



*Quarterly Accounts September 30, 2018  
(Un-Audited)*



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## COMPANY INFORMATION

### CHAIRPERSON

Mrs. Shahnaz Umar

### CHIEF EXECUTIVE

Mr. Muhammad Umar Virk

### BOARD OF DIRECTORS

Mrs. Shahnaz Umar  
Mr. Muhammad Umar Virk  
Mrs. Sadiya Umair  
Mr. Mohammad Mahboob  
Mr. Lutfullah Virk  
Mr. Saeed Ahmed Khan  
Mr. Shaukat Nazir Malik ( Independent Director )

### AUDIT COMMITTEE

Mr. Shaukat Nazir Malik	Chairman
Mr. Lutfullah Virk	Member
Mr. Mohammad Mahboob	Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Sadiya Umair	Chairperson
Mr. Muhammad Umar Virk	Member
Mr. Saeed Ahmed Khan	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, 2018. The Company's sales are Rs. 688.485 million as compared to Rs. 791.849 million during the corresponding period of last year. Gross Profit for the period is Rs. 3.881 million showing a decrease of 92.23 % over the gross profit of Rs. 49.97 million in the corresponding period. Decrease in G.P. is due to sale rates and increase in fuel\ power and wages cost.

Loss from operations is Rs. 73.997 million as compared to loss of Rs. 25.562 million in the corresponding period. The increase in operational loss is mainly due to decrease in G.P. Profit. After tax loss is Rs. 99.222 million as compared to profit of Rs. 12.678 million in the corresponding period. Hira Terry Mills Limited has beard loss of Rs. 18.433 million in the current loss of the company. Loss per share for three months period is Rs. 1.15 as compared to profit of Rs. 0.15 during the corresponding period of last year.

Though the result of the current quarter is not satisfactory due to difficult business condition but at the same time the management 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

Lahore  
October 30, 2018

**Mrs. Shahnaz Umar**  
(Chairperson)

**Mr. Muhammad Umar Virk**  
(Chief Executive Officer)



## ممبران کے لیے ڈائریکٹرز کی رپورٹ

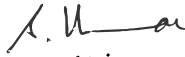
ڈائریکٹرز 30 ستمبر 2018 کو مختصر پہلی سہ ماہی کے لیے کمپنی کی غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوش محسوس کرتے ہیں کمپنی کی زیر جائزہ مدت کے دوران فروخت شدہ مال کی مالیت 688.485 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 791.849 ملین تھی۔ زیر جائزہ مدت کے دوران مجموعی منافع (GP) 3.881 ملین روپے رہا جو گزشتہ سال اسی مدت کے دوران 49.970 ملین روپے تھا۔ اس طرح اس مدت میں مجموعی منافع پچھلے سال کی اسی مدت کے مقابلے میں 92.23 فیصد کم رہا۔ مجموعی منافع میں کمی کی بڑی وجہ ایندھن اور مزدوری کی اجرت میں الاگت میں اضافہ اور قابل فروخت مال کے دام میں کمی ہے۔

کمپنی کا اپریشنل نقصان 73.997 ملین روپے رہا جبکہ پچھلے سال اسی مدت کے دوران منافع 25.562 ملین روپے تھا۔ نقصان میں یہ اضافہ مجموعی منافع میں کمی کی وجہ سے ہوئی۔ بعد از ٹیکس نقصان 99.23 ملین روپے رہا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس منافع 12.678 ملین روپے تھا۔ موجودہ نقصان میں میسرز حرا میری ملز لمیٹڈ کا 18.433 ملین روپے نقصان شامل ہے۔ رواں سہ ماہی کے لئے فی حصص نقصان 1.15 روپے ہے جبکہ گزشتہ سال کی اسی مدت میں فی حصص آمدن 0.15 روپے تھی۔

اگرچہ مشکل کاروباری حالات کی وجہ سے رواں سہ ماہی کے دوران کمپنی کی کارکردگی تسلی بخش نہ رہی۔ تاہم کمپنی کی انتظامیہ حکومت کی جانب سے برآمدی رعایت کے اعلان سے سال کے باقی ماندہ عرصہ کے لئے بہتر منافع کے لئے پُر امید ہے۔

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

منجانب بورڈ



مسرز شہناز احمد

(چیئر پرسن)



