



**Quarterly Accounts March 31, 2022  
(Un-Audited)**





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HIRA TEXTILE MILLS LIMITED

## COMPANY INFORMATION

### CHAIRMAN

Dr. Azhar Waheed

### CHIEF EXECUTIVE

Mr. Mohammad Tariq

### BOARD OF DIRECTORS

Dr. Azhar Waheed  
Mr. Muhammad Awais Qarni Chaudry  
Mr. Muhammad Hasnain Saeed Sohbin  
Mr. Mohammad Tariq  
Mrs. Zainab Malik (Independent Director)  
Mr. Saeed Ahmed Khan  
Mr. Shaukat Nazir Malik ( Independent Director )

### AUDIT COMMITTEE

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

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Zainab Malik	Chairperson
Mr. Saeed Ahmad Khan	Member
Mr. Muhammad Awais Qarni Chaudry	Member

### COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Muhammad Hasnain Saeed Sohbin

### 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 2022. The Company's sales are Rs. 226,808 million as compared to Rs. 1,249,863 million during the corresponding period of last year, which shows a decrease of 82%. The current quarter sale decreased by Rs. 365.44 million as compared to last year's corresponding quarter. Gross Loss for the period is Rs. 264.277 million over the gross profit of Rs. 17.427 million in the corresponding period in 2021. Gross loss for the current quarter is Rs. 36.91 million as compared to Gross Profit of Rs. 1.9 million in the last year 3rd quarter. Loss from operations is Rs. 247.492 million as compared to Profit of Rs. 32.9 million in the corresponding period. Loss after tax is Rs. 360.05 million as compared to loss of Rs. 47.819 million in the corresponding period. Loss per share is Rs. 4.56 per share as compared to loss Rs. 0.55 per share in corresponding period.

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

**Dr. Azhar Waheed**  
(Chairman)

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

Lahore  
April 30, 2022

حرائیکسٹائل ملز لمیٹڈ

ممبران کے لیے ڈائریکٹرز کی رپورٹ

ڈائریکٹرز 31 مارچ 2022ء کو ختم ہونے والے سال کے نو ماہ 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 226.808 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 1249.863 ملین تھی۔ جو گزشتہ سال سے 82.0 فیصد کمی 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 365.436 ملین کی کمی واقع ہوئی ہے۔ زیر جائزہ مدت کے دوران مجموعی نقصان (GL) 264.277 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران مجموعی منافع 17.427 ملین روپے تھا۔ کمپنی کو موجودہ سہ ماہی میں مجموعی نقصان 36.9 ملین روپے رہا جبکہ پچھلے سال اسی مدت کے دوران مجموعی منافع 1.9 ملین تھا۔ کمپنی کا آپریشنل نقصان 247.492 ملین روپے رہا جب کہ پچھلے سال اسی مدت کے دوران منافع 32.90 ملین روپے تھا۔ بعد از ٹیکس نقصان 360.05 ملین روپے رہا جب کہ پچھلے سال اسی مدت میں بعد از ٹیکس نقصان 47.819 ملین روپے تھا۔ رواں نو ماہی کے لئے فی حصص نقصان (LPS) 4.56 روپے جبکہ گزشتہ سال کی اسی مدت میں فی حصص نقصان (LPS) 0.55 روپے تھا۔

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 بقیہ 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 تشکر کی نظر سے دیکھتے اور سراہتے ہیں۔

منجانب بورڈ

M. Tariq

محمد طارق

(چیف ایگزیکٹو آفیسر)

Azhar Wali

ڈاکٹر اظہر وحید

(چیئرمین)

