



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

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Raiwind, District Kasur, Pakistan.



HIRA TEXTILE MILLS LIMITED.

DIRECTORS' REPORT

We hereby present the un-audited financial statements of the Company for the half year ended 31 December 2010. The Company's sales are Rs. 2,273.409 million as compared to Rs.1,360.028 million during the corresponding period of last year showing an increase of 67.76%. Gross Profit for the period is Rs.387.485 million showing an increase of 46.09 % over the gross profit of Rs.265.233 million in the corresponding period. The increase in GP is mainly due to substantial increase in yarn prices during the period while we are not only carrying some low priced cotton stocks from last year but also have been able to procure some raw material at good prices.

Profit from operations is Rs. 192.501 million as compared to Rs. 81.779 million in the corresponding period. This significant increase in profit is attributed to increase in prices and quantities of the product manufactured and sold by the company. Profit after tax is Rs. 178.301 million as compared to profit of Rs. 91.638 million in the corresponding period. Profitability trend seen during the period is a continuation of the profitability trend of 1st quarter July to Sep 2010's period. M/S Hira Terry Mills Limited has contributed profit of Rs. 9.432 million showing decrease of Rs. 9.253 millions over the last corresponding period. The profit of Hira Terry has decreased due to substantial reduction in margins for value added products due to the increase in their main raw material cost which is Yarn.

Though the results of half year period are excellent 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 are positive of better results in the remaining six months and hope to maintain this profitability.

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 25, 2011

Nadeem Aslam Butt
(Chief Executive officer)



HIRA TEXTILE MILLS LIMITED.

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, 2010 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-month 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 conclusion on this 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, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2010.

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.

(Chartered Accountants)

Mohammad Saleem

(Engagement Partner)

Date: **February 25, 2011**

Lahore.

HIRA TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2010

		Un-audited December 31 2010	Audited June 30 2010
	 Rupees	
EQUITY AND LIABILITIES	Note		
SHARE CAPITAL AND RESERVES			
Authorized capital		750,000,000	750,000,000
Issued, subscribed and paid up capital		715,520,000	715,520,000
Reserves		82,500,000	82,500,000
Un-appropriated profit		620,970,866	514,221,837
		1,418,990,866	1,312,241,837
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		65,892,542	65,892,542
NON-CURRENT LIABILITIES			
Long term financing	5	214,393,090	170,308,944
Liabilities against assets subject to finance lease		33,544,056	15,988,167
Deferred liabilities	6	82,915,751	82,023,911
		330,852,897	268,321,022
CURRENT LIABILITIES			
Trade and other payables		365,023,705	256,198,252
Mark up accrued		85,717,950	73,892,845
Short term borrowings - secured		1,756,244,523	1,255,437,905
Current portion of non - current liabilities	7	166,119,457	124,856,515
		2,373,105,635	1,710,385,517
CONTINGENCIES AND COMMITMENTS			
	8	4,188,841,940	3,356,840,918
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	9	1,656,858,971	1,480,324,982
Long term investments	10	304,295,892	294,863,341
Long term advances and deposits		14,708,485	13,835,506
		1,975,863,348	1,789,023,829
CURRENT ASSETS			
Stores, spare parts and loose tools		47,119,400	64,128,162
Stock-in-trade		1,798,532,873	1,333,959,513
Trade debts		206,622,190	79,498,463
Advances		66,284,747	29,202,575
Trade deposits and short-term prepayments		9,029,393	8,716,447
Advance income tax - net		14,884,990	17,129,597
Tax refunds due from Government		19,264,151	29,161,673
Cash and bank balances		51,240,848	6,020,659
		2,212,978,592	1,567,817,089
		4,188,841,940	3,356,840,918

