



HIRA TEXTILE MILLS LIMITED.

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. 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

Messrs M. Yousuf Adil Saleem & CO.

(Chartered Accountant)

A Member Firm of Deloitte Touche Tohmatsu

66-E -FCC, Syed Maratab Ali Road, Gulberg IV, 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.

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REGISTERED OFFICE

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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 the half-year ended 31 December 2011. The Company's sales are Rs. 2,078.392 million as compared to Rs. 2,273.409 million during the corresponding period of last year showing a decrease of 8.58%. Gross Profit for the period is Rs.232.785 million showing a decrease of 39.92 % over the gross profit of Rs.387.485 million in the corresponding period. The decrease in GP is mainly due to substantial decrease in yarn prices during the period while we were carrying some high priced cotton stocks from last year.

Profit from operations is Rs. 25.523 million as compared to Rs. 192.501 million in the corresponding period. This significant decrease in profit is attributed to a substantial decrease in yarn prices and increase input cost which was mainly fuel and energy due to severe energy crisis prevailing in the country. Profit after tax is Rs. 46.115 million as compared to profit of Rs. 178.301 million in the corresponding period. M/s Hira Terry Mills Limited has contributed profit of Rs. 41.377 million showing an increase of Rs. 31.994 million over the last corresponding period. The profit of Hira Terry has increased due to substantial increase in margins for value added products due to the decrease in their main raw material cost, which is Yarn. Earning per share for the six month period is Rs.0.64 as compared to Rs. 2.49 during the corresponding period of last year.

The company could not maintain its profitability levels as compared to the corresponding period but at the same time the management is concerned about the profitability of the company for the remaining period of the year due to ever increasing production cost, uncertainty about cotton supply and prices, high energy cost coupled with load shedding in Gas & Power and double digit inflation. However 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 six months and hope 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

Lahore

February 27, 2012

Nadeem Aslam Butt
(Chief Executive officer)

INDEPENDENT AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Hira Textile Mills Limited** ("the company") as at December 31, 2011 and the related condensed interim profit and loss account / statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account/ statement of comprehensive income for the three months ended December 31, 2011 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2011.

Scope of Review

We conducted our review in accordance with international Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting

M. YOUSUF ADIL SALEEM & CO

Muhammad Saleem

(Chartered Accountants)

(Engagement Partner)

Lahore: February 27, 2012



**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2011**

| | Un-audited December 31 2011 | Audited June 30 2011 |
|--|-----------------------------------|----------------------------|
| |Rupees | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized share capital | 750,000,000 | 750,000,000 |
| Issued, subscribed and paid up share capital | 715,520,000 | 715,520,000 |
| Reserves | 82,500,000 | 82,500,000 |
| Un-appropriated profit | 636,967,620 | 662,404,239 |
| | 1,434,987,620 | 1,460,424,239 |
| SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT | 65,892,542 | 65,892,542 |
| NON-CURRENT LIABILITIES | | |
| Long-term financing | 189,100,000 | 220,877,236 |
| Liabilities against assets subject to finance lease | 20,558,802 | 26,960,517 |
| Deferred liabilities | 95,268,291 | 94,392,991 |
| | 304,927,093 | 342,230,744 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 412,308,287 | 232,346,388 |
| Mark-up accrued | 119,571,522 | 115,828,088 |
| Short-term borrowings - secured | 2,149,851,260 | 1,475,407,444 |
| Current portion of non-current liabilities | 104,260,164 | 119,480,602 |
| | 2,785,991,233 | 1,943,062,522 |
| CONTINGENCIES AND COMMITMENTS | 4,591,798,488 | 3,811,610,047 |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 1,625,619,390 | 1,631,012,109 |
| Long-term investments | 354,527,093 | 313,150,300 |
| Long-term advances and deposits | 31,253,385 | 25,766,626 |
| | 2,011,399,868 | 1,969,929,035 |
| CURRENT ASSETS | | |
| Stores, spare parts and loose tools | 85,396,144 | 79,732,862 |
| Stock-in-trade | 2,219,304,329 | 1,413,499,065 |
| Trade debts | 123,648,530 | 186,752,791 |
| Advances | 73,302,227 | 94,306,390 |
| Trade deposits and short-term prepayments | 14,559,377 | 8,205,697 |
| Advance income tax - net | 19,474,787 | 24,640,568 |
| Tax Refunds due from Government | 26,445,402 | 22,981,338 |
| Cash and bank balances | 18,267,824 | 11,562,301 |
| | 2,580,398,620 | 1,841,681,012 |
| | 4,591,798,488 | 3,811,610,047 |

