



*Quarterly Accounts March 31, 2019
(Un-Audited)*



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COMPANY INFORMATION

CHAIRPERSON

Mrs. Shahnaz Umar

CHIEF EXECUTIVE

Mr. Mohammad Mahboob

BOARD OF DIRECTORS

Mr. Mohammad Mahboob

Mrs. Shahnaz Umar

Mrs. Sadiya Umair

Mr. Mohammad Tariq

Mr. Muhammad Saeed

Mr. Saeed Ahmed Khan

Mr. Shaukat Nazir Malik (Independent Director)

AUDIT COMMITTEE

Mr. Shaukat Nazir Malik

Mr. Mohammad Tariq

Mr. Mohammad Saeed

Chairman

Member

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Sadiya Umair

Mr. Mohammad Mahboob

Mr. Saeed Ahmad Khan

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

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-I, Gulberg III, Lahore

Ph: + 92 42 3571 4191-94 , Fax: + 92 42 3571 0048

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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 2019. The Company's sales are Rs. 1,623.831 million as compared to Rs. 1,630.878 million during the corresponding period of last year, which shows a decrease of 0.43%. The current quarter sale increased by Rs. 252.938 million as compared to last year's corresponding quarter. Gross Loss for the period is Rs. 152.873 million showing an increase of 22.88% over the gross loss of Rs. 124.410 million in the corresponding period in 2018. Loss from operations is Rs. 357.752 million as compared to loss of Rs. 337.527 million in the corresponding period. Loss after tax is Rs. 516.792 million as compared to loss of Rs. 392.767 million in the corresponding period. M/s Hira Terry Mills Limited has contributed its share of loss Rs. 138.580 million. Loss per share is Rs. 5.97 per share as compared to loss Rs. 4.54 per share in corresponding period. Due to labor and technical issues company could not attain required level of efficiency and attained upto 70% working capacity.

Loss in Hira Terry occurred due to ever increasing cost of production and stiff competition in international market.

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, 2019



ڈائریکٹر رپورٹ

ڈائریکٹر 31 مارچ 2019 کو ختم ہونے والے سال کے نو ماہ کے لیے غیر نظر ثانی شدہ مالیاتی معلومات پیش کرتے ہوئے خوش محسوس کرتے ہیں کہ کمپنی کی زیر جائزہ مدت کے دوران فروخت شدہ مال کی مالیت 1623.831 ملین روپے ہے جبکہ پچھلے سال اسی مدت کے دوران فروخت شدہ مال کی مالیت 1630.878 ملین تھی۔ جو گزشتہ سال سے 0.43 فیصد کمی ظاہر کر رہی ہے۔ موجودہ سہ ماہی کے دوران فروخت شدہ مال کی مالیت میں پچھلے سال کی تیسری سہ ماہی کے مقابلے میں 252.938 ملین کی بڑھوتری واقع ہوئی ہے۔ زیر جائزہ مدت کے دوران مجموعی نقصان (GL) 152.873 ملین روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران مجموعی نقصان 124.410 ملین روپے تھا۔ اس طرح اس مدت میں مجموعی نقصان پچھلے سال کی اسی مدت کے مقابلے میں 22.88 فیصد زیادہ رہا۔ کمپنی کا آپریشنل نقصان 357.752 ملین روپے رہا جبکہ پچھلے سال اسی مدت کے دوران نقصان 337.528 ملین روپے تھا۔ منافع میں یہ کمی مجموعی منافع میں کمی کی وجہ سے ہوئی۔ بعد از ٹیکس نقصان 516.792 ملین روپے رہا جبکہ پچھلے سال اسی مدت میں بعد از ٹیکس نقصان 392.767 ملین روپے تھا۔ موجودہ نقصان میں نمبرز حرایری ملٹر لمیٹڈ کا نقصان 138.580 ملین بھی شامل ہے۔ رواں نو ماہی کے لئے فی حصص نقصان (EPS) (5.97) روپے جبکہ گزشتہ سال کی اسی مدت میں فی حصص نقصان (EPS) 4.54 روپے تھی۔

