



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. 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
W: www.hiratex.com.pk

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, 2014. The Company's sales are Rs. 950.733 million as compared to Rs. 1,235.594 million during the corresponding period of last year. Gross Profit for the period is Rs.114.776 million showing a decrease of 18.58 % over the gross profit of Rs.140.97 million in the corresponding period. Decrease in G.P. is due to decrease in sales.

Profit from operations is Rs.20.839 million as compared to Rs. 24.977 million in the corresponding period. The decrease in operational profit is due to decrease in gross profit. Distribution cost is decreased by 43.39% which is mainly due to increase in local sales. Financial cost has decreased by Rs. 11.90 million which is due to decrease in long term and short term borrowings. Profit after tax is Rs. 25.76 million as compared to Rs.36.11 millions in the corresponding period. Hira Terry Mills Limited has contributed Rs.10.633 million in the current profit of the company. Earning per share for three months period is Rs. 0.33 as compared to Rs. 0.50 during the corresponding period of last year. Though the result of the current months is quite satisfactory but at the same time the management is concerned about the profitability of the company for the remaining year due to increase in rate of Electricity and high inflation coupled with Gas & Power load shedding in the next quarter. 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

Lahore
Nadeem Aslam Butt
Oct 28, 2014


(Chief Executive)



BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Un-Audited September 30, 2014	Audited June 30, 2014
	Rupees	Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	1,923,025,850	1,948,545,364
Long term investment- note 3	504,009,533	493,376,313
Long term Advance & Deposits	26,695,548	26,695,548
	<u>2,453,730,931</u>	<u>2,468,617,225</u>
CURRENT ASSETS		
Stores, spares and loose tools	166,516,136	167,360,507
Stock in trade	1,826,473,908	1,509,707,315
Trade debts	133,080,467	142,892,979
Advances, Deposits, Prepayments & other receivables	48,837,971	51,554,709
Tax refundable due from Government - (Net of provision)	133,706,734	131,890,597
Sales Tax Refundable	13,785,297	27,083,525
Cash and bank balances	18,697,659	15,933,539
	<u>2,341,098,172</u>	<u>2,046,423,171</u>
TOTAL ASSETS	<u><u>4,794,829,103</u></u>	<u><u>4,515,040,396</u></u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorized capital		
80,000,000 ordinary shares of Rs. 10 each	<u>800,000,000</u>	<u>800,000,000</u>
Issued, subscribed and paid-up capital		
78,707,2000 ordinary shares of Rs. 10 each	<u>787,072,000</u>	<u>787,072,000</u>
Reserves	82,500,000	82,500,000
Unappropriated profit	<u>918,380,454</u>	<u>892,612,468</u>
Shares Holders' Equity	1,787,952,454	1,762,184,468
Surplus on revaluation of property, plant and equipment	65,892,542	65,892,542
NON CURRENT LIABILITIES		
Long term Financing	308,814,284	328,914,284
Liabilities against assets subject to finance Lease	631,782	1,645,771
Deferred Liabilities	56,946,517	55,984,217
CURRENT LIABILITIES		
Trade and other payables	<u>705,289,858</u>	<u>404,640,979</u>
Mark-up accrued	87,945,263	84,895,356
Short term borrowings	1,695,800,298	1,706,400,436
Current maturity of long term liabilities	<u>85,556,105</u>	<u>104,482,343</u>
	<u>2,574,591,524</u>	<u>2,300,419,114</u>
CONTINGENCIES AND COMMITMENTS -note 4	-	-
TOTAL EQUITY AND LIABILITIES	<u><u>4,794,829,103</u></u>	<u><u>4,515,040,396</u></u>