The annexed selected notes from 1 to 15 form an integral part of this condensed interim financial information.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT / STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

| | Note | Three months ended | | Six months ended | |
|--|------|--------------------|---------------|------------------|---------------|
| | | December 31 | December 31 | December 31 | December 31 |
| | | 2011 | 2010 | 2011 | 2010 |
| | |Rupees..... | |Rupees..... | |
| Sales - net | 11 | 920,398,117 | 1,115,368,154 | 2,078,391,701 | 2,273,409,157 |
| Cost of sales | 12 | 802,909,713 | 925,894,622 | 1,845,607,108 | 1,885,923,779 |
| Gross profit | | 117,488,404 | 189,473,532 | 232,784,593 | 387,485,378 |
| Other operating income | | 6,015,646 | 2,672,342 | 6,015,646 | 2,672,342 |
| | | 123,504,050 | 192,145,874 | 238,800,239 | 390,157,720 |
| Distribution cost | | 15,307,073 | 13,292,226 | 29,380,445 | 25,031,923 |
| Administrative expenses | | 6,495,040 | 9,037,472 | 24,967,317 | 23,638,840 |
| Other operating expenses | | 707,954 | 7,479,541 | 1,880,606 | 14,690,039 |
| Finance cost | | 91,293,778 | 66,632,134 | 157,049,366 | 134,295,807 |
| | | 113,803,845 | 96,441,373 | 213,277,734 | 197,656,609 |
| | | 9,700,205 | 95,704,501 | 25,522,505 | 192,501,111 |
| Share of profit of jointly controlled entity | | 33,947,488 | 408,967 | 41,376,793 | 9,432,551 |
| Profit before taxation | | 43,647,693 | 96,113,468 | 66,899,298 | 201,933,662 |
| Provision for taxation - current | | 9,203,981 | 13,727,654 | 20,783,917 | 23,632,633 |
| Profit for the period | | 34,443,712 | 82,385,814 | 46,115,381 | 178,301,029 |
| Other Comprehensive Income for the Period | | - | - | - | - |
| Total Comprehensive Income for the Period | | 34,443,712 | 82,385,814 | 46,115,381 | 178,301,029 |
| Earnings per share (Rupees) - basic and diluted | | 0.48 | 1.15 | 0.64 | 2.49 |

The annexed selected notes from 1 to 15 form an integral part of this condensed interim financial information.

Lahore
February 27, 2012

Chief Executive Officer

Chairman / Director



**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

| | Six months ended | |
|--|--------------------------|--------------------------|
| | December 31 2011 | December 31 2010 |
| | Rupees..... | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 66,899,298 | 201,933,662 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 42,039,708 | 40,703,867 |
| Gain on disposal of property, plant and equipment | (5,534,287) | (2,672,342) |
| Foreign exchange (gain) / loss | (481,359) | 505,751 |
| Provision for employee benefits | 5,000,000 | 4,500,000 |
| Share of profit of jointly controlled entity | (41,376,793) | (9,432,551) |
| Finance cost | 157,049,366 | 134,295,807 |
| | <u>156,696,635</u> | <u>167,900,532</u> |
| | 223,595,933 | 369,834,194 |
| Working capital changes | | |
| (Increase) / decrease in current assets: | | |
| Stores, spare parts and loose tools | (5,663,282) | 17,008,762 |
| Stock-in- trade | (805,805,264) | (464,573,360) |
| Trade debts | 63,585,620 | (127,629,478) |
| Advances | 21,004,163 | (37,082,172) |
| Deposits and short-term prepayments | (6,353,680) | (312,946) |
| Increase / (decrease) in current Liabilities | | |
| Trade and other payables | 124,298,170 | 58,413,860 |
| | <u>(608,934,273)</u> | <u>(554,175,334)</u> |
| Cash used in operations | (385,338,340) | (184,341,140) |
| Finance cost paid | (153,305,932) | (122,470,702) |
| Employee benefits paid | (4,124,700) | (3,608,160) |
| Taxes paid | (19,082,200) | (11,490,504) |
| | <u>(176,512,832)</u> | <u>(137,569,366)</u> |
| Net cash used in operating activities | <u>(561,851,172)</u> | <u>(321,910,506)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (42,390,203) | (204,260,796) |
| Proceeds from disposal of property, plant and equipment | 11,277,501 | 15,723,660 |
| Long-term advances and deposits | (5,486,759) | (872,979) |
| Net cash used in investing activities | <u>(36,599,461)</u> | <u>(189,410,115)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from long-term financing | - | 142,000,000 |
| Payment of long-term financing | (46,997,674) | (57,559,484) |
| Payment of liabilities against assets subject to finance lease | (6,401,715) | (7,565,917) |
| Short-term borrowings - net | 674,443,816 | 500,806,618 |
| Dividends Paid | (15,888,271) | (21,140,407) |
| Net cash from financing activities | <u>605,156,156</u> | <u>556,540,810</u> |
| Net increase in cash and cash equivalents | 6,705,523 | 45,220,189 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>11,562,301</u> | <u>6,020,659</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u><u>18,267,824</u></u> | <u><u>51,240,848</u></u> |

