



*Quarterly Accounts March 31, 2020
(Un-Audited)*



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COMPANY INFORMATION

CHAIRPERSON

Mrs. Shahnaz Umar

CHIEF EXECUTIVE

Mr. Mohammad Mahboob

BOARD OF DIRECTORS

Mrs. Shahnaz Umar

Mr. Mohammad Mahboob

Mrs. Sadiya Umair

Mr. Mohammad Tariq

Mrs. Zainab Malik (Independent Director)

Mr. Saeed Ahmed Khan

Mr. Shaukat Nazir Malik (Independent Director)

AUDIT COMMITTEE

Mr. Shaukat Nazir Malik

Mrs. Zaniab Malik

Mr. Mohammad Tariq

Chairman

Member

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Zaniab Malik

Mr. Mohammad Mahboob

Mrs. Sadiya Umair

Chairperson

Member

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.

House No 72-A, Faisal Town, Lahore

TAX ADVISER

M/S Tipu Associates

97/8-B, Babar Block, Garden 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

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REGISTERED OFFICE

8 KM Manga Raiwind Road Raiwind District Kasur.

Ph: + 92 42 35393402, 35393461

WEB: www.hiratex.com.pk

MILLS

8 KM Manga Raiwind Road Raiwind District Kasur.



Directors' Report

We hereby present the un-audited financial statements of Company for the nine months ended 31 March 2020. The Company's sales are Rs. 1,124.927 million as compared to Rs. 1,623.831 million during the corresponding period of last year, which shows a decrease of 30.72%. The current quarter sale decreased by Rs. 60.428 million as compared to last year's corresponding quarter. Gross Loss for the period is Rs. 71.412 million showing a decrease of 53.29% over the gross loss of Rs. 152.873 million in the corresponding period in 2019. Gross profit for the current quarter is Rs. 2.631 million as compared to Gross Loss of Rs. 59.009 million in the last year 3rd quarter. Loss from operations is Rs. 63.59 million as compared to loss of Rs. 185.440 million in the corresponding period. Loss after tax is Rs. 311.025 million as compared to loss of Rs. 516.792 million in the corresponding period. M/s Hira Terry Mills Limited has contributed its share of loss Rs. 68.867 million. Loss per share is Rs. 3.59 per share as compared to loss Rs. 5.97 per share in corresponding period. Due to COVID-19 pandemic lockdown, company's operations are closed on March 24, 2020, and resumed on May 12, 2020 and operating up to 60-70% capacity under strict SOP's.

The Management is continuously working on various plans which included the marketing strategies to achieve the sales growth; and operational efficiency through improved capacity utilization, control on wastages in the processes. These strategies will ultimately improve results and more sustainability in the long term. The management is putting its best efforts to maximize company's profit for remaining period of the financial year and is positive of better results in the remaining three months to maximize the profitability of the company.

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication & devotion displayed in the growth of the Company.

On behalf of the Board

Mrs. Shahnaz Umer
(Chairperson)

Mr. Mohammad Mahboob
(Chief Executive Officer)

Lahore
June 13, 2020

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Condensed Interim Statement of Financial Position

as at March 31, 2020

	Un-Audited March 31, 2020 Rupees	Audited June 30, 2019 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment-note 3	2,325,385,139	2,446,540,823
Right of Used Assets	63,309,625	-
Long term investment-note 4	-	68,867,548
Long term deposits	37,366,341	33,026,841
	2,426,061,105	2,548,435,212
CURRENT ASSETS		
Stores, spares and loose tools	34,552,741	36,417,562
Stock in trade	442,251,554	251,674,899
Trade debts	128,572,446	605,316,530
Deposits and Short term Prepayments	243,737,199	196,726,360
Advance Income Tax - net of Provision for tax	51,941,421	66,311,981
Cash and bank balances	4,152,193	8,316,676
	905,207,554	1,164,764,008
TOTAL ASSETS	3,331,268,659	3,713,199,220
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized capital	870,000,000	870,000,000
87,000,000 ordinary shares of Rs. 10 each		
Issued , subscribed and paid-up capital	82,500,000	82,500,000
86,577,920 ordinary shares of Rs. 10 each		
Reserves	452,953,733	465,056,876
Surplus on revaluation of property, plant and equipment		
Unappropriated profit	(1,809,696,424)	(1,510,775,030)
Shares Holders' Equity	(408,463,491)	(97,438,954)
NON CURRENT LIABILITIES		
Long term loans	1,133,678,788	908,845,098
Loan from Directors and family members- unsecured	213,493,000	213,493,000
Liabilities against assets subject to finance Lease	-	-
Employees retirement benefits	10,712,422	7,893,687
Deferred Liabilities	220,896,635	220,896,635
CURRENT LIABILITIES		
Trade and other payables	583,952,500	809,150,599
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	403,759,371	242,790,441
Short term borrowings	1,126,920,108	1,345,646,184
Current maturity of long term liabilities	43,562,110	59,165,314
	2,160,951,305	2,459,509,755
CONTINGENCIES AND COMMITMENTS -note 5	-	-
TOTAL EQUITY AND LIABILITIES	3,331,268,659	3,713,199,220