محمد عروک

چیف ایگزیکٹو آفیسر

لاہور

30 اکتوبر، 2018



## Condensed Interim Statement of Financial Position

as at September 30, 2018

	Un-Audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	2,426,747,342	2,506,220,177
Long term investment- Note 3	619,468,500	637,901,323
Long term Advance & Deposits	32,869,577	32,869,577
	<b>3,079,085,419</b>	<b>3,176,991,077</b>
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	90,898,608	99,238,521
Stock in trade	1,491,155,278	1,725,675,247
Trade debts	75,075,316	83,029,429
Advances, Deposits, Prepayments & other receivables	185,450,045	192,000,547
Tax refundable due from Government - (Net of provision)	84,427,453	89,407,213
Cash and bank balances	33,370,159	68,271,810
	<b>1,960,376,859</b>	<b>2,257,622,767</b>
<b>TOTAL ASSETS</b>	<b>5,039,462,278</b>	<b>5,434,613,844</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	503,188,965	507,951,005
Unappropriated profit	397,168,610	491,629,425
<b>Shares Holders' Equity</b>	<b>1,848,636,775</b>	<b>1,947,859,630</b>
<b>NON CURRENT LIABILITIES</b>		
Long term finances - Secured	904,109,303	904,109,303
Loan from directors and family members - Unsecured	213,493,000	213,493,000
Liabilities against assets subject to finance Lease	9,741,104	10,106,974
Employees retirement benefits	16,599,134	12,154,649
Deferred taxation	66,561,468	66,561,468
	<b>1,210,504,009</b>	<b>1,206,425,394</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	551,791,701	742,032,688
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	89,534,995	65,965,591
Short term borrowings	1,315,794,174	1,448,562,373
Current maturity of long term liabilities	20,443,408	21,010,952
	<b>1,980,321,494</b>	<b>2,280,328,820</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,039,462,278</b>	<b>5,434,613,844</b>

The annexed notes form an integral part of these financial statements

Lahore

Date : October 30, 2018

Chief Executive

Chief Financial Officer

Chairperson




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

*For the quarter ended as at September 30, 2018*

	September 30, 2018 Rupees	September 30, 2017 Rupees
Sales - net	688,485,912	791,849,638
Cost of goods sold	684,604,776	741,879,342
Gross profit	3,881,136	49,970,296
Other operating income	-	-
Distribution cost	1,913,308	8,313,021
Administrative expenses	17,932,410	16,106,487
Other operating expenses	-	-
Finance cost	58,032,532	51,113,295
	77,878,250	75,532,803
Profit from Operations	(73,997,114)	(25,562,507)
Share of profit of Hira Terry Mills Limited	(18,432,823)	45,525,535
Profit/(Loss) before tax	(92,429,937)	19,963,028
Provision for taxation	6,792,918	7,285,017
Profit/(Loss) after tax	(99,222,855)	12,678,011
Earnings/(Loss) per share - basic and diluted	(1.15)	0.15

The annexed notes form an integral part of these financial statements

Lahore  
Date : October 30, 2018

  
Chief Executive

  
Chief Financial Officer

  
Chairperson



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



For the quarter ended September 30, 2018

	Quarter ended	
	Sept. 30, 2018	Sept. 30, 2017
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before taxation	(92,429,937)	19,963,028
Add Depreciation of property, plant and equipment	33,416,989	28,303,752
Employee benefits- provision for the period	4,500,000	3,500,000
Share of Profit of Hira Terry Mills Limited	18,432,823	(45,525,535)
Finance cost	58,032,532	51,113,295
	<u>21,952,407</u>	<u>57,354,540</u>
(Increase)/ decrease in store, spare and loose tools	8,339,913	(17,586,183)
(Increase)/ decrease in stock in trade	234,519,969	265,377,878
(Increase)/ decrease in trade debts	7,954,113	(26,317,468)
(Increase)/ decrease in loans & advances	11,530,262	17,668,634
(Increase)/ decrease in Sales Tax refundables	46,706,890	(786,765)
Increase/ (decrease) in trade & other payables	(190,240,987)	(86,746,960)
<b>Cash generated from operations</b>	<u>140,762,567</u>	<u>208,963,676</u>
Finance cost paid	(39,085,999)	(54,489,815)
Gratuity paid	(797,215)	(2,085,614)
Income taxes paid	(2,079,391)	(2,537,962)
Net cash used operating activities	<u>98,799,962</u>	<u>149,850,285</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-	(13,857,173)
Long term deposits	-	(302,572)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	-	<u>(14,159,745)</u>
Long term financing	-	(39,095,178)
Payment of liabilities against assets subject to finance lease	(933,414)	(626,958)
Short term borrowings - secured	(132,768,199)	(69,957,038)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>(133,701,613)</u>	<u>(109,679,174)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>	<u>(34,901,651)</u>	<u>26,011,367</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>68,271,810</u>	<u>6,211,703</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>33,370,159</u></u>	<u><u>32,223,070</u></u>