The annexed selected notes from 1 to 15 form an integral part of this condensed interim financial information.



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

| | Share capital | Share premium | Un-appropriated profit | Total |
|--|--------------------|-------------------|-----------------------------|-----------------------------|
| | Rupees | | | |
| Balance as at June 30, 2010 | 715,520,000 | 82,500,000 | 514,221,837 | 1,312,241,837 |
| Total Comprehensive income | | | | |
| Profit for the six months ended December 31, 2010 | - | - | 178,301,029 | 178,301,029 |
| Other comprehensive income for the six months ended December 31,2010 | - | - | - | - |
| Final Dividend @ Rs. 1.00 per Share for the year ended June 30, 2010 | - | - | 178,301,029 (71,552,000) | 178,301,029 (71,552,000) |
| Balance as at December 31, 2010 | 715,520,000 | 82,500,000 | 620,970,866 | 1,418,990,866 |
| Total Comprehensive income | | | | |
| Profit for the six months ended June 30, 2011 | - | - | 41,433,373 | 41,433,373 |
| Other comprehensive income for the six months ended June 30,2011 | - | - | - | - |
| | - | - | 41,433,373 | 41,433,373 |
| Balance as at June 30, 2011 | 715,520,000 | 82,500,000 | 662,404,239 | 1,460,424,239 |
| Total Comprehensive income | | | | |
| Profit for the six months ended December 31, 2011 | - | - | 46,115,381 | 46,115,381 |
| Other comprehensive income for the six months ended December 31,2011 | - | - | 46,115,381 | 46,115,381 |
| Final Dividend @ Rs. 1.00 per Share for the year ended June 30, 2011 | - | - | 46,115,381 (71,552,000) | 46,115,381 (71,552,000) |
| Balance as at December 31, 2011 | 715,520,000 | 82,500,000 | 636,967,620 | 1,434,987,620 |

The annexed selected notes from 1 to 15 form an integral part of this condensed interim financial information.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

1 LEGAL STATUS AND ACTIVITY

1.1 Hira Textile Mills Limited ("the Company") was incorporated in Pakistan on January 31, 1991 as a public limited company under the Companies Ordinance, 1984. The Company was listed on Karachi and Lahore Stock Exchanges of Pakistan on February 15, 2007 and February 16, 2007 respectively. The registered office of the Company is situated at 44-E/1, Gulberg III, Lahore. The principal activity of the Company is manufacturing and sale of yarn. The project is located at Manga Raiwind Road, Tehsil and District Kasur in the province of Punjab.

