



Quarterly Accounts September 30, 2015
(Un-Audited)



COMPANY INFORMATION

CHAIRMAN

Mr. Muhammad Umar Virk

CHIEF EXECUTIVE

Mr. Nadeem Aslam Butt

BOARD OF DIRECTORS

Mr. Muhammad Umar Virk
 Mr. Nadeem Aslam Butt
 Mr. Umair Umar
 Mrs. Shahnaz Umar
 Mrs. Fatima Nadeem
 Mrs. Sadiya Umair
 Mr. Shaukat Nazir Malik (Independent Director)

AUDIT COMMITTEE

Mr. Shaukat Nazir Malik	Chairman
Mr. Umair Umar	Member
Mrs. Shahnaz Umar	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mrs. Sadiya Umair	Chairperson
Mr. Nadeem Aslam Butt	Member
Mrs. Fatima Nadeem	Member

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. Saeed Ahmad Khan

AUDITORS

M/s Rahman Sarfaraz Rahim Iqbal Rafiq. (Chartered Accountant).
 Member of Russell Bedford International.
 House # 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
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MILLS

8 KM Manga Raiwind Road Raiwind District Kasur



Director's Report

We hereby present the un-audited financial statements of the Company for 1st Quarter ended on September 30, 2015. The Company's sales are Rs. 938.530 million as compared to Rs. 950.733 million during the corresponding period of last year. Gross Profit for the period is Rs.55.672 million showing a decrease of 51.50 % over the gross profit of Rs.114.776 million in the corresponding period. Decrease in G.P. is due to decrease in sale rates.

Loss from operations is Rs.25.536 million as compared to profit of Rs. 20.839 million in the corresponding period. The decrease in operational profit is due to decrease in gross profit. Distribution cost is decreased by 43.06% which is mainly due to increase in local sales. Financial cost has decreased by Rs.8.52 million which is due to decrease in long term, short term borrowings and Kibor rate. Loss after tax is Rs. 15.327 million as compared to Profit of Rs.25.77 million in the corresponding period. Hira Terry Mills Limited has contributed Rs.18.844 million in the current profit of the company. Earning per share for three months period is Rs. (0.19) as compared to Rs. 0.33 during the corresponding period of last year. Though the result of the current months is quite dissatisfactory but at the same time the management is concerned about the profitability of the company for the remaining year due to recession in spinning segment of textile industry. However the management of the company is putting its best efforts to improve the situation through better production and marketing strategies.

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.

On behalf of the Board

Nadeem Aslam Butt
(Chief Executive Officer)

Lahore
October 28, 2015



Balance Sheet

as at September 31, 2015

	Un-Audited September 30, 2015	Audited June 30, 2015
	Rupees	Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	2,073,208,281	2,083,750,163
Long term investment- note 3	589,742,142	570,897,959
Long term Advance & Deposits	26,668,348	26,534,648
	2,689,618,771	2,681,182,770
CURRENT ASSETS		
Stores, spares and loose tools	130,591,728	177,042,638
Stock in trade	1,338,337,367	1,714,457,816
Trade debts	129,383,777	125,829,226
Advances, Deposits, Prepayments & other receivables	115,892,593	119,265,469
Tax refundable due from Government - (Net of provision)	124,150,895	130,090,886
Sales Tax Refundable	37,747,347	52,042,321
Cash and bank balances	5,807,428	21,368,329
	1,881,911,135	2,340,096,685
TOTAL ASSETS	4,571,529,906	5,021,279,455
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized capital		
80,000,000 ordinary shares of Rs. 10 each	800,000,000	800,000,000
Issued, subscribed and paid-up capital		
78,707,2000 ordinary shares of Rs. 10 each	787,072,000	787,072,000
Reserves	82,500,000	82,500,000
Unappropriated profit	967,923,392	983,250,076
Shares Holders' Equity	1,837,495,392	1,852,822,076
Surplus on revaluation of property, plant and equipment	65,892,542	65,892,542
NON CURRENT LIABILITIES		
Long term Financing	520,301,222	542,166,123
Liabilities against assets subject to finance Lease	43,713,838	47,535,287
Deferred Liabilities	83,686,516	84,022,100
CURRENT LIABILITIES		
Trade and other payables	504,869,868	612,596,835
Mark-up accrued	42,274,354	56,141,653
Short term borrowings	1,336,333,450	1,606,582,666
Current maturity of long term liabilities	136,962,724	153,520,173
	2,020,440,396	2,428,841,327
CONTINGENCIES AND COMMITMENTS -note 4	-	-
TOTAL EQUITY AND LIABILITIES	4,571,529,906	5,021,279,455

The annexed notes form an integral part of these financial statements

Lahore
Date : October 28, 2015


 Chief Executive


 Director



Profit and Loss Account (Un-audited)
for quarter ended September 30, 2015

	September 30, 2015 Rupees	September 30, 2014 Rupees
Sales - net	938,529,772	950,733,121
Cost of goods sold	882,857,467	835,956,465
Gross profit	55,672,305	114,776,656
Distribution cost	7,450,342	13,086,490
Administrative expenses	20,084,409	20,632,664
Other operating expenses	-	1,544,471
Finance cost	53,673,947	58,673,865
	81,208,698	93,937,490
Profit from Operations	(25,536,393)	20,839,166
Share of profit of Hira Terry Mills Limited	18,844,183	10,633,220
Profit/(Loss) before tax	(6,692,210)	31,472,386
Provision for taxation	8,634,474	5,704,399
Profit/(Loss) after tax	(15,326,684)	25,767,987
Earnings/(Loss) per share - basic and diluted	(0.19)	0.33

