



**Quarterly Accounts March 31, 2021
(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

Mr. Mohammad Tariq

Mrs. Zaniab Malik

Chairman

Member

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Zaniab Malik

Mrs. Sadiya Umair

Mr. Mohammad Mahboob

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

Ph: + 92 42 36283096-97

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 2021. The Company's sales are Rs. 1,249.863 million as compared to Rs. 1,124.927 million during the corresponding period of last year, which shows an increase of 11.10%. The current quarter sale decreased by Rs. 33.856 million as compared to last year's corresponding quarter. Gross Profit for the period is Rs. 17.427 million showing an increase of 124.40% over the gross loss of Rs. 77.412 million in the corresponding period in 2020. Gross profit for the current quarter is Rs. 1.896 million as compared to Gross Profit of Rs. 2.631 million in the last year 3rd quarter. Profit from operations is Rs. 32.904 million as compared to loss of Rs. 63.591 million in the corresponding period. Loss after tax is Rs. 47.819 million as compared to loss of Rs. 311.024 million in the corresponding period. Loss per share is Rs. 0.55 per share as compared to loss Rs. 3.59 per share in corresponding period. Due to COVID-19 company's sales are reduced by 60 million in the current quarter.

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
April 29, 2021



حرائک سٹائل ملز لمیٹڈ


ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والے سال کے نوامہ کے لیے غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی کی زیر جائزہ مدت کے دوران فروخت شدہ مال کی مالیت 1249.863 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 1124.927 ملین تھی۔ جو گزشتہ سال سے 11.10 فیصد بڑھوتری کو ظاہر کر رہی ہے۔ موجودہ سہ ماہی کے دوران فروخت شدہ مال کی مالیت میں پچھلے سال کی تیسری سہ ماہی کے مقابلے میں 33.856 ملین کی کمی واقع ہوئی ہے۔ زیر جائزہ مدت کے دوران مجموعی منافع (GL) 17.427 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران مجموعی نقصان 77.412 ملین روپے تھا۔ اس طرح اس مدت میں مجموعی منافع پچھلے سال کی اسی مدت کے مقابلے میں 124.40 فیصد زیادہ رہا۔ کمپنی کو موجودہ سہ ماہی میں مجموعی منافع 1.896 ملین روپے رہا جبکہ پچھلے سال اسی مدت کے دوران مجموعی منافع 2.631 ملین تھا۔ کمپنی کا آپریشنل منافع 32.904 ملین روپے رہا جبکہ پچھلے سال اسی مدت کے دوران نقصان 63.59 ملین روپے تھا۔ بعد از ٹیکس نقصان 47.819 ملین روپے رہا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس نقصان 311.025 ملین روپے تھا۔ رواں نو ماہی کے لئے فی حصص نقصان (LPS) 0.55 روپے جبکہ گزشتہ سال کی اسی مدت میں فی حصص نقصان (LPS) 3.59 روپے تھا۔ کوآئڈ-19 وبا کی وجہ سے کمپنی کی فروخت میں موجودہ سہ ماہی میں تقریباً 60 ملین کی کمی ہوئی ہے۔

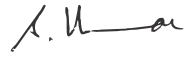
انتظامیہ منافع میں اضافہ کے لئے متعدد حکمت عملی پر عمل پیرا ہے جس میں فروخت کو بڑھانا، استعدادی صلاحیتوں میں اضافہ اور صنعتی عمل سے بننے والے فاضل مادوں میں کمی کرنا ہے۔ یہ حکمت عملی بالآخر طویل مدت میں بہتر نتائج اور زیادہ استحکام کا پیش خیمہ ثابت ہوگی۔ کمپنی کی انتظامیہ سال کی لقیہ مدت میں بہتر منافع کے حصول کے لئے اور پیداواری لاگت میں کمی لانے کے لئے سخت اقدامات اٹھانے کے ساتھ ساتھ بہتر پیداوار اور مارکیٹنگ حکمت عملی کے ذریعے اپنی تمام تر صلاحیتوں کو بروئے کار لاتے ہوئے اس میں بہتری کے لئے پُر امید ہے۔

ڈائریکٹرز، کمپنی کے عملے اور ارکان کی اپنے کام سے لگن اور ایثار جو انھوں نے کمپنی کی کامیابی اور بہتری کے لئے کی ہیں کو تحسین کی نظر سے دیکھتے اور سراہتے ہیں۔

منجانب بورڈ


محمد محبوب

چیف ایگزیکٹو


مسز ہنا زمر

(چیرپرسن)