1.2 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

2 STATEMENT OF COMPLIANCE AND SIGNIFICANT ESTIMATES

2.1 STATEMENT OF COMPLIANCE

This condensed interim financial report of the Company for the six months ended December 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 ADOPTION OF REVISED AND NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

During the period, the following standards, amendments to standards and interpretations including amendments to interpretations became effective, however, the application of these amendments and interpretations did not have material impact on the financial statements of the Company:

| Standards/Amendments/Interpretations | Effective date (accounting period beginning on or after) |
|---|---|
| Amendments to IFRS 7 - Financial Instruments: Disclosures | January 01,2011 |
| Amendment to IAS 34 - Interim Financial Reporting | January 01,2011 |
| Amendment to IAS 24 - Related Party Disclosures | January 01,2011 |
| Amendment to IFRIC 14 - The Limit on a Defined Benefit Assets, of a Minimum Funding Requirement and their Interaction | January 01,2011 |

The application of the following amendments to interpretation may affect the accounting for the future transactions or arrangements.

| | |
|---|--------------|
| Amendment to IFRIC 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities | July 01,2011 |
|---|--------------|

During the period, the following amendment to standard became effective, however, this amendment is not applicable to the Company:

| | |
|---|-----------------|
| Amendment to IAS 1 - Presentation of Financial Statements | January 01,2011 |
|---|-----------------|

**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

3 BASIS OF PREPARATION

3.1 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2011. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2011 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited interim financial information for the six months ended December 31, 2010.

3.2 This condensed interim financial information is un-audited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2011 except for the adoption of new accounting policies as referred to in note 2.2.

| | Note | Un-audited December 31 2011 | Audited June 30 2011 |
|----------------------------------|------|-----------------------------------|----------------------------|
| | |Rupees..... | |
| 5 LONG-TERM FINANCING | | | |
| From banking companies - secured | 5.1 | 259,693,090 | 306,508,944 |
| From realted party - Unsecured | | 20,500,000 | 20,500,000 |
| Less : Current portion | 7 | 91,093,090 | 106,131,708 |
| | | <u>189,100,000</u> | <u>220,877,236</u> |

5.1 This includes the loan obtained amounting Rs. Nil million (June 30, 2011 Rs. 162.500 million) during the period.

6 DEFERRED LIABILITIES

| | | | |
|------------------------------|--|-------------------|-------------------|
| Employee retirement benefits | | 13,939,771 | 13,064,471 |
| Deferred tax liability | | 81,328,520 | 81,328,520 |
| | | <u>95,268,291</u> | <u>94,392,991</u> |

6.1 Management is of the view that recognition of deferred tax asset shall be re-assessed as at June 30, 2012

7 CURRENT PORTION OF NON-CURRENT LIABILITIES

| | | | |
|---|---|--------------------|--------------------|
| Long-term financing | 5 | 91,093,090 | 106,131,708 |
| Liabilities against assets subject to finance lease | | 13,167,074 | 13,348,894 |
| | | <u>104,260,164</u> | <u>119,480,602</u> |

7.1 Current portion of long term financing and current portion of liabilities against assets subject to finance lease include overdue installments of Nil (June 30, 2011: Rs. 12.5 million) and Nil (June 30, 2011: Rs. 0.102 million) respectively.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no change in the status of contingencies since June 30, 2011

8.2 Guarantee

There is no change in the status of guarantees since June 30, 2011.