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

Lahore

February 25, 2011

Chief Executive Officer

Chairman / Director

HIRA TEXTILE MILLS LIMITED
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT / STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Note	Three months ended		Six months ended	
		December 31 2010	December 31 2009	December 31 2010	December 31 2009
	Rupees.....	Rupees.....	
Sales - net	11	1,115,368,154	761,439,115	2,273,409,157	1,360,028,247
Cost of sales	12	925,894,626	572,771,392	1,885,923,779	1,094,795,490
Gross profit		189,473,528	188,667,723	387,485,378	265,232,757
Other operating income		2,672,342	130,185	2,672,342	130,185
		192,145,870	188,797,908	390,157,720	265,362,942
Distribution cost		13,292,226	11,276,070	25,031,923	23,869,635
Administrative expenses		8,037,472	9,219,335	23,638,840	20,679,591
Other operating expenses		7,479,541	5,956,321	14,690,039	6,088,377
Finance cost		66,632,134	79,863,792	134,295,807	132,946,546
		95,441,373	106,315,518	197,656,609	183,584,149
		96,704,497	82,482,390	192,501,111	81,778,793
Share of profit of jointly controlled entity		408,967	11,923,636	9,432,551	18,685,979
Profit before taxation		97,113,464	94,406,026	201,933,662	100,464,772
Provision for taxation -Current		13,727,654	6,595,653	23,632,633	8,826,753
Profit for the period		83,385,810	87,810,373	178,301,029	91,638,019
Other comprehensive income for the period		-	-	-	-
Total Comprehensive income for the period		83,385,810	87,810,373	178,301,029	91,638,019
Earnings per share (rupees) - basic and diluted		1.17	1.23	2.49	1.28

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

HIRA TEXTILE MILLS LIMITED
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

	Six months ended	
	December 31 2010	December 31 2009
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	201,933,662	100,464,772
Adjustments for:		
Depreciation on property, plant and equipment	40,703,867	39,119,448
(Gain) / Loss on disposal of property, plant and equipment	(2,672,342)	25,542
Foreign exchange (gain) / loss	505,751	(130,185)
Provision for employee benefits	4,500,000	4,000,000
Share of profit of jointly controlled entity	(9,432,551)	(18,685,979)
Finance cost	134,295,807	132,946,546
	<u>167,900,532</u>	<u>157,275,372</u>
	369,834,194	257,740,144
Working capital changes		
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	17,008,762	1,598,768
Stock-in-trade	(464,573,360)	(512,291,439)
Trade debts	(127,629,478)	40,095,545
Advances	(37,082,172)	(50,345,062)
Deposits and short-term prepayments	(312,946)	(1,009,156)
Increase / (decrease) in current liabilities:		
Trade and other payables	58,413,860	(61,335,259)
	<u>(554,175,334)</u>	<u>(583,286,603)</u>
	(184,341,140)	(325,546,459)
Cash used in operations		
Finance cost paid	(122,470,702)	(143,744,071)
Employee benefits paid	(3,608,160)	(3,367,943)
Taxes paid	(11,490,504)	(12,782,394)
	<u>(137,569,366)</u>	<u>(159,894,408)</u>
	(321,910,506)	(485,440,867)
Net cash used in operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(204,260,796)	(20,563,529)
Proceeds from disposal of property, plant and equipment	15,723,660	2,045,000
Long-term advances and deposits	(872,979)	382,500
	<u>(189,410,115)</u>	<u>(18,136,029)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	142,000,000	-
Payment of long-term financing	(57,559,484)	(24,163,120)
Payment of liabilities against assets subject to finance lease	(7,565,917)	(9,756,697)
Short-term borrowings - net	500,806,618	546,825,352
Dividends paid	(21,140,407)	-
	<u>556,540,810</u>	<u>512,905,535</u>
Net cash from financing activities		
Net increase in cash and cash equivalents	45,220,189	9,328,639
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,020,659	17,585,924
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>51,240,848</u>	<u>26,914,563</u>

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



HIRA TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

	Share capital	Share premium	Un-appropriated profit	Total
	Rupees			
Balance as at June 30, 2009	715,520,000	82,500,000	265,393,865	1,063,413,865
Total comprehensive income				
Profit for the six months ended December 31, 2009	-	-	91,638,019	91,638,019
Other comprehensive income for the six months ended December 31, 2009	-	-	-	-
	-	-	91,638,019	91,638,019
Balance as at December 31, 2009	715,520,000	82,500,000	357,031,884	1,155,051,884
Total comprehensive income				
Profit for the six months ended June 30, 2010	-	-	157,189,953	157,189,953
Other comprehensive income for the six months ended June 30, 2010	-	-	-	-
	-	-	157,189,953	157,189,953
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	-	-	-	-
	-	-	178,301,029	178,301,029
Final Dividend @ Rs. 1.00 per share for the year ended June 30, 2010	-	-	(71,552,000)	(71,552,000)
Balance as at December 31, 2010	715,520,000	82,500,000	620,970,866	1,418,990,866

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

HIRA TEXTILE MILLS LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION[□] (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

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, 2010 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)

The application of following new and revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 7 - Statement of Cash Flows

The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

The amendments clarify that all the assets and liabilities of a subsidiary should be classified as held for sale when the Group is committed to a sale plan involving loss of control of that subsidiary, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

The amendments to IFRS 5 clarify that the disclosure requirements in IFRSs other than IFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those IFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and the disclosures are not already provided in the consolidated financial statements.