لیبر اور ٹیکنیکی مسابکوں کی وجہ سے کمپنی درکار صلاحیت کے معیار کو حاصل نہ کر سکی اور 70% صلاحیت پر کام ہو سکا۔

حرایری ملٹر میں نقصان کا باعث پیداواری اخراجات اور عالمی منڈی میں سخت مقابلہ میں مسلسل اضافہ 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 اہمیت 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۔

ڈائریکٹر، کمپنی کے عملے اور کارکنان کی اپنے کام کی لگن اور ایثار کے لئے جو انھوں نے کمپنی کی کامیابی اور بہتری کے لئے کی ہیں ان کو تحسین کی نظر سے دیکھتے اور سراہتے ہیں

منجانب بورڈ

مسز شبناز عمر

(چیر پرسن)

محمد محبوب

چیف ایگزیکٹو

لاہور

29 اپریل، 2019



Condensed Interim Statement of Financial Position

as at March 31, 2019

	Un-Audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment-note 3	2,421,279,086	2,506,220,177
Long term investment-note 4	499,320,538	637,901,323
Long term deposits	43,013,149	32,869,577
	2,963,612,773	3,176,991,077
CURRENT ASSETS		
Stores, spares and loose tools	84,258,461	99,238,521
Stock in trade	1,337,231,790	1,725,675,247
Trade debts	89,271,168	83,029,429
Deposits and Short term Prepayments	133,586,271	192,000,547
Advance Income Tax - net of Provision for tax	68,948,119	89,407,213
Cash and bank balances	51,984,369	68,271,810
	1,765,280,179	2,257,622,767
TOTAL ASSETS	4,728,892,952	5,434,613,844
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized capital	87,000,000 ordinary shares of Rs. 10 each	87,000,000 ordinary shares of Rs. 10 each
	87,000,000	87,000,000
Issued , subscribed and paid-up capital	86,577,920 ordinary shares of Rs. 10 each	86,577,920 ordinary shares of Rs. 10 each
	86,577,920	86,577,920
Reserves	82,500,000	82,500,000
Surplus on revaluation of property, plant and equipment	517,325,305	507,907,669
Unappropriated profit	(34,537,081)	491,672,761
Shares Holders' Equity	1,431,067,424	1,947,859,630
NON CURRENT LIABILITIES		
Long term loans	908,449,303	904,109,303
Loan from Directors and family members- unsecured	213,493,000	213,493,000
Liabilities against assets subject to finance Lease	5,013,545	10,106,974
Employees retirement benefits	15,473,679	12,154,649
Deferred Liabilities	66,561,468	66,561,468
CURRENT LIABILITIES		
Trade and other payables	724,014,421	742,032,688
Unclaimed dividend	2,757,216	2,757,216
Mark-up accrued	174,782,284	65,965,591
Short term borrowings	1,171,011,705	1,448,562,373
Current maturity of long term liabilities	16,268,908	21,010,952
	2,088,834,534	2,280,328,820
CONTINGENCIES AND COMMITMENTS -note 5	-	-
TOTAL EQUITY AND LIABILITIES	4,728,892,952	5,434,613,844

The annexed notes form an integral part of these financial statements

Lahore
Date : April 29, 2019


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2019

	For the 3rd quarter		Cumulative	
	Jan-March 2019	Jan-March 2018	July-March 2019	July-March 2018
	Rupees	Rupees	Rupees	Rupees
Sales - net	491,931,142	238,993,071	1,623,830,965	1,630,877,849
Cost of goods sold	550,940,771	346,964,150	1,776,703,619	1,755,288,603
Gross Loss	(59,009,629)	(107,971,079)	(152,872,654)	(124,410,754)
Other operating income	-	-	251,849	3,057,829
	(59,009,629)	(107,971,079)	(152,620,805)	(121,352,925)
Distribution cost	30,000	713,870	2,651,276	11,370,143
Administrative expenses	8,300,912	9,349,619	30,168,264	33,785,780
Other operating expenses	-	-	-	-
Finance cost	71,580,814	55,197,430	172,311,982	171,019,093
Total Operating Exp.	79,911,726	65,260,919	205,131,522	216,175,016
	(138,921,355)	(173,231,998)	(357,752,327)	(337,527,941)
Share of Profit of Jointly Controlled Company	(68,545,612)	(57,736,850)	(138,580,785)	(35,565,315)
Profit / (Loss) before tax	(207,466,967)	(230,968,848)	(496,333,112)	(373,093,256)
Provision for taxation	6,149,139	2,987,413	20,459,094	19,673,615
Profit / (Loss) after tax	(213,616,106)	(233,956,261)	(516,792,206)	(392,766,871)
Earnings / (Loss) per share - basic and diluted	(2.47)	(2.70)	(5.97)	(4.54)

