



HIRA TEXTILE MILLS LIMITED.

HIRA TEXTILE MILLS LIMITED

COMPANY INFORMATION

CHAIRMAN Mr. Muhammad Umar Virk

CHIEF EXECUTIVE OFFICER Mr. Nadeem Aslam Butt

BOARD OF DIRECTORS

Mr. Muhammad Umar Virk
Mr. Nadeem Aslam Butt
Mrs. Shahnaz Umar
Mr. Umair Umar
Mrs. Fatima Nadeem
Mrs. Sadiya Umair
Mr. Saeed Ahmad Khan

AUDIT COMMITTEE

Mr. Umair Umar	Chairman
Mrs. Shahnaz Umar	Member
Mrs. Sadiya Umair	Member

COMPANY SECRETARY & CFO Mr. Saeed Ahmad Khan

AUDITORS

M. Yousuf Adil Saleem & Co.
Chartered Accountants

RESISTRAR OF THE COMPANY

Vision Consulting Ltd.
3-C. 1st Floor , LDA Flates,
Lawrance Road, Lahore
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TAX CONSULTANT Tipu Associates

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Lahore, Pakistan.
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MILLS 8-km Manga Raiwind Road,
Raiwind, District Kasur, Pakistan.

DIRECTORS' REPORT

We hereby present the un-audited financial statements of Company for the nine months ended 31 March 2011. The Company's sales are Rs. 3,759.991 million as compared to Rs. 2,208.164 million during the corresponding period of last year which shows an increase of 70.28%. The current quarter sales also increased to Rs. 1,486.582 million as compared to sales of Rs. 848.136 millions in last year's corresponding quarter. Gross Profit for the period is Rs.648.596 million showing an increase of 53.50 % over the gross profit of Rs.422.540 million in the corresponding period in 2010. The increase in GP is mainly due to sales rates and procurement of raw material at good prices.

Profit from operations is Rs. 292.102 million as compared to profit of Rs. 143.14 million in the corresponding period. The increase in operational profit is due to healthy profit in 2nd & 3rd quarter which is mainly due to increase in yarn sale rates. Profit after tax is Rs. 269.197 million as compared to profit of Rs. 150.040 million in the corresponding period. M/s Hira Terry Mills Limited has contributed its share of profit Rs.14.122 million. A Profit of Rs. 90.896 million in the 3rd quarter of the year has improved the profitability of the company. Earning per share is Rs. 3.76 per share as compared to Rs. 2.10 per share in corresponding period. As the yarn material market softens with the new cotton season approaching, the management is putting its best efforts to maximize company's profit for the remaining period of the financial year and is positive to maintain these results for the remaining period of the year.

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

Lahore
April 28, 2011

Nadeem Aslam Butt
(Chief Executive officer)

BALANCE SHEET AS AT 31 MARCH , 2011

	Un-Audited March 31, 2011 Rupees	Audited June 30, 2010 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment-note 3	1,665,686,779	1,480,324,982
Long term investment-note 4	308,985,792	294,863,341
Long term deposits	16,514,385	13,835,506
	1,991,186,956	1,789,023,829
CURRENT ASSETS		
Stores, spares and loose tools	45,222,645	64,128,162
Stock in trade	1,836,745,645	1,333,959,513
Trade debts	280,505,807	79,498,463
Advances	29,647,663	29,202,575
Deposits and Short term Prepayments	10,357,691	8,716,447
Advance Income Tax - net of Provision for tax	16,731,287	17,129,597
Sales tax refundable	8,504,798	29,161,673
Cash and bank balances	8,794,268	6,020,659
	2,236,509,804	1,567,817,089
TOTAL ASSETS	4,227,696,760	3,356,840,918
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital		
75,000,000 ordinary shares of Rs. 10 each	750,000,000	750,000,000
Issued , subscribed and paid-up capital		
71,552,000 ordinary shares of Rs. 10 each	715,520,000	715,520,000
Reserves	82,500,000	82,500,000
Unappropriated profit	711,867,077	514,221,837
Shares Holders' Equity	1,509,887,077	1,312,241,837
Surplus on revaluation of property, plant and equipment	65,892,542	65,892,542
NON CURRENT LIABILITIES		
Long term loans	239,285,163	170,308,944
Liabilities against assets subject to finance Lease	28,918,954	15,988,167
Deferred Liabilities	83,676,007	82,023,911
CURRENT LIABILITIES		
Trade and other payables	309,829,686	256,198,252
Mark-up accrued	78,303,171	73,892,845
Short term borrowings	1,804,923,558	1,255,437,905
Current maturity of long term liabilities	106,980,602	124,856,515
	2,300,037,017	1,710,385,517
CONTINGENCIES AND COMMITMENTS -note 5	-	-
TOTAL EQUITY AND LIABILITIES	4,227,696,760	3,356,840,918

The annexed notes form an integral part of these financial statements



HIRA TEXTILE MILLS LIMITED.