2.3 ACCOUNTING STANDARDS, IFRS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE EFFECTIVE BUT NOT APPLICABLE TO THE COMPANY

The following standards are mandatory for the Company's accounting year beginning on or after July 01, 2010 but is not relevant for the Company's operations.

IAS 17 - Leases

As part of Improvements to IFRSs (2009) issued in April 2009, the International Accounting Standards Board amended the requirements of IAS 17 Leases regarding the classification of leases of land. This is currently not applicable to Company as it has not entered into any such transaction.

IAS 32 - Financial Instruments

The amendments to IAS 32 titled Classification of Rights Issues address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. To date, the Company has not entered into any arrangements that would fall within the scope of the amendments.

IFRS 2 Share-based Payment - Group Cash-settled Share-based Payment Transactions

HIRA TEXTILE MILLS LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

8

The amendments clarify the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Company has not entered into any transaction of this nature.

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, 2010. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2010 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, 2009.

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 POLICES

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, 2010 except for the adoption of new accounting policies as referred to in note 2.2.

		Un-audited December 31 2010	Audited June 30 2010
	Note Rupees	
5	LONG-TERM FINANCING		
	From banking companies - secured	366,772,261	282,331,745
	Less : Current portion	152,379,171	112,022,801
		<u>214,393,090</u>	<u>170,308,944</u>

5.1 This includes the loan obtained amounting Rs. 142 million (June 30, 2010 Rs. 42.96 million) during the period.

6 DEFERED LIABILITIES

Employee retirement benefits	11,552,637	10,660,797
Deferred tax liability	71,363,114	71,363,114
	<u>82,915,751</u>	<u>82,023,911</u>

7 CURRENT PORTION OF NON - CURRENT LIABILITIES

Long-term financing	5	152,379,171	112,022,801
Liabilities against assets subject to finance lease		13,740,286	12,833,714
		<u>166,119,457</u>	<u>124,856,515</u>

7.1 Current portion of long term financing and current portion of liabilities against assets subject to finance lease include overdue installments of Rs. 12.50 million (June 30, 2010: Rs. 12 million) and Nil (June 30, 2010: Rs. 0.102 million) respectively.

8 CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no change in the status of contingencies since June 30, 2010.

8.2 Guarantees

There is no change in the status of guarantees since June 30, 2010.

HIRA TEXTILE MILLS LIMITED

**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

		Un-audited December 31 2010	Audited June 30 2010
	Note Rupees	
8.3	Commitments		
	Letters of credit for import of:		
	- plant and machinery	-	164,104,778
	- raw material	366,821,825	123,689,374
	- stores, spare parts and loose tools	25,402,475	21,238,095
		<u>392,224,300</u>	<u>309,032,247</u>
	The aggregate amount of ujarah payments for ijarah financing and the period in which these payments will become due are as follows:		
	Not later than one year	11,029,458	13,191,181
	Later than one year but not later than five years	1,269,983	4,719,342
		<u>12,299,441</u>	<u>17,910,523</u>
9	PROPERTY, PLANT AND EQUIPMENT		
	Operating assets	1,654,306,923	1,480,324,982
	Capital Work-in-progress	2,552,048	-
		<u>1,656,858,971</u>	<u>1,480,324,982</u>
9.1	Operating assets		
	Written down value at beginning of the period / year	1,480,324,982	1,500,809,675
	Additions during the period / year:		
	Building on freehold land	1,037,875	2,772,369
	Plant and machinery	221,922,394	48,091,455
	Electric installation	1,871,986	7,034,834
	Office equipments	-	279,322
	Telephone Installations	40,000	15,075
	Computers	118,999	384,710
	Furniture and fixture	118,372	150,353
	Vehicles	2,627,500	1,751,600
		<u>227,737,126</u>	<u>60,479,718</u>
		1,708,062,108	1,561,289,393
	Less:		
	Book value of assets disposed off during the period / year	13,051,318	2,086,002
	Depreciation charge for the period / year	40,703,867	78,878,409
	Written down value at end of the period / year	<u>1,654,306,923</u>	<u>1,480,324,982</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, 2010 : 18,450,000) fully paid ordinary shares of Rs.10 each	184,500,000	184,500,000
	Share of profits	119,795,892	110,363,341
		<u>304,295,892</u>	<u>294,863,341</u>
10.1	Financial year of the Hira Terry Mills Limited ends on June 30, 2010. Latest available un-audited financial results of Hira Terry Mills Limited as of December 31, 2010 have been used for the purpose of application of equity method.		
10.2	Share of profit at beginning of the period / year	110,363,341	63,152,640
	Share of profit for the period / year	9,432,551	47,210,701
	Share of profit at end of the period / year	<u>119,795,892</u>	<u>110,363,341</u>