**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION[□] (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

| | | Un-audited December 31 2011 | Audited June 30 2011 |
|-------------|---|-----------------------------------|----------------------------|
| 8.3 | Commitments | | |
| | Letters of credit for import of: | | |
| | - plant and machinery | - | - |
| | - raw material | 47,103,124 | 176,403,579 |
| | - stores, spare parts and loose tools | 24,341,355 | 30,246,009 |
| | | <u>71,444,479</u> | <u>206,649,588</u> |
| | The aggregate amount of ujrah payments for Ijarah financing and the period in which these payments will become due are as follows: | | |
| | Not later than one year | 6,089,376 | 6,541,382 |
| | Later than one year but not later than five years | 8,796,533 | 700,606 |
| | | <u>14,885,909</u> | <u>7,241,988</u> |
| 9 | PROPERTY, PLANT AND EQUIPMENT | | |
| | Operating assets | 1,605,363,989 | 1,630,658,828 |
| | Capital work-in-progress | 20,255,401 | 353,281 |
| | | <u>1,625,619,390</u> | <u>1,631,012,109</u> |
| 9.1 | Operating assets | | |
| | Written down value at beginning of the period / year | 1,630,658,828 | 1,480,324,982 |
| | Additions during the period / year: | | |
| | Building on freehold land | 1,895,801 | 6,164,659 |
| | Plant and machinery | 15,533,357 | 209,861,256 |
| | Plant and machinery - lease | - | 25,895,200 |
| | Electric installation | 3,428,921 | 5,900,142 |
| | Office equipment | 63,000 | - |
| | Telephone Installations | 56,600 | 255,700 |
| | Computers | 163,500 | 198,749 |
| | Furniture and fixture | 10,600 | 136,055 |
| | Vehicles | 1,336,304 | 2,752,000 |
| | | <u>22,488,083</u> | <u>251,163,761</u> |
| | | <u>1,653,146,911</u> | <u>1,731,488,743</u> |
| | Less: | | |
| | Book value of assets disposed off during the period/ Year | 5,743,214 | 17,747,047 |
| | Depreciation charge for the period / year | 42,039,708 | 83,082,868 |
| | Written down value at end of the period / year | <u>1,605,363,989</u> | <u>1,630,658,828</u> |
| 10 | LONG-TERM INVESTMENTS | | |
| | Investment at equity method - Unquoted | | |
| | Hira Terry Mills Limited - jointly controlled entity | | |
| | Cost of investment | | |
| | 18,450,000 (June 30, 2011 : 18,450,000) fully paid ordinary shares of Rs.10 each | 184,500,000 | 184,500,000 |
| | Share of profits | 170,027,093 | 128,650,300 |
| | | <u>354,527,093</u> | <u>313,150,300</u> |
| 10.1 | Financial year of the Hira Terry Mills Limited ends on June 30, 2011. Latest available un-audited financial results of Hira Terry Mills Limited as of December 31, 2011 have been used for the purpose of application of equity method. | | |
| 10.2 | Share of profit at beginning of the period / year | 128,650,300 | 110,363,341 |
| | Share of profit for the period / year | 41,376,793 | 18,286,959 |
| | Share of profit at end of the period / year | <u>170,027,093</u> | <u>128,650,300</u> |

**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

| | Un-audited December 31 2011 | Audited June 30 2011 |
|--|-----------------------------------|----------------------------|
| Note |Rupees..... | |
| 10.3 Summarized financial information of the jointly controlled entity is set out below: | | |
| Total assets | 2,821,029,428 | 2,679,283,601 |
| Total liabilities | 2,065,637,279 | 2,012,114,890 |
| Net assets | <u>755,392,149</u> | <u>667,168,711</u> |
| Sales - net | <u>1,346,589,526</u> | <u>2,205,784,465</u> |
| Profit for the period / year | <u>88,223,439</u> | <u>38,992,355</u> |
| Company's share of jointly controlled entity's profit for the period / year | <u>41,376,793</u> | <u>18,286,959</u> |
| 10.4 Breakup value per share | 19.20 | 16.96 |
| Percentage of holding | 46.90% | 46.90% |