The annexed notes form an integral part of these financial statements

Lahore

Date : June 13, 2020

Chief Executive

Chief Financial Officer

Director



Condensed Interim Statement of Profit or Loss (Un-audited)

For the quarter ended March 31, 2020

	For the 3rd quarter		Cumulative	
	Jan-March 2020	Jan-March 2019	July-March 2020	July-March 2019
	Rupees	Rupees	Rupees	Rupees
Sales - net	431,502,666	491,931,142	1,124,927,495	1,623,830,965
Cost of goods sold	428,871,623	550,940,771	1,196,339,299	1,776,703,619
Gross Loss	2,631,043	(59,009,629)	(71,411,804)	(152,872,654)
Distribution cost	5,000	30,000	36,410	2,651,276
Administrative expenses	7,342,334	8,300,912	25,324,411	30,168,264
	7,347,334	8,330,912	25,360,821	32,819,540
Other operating income	12,960,000	-	33,180,956	251,849
Operating Profit / (Loss)	8,243,709	(67,340,541)	(63,591,669)	(185,440,345)
Finance cost	42,360,010	71,580,814	164,503,727	172,311,982
	(34,116,301)	(138,921,355)	(228,095,396)	(357,752,327)
Share of Profit of Jointly Controlled Company	-	(68,545,612)	(68,867,548)	(138,580,785)
Profit / (Loss) before tax	(34,116,301)	(207,466,967)	(296,962,944)	(496,333,112)
Provision for taxation	5,393,783	6,149,139	14,061,593	20,459,094
Profit / (Loss) after tax	(39,510,084)	(213,616,106)	(311,024,537)	(516,792,206)
Earnings / (Loss) per share - basic and diluted	(0.46)	(2.47)	(3.59)	(5.97)

The annexed notes form an integral part of these financial statements

Lahore
Date : June 13, 2020


Chief Executive


Chief Financial Officer


Director



Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2020

	Nine Months Ended	
	March 31, 2020	March 31, 2019
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (Loss) before taxation	(296,962,944)	(496,333,112)
Add Depreciation of property, plant and equipment	94,354,301	97,282,062
Gain on disposal of property, plant and equipment / Other Income	(33,180,956)	(251,849)
Share of Profit of Jointly Controlled Company	68,867,548	138,580,785
Employee benefits- provision for the period	7,500,000	6,625,000
Finance cost	164,503,727	172,311,982
	5,081,676	(81,785,132)
(Increase)/ decrease in store, spare and loose tools	1,864,821	14,980,060
(Increase)/ decrease in stock in trade	(190,576,655)	388,443,457
(Increase)/ decrease in trade debts	481,036,177	(6,241,739)
(Increase)/ decrease in deposits and short term prepayments	(28,081,981)	58,414,276
Increase/ (decrease) in Sales tax refundable	(18,928,858)	10,586,621
Increase/ (decrease) in trade & other payables	(225,198,099)	(317,808,189)
Cash generated from operations	25,197,081	66,589,353
Finance cost paid	(3,534,797)	(63,495,289)
Gratuity paid	(4,681,265)	(5,319,030)
Income taxes paid	5,075,356	(8,573,561)
Net cash used operating activities	22,056,374	(10,798,527)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(34,707,971)	(12,707,122)
Proceeds from sale of plant and equipment	580,000	618,000
Long term deposits	4,339,500	(10,143,572)
NET CASH USED IN INVESTING ACTIVITIES	(29,788,471)	(22,232,694)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long term Financing	229,175,580	-
Payment of long term financing	(4,341,890)	-
Payment of liabilities against assets subject to finance lease	(2,540,000)	(5,495,473)
Short term borrowings - secured	(218,726,076)	22,239,254
Dividends Paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	3,567,614	16,743,781
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(4,164,483)	(16,287,441)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	8,316,676	68,271,810
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,152,193	51,984,369

The annexed notes form an integral part of these financial statements

Lahore
Date : June 13, 2020


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2020

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total
	----- Rupees -----				
Balance as at June 30, 2018	865,779,200	82,500,000	507,907,669	491,672,761	1,947,859,630
Profit for the period	-	-	-	(516,792,206)	(516,792,206)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	9,417,636	(9,417,636)	-
Balance as at March 31, 2019	865,779,200	82,500,000	517,325,305	(34,537,081)	1,431,067,424
Profit for the period	-	-	-	(1,499,049,903)	(1,499,049,903)
Other Comprehensive Income	-	-	(28,329,808)	(1,216,867)	(29,546,675)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(23,938,621)	24,028,821	90,200
Balance as at June 30, 2019	865,779,200	82,500,000	465,056,876	(1,510,775,030)	(97,438,954)
Profit for the period	-	-	-	(311,024,537)	(311,024,537)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(12,103,143)	12,103,143	-
Balance as at March 31, 2020	865,779,200	82,500,000	452,953,733	(1,809,696,424)	(408,463,491)

The annexed notes form an integral part of these financial statements

Lahore
Date : June 13, 2020


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 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 and its mill both are located at 8 KM Manga Raiwind Road Raiwind District Kasur.