The annexed notes form an integral part of these financial statements

Lahore
Oct 28, 2014


Nadeem Aslam Butt
Chief Executive


Muhammad Umar Virk
Director

PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2013
	----- Rupees -----	
Sales - net	950,733,121	1,235,594,271
Cost of goods sold	<u>835,956,465</u>	<u>1,094,627,611</u>
Gross profit	114,776,656	140,966,660
Distribution cost	13,086,490	23,116,848
Administrative expenses	20,632,664	20,443,846
Other operating expenses	1,544,471	1,851,153
Finance cost	58,673,865	70,577,664
	<u>93,937,490</u>	<u>115,989,511</u>
Profit from Operations	<u>20,839,165</u>	<u>24,977,149</u>
Share of profit of Hira Terry Mills Limited	10,633,220	23,498,246
Profit/(Loss) before tax	31,472,385	48,475,395
Provision for taxation	5,704,399	12,355,943
Profit/(Loss) after tax	<u><u>25,767,986</u></u>	<u><u>36,119,453</u></u>
Earnings/(Loss) per share - basic and diluted	0.33	0.50

The annexed notes form an integral part of these financial statements



Lahore
Oct 28, 2014

Nadeem Aslam Butt
Chief Executive




Muhammad Umar Virk
Director

**CASH FLOW STATEMENT (UN-AUDITED)**

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Quarter ended	
	Sept. 30,2014	Sept. 30,2013
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before taxation	31,472,385	48,475,395
Add Depreciation of property, plant and equipment	25,519,514	25,494,174
Employee benefits- provision for the period	2,300,000	4,500,000
Share of Profit of Hira Terry Mills Limited	(10,633,220)	(23,498,246)
Finance cost	58,673,865	70,577,664
	<u>107,332,544</u>	<u>125,548,988</u>
(Increase)/ decrease in store, spare and loose tools	844,371	167,360,507
(Increase)/ decrease in stock in trade	(316,766,593)	(168,473,251)
(Increase)/ decrease in trade debts	9,812,512	(12,793,586)
(Increase)/ decrease in loans & advances	900,601	4,540,096
(Increase)/ decrease in Sales Tax refundables	13,298,228	27,083,525
Increase/ (decrease) in trade & other payables	283,538,778	122,772,493
Cash generated from operations	<u>98,960,441</u>	<u>266,038,772</u>
Finance cost paid	(55,623,958)	(88,661,732)
Gratuity paid	(1,337,700)	(2,361,900)
Income taxes paid	(7,520,536)	(9,065,237)
Net cash used operating activities	<u>34,478,247</u>	<u>165,949,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(2,668,514)
Long term deposits	-	26,695,548
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>24,027,034</u>
Long term financing	(20,100,000)	83,242,858
Payment of liabilities against assets subject to finance lease	(1,013,989)	1,711,467
Short term borrowings - secured	(10,600,138)	(125,643,154)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(31,714,127)</u>	<u>(40,688,829)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	<u>2,764,120</u>	<u>149,288,108</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>15,933,539</u>	<u>15,933,539</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u><u>18,697,659</u></u>	<u><u>165,221,647</u></u>

The annexed notes form an integral part of these financial statements

Lahore
Oct 28, 2014
Nadeem Aslam Butt
Chief Executive
Muhammad Umar Virk
Director



HIRA TEXTILE MILLS LIMITED.

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Share capital	Share premium	Unappropriated profits	Total
	----- Rupees -----			
Balance as at June 30, 2013	715,520,000	82,500,000	831,093,349	1,629,113,349
Profit for the period	-	-	36,119,453	36,119,453
Balance as at Sep 30, 2013	715,520,000	82,500,000	867,212,802	1,665,232,802
Profit for the period		-	96,951,666	96,951,666
Distribution to owners				
Issue of bonus shares at @ 1 bonus share for ten ordinary Shares held.	71,552,000		(71,552,000)	-
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	787,072,000	82,500,000	918,380,454	1,787,952,454

The annexed notes form an integral part of these financial statements

Lahore
Oct 28, 2014

Nadeem Aslam Butt
Chief Executive

Muhammad Umar Virk
Director



NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

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, 2014.

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
Share of Profit

Un-Audited September 30, 2014 Rupees	Audited June 30, 2014 Rupees
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184,500,000	184,500,000
319,509,533	308,876,313
<u>504,009,533</u>	<u>493,376,313</u>

4 CONTINGENCIES AND COMMITMENTS

Contingencies - Guarantees

Habib Bank Limