



*Quarterly Accounts September 30, 2021
(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

8 KM Manga Raiwind Road Raiwind District Kasur
Ph: + 92 42 3571 4191-94 , Fax: + 92 42 3571 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, 2021. The Company's sales are Rs. 180.981 million as compared to Rs. 489.995 million during the corresponding period of last year. Gross Loss for the period is Rs. 95.817 million. Increase in Gross Loss is due to substantial decrease in sales.

Loss from operations is Rs. 131.427 million as compared to loss of Rs. 8.492 million in the corresponding period. The decrease in operational loss is mainly due to increase in Gross Loss. Loss after tax is Rs. 134.143 million as compared to loss of Rs. 13.391 million in the corresponding period. Loss per share for three months period is Rs. 1.55 as compared to loss of Rs. 0.15 during the corresponding period of last year.

The result of the current quarter is quite unsatisfactory 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 30, 2021



ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 30 ستمبر 2021ء کو تختہ پہلی سہ ماہی کے لیے کمپنی کی غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کرتے ہیں کمپنی کی زیر جائزہ مدت کے دوران فروخت شدہ مال کی مالیت 180.981 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 489.995 ملین تھی۔ زیر جائزہ مدت کے دوران مجموعی نقصان (GL) 95.817 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران 12.66 ملین روپے کا مجموعی منافع تھا۔ مجموعی نقصان میں اضافہ کی بڑی وجہ قابل فروخت مال میں کمی ہے۔

کمپنی کا آپریشنل نقصان 131.428 ملین روپے رہا جب کہ پچھلے سال اسی مدت کے دوران نقصان 8.492 ملین روپے تھا۔ نقصان میں یہ اضافہ مجموعی نقصان میں اضافہ کی وجہ سے ہوا۔ بعد از ٹیکس نقصان 134.148 ملین روپے رہا جب کہ پچھلے سال اسی مدت میں بعد از ٹیکس نقصان 13.392 ملین روپے تھا۔ رواں سہ ماہی کے لئے فی حصص نقصان 1.55 روپے ہے جبکہ گزشتہ سال کی اسی مدت میں فی حصص نقصان 0.15 روپے تھا۔

مشکل کاروباری حالات کی وجہ سے رواں سہ ماہی کے دوران کمپنی کی کارکردگی غیر 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 عملے 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۔

مسز شہناز عمر
(چیف پرسن)

محمد محبوب
چیف ایگزیکٹو آفیسر

لاہور

30 اکتوبر 2021ء



Condensed Interim Statement of Financial Position

as at September 30, 2021

	Un-Audited September 30, 2021 Rupees	Audited June 30, 2021 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	3,131,820,587	3,162,598,067
Right-of-use assets	57,395,663	58,445,537
Long term investment-	-	-
Long term Advance & Deposits	49,672,044	49,672,044
	3,238,888,294	3,270,715,648
CURRENT ASSETS		
Stores, spares and loose tools	37,556,512	37,948,244
Stock in trade	363,477,289	402,628,302
Trade debts	92,058,736	93,665,169
Advances, Deposits, Prepayments & other receivables	72,568,542	134,637,795
Tax refundable due from Government - (Net of provision)	23,072,948	25,787,668
Cash and bank balances	4,521,042	7,840,526
	593,255,069	702,507,704
TOTAL ASSETS	3,832,143,363	3,973,223,352
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		
Share premium	82,500,000	82,500,000
Surplus on revaluation of property, plant and equipment	1,155,662,782	1,159,043,059
Loan from directors and sponsors	481,500,000	481,500,000
Unappropriated profit	(2,091,745,097)	(1,960,982,734)
Shares Holders' Equity	493,696,885	627,839,525
NON CURRENT LIABILITIES		
Long term finances - Secured	1,184,191,893	1,185,703,559
Loan from directors and family members - Unsecured	-	-
Liabilities against assets subject to finance Lease	2,082,514	3,054,544
Employees retirement benefits	25,871,270	24,070,720
Deferred interest	44,019,291	44,019,291
Deferred taxation	308,969,197	308,969,197
	1,565,134,165	1,565,817,311
CURRENT LIABILITIES		
Trade and other payables	565,752,374	610,292,969
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	424,118,929	385,832,537
Short term borrowings	713,162,339	713,162,339
Current maturity of long term liabilities	67,521,455	67,521,455
	1,773,312,313	1,779,566,516
TOTAL EQUITY AND LIABILITIES	3,832,143,363	3,973,223,352

The annexed notes form an integral part of these financial statements

Lahore
Date : October 30, 2021


Chief Executive


Chief Financial Officer


Chairperson



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

For the quarter ended as at September 30, 2021

	September 30, 2021	September 30, 2020
	----- Rupees -----	
Sales - net	180,981,355	269,345,668
Cost of goods sold	<u>276,798,708</u>	<u>345,595,468</u>
Gross profit	(95,817,353)	(76,249,800)
Other income	13,996,800	12,000,000
Distribution cost	50,000	7,500
Administrative expenses	11,231,846	12,706,358
Other operating expenses	-	-
Finance cost	<u>38,325,521</u>	<u>59,465,810</u>
	49,607,367	72,179,668
Profit from Operations	<u>(131,427,920)</u>	<u>(136,429,468)</u>
Share of profit of Hira Terry Mills Limited	-	(37,557,723)
Profit/(Loss) before tax	(131,427,920)	(173,987,191)
Provision for taxation	2,714,720	2,693,457
Profit/(Loss) after tax	<u>(134,142,640)</u>	<u>(176,680,648)</u>
Earnings/(Loss) per share - basic and diluted	(1.55)	(2.04)