The annexed notes form an integral part of these financial statements

Lahore

Date : October 30, 2018

Chief Executive

Chief Financial Officer



Chairperson





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



*For the quarter ended September 30, 2018*

	Share capital	Share premium	Unappropriated profits	Surplus on Revaluaviotn	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Balance as at June 30, 2017</b>	865,779,200	82,500,000	1,020,350,275	529,234,822	2,497,864,297
Profit for the period	-	-	12,678,011	-	12,678,011
<b>Balance as at Sep 30, 2017</b>	<u>865,779,200</u>	<u>82,500,000</u>	<u>1,033,028,286</u>	<u>529,234,822</u>	<u>2,510,542,308</u>
Profit / (Loss) for the period	-	-	(559,647,264)	-	(559,647,264)
Other Comprehensive Income / (Loss)	-	-	111,577	(3,146,991)	(3,035,414)
Incremental depreciation	-	-	18,136,826	(18,136,826)	-
<b>Balance as at June 30, 2018</b>	<u>865,779,200</u>	<u>82,500,000</u>	<u>491,629,425</u>	<u>507,951,005</u>	<u>1,947,859,630</u>
Profit / (Loss) for the period	-	-	(99,222,855)	-	(99,222,855)
Incremental Depreciation	-	-	4,762,040	(4,762,040)	-
<b>Balance as at Sep 30, 2018</b>	<u>865,779,200</u>	<u>82,500,000</u>	<u>397,168,610</u>	<u>503,188,965</u>	<u>1,848,636,775</u>

The annexed notes form an integral part of these financial statements

Lahore

Date : October 30, 2018

Chief Executive

Chief Financial Officer



Chairperson



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

*For the quarter ended as at September 30, 2018*

### 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 44-E/1 Gulberg III, Lahore and its mill is located at Raiwind Road Lahore.

### 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 shareholders as required by section 245 of the Companies Ordinance, 1984.
- 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, 2018.

	Un-Audited September 30, 2018	Audited June 30, 2018
	Rupees	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	398,067,580	416,500,403
	<u>619,468,500</u>	<u>637,901,323</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

-	-
51,429,131	51,429,131
107,531,846	107,531,846
<u>158,960,977</u>	<u>158,960,977</u>

	Un-Audited September 30, 2018	Un-Audited September 30, 2017
Note	Rupees	Rupees

### 5 COST OF SALES

Stock - opening

Cost of goods manufactured

Stocks - closing

361,192,001	257,428,763
5.1 641,294,535	752,965,447
317,881,760	268,514,868
<u>684,604,776</u>	<u>741,879,342</u>



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

*For the quarter ended as at September 30, 2018*

	Un-Audited September 30, 2018	Un-Audited September 30, 2017
	Rupees	Rupees
<b>5.1 Cost of goods manufactured</b>		
Work in process - opening	27,947,507	28,968,189
Raw materials consumed	441,215,851	505,208,707
Overheads	192,662,960	258,070,973
Work in process - closing	20,531,783	39,282,422
	<b>641,294,535</b>	<b>752,965,447</b>

## 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.

	Un-Audited September 30, 2018	Audited June 30, 2018
	Rupees	Rupees
<b>Transactions with related parties</b>		
<b>Nature of relationship</b>	<b>Nature of transactions</b>	
Associated company	Sales of yarn, cotton, dyes and chemicals	190,192,817
	Purchases of towels, cotton, waste, stores and spares	-
	Expenses charged	4,500,000
	Interest charged on balance due	6,132,532
Sponsors	Interest on borrowings paid	-
	Office rent	-
Adamjee Insurance Company Limited	Insurance premium paid	1,587,970
Provident fund trust	Contribution for the year	564,182
<b>Balances with related parties</b>		
Associated company	Advance obtained	235,446,191
Sponsors	Borrowings	515,155,373
Provident fund trust	Payable to provident fund	440,724

## 7 DATE OF AUTHORISATION FOR ISSUE



These financial statements were authorised for issue on 30th October, 2018 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, 2018

Chief Executive

Chief Financial Officer



Chairperson