لاہور

30 اپریل 2022ء



## Condensed Interim Statement of Financial Position

as at March 31, 2022

	Un-Audited March 31, 2022 Rupees	Audited June 30, 2021 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment-note 3	3,098,732,679	3,162,598,067
Right of Used Assets	55,584,935	58,445,537
Long term deposits	49,672,044	49,672,044
	3,203,989,658	3,270,715,648
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	10,287,730	37,948,244
Stock in trade	306,256,370	402,628,302
Trade debts	60,930,397	93,665,169
Deposits and Short term Prepayments	90,122,342	134,637,795
Advance Income Tax - net of Provision for tax	22,553,894	25,787,668
Cash and bank balances	441,512	7,840,526
	490,592,245	702,507,704
<b>TOTAL ASSETS</b>	<b>3,694,581,903</b>	<b>3,973,223,352</b>
<b>EQUITY AND LIABILITIES</b>		
<b>CAPITAL AND RESERVES</b>		
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	1,124,485,864	1,159,043,059
Loan from Directors and Sponsors	481,500,000	481,500,000
Unappropriated profit	(2,286,481,084)	(1,960,982,734)
<b>Shares Holders' Equity</b>	<b>267,783,980</b>	<b>627,839,525</b>
<b>NON CURRENT LIABILITIES</b>		
Long term loans	1,181,621,893	1,185,703,559
Liabilities against assets subject to finance Lease	2,082,514	3,054,544
Employees retirement benefits	10,131,905	24,070,720
Deferred Interest	44,019,291	44,019,291
Deferred Liabilities	308,969,197	308,969,197
<b>CURRENT LIABILITIES</b>		
Trade and other payables	604,216,357	610,292,969
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	492,315,756	713,162,339
Short term borrowings	713,162,339	385,832,537
Current maturity of long term liabilities	67,521,455	67,521,455
	1,879,973,123	1,779,566,516
<b>CONTINGENCIES AND COMMITMENTS -note 5</b>	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,694,581,903</b>	<b>3,973,223,352</b>

The annexed notes form an integral part of these financial statements

Lahore  
Date : April 30, 2022

*M. Saig*  
Chief Executive Officer

*M. Harnaim*  
Chief Financial Officer

*Azhar Wali*  
Director



HIRA TEXTILE MILLS LIMITED

## Condensed Interim Profit and Loss Account (Un-audited)

For the quarter ended March 31, 2022

	For the 3rd quarter		Cumulative	
	Jan-March 2022	Jan-March 2021	July-March 2022	July-March 2021
	Rupees -----			
Sales - net	32,210,791	397,646,274	226,807,962	1,249,863,061
Cost of goods sold	69,121,969	395,749,886	491,085,427	1,232,435,621
Gross Profit	(36,911,178)	1,896,388	(264,277,465)	17,427,440
		1,896,394		
Distribution cost	-	5,000	50,000	632,211
Administrative expenses	5,648,226	8,540,451	26,647,869	24,153,001
	5,648,226	8,545,451	26,697,869	24,785,212
Other operating income	15,116,544	13,996,800	43,483,392	40,262,400
Operating Profit / (Loss)	(27,442,860)	7,347,737	(247,491,942)	32,904,628
Finance cost	36,331,706	17,696,397	109,161,480	61,976,147
	(63,774,566)	(10,348,660)	(356,653,422)	(29,071,519)
Profit / (Loss) before tax	(63,774,566)	(10,348,660)	(356,653,422)	(29,071,519)
Provision for taxation	483,165	5,964,694	3,402,123	18,747,946
Profit / (Loss) after tax	(64,257,731)	(16,313,354)	(360,055,545)	(47,819,465)
Earnings / (Loss) per share - basic and diluted	(0.74)	(0.19)	(4.16)	(0.55)