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 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.

	Note	Un-Audited 31 March, 2020 Rupees	Audited 30-Jun-19 Rupees
3 PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	3.1	2,323,225,824	2,446,540,823
Capital Work in progress		2,159,315	-
		2,325,385,139	2,446,540,823
3.1 Tangible fixed assets			
Opening book value		2,446,540,823	2,506,220,177
Additions/Adjustment during the period			
- Building on freeholdland		325,761	
- plant and machinery		23,753,293	61,072,912
plant and machinery - Leased		-	
- electric installations		6,967,076	10,262,511
- Generator		-	
- power house		3,288,981	272,826
- telephone installation		-	
- Office Equipments		279,344	379,429
- computers		37,124	123,626
- furniture and fixtures		56,392	68,763
- vehicles Owned		-	1,170,000
- vehicles - leased		-	-
		34,707,971	73,350,067
Book value of assets disposed-off during the period		(359,044)	(1,938,992)
Depreciation charge for the period		(94,354,301)	(131,090,429)
Transfer to right of used assets		(63,309,625)	-
Closing book value		2,323,225,824	2,446,540,823



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

For the quarter ended March 31, 2020

	Un-Audited 31-Mar-20	Audited 30-Jun-19
	Rupees	Rupees
4 LONG-TERM INVESTMENTS		
Investment in related party - equity method		
Jointly controlled entity - (Hira Terry Mills Limited)		
Cost of investment		
18,450,000 (June 30, 2018 : 18,450,000) fully paid ordinary shares of Rs.10 each	184,500,000	184,500,000
Bonus Issue	36,900,920	36,900,920
Share of post acquisition profits- <i>Unrealized</i>	(221,400,920)	(152,533,372)
	-	68,867,548
5 CONTINGENCIES AND COMMITMENTS		
Guarantees issued by banks on behalf of the Company	29,542,428	29,542,428
Post dated cheques in favour of Commissioner Inland Revenue and Collector of Customs.	-	7,920,000
	29,542,428	37,462,428
Commitments		
Letters of credit for import of machinery/ Spares	-	-
Letters of credit for import of raw material	-	-
Letters of credit for import of stores and spares	-	-
	-	-

6 COST OF SALES

		For the 3rd quarter		Cumulative	
		January - March 2020	January - March 2019	July - March 2020	July - March 2019
Note		Rupees	Rupees	Rupees	Rupees
Stock - opening		106,902,618	230,886,087	20,352,646	361,192,001
Cost of goods manufactured	6.1	413,148,253	509,258,295	1,267,165,901	1,604,715,229
		520,050,871	740,144,382	1,287,518,547	1,965,907,230
Stocks - closing		91,179,248	189,203,611	91,179,248	189,203,611
		428,871,623	550,940,771	1,196,339,299	1,776,703,619



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

For the quarter ended March 31, 2020

	For the 3rd quarter		Cumulative	
	January - March	January - March	July - March	July - March
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
6.1 Cost of goods manufactured				
Work in process - opening	32,096,223	6,042,254	39,802,358	27,947,507
Raw materials consumed	296,961,995	368,267,998	775,258,452	1,093,243,362
Overheads	140,724,242	167,787,420	508,739,298	516,363,737
	437,686,237	536,055,418	1,283,997,750	1,609,607,099
	469,782,460	542,097,672	1,323,800,108	1,637,554,606
Work in process - closing	56,634,207	32,839,376	56,634,207	32,839,376
	413,148,253	509,258,295	1,267,165,901	1,604,715,229

7 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.

Un-Audited	Un-Audited
31 March, 2020	31 March, 2019
Rupees	Rupees

Transactions with Associated undertaking - Hira Terry Mills Limited (H.T.L)

Sale of yarn and store etc.	823,071	233,681,963
Purchase of cotton/ towels & Dyes	-	-
Expenses charged / Recoverable	4,680	13,676,977
Mark-up charged / (Income) on balance due	-	-
Transactions with Other related parties		
Remuneration paid to directors and chief executive of the Company	3,492,720	4,926,717
Payment to Employees' Provident Fund Trust	1,619,204	1,594,282
Lease Rent	32,960,000	16,000,000
	38,899,675	269,879,939

8 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 13th June, 2020 by the Board of Directors of the Company.

9 PRESENTATION

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

Lahore
Date : June 13, 2020


Chief Executive


Chief Financial Officer


Director



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