لاہور

29 اپریل، 2021



Condensed Interim Statement of Financial Position

as at March 31, 2021

	Un-Audited March 31, 2021 Rupees	Audited June 30, 2020 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment-note 3	2,212,370,756	2,295,738,076
Right of Used Assets	60,352,643	62,259,751
Long term deposits	48,148,652	48,148,652
	2,320,872,051	2,406,146,479
CURRENT ASSETS		
Stores, spares and loose tools	37,502,330	37,366,947
Stock in trade	483,705,198	288,798,084
Trade debts	196,923,795	184,206,555
Deposits and Short term Prepayments	171,128,959	252,842,646
Advance Income Tax - net of Provision for tax	24,249,910	42,997,856
Cash and bank balances	7,445,176	9,616,009
	920,955,368	815,828,097
TOTAL ASSETS	3,241,827,419	3,221,974,576
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	865,779,200	865,779,200
86,577,920 ordinary shares of Rs. 10 each		
Reserves	82,500,000	82,500,000
Surplus on revaluation of property, plant and equipment	426,799,956	438,903,099
Loan from Directors and Sponsors	481,500,000	481,500,000
Unappropriated profit	(1,835,417,023)	(1,799,700,701)
Shares Holders' Equity	21,162,133	68,981,598
NON CURRENT LIABILITIES		
Long term loans	1,271,362,065	1,136,343,968
Liabilities against assets subject to finance Lease	2,964,220	4,904,925
Employees retirement benefits	20,508,150	14,876,450
Deferred Liabilities	220,860,514	220,860,514
CURRENT LIABILITIES		
Trade and other payables	601,615,401	558,699,716
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	349,064,215	366,899,587
Short term borrowings	713,162,339	809,279,436
Current maturity of long term liabilities	38,371,166	38,371,166
	1,704,970,337	1,776,007,121
CONTINGENCIES AND COMMITMENTS -note 5	-	-
TOTAL EQUITY AND LIABILITIES	3,241,827,419	3,221,974,576

The annexed notes form an integral part of these financial statements

Lahore
Date : April 29, 2021


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2021

	For the 3rd quarter		Cumulative	
	Jan-March 2021	Jan-March 2020	July-March 2021	July-March 2020
	Rupees	Rupees	Rupees	Rupees
Sales - net	397,646,274	431,502,666	1,249,863,061	1,124,927,495
Cost of goods sold	395,749,886	428,871,623	1,232,435,621	1,196,339,299
Gross Profit	1,896,388	2,631,043	17,427,440	(71,411,804)
	1,896,394			
Distribution cost	5,000	5,000	632,211	36,410
Administrative expenses	8,540,451	7,342,334	24,153,001	25,324,411
	8,545,451	7,347,334	24,785,212	25,360,821
Other operating income	13,996,800	12,960,000	40,262,400	33,180,956
Operating Profit / (Loss)	7,347,737	8,243,709	32,904,628	(63,591,669)
Finance cost	17,696,397	42,360,010	61,976,147	164,503,727
	(10,348,660)	(34,116,301)	(29,071,519)	(228,095,396)
Share of Profit of Jointly Controlled Company	-	-	-	(68,867,548)
Profit / (Loss) before tax	(10,348,660)	(34,116,301)	(29,071,519)	(296,962,944)
Provision for taxation	5,964,694	5,393,783	18,747,946	14,061,593
Profit / (Loss) after tax	(16,313,354)	(39,510,084)	(47,819,465)	(311,024,537)
Earnings / (Loss) per share - basic and diluted	(0.19)	(0.46)	(0.55)	(3.59)

The annexed notes form an integral part of these financial statements

Lahore
Date : April 29, 2021


Chief Executive


Chief Financial Officer


Director



Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2021

	Nine Months Ended	
	March 31, 2021	March 31, 2020
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (Loss) before taxation	(29,071,519)	(296,962,944)
Add Depreciation of property, plant and equipment	91,166,669	94,354,301
Gain on disposal of property, plant and equipment / Other Income	-	(33,180,956)
Share of Profit of Jointly Controlled Company	-	68,867,548
Employee benefits- provision for the period	9,000,000	7,500,000
Finance cost	61,976,147	164,503,727
	133,071,297	5,081,676
(Increase)/ decrease in store, spare and loose tools	(135,383)	1,864,821
(Increase)/ decrease in stock in trade	(194,907,114)	(190,576,655)
(Increase)/ decrease in trade debts	(12,717,240)	481,036,177
(Increase)/ decrease in deposits and short term prepayments	81,732,887	(28,081,981)
Increase/ (decrease) in Sales tax refundable	(19,200)	(18,928,858)
Increase/ (decrease) in trade & other payables	42,915,685	(225,198,099)
Cash generated from operations	49,940,932	25,197,081
Finance cost paid	(79,811,519)	(3,534,798)
Gratuity paid	(3,368,300)	(4,681,266)
Income taxes paid	18,747,946	5,075,356
Net cash used operating activities	(14,490,941)	22,056,374
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(24,640,186)	(34,707,971)
Proceeds from sale of plant and equipment	-	580,000
Long term deposits	-	4,339,500
NET CASH USED IN INVESTING ACTIVITIES	(24,640,186)	(29,788,471)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long term Financing	136,518,097	229,175,580
Payment of long term financing	(1,500,000)	(4,341,890)
Payment of liabilities against assets subject to finance lease	(1,940,706)	(2,540,000)
Short term borrowings - secured	(96,117,097)	(218,726,076)
Dividends Paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	36,960,294	3,567,614
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(2,170,833)	(4,164,483)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	9,616,009	8,316,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7,445,176	4,152,193