The annexed notes form an integral part of these financial statements



Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

	Nine Months Ended	
	March 31, 2019	March 31, 2018
	Rupees	Rupees
Net profit / (Loss) before taxation	(496,333,112)	(373,093,256)
Add Depreciation of property, plant and equipment	97,282,062	101,338,954
Gain on disposal of property, plant and equipment	(251,849)	(3,057,829)
Share of Profit of Jointly Controlled Company	138,580,785	35,565,315
Employee benefits- provision for the period	6,625,000	5,028,000
Finance cost	172,311,982	171,019,093
	(81,785,132)	(63,199,723)
(Increase)/ decrease in store, spare and loose tools	14,980,060	35,729,315
(Increase)/ decrease in stock in trade	388,443,457	132,644,792
(Increase)/ decrease in trade debts	(6,241,739)	(19,113,061)
(Increase)/ decrease in deposits and short term prepayments	58,414,276	(2,660,947)
(Increase)/ decrease in Sales tax refundable	10,586,621	28,068,978
Increase/ (decrease) in trade & other payables	(18,018,267)	259,277,741

Cash generated from operations

	366,379,275	370,747,095
Finance cost paid	(63,495,289)	(161,153,411)
Gratuity paid	(5,319,030)	(5,922,276)
Income taxes paid	(8,573,561)	(7,565,679)
Net cash used operating activities	288,991,395	196,105,729

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(12,707,122)	(64,177,676)
Proceeds from sale of plant and equipment	618,000	8,650,000
Long term deposits	(10,143,572)	(20,159,000)
NET CASH USED IN INVESTING ACTIVITIES	(22,232,694)	(75,686,676)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Long term Financing	-	-
Payment of long term financing	(0)	(33,507,412)
Payment of liabilities against assets subject to finance lease	(5,495,473)	(5,834,109)
Short term borrowings - secured	(277,550,668)	(74,538,312)
Dividends Paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(283,046,142)	(113,879,833)

NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

The annexed notes form an integral part of these financial statements

Lahore
Date : April 29, 2019


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2019

	Share capital	Share premium	Surplus on revaluation of property, plant and equipment	Unappropriated profits	Total
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2017	865,779,200	82,500,000	529,234,822	1,020,350,275	2,497,864,297
Profit for the period	-	-	-	(392,766,871)	(392,766,871)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(14,870,126)	14,870,126	-
Balance as at March 31, 2018	<u>865,779,200</u>	<u>82,500,000</u>	<u>514,364,696</u>	<u>642,453,530</u>	<u>2,105,097,426</u>
Profit for the period	-	-	-	(154,202,382)	(154,202,382)
Other Comprehensive Income	-	-	(3,146,991)	111,577	(3,035,414)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	(3,310,036)	3,310,036	-
Balance as at June 30, 2018	<u>865,779,200</u>	<u>82,500,000</u>	<u>507,907,669</u>	<u>491,672,761</u>	<u>1,947,859,630</u>
Profit for the period	-	-	-	(516,792,206)	(516,792,206)
Transfer of incremental depreciation from surplus on revaluation of fixed assets	-	-	9,417,636.0	(9,417,636)	-
Balance as at March 31, 2019	<u><u>865,779,200</u></u>	<u><u>82,500,000</u></u>	<u><u>517,325,305</u></u>	<u><u>(34,537,081)</u></u>	<u><u>1,431,067,424</u></u>