HIRA TEXTILE MILLS LIMITED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2011

	For the 3rd quarter		Cumulative	
	Jan-March 2011	Jan-March 2010	July-March 2011	July-March 2010
	----- Rupees -----			
Sales - net	1,486,581,960	848,135,528	3,759,991,117	2,208,163,775
Cost of goods sold	<u>1,225,471,201</u>	690,827,952	3,111,394,980	1,785,623,442
Gross profit	261,110,759	157,307,576	648,596,137	422,540,333
Other operating income	<u>-</u>	-	2,672,342	-
	261,110,759	157,307,576	651,268,479	422,540,333
Distribution cost	35,600,690	10,218,192	60,632,613	34,087,827
Administrative expenses	13,562,435	12,109,575	37,201,275	32,770,469
Other operating expenses	7,381,837	4,555,749	22,071,876	10,644,126
Finance cost	104,964,485	68,954,467	239,260,292	201,901,012
Total Operating Exp.	<u>161,509,447</u>	95,837,983	359,166,056	279,403,434
	99,601,311	61,469,593	292,102,422	143,136,899
Share of Profit of Jointly Controlled Company	<u>4,689,900</u>	14,123,600	14,122,451	32,809,579
Profit / (Loss) before tax	104,291,211	75,593,193	306,224,873	175,946,478
Provision for taxation	13,395,000	17,078,748	37,027,633	25,905,501
Profit / (Loss) after tax	<u><u>90,896,211</u></u>	58,514,445	269,197,240	150,040,977
Earnings / (Loss) per share - basic and diluted	1.27	0.82	3.76	2.10

The annexed notes form an integral part of these financial statements

Lahore
April 28, 2011

Muhammad Umar Virk
Chairman / Director

Nadeem Aslam Butt
Chief Executive Officer



HIRA TEXTILE MILLS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2011

	Nine Months Ended	
	March 31,2011	March 31,2010
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (Loss) before taxation	306,224,873	175,946,478
Add Depreciation of property, plant and equipment	60,912,712	59,031,671
Gain on disposal of property, plant and equipment	(2,672,342)	25,542
Share of Profit of Jointly Controlled Company	(14,122,451)	(14,123,600)
Employee benefits- provision for the period	7,000,000	2,000,000
Finance cost	239,260,292	201,901,012
	<u>596,603,084</u>	<u>424,781,103</u>
(Increase)/ decrease in store, spare and loose tools	18,905,517	(3,523,258)
(Increase)/ decrease in stock in trade	(502,786,132)	(396,718,273)
(Increase)/ decrease in trade debts	(201,007,344)	25,453,873
(Increase)/ decrease in loans & advances	(445,088)	(52,938,629)
(Increase)/ decrease in deposits and short term prepayments	(1,641,244)	(3,267,488)
(Increase)/ decrease in other receivables	398,310	(3,135,385)
Increase/ (decrease) in trade & other payables	53,631,434	(74,125,648)
Cash generated from operations	<u>(36,341,463)</u>	<u>(83,473,704)</u>
Finance cost paid	<u>(234,849,966)</u>	<u>(213,526,681)</u>
Gratuity paid	<u>(5,567,684)</u>	<u>10,726,080</u>
Income taxes paid	<u>(36,629,323)</u>	<u>(6,357,785)</u>
Net cash used operating activities	<u>(313,388,436)</u>	<u>(292,632,090)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<u>(220,407,954)</u>	<u>(31,074,482)</u>
Proceeds from sale of plant and equipment	15,723,660	2,045,000
Long term deposits	<u>(2,678,879)</u>	<u>(36,464,398)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(207,363,173)</u>	<u>(65,493,880)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long term Financing	<u>142,000,000</u>	<u>-</u>
Payment of long term financing	<u>(91,414,874)</u>	<u>(49,498,315)</u>
Payment of liabilities against assets subject to finance lease	<u>(13,445,967)</u>	<u>(12,425,967)</u>
Short term borrowings - secured	549,485,653	420,359,181
Dividends Paid	<u>(63,099,595)</u>	<u>-</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>523,525,217</u>	<u>358,434,899</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	<u>2,773,608</u>	<u>308,929</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>6,020,659</u>	<u>17,585,924</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>8,794,267</u></u>	<u><u>17,894,853</u></u>

The annexed notes form an integral part of these financial statements

Lahore
 April 28,2011

Muhammad Umar Virk
 Chairman / Director

Nadeem Aslam Butt
 Chief Executive Officer



HIRA TEXTILE MILLS LIMITED.

HIRA TEXTILE MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2011

	Share capital	Share premium	Unappropriated profits	Total
	----- Rupees -----			
Balance as at June 30, 2009	715,520,000	82,500,000	265,393,865	1,063,413,865
Profit for the period			150,040,977	150,040,977
Balance as at March 31, 2010	715,520,000	82,500,000	415,434,842	1,213,454,842
Profit for the period		-	98,786,995	98,786,995
Balance as at June 30, 2010	715,520,000	82,500,000	514,221,837	1,312,241,837
Final Dividend @ Rs. 1.00 per Share for year ended June 30, 2010			(71,552,000)	(71,552,000)
Profit for the period	-	-	269,197,240	269,197,240
Balance as at March 31, 2011	715,520,000	82,500,000	711,867,077	1,509,887,077

The annexed notes form an integral part of these financial statements

Lahore
April 28, 2011

Muhammad Umar Virk
Chairman / Director

Nadeem Aslam Butt
Chief Executive Officer



HIRA TEXTILE MILLS LIMITED.