The annexed notes form an integral part of these financial statements

Lahore  
Date : April 30, 2022

*M. Saig*  
Chief Executive Officer

*M. Harmin*  
Chief Financial Officer

*Azhar Wali*  
Director





## Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2022

	Nine Months Ended	
	March 31, 2022	March 31, 2021
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit / (Loss) before taxation	(356,653,422)	(29,071,519)
Add Depreciation of property, plant and equipment	94,411,879	91,166,669
Gain on disposal of property, plant and equipment / Other Income	-	-
Share of Profit of Jointly Controlled Company	-	-
Employee benefits- provision for the period	4,000,000	9,000,000
Finance cost	109,161,480	61,976,147
	<b>(149,080,063)</b>	<b>133,071,297</b>
(Increase)/ decrease in store, spare and loose tools	27,660,514	(135,383)
(Increase)/ decrease in stock in trade	96,371,932	(194,907,114)
(Increase)/ decrease in trade debts	32,734,772	(12,717,240)
(Increase)/ decrease in deposits and short term prepayments	44,515,453	81,732,887
Increase/ (decrease) in Sales tax refundable	(3,233,774)	(19,200)
Increase/ (decrease) in trade & other payables	(6,083,612)	42,915,685
<b>Cash generated from operations</b>	<b>42,885,222</b>	<b>49,940,932</b>
Finance cost paid	(2,677,554)	(79,811,519)
Gratuity paid	(17,938,815)	(3,368,300)
Income taxes paid	(168,349)	18,747,946
Net cash used operating activities	<b>22,100,504</b>	<b>(14,490,941)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(25,328,845)	(24,640,186)
Proceeds from sale of plant and equipment	-	-
Long term deposits	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(25,328,845)</b>	<b>(24,640,186)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term Financing	(4,081,667)	136,518,097
Payment of long term financing	-	(1,500,000)
Payment of liabilities against assets subject to finance lease	(972,030)	(1,940,706)
Short term borrowings - secured	-	(96,117,097)
Dividends Paid	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(5,053,697)</b>	<b>36,960,294</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<b>(8,282,038)</b>	<b>(2,170,833)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>7,840,526</b>	<b>9,616,009</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>(441,512)</b>	<b>7,445,176</b>

The annexed notes form an integral part of these financial statements

Lahore  
Date : April 30, 2022

*M. Parig*  
Chief Executive Officer

*M. Harmin*  
Chief Financial Officer

*Azhar Wali*  
Director



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

For the quarter ended March 31, 2022

	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, 2020	865,779,200	82,500,000	438,903,099	481,500,000	(1,799,700,701)	68,981,598
Loss 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	<u>865,779,200</u>	<u>82,500,000</u>	<u>426,799,956</u>	<u>481,500,000</u>	<u>(1,835,417,023)</u>	<u>21,162,133</u>
Profit for the period	-	-	-	-	-	-
Other Comprehensive Loss	-	-	733,661,068	-	(126,983,676)	606,677,392
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(1,417,965)	-	1,417,965	-
Surplus on revaluation of Fixed Assets realized on disposal	-	-	-	-	-	-
Transferred from long term loan from directors and sponsors	-	-	-	-	-	-
Transferred from short term borrowings	-	-	-	-	-	-
Balance as at June 30, 2021	<u>865,779,200</u>	<u>82,500,000</u>	<u>1,159,043,059</u>	<u>481,500,000</u>	<u>(1,960,982,734)</u>	<u>627,839,525</u>
Profit for the period	-	-	-	-	(360,055,545)	(360,055,545)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(34,557,195)	-	34,557,195	-
Balance as at March 31, 2021	<u>865,779,200</u>	<u>82,500,000</u>	<u>1,124,485,864</u>	<u>481,500,000</u>	<u>(2,286,481,084)</u>	<u>267,783,980</u>

The annexed notes form an integral part of these financial statements

Lahore  
Date : April 30, 2022

*M. Saig*  
Chief Executive Officer

*M. Harnain*  
Chief Financial Officer

*Azhar Wali*  
Director



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

### For the quarter ended March 31, 2022

#### 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, 2021.

	Note	Un-Audited 31 March, 2022 Rupees	Audited 30-Jun-21 Rupees
<b>3 PROPERTY, PLANT AND EQUIPMENT</b>			
Tangible fixed assets	3.1	<b>3,098,732,679</b>	3,162,598,067
Capital Work in progress		-	-
		<b>3,098,732,679</b>	3,162,598,067
<b>3.1 Tangible fixed assets</b>			
Opening book value		<b>3,162,598,067</b>	2,295,738,076
Additions/Adjustment during the period			
- Building on freeholdland		-	91,956,850
- Freeholdland		-	466,345,000
- plant and machinery		<b>25,053,095</b>	405,236,509
- plant and machinery - Leased		-	-
- electric installations		<b>69,000</b>	18,341,982
- Generator		-	-
- power house		-	3,480,563
- telephone installation		-	-
- Factory Equipments		-	166,200
- Office Equipments		-	361,146
- computers		<b>206,759</b>	256,295
- furniture and fixtures		-	11,150
- vehicles Owned		-	-
- vehicles - leased		-	-
		<b>25,328,854</b>	986,155,695
Book value of assets disposed-off during the period		-	-
Depreciation charge for the period		<b>(89,194,242)</b>	(119,295,704)
Closing book value		<b>3,098,732,679</b>	3,162,598,067