The annexed notes form an integral part of these financial statements

Lahore
Date : April 29, 2021


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2021

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Loan from Directors and Sponsors	Unappropriated profits/Loss	Total
	----- Rupees -----					
Balance as at June 30, 2019	865,779,200	82,500,000	465,056,876		(1,510,775,030)	(97,438,954)
Loss 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)
Profit for the period	-	-	-		-	-
Other Comprehensive Loss	-	-	(10,719,908)		6,664,997	(4,054,911)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(2,534,307)		2,534,307	-
Surplus on revaluation of Fixed Assets realized on disposal			(796,419)		796,419	-
Transferred from long term loan from directors and sponsors				213,493,000	-	213,493,000
Transferred from short term borrowings				268,007,000	-	268,007,000
Balance as at June 30 ,2020	865,779,200	82,500,000	438,903,099	481,500,000	(1,799,700,701)	68,981,598
Profit for the period	-	-	-		(47,819,465)	(47,819,465)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(12,103,143)		12,103,143	-
Balance as at March 31, 2021	865,779,200	82,500,000	426,799,956	481,500,000	(1,835,417,023)	21,162,133

The annexed notes form an integral part of these financial statements

Lahore
Date : April 29, 2021


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2021

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, 2021 Rupees	Audited 30-Jun-20 Rupees
3 PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	3.1	2,211,488,859	2,295,738,076
Capital Work in progress		881,897	-
		<u>2,212,370,756</u>	<u>2,295,738,076</u>
3.1 Tangible fixed assets			
Opening book value		2,295,738,076	2,446,540,823
Additions/Adjustment during the period			
- Building on freeholdland		2,149,652	509,963
- plant and machinery		47,809,690	32,110,376
plant and machinery - Leased			
- electric installations		13,395,834	8,065,705
- Generator			
- power house		3,334,706	5,491,848
- telephone installation			
- Office Equipments		223,068	288,681
- computers		230,295	152,125
- furniture and fixtures		11,150	85,892
- vehicles Owned		115,700	
- vehicles - leased			
		<u>67,270,095</u>	<u>46,704,590</u>
Book value of assets disposed-off during the period		-	(8,523,440)
Depreciation charge for the period		(91,166,669)	(126,724,146)
Transfer to right of used assets		(60,352,643)	(62,259,751)
Closing book value		<u>2,211,488,859</u>	<u>2,295,738,076</u>



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

For the quarter ended March 31, 2021

	Un-Audited 31-Mar-21 Rupees	Audited 30-Jun-20 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)	(221,400,920)
	<u>-</u>	<u>-</u>
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.		
	<u>-</u>	<u>-</u>
	29,542,428	29,542,428
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	-	-
	<u>-</u>	<u>-</u>

6 COST OF SALES

		For the 3rd quarter		Cumulative	
	Note	January - March 2021 Rupees	January - March 2020 Rupees	July - March 2021 Rupees	July - March 2020 Rupees
Stock - opening		89,890,469	106,902,618	50,182,052	20,352,646
Cost of goods manufactured	6.1	446,097,796	413,148,253	1,322,491,948	1,267,165,901
		535,988,265	520,050,871	1,372,674,000	1,287,518,547
Stocks - closing		140,238,379	91,179,248	140,238,379	91,179,248
		395,749,886	428,871,623	1,232,435,621	1,196,339,299



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

For the quarter ended March 31, 2021

	For the 3rd quarter		Cumulative	
	January - March 2021	January - March 2020	July - March 2021	July - March 2020
	Rupees	Rupees	Rupees	Rupees
6.1 Cost of goods manufactured				
Work in process - opening	72,709,573	32,096,223	43,810,486	39,802,358
Raw materials consumed	272,074,548	296,961,995	785,424,893	775,258,452
Overheads	174,361,225	140,724,242	566,304,119	508,739,298
	446,435,773	437,686,237	1,351,729,012	1,283,997,750
	519,145,346	469,782,460	1,395,539,498	1,323,800,108
Work in process - closing	73,047,550	56,634,207	73,047,550	56,634,207
	446,097,796	413,148,253	1,322,491,948	1,267,165,901

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 31 March, 2021 Rupees	Un-Audited 31 March, 2020 Rupees
Transactions with Associated undertaking - Hira Terry Mills Limited (H.T.L)		
Sale of yarn and store etc.	100,975,740	823,071
Purchase of cotton/ towels & Dyes		
Expenses charged / Recoverable	146,186	4,680
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	3,492,720
Payment to Employees' Provident Fund Trust	1,908,608	1,619,204
Lease Rent	40,262,400	32,960,000
	146,785,654	38,899,675

8 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 29th April, 2021 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 : April 29, 2021


Chief Executive


Chief Financial Officer


Director



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(based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event
notifications, corporate and
regulatory actions)
- 📱 Jamapunji application for
mobile device
- 📖 Online Quizzes



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