HIRA TEXTILE MILLS LIMITED NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH, 2011

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, 2010.

3 PROPERTY, PLANT AND EQUIPMENT	Note	Un-Audited 31 March, 2011 Rupees	Audited 30-Jun-10 Rupees
Tangible fixed assets	3.1	1,642,464,551	1,480,324,982
Capital Work in progress		23,222,228	-
		<u>1,665,686,779</u>	<u>1,480,324,982</u>
3.1 Tangible fixed assets			
Opening book value		1,480,324,982	1,500,809,675
Additions/Adjustment during the period			
- Building on freeholdland		1,037,875	2,772,369
- plant and machinery		229,184,603	48,091,455
- electric installations		2,923,764	7,034,834
- telephone installation		53,100	15,075
- computers		137,849	384,710
- furniture and fixtures		133,022	150,353
- vehicles		2,727,500	1,751,600
- Office Equipments		-	279,322
- vehicles-leased		1,149,000	-
		237,346,713	60,479,718
Book value of assets disposed-off during the period		(13,051,318)	(2,086,002)
Depreciation charge for the period		(62,155,826)	(78,878,409)
Closing book value		<u>1,642,464,551</u>	<u>1,480,324,982</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH, 2011

		Un-Audited 31-Mar-11 Rupees	Audited 30-Jun-10 Rupees
4	LONG-TERM INVESTMENTS		
	Investment in related party - equity method		
	Hira Terry Mills Limited - jointly controlled entity		
	Cost of investment	184,500,000	184,500,000
	18,450,000 (June 30, 2010 : 18,450,000) fully paid ordinary shares of Rs.10 each	124,485,792	110,363,341
	Share of profit for the period / year	<u>308,985,792</u>	<u>294,863,341</u>
5	CONTINGENCIES AND COMMITMENTS		
	Guarantees		
	Habib Bank Limited to Sui Northren Gas Pipelines Limited	28,523,120	25,373,120
		<u>28,523,120</u>	<u>25,373,120</u>
	Commitments		
	Letters of credit for import of machinery	-	78,838,500
	Letters of credit for import of raw material	509,997,520	126,230,900
	Letters of credit for import of stores and spares	5,533,516	3,134,023
		<u>515,531,036</u>	<u>208,203,423</u>
6	COST OF SALES		
		For the 3rd quarter	Cumulative
		January - March	July - March
		2011	2011
		January - March	July - March
		2010	2010
		-----Rupees-----	
	Stock - opening	218,946,608	106,110,108
	Cost of goods manufactured	1,142,063,084	678,590,321
		<u>1,361,009,692</u>	<u>784,700,429</u>
	Stocks - closing	135,538,491	111,369,625
		<u>1,225,471,201</u>	<u>673,330,804</u>
		<u>164,569,978</u>	<u>1,699,287,432</u>
		<u>3,157,079,357</u>	<u>1,820,190,380</u>
		<u>135,538,491</u>	<u>111,369,625</u>
		<u>3,021,540,866</u>	<u>1,708,820,755</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED 31 MARCH, 2011

	For the 3rd quarter		Cumulative	
	January - March 2011	January - March 2010	July - March 2011	July - March 2010
-----Rupees-----				
6.1 Cost of goods manufactured				
Work in process - opening	26,281,194	18,290,027	16,293,628	17,430,120
Raw materials consumed	965,021,250	497,027,291	2,457,772,579	1,209,983,260
Overheads	180,504,860	182,311,725	548,187,392	490,912,774
	1,145,526,110	679,339,016	3,005,959,971	1,700,896,034
	1,171,807,304	697,629,043	3,022,253,599	1,718,326,154
Work in process - closing	29,744,220	19,038,722	29,744,220	19,038,722
	1,142,063,084	678,590,321	2,992,509,379	1,699,287,432

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, 2011 Rupees	Un-Audited 31 March, 2010 Rupees
Transactions with Associated undertaking - Hira Terry Mills Limited (H.T.L)		
Sale of yarn and store etc	546,703,728	335,914,951
Expenses charged	9,559,860	9,359,661
Mark-up charged on balance due from HTL	(93,420)	-
Other Transaction in ordinary course of business - Net	32,911,513	395,601
Transactions with Other related parties		
Remuneration paid to directors and chief executive of the Company	5,468,742	4,869,646
Payment to Employees' Provident Fund Trust	950,033	874,776
	595,500,456	351,414,635

8 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28th April, 2011 by the Board of Directors of the Company.

9 PRESENTATION

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

Lahore
April 28, 2011

Muhammad Umar Virk
Chairman / Director

Nadeem Aslam Butt
Chief Executive Officer