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

For the quarter ended March 31, 2022

	Un-Audited 31 March, 2022 Rupees	Audited 30-Jun-21 Rupees
<b>RIGHT-OF-USE ASSETS</b>		
Net book value at beginning of the period/year	58,445,537	62,259,751
Depreciation for the period/year	(2,860,602)	(3,814,214)
	<b>55,584,935</b>	<b>58,445,537</b>
<b>4 LONG-TERM INVESTMENTS</b>		
<b>Investment in related party - equity method</b>		
<b>Jointly controlled entity - (Hira Terry Mills Limited)</b>		
<b>Cost of investment</b>		
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)
	-	-
<b>5 CONTINGENCIES AND COMMITMENTS</b>		
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	-	-
	<b>29,542,428</b>	<b>29,542,428</b>
<b>Commitments</b>		
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	-	-
	-	-

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

For the quarter ended March 31, 2022

### 6 COST OF SALES

Note	For the 3rd quarter		Cumulative	
	January - March 2022	January - March 2021	July - March 2022	July - March 2021
	-----Rupees-----			
Stock - opening	119,024,962	89,890,469	150,516,331	50,182,052
Cost of goods manufactured	6.1 <u>69,121,969</u>	<u>446,097,796</u>	<u>459,594,058</u>	<u>1,322,491,948</u>
	<u>188,146,931</u>	<u>535,988,265</u>	<u>610,110,389</u>	<u>1,372,674,000</u>
Stocks - closing	<u>119,024,962</u>	<u>140,238,379</u>	<u>119,024,962</u>	<u>140,238,379</u>
	<u>69,121,969</u>	<u>395,749,886</u>	<u>491,085,427</u>	<u>1,232,435,621</u>

#### 6.1 Cost of goods manufactured

	For the 3rd quarter		Cumulative	
	January - March 2022	January - March 2021	July - March 2022	July - March 2021
	-----Rupees-----			
Work in process - opening	10,782,110	72,709,573	68,307,503	43,810,486
Raw materials consumed	-	272,074,548	106,069,653	785,424,893
Overheads	66,099,378	174,361,225	292,976,421	566,304,119
	<u>66,099,378</u>	<u>446,435,773</u>	<u>399,046,074</u>	<u>1,351,729,012</u>
	<u>76,881,488</u>	<u>519,145,346</u>	<u>467,353,577</u>	<u>1,395,539,498</u>
Work in process - closing	7,759,519	73,047,550	7,759,519	73,047,550
	<u>69,121,969</u>	<u>446,097,796</u>	<u>459,594,058</u>	<u>1,322,491,948</u>

### 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, 2022 Rupees	Un-Audited 31 March, 2021 Rupees
<b>Transactions with Associated undertaking - Hira Terry Mills Limited (H.T.L)</b>		
Sale of yarn and store etc.	12,755,750	100,975,740
Purchase of cotton/ towels & Dyes	-	-
Expenses charged / Recoverable	-	146,186
<b>Transactions with Other related parties</b>		
Remuneration paid to directors and chief executive of the Company	2,774,893	3,492,720
Payment to Employees' Provident Fund Trust	1,287,660	1,908,608
Lease Rent	43,483,392	40,262,400
	<u>60,301,695</u>	<u>146,785,654</u>



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

### *For the quarter ended March 31, 2022*

**8 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on 30th April, 2022 by the Board of Directors of the Company.

**9 PRESENTATION**

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



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\*Where applicable, also available for download for android will be provided