| | Three months ended | | Six Months ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31 2011 | December 31 2010 | December 31 2011 | December 31 2010 |
| 11 SALES - NET |Rupees..... | |Rupees..... | |
| Local | | | | |
| Yarn | 401,401,195 | 196,992,374 | 986,338,253 | 302,165,253 |
| Waste | 55,080,081 | 109,769,772 | 106,159,932 | 159,736,020 |
| Cotton | - | 5,923,626 | 19,829,789 | 123,789,308 |
| | <u>456,481,276</u> | <u>312,685,772</u> | <u>1,112,327,974</u> | <u>585,690,581</u> |
| Less: | | | | |
| Sales return | <u>23,727,057</u> | 115,864,971 | <u>48,257,555</u> | 116,153,836 |
| | <u>432,754,219</u> | <u>196,820,801</u> | <u>1,064,070,419</u> | <u>469,536,745</u> |
| Export | | | | |
| Yarn | 209,314,618 | 336,748,118 | 420,615,662 | 498,339,332 |
| Yarn (under SPO) | 278,329,280 | 581,799,235 | 593,705,620 | 1,305,533,080 |
| | <u>487,643,898</u> | <u>918,547,353</u> | <u>1,014,321,282</u> | <u>1,803,872,412</u> |
| | <u>920,398,117</u> | <u>1,115,368,154</u> | <u>2,078,391,701</u> | <u>2,273,409,157</u> |
| 12 COST OF SALES | | | | |
| Raw material consumed | 618,523,734 | 803,459,762 | 1,314,259,431 | 1,492,751,329 |
| Packing material consumed | 12,621,168 | 12,514,010 | 21,894,016 | 23,385,858 |
| Salaries, wages and benefits | 52,056,000 | 52,593,892 | 91,893,356 | 91,943,790 |
| Fuel and power | 75,494,358 | 58,051,889 | 149,939,088 | 108,758,762 |
| Stores, spare parts and loose tools consumed | 9,567,770 | 16,366,001 | 16,728,246 | 22,727,855 |
| Insurance | 660,299 | 1,584,877 | 4,477,799 | 3,497,377 |
| Dyes and chemicals | 5,485,143 | 5,132,132 | 10,520,939 | 8,805,836 |
| Depreciation | 20,680,265 | 21,070,742 | 41,198,914 | 39,889,790 |
| Other | 1,775,386 | 3,647,175 | 6,876,338 | 7,430,917 |
| | <u>796,864,123</u> | <u>974,420,480</u> | <u>1,657,788,127</u> | <u>1,799,191,514</u> |
| Work-in-process | | | | |
| Opening stock | 25,186,871 | 21,251,267 | 36,304,540 | 16,293,628 |
| Closing stock | <u>(24,705,468)</u> | <u>(26,281,194)</u> | <u>(24,705,468)</u> | <u>(26,281,194)</u> |
| | <u>481,403</u> | <u>(5,029,927)</u> | <u>11,599,072</u> | <u>(9,987,566)</u> |
| Cost of goods manufactured | <u>797,345,526</u> | <u>969,390,553</u> | <u>1,669,387,199</u> | <u>1,789,203,948</u> |
| Opening stock - finished goods | 224,894,446 | 122,801,017 | 330,999,078 | 164,569,978 |
| Yarn purchased | 29,023,650 | 48,687,326 | 69,997,650 | 61,242,347 |
| Closing stock - finished goods | <u>(248,353,909)</u> | <u>(218,946,608)</u> | <u>(248,353,909)</u> | <u>(218,946,608)</u> |
| | <u>5,564,187</u> | <u>(47,458,265)</u> | <u>152,642,819</u> | <u>6,865,717</u> |
| Cost of Finish goods sold | <u>802,909,713</u> | <u>921,932,288</u> | <u>1,822,030,018</u> | <u>1,796,069,665</u> |
| Cost of Cotton Sold | - | 3,962,334 | 23,577,090 | 89,854,114 |
| Cost of Goods Sold | <u>802,909,713</u> | <u>925,894,622</u> | <u>1,845,607,108</u> | <u>1,885,923,779</u> |



**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011**

13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise jointly controlled entity, associated companies, directors, key management personnel and post employment benefit plans. The transactions with related parties during the current period generally consist of sales and purchases. Nature and description of significant related party transactions along with monetary value are as follows:

| Description | Six months ended | |
|---|---------------------|---------------------|
| | December 31 2011 | December 31 2010 |
| |Rupees..... | |
| Transactions with jointly controlled entity | | |
| Sales of yarn, dyes and chemicals | 580,990,386 | 381,644,572 |
| Purchase of towels, Dyes & Chemicals, Stores | 2,251,843 | 1,273,823 |
| Expenses charged | 10,078,147 | 6,132,190 |
| Mark-up charged / (Income) on balance due | 379,295 | 93,420 |
| Other transactions in ordinary course of business - net | 38,967,588 | (41,454,636) |
| Transactions with other related parties | | |
| Payment to Employees' Provident Fund Trust | 594,656 | 630,057 |
| Mark-up on Loan from Director | 1,550,136 | - |
| Compensation of key management personnel | | |
| Remuneration and other benefits | 3,620,169 | 3,645,828 |

14 DATE OF AUTHORIZATION FOR ISSUE

This interim financial information has been approved by the Board of Directors of the Company and authorized for issue on February 27, 2012

15 GENERAL

The figures have been rounded off to the nearest rupee.

Chief Executive Officer

Chairman / Director