HIRA TEXTILE MILLS LIMITED
**SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION^(a) (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010**

10.3 Summarized financial information of the jointly controlled entity is set out below:

Total assets	2,394,592,999	2,288,904,667
Total liabilities	1,746,304,595	1,660,755,342
Net assets	648,288,404	628,149,325
Sales - net	1,009,794,680	2,094,991,163
Profit for the period / year	20,112,048	100,664,985
Company's share of jointly controlled entity's profit for the period / year	9,432,551	#REF!
10.4 Breakup value per share	16.48	15.97
Percentage of holding	46.90%	46.90%

	Three months ended		Six months ended	
	December 31 2010	December 31 2009	December 31 2010	December 31 2009
Rupees.....	Rupees.....	
11 SALES - NET				
Local				
Yarn	196,992,374	456,494,804	302,165,253	864,011,374
Waste	109,769,772	40,269,515	159,736,020	70,397,767
Cotton	5,923,626	18,400,633	123,789,308	61,413,156
	312,685,772	515,164,952	585,690,581	995,822,297
Less:				
Sales return	115,864,971	6,234,200	116,153,836	41,167,979
	196,820,801	508,930,752	469,536,745	954,654,318
Export				
Yarn	336,748,118	150,226,338	498,339,332	271,850,404
Yarn (under SPO)	581,799,235	102,282,025	1,305,533,080	133,523,525
	918,547,353	252,508,363	1,803,872,412	405,373,929
	1,115,368,154	761,439,115	2,273,409,157	1,360,028,247
12 COST OF SALES				
Raw material consumed	803,459,762	356,757,973	1,492,751,329	712,955,969
Packing material consumed	12,514,010	7,538,316	23,385,858	17,956,520
Salaries, wages and benefits	52,593,892	49,642,531	91,943,790	82,165,935
Fuel and power	58,051,889	27,357,074	108,758,762	60,997,190
Stores, spare parts and	16,366,001	14,546,815	22,727,855	20,797,699
Insurance	1,584,877	2,895,017	3,497,377	4,695,017
Dyes and chemicals	5,132,132	4,517,261	8,805,836	9,928,060
Depreciation	21,070,742	19,136,419	39,889,790	38,337,059
Other	3,647,175	4,432,777	7,430,917	4,735,685
	974,420,480	486,824,183	1,799,191,514	952,569,134
Work-in-process				
Opening stock	21,251,267	16,792,337	16,293,628	17,430,120
Closing stock	(26,281,194)	(18,290,027)	(26,281,194)	(18,290,027)
	(5,029,927)	(1,497,690)	(9,987,566)	(859,907)
Cost of goods manufactured	969,390,553	485,326,493	1,789,203,948	951,709,227
Opening stock - finished goods	122,801,017	120,297,180	164,569,978	120,902,948
Yarn purchased	48,687,326	55,653,404	61,242,347	68,987,884
Closing stock - finished goods	(218,946,608)	(106,110,108)	(218,946,608)	(106,110,108)
	(47,458,265)	69,840,476	6,865,717	83,780,724
Cost of finished goods sold	921,932,288	555,166,969	1,796,069,665	1,035,489,951
Cost of cotton sold	3,962,334	17,604,423	89,854,114	59,305,539
Cost of Goods Sold	925,894,622	572,771,392	1,885,923,779	1,094,795,490

HIRA TEXTILE MILLS LIMITED

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION[□] (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

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 2010	December 31 2009
Rupees.....	
Transactions with jointly controlled entity		
Sales of yarn, dyes and chemicals	381,644,572	218,281,750
Purchase of towels	1,273,823	-
Expenses charged	6,132,190	6,183,889
Mark-up charged on balance due	(93,420)	-
Other transactions in ordinary course of business - net	(41,454,636)	179,287
Transactions with other related parties		
Payment to Employees' Provident Fund Trust	630,057	524,680
Compensation of key management personnel		
Remuneration and other benefits	3,645,828	3,077,436

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on February 25, 2011.

15 GENERAL

The figures have been rounded off to the nearest Pak rupee.

Chief Executive Officer

Chairman / Director