The annexed notes form an integral part of these financial statements



Cash Flow Statement (Un-audited)

for quarter ended September 30, 2015

	Quarter ended	
	Sept. 30, 2015 Rupees	Sept. 30, 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	(6,692,210)	31,472,385
Add Depreciation of property, plant and equipment	26,984,447	25,519,514
Employee benefits- provision for the period	4,500,000	2,300,000
Share of Profit of Hira Terry Mills Limited	(18,844,183)	(10,633,220)
Finance cost	53,673,947	58,673,865
	<u>59,622,000</u>	<u>107,332,544</u>
(Increase)/ decrease in store, spare and loose tools	46,450,910	844,371
(Increase)/ decrease in stock in trade	376,120,449	(316,766,593)
(Increase)/ decrease in trade debts	(3,554,551)	9,812,512
(Increase)/ decrease in loans & advances	9,312,867	900,601
(Increase)/ decrease in Sales Tax refundables	14,294,974	13,298,228
Increase/ (decrease) in trade & other payables	(130,655,200)	283,537,778
Cash generated from operations	<u>371,591,449</u>	<u>98,959,441</u>
Finance cost paid	(67,541,246)	(55,623,958)
Gratuity paid	(4,194,100)	(1,337,700)
Income taxes paid	(2,694,483)	(7,520,536)
Net cash used operating activities	<u>297,161,621</u>	<u>34,477,247</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,653,256)	-
Long term deposits	(133,700)	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(16,786,956)</u>	<u>-</u>
Long term financing		
Payment of liabilities against assets subject to finance lease	(21,864,901)	(20,100,000)
Short term borrowings - secured	(3,821,449)	(1,013,989)
	<u>(270,249,216)</u>	<u>(10,600,138)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(295,935,566)</u>	<u>(31,714,127)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	<u>(15,560,901)</u>	<u>2,764,120</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>21,368,329</u>	<u>15,933,539</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>5,807,428</u>	<u>18,697,659</u>

The annexed notes form an integral part of these financial statements



Statement of Changes in Equity (Un-audited)

for quarter ended September 30, 2015

	Share capital Rupees	Share premium Rupees	Unappropriated profits Rupees	Total Rupees
Balance as at June 30, 2014	787,072,000	82,500,000	892,612,468	1,762,184,468
Profit for the period	-	-	25,767,986	25,767,986
Balance as at Sep 30, 2014	<u>787,072,000</u>	<u>82,500,000</u>	<u>918,380,454</u>	<u>1,787,952,454</u>
Profit for the period		-	64,869,622	64,869,622
Balance as at June 30, 2015	<u>787,072,000</u>	<u>82,500,000</u>	<u>983,250,076</u>	<u>1,852,822,076</u>
Profit for the period		-	(15,326,684)	(15,326,684)
Balance as at Sep 30, 2015	<u>787,072,000</u>	<u>82,500,000</u>	<u>967,923,392</u>	<u>1,837,495,392</u>

The annexed notes form an integral part of these financial statements



Notes to the Financial Statements (*Un-audited*)

for quarter ended September 30, 2015

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, 2015.

	<u>Un-Audited</u> <u>September 30, 2015</u>	<u>Audited</u> <u>June 30, 2015</u>
	Rupees	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
Share of Profit	<u>405,242,142</u>	<u>386,397,959</u>
	<u>589,742,142</u>	<u>570,897,959</u>
4 CONTINGENCIES AND COMMITMENTS		
Contingencies - Guarantees		
Habib Bank Limited to Sui Northren Gas Pipelines Limited	<u>27,979,420</u>	<u>27,979,420</u>
	<u>27,979,420</u>	<u>27,979,420</u>
Commitments		
Letters of credit for import of machinery	-	-
Letters of credit for import of raw material	79,895,006	16,316,433
Letters of credit for import of stores and spares/Others	<u>780,194</u>	<u>2,351,071</u>
	<u>80,675,200</u>	<u>18,667,504</u>
	<u>Un-Audited</u>	<u>Un-Audited</u>
	<u>September 30, 2015</u>	<u>September 30, 2014</u>
	Rupees	Rupees
5 COST OF SALES	Note	
Stock - opening		444,313,193
Cost of goods manufactured	5.1	337,411,890
Stocks - closing		<u>807,647,137</u>
		<u>369,102,863</u>
		<u>882,857,467</u>
		<u>835,956,465</u>



Notes to the Financial Statements (*Un-audited*) for quarter ended September 30, 2015

5.1 Cost of goods manufactured	Un-Audited	Un-Audited
	September 30, 2015	September 30, 2014
	Rupees	Rupees
Work in process - opening	51,749,875	38,533,960
Raw materials consumed	512,525,714	663,544,883
Overheads	290,816,915	248,223,653
Work in process - closing	47,445,367	44,178,541
	<u>807,647,137</u>	<u>906,123,955</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.

DESCRIPTION	Un-Audited	Audited
	September 30, 2015	June 30, 2015
	Rupees	Rupees
Transactions with jointly Controlled entity		
Sale of yarn, Cotton, dyes and Chemicals	277,803,288	1,509,062,252
Purchases of Towels, Stores & Spares	4,203,477	76,427,373
Expenses charged	5,387,827	22,007,579
Mark-up expenses / (Income) on balance due	666,925	1,021,530
Transactions with Other related parties		
Payment to Employees' Provident Fund Trust	636,780	2,068,947
Payment to Director for Office Rent	1,050,000	4,200,000
Interest expenses on Director Loan	3,648,851	19,218,115
Interest on Director's Loan waived	3,648,851	19,218,115
Payments for Insurance to Adamjee Insurance Company Ltd.	2,490,936	19,077,784

7 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28th October, 2015 by the Board of Directors of the Company.

8 PRESENTATION

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