The annexed notes form an integral part of these financial statements

Lahore
Date : October 30, 2021


Chief Executive


Chief Financial Officer


Chairperson



Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended September 30, 2021

	Quarter ended	
	Sept. 30, 2021	Sept. 30, 2020
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	(131,427,920)	(8,491,706)
Add Depreciation of property, plant and equipment	30,777,480	30,631,162
Employee benefits- provision for the period	3,000,000	5,659,474
Share of Profit of Hira Terry Mills Limited	-	-
Finance cost	38,325,521	26,172,452
	(59,324,919)	53,971,382
(Increase)/ decrease in store, spare and loose tools	391,732	(11,360,831)
(Increase)/ decrease in stock in trade	39,151,013	(48,766,149)
(Increase)/ decrease in trade debts	1,606,433	18,317,915
(Increase)/ decrease in loans & advances	62,069,253	(5,595,121)
(Increase)/ decrease in Tax refundables	2,714,720	4,899,951
Increase/ (decrease) in trade & other payables	(44,540,595)	9,642,164
Cash generated from operations	2,067,637	21,109,311
Finance cost paid	(39,129)	(1,957,128)
Gratuity paid	(1,199,450)	(3,400,421)
Sales Tax / Income taxes paid	(3,176,512)	(20,000)
Net cash used operating activities	(2,347,454)	15,731,762
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(13,290,085)
Long term deposits	-	-
NET CASH USED IN INVESTING ACTIVITIES	-	(13,290,085)
Long term financing	-	-
Payment of liabilities against assets subject to finance lease	(972,030)	(970,008)
Short term borrowings - secured	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(972,030)	(970,008)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(3,319,484)	1,471,669
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7,840,526	9,616,009
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,521,042	11,087,678

The annexed notes form an integral part of these financial statements

Lahore
Date : October 30, 2021


Chief Executive


Chief Financial Officer


Chairperson



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

For the quarter ended September 30, 2021

	Share capital	Share premium	Unappropriated profits	Surplus on Revaluation	Loan from Directors & Sponsors	Total
	----- Rupees -----					
Balance as at June 30, 2020	865,779,200	82,500,000	(1,799,700,701)	438,903,099	481,500,000	68,981,598
Profit / (Loss) for the period			(13,391,657)			(13,391,657)
Incremental Depreciation			3,659,363	(3,659,363)		-
Balance as at Sep 30, 2020	<u>865,779,200</u>	<u>82,500,000</u>	<u>(1,809,432,995)</u>	<u>435,243,736</u>	<u>481,500,000</u>	<u>55,589,941</u>
Profit / (Loss) for the period			(159,171,428)			(159,171,428)
Other Comprehensive Income / (Loss)			(2,240,056)	733,661,068		731,421,012
Surplus on revaluation of property, Plant and equipment realised on disposal			-	-		-
Incremental depreciation			9,861,745	(9,861,745)		-
Balance as at June 30, 2021	<u>865,779,200</u>	<u>82,500,000</u>	<u>(1,960,982,734)</u>	<u>1,159,043,059</u>		<u>627,839,525</u>
Profit / (Loss) for the period			(134,142,640)			(134,142,640)
Incremental Depreciation			3,380,277	(3,380,277)		-
Balance as at Sep 30, 2021	<u>865,779,200</u>	<u>82,500,000</u>	<u>(2,091,745,097)</u>	<u>1,155,662,782</u>		<u>493,696,885</u>

The annexed notes form an integral part of these financial statements

Lahore
Date : October 30, 2021


Chief Executive


Chief Financial Officer


Chairperson



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

For the quarter ended as at September 30, 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 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, 2021.

	Un-Audited September 30, 2021 Rupees	Audited June 30, 2021 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	(221,400,920)	(221,400,920)
	<u>-</u>	<u>-</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

Letters of credit for import of stores and spares/Others

-	-
-	-
-	-
<u>-</u>	<u>-</u>

		Un-Audited September 30, 2021 Rupees	Un-Audited September 30, 2020 Rupees
5 COST OF SALES	Note		
Stock - opening		150,516,331	50,182,052
Cost of goods manufactured	5.1	242,079,377	469,899,676
Stocks - closing		<u>115,797,000</u>	<u>42,712,298</u>
		<u>276,798,708</u>	<u>477,369,430</u>



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

For the quarter ended as at September 30, 2021

	Un-Audited September 30, 2021 Rupees	Un-Audited September 30, 2020 Rupees
5.1 Cost of goods manufactured		
Work in process - opening	68,307,503	43,810,486
Raw materials consumed	85,473,069	307,190,729
Overheads	129,311,711	181,035,698
Work in process - closing	41,012,906	62,137,237
	<u>242,079,377</u>	<u>469,899,676</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, 2021 Rupees	Audited June 30, 2021 Rupees
Nature of relationship	Nature of transactions		
Associated company	Sales of yarn, cotton, dyes and chemicals	16,787,010	69,151,951
	Purchases of towels, cotton, waste, stores and spares	1,126,483	6,800,917
	Expenses charged	290,000	-
	Rental Income	-	1,486,100
	Interest charged on balance due	12,996,800	54,259,200
Sponsors	Interest on borrowings waived	-	-
	Office rent	-	-
Provident fund trust	Contribution for the year	574,518	2,298,070
Balances with related parties			
Associated company	Advance obtained against rent	138,575,080	134,387,152
	Receivable against Yarn	47,973,968	49,837,129
Sponsors	Borrowings	481,500,000	481,500,000
	Current account	56,039,028	56,039,028
Key Management Personnel	Short term employees benefit payable	2,657,232	1,756,948
Provident fund trust	Payable to provident fund	2,367,516	1,278,960

7 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 30th October, 2021 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, 2021


Chief Executive


Chief Financial Officer


Chairperson