benefit payable	1,164,240	1,164,240
Provident fund trust	Payable to provident fund	1,088,556	2,467,220

## 7 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 29th October, 2020 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 29, 2020

  
Chief Executive

  
Chief Financial Officer

  
Chairperson