The annexed notes form an integral part of these financial statements

Lahore
Date : April 29, 2019


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2019

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 31 March, 2019	Audited 30-Jun-18
	Note	Rupees	Rupees
3 PROPERTY, PLANT AND EQUIPMENT			
Tangible fixed assets	3.1	2,421,279,086	2,506,220,177
Capital Work in progress		-	-
		<u>2,421,279,086</u>	<u>2,506,220,177</u>
3.1 Tangible fixed assets			
Opening book value		2,506,220,177	2,541,475,405
Additions/Adjustment during the period			
- Building on freeholdland		-	141,100
- plant and machinery		12,092,577	88,959,258
- electric installations		229,920	4,552,910
- power house		325,825	682,039
- telephone installation		40,400	-
- Office Equipments		18,400	-
- computers		-	28,050
- furniture and fixtures		-	13,200
- vehicles Owned		-	3,366,650
- vehicles - leased		-	5,194,578
		<u>12,707,122</u>	<u>102,937,785</u>
Book value of assets disposed-off during the period		(366,151)	(5,624,514)
Depreciation charge for the period		(97,282,062)	(137,342,340)
Transfer from CWIP		-	4,773,841
Closing book value		<u>2,421,279,086</u>	<u>2,506,220,177</u>

Lahore
Date : April 29, 2019


Chief Executive


Chief Financial Officer


Director



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

For the quarter ended March 31, 2019

		Un-Audited 31-Mar-19 Rupees	Audited 30-Jun-18 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 profitsunrealized	277,919,618	416,500,403		
		499,320,538	637,901,323		
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.	9,083,008	7,920,000		
		38,625,436	37,462,428		
	Commitments				
	Letters of credit for import of machinery/ Spares	-	-		
	Letters of credit for import of raw material	-	7,684,133		
	Letters of credit for import of stores and spares	4,225,830	67,700,426		
		4,225,830	75,384,559		
6	COST OF SALES				
		For the 3rd quarter	Cumulative		
		January - March	July - March		
		2019	2019		
		2018	2018		
	Note	Rupees	Rupees		
		Rupees	Rupees		
	Stock - opening	230,886,087	299,915,190	361,192,001	257,428,763
	Cost of goods manufactured	509,258,295	362,925,370	1,604,715,229	1,813,736,250
	6.1	740,144,382	662,840,560	1,965,907,230	2,071,165,013
	Stocks - closing	189,203,611	315,876,410	189,203,611	315,876,410
		550,940,771	346,964,150	1,776,703,619	1,755,288,603



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

For the quarter ended March 31, 2019

6.1 Cost of goods manufactured

	For the 3rd quarter		Cumulative	
	January - March 2019	January - March 2018	July - March 2019	July - March 2018
	Rupees	Rupees	Rupees	Rupees
Work in process - opening	6,042,254	48,555,717	27,947,507	28,968,189
Raw materials consumed	368,267,998	189,305,050	1,093,243,362	1,151,356,006
Overheads	167,787,420	150,398,585	516,363,737	658,746,037
	536,055,418	339,703,635	1,609,607,099	1,810,102,043
	542,097,672	388,259,352	1,637,554,606	1,839,070,232
Work in process - closing	32,839,376	25,333,982	32,839,376	25,333,982
	509,258,295	362,925,370	1,604,715,229	1,813,736,250

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, 2019 Rupees	Un-Audited 31 March, 2018 Rupees
Transactions with Associated undertaking - Hira Terry Mills Limited (H.T.L)		
Sale of yarn and store etc.	233,681,963	480,159,831
Purchase of cotton/ towels & Dyes	-	9,773,986
Expenses charged / Recoverable	13,676,977	14,825,664
Mark-up charged / (Income) on balance due	21,859,254	20,288,013
Transactions with Other related parties		
Remuneration paid to directors and chief executive of the Company	4,926,717	5,203,906
Payment to Employees' Provident Fund Trust	1,594,282	1,688,271
Office Rent	2,700,000	4,050,000
	278,439,193	535,989,671

8 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 29th April, 2019 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, 2019


Chief Executive


Chief Financial Officer


Director

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- 💬 FAQs Answered

- 📈 Stock trading simulator
(based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event
notifications, corporate and
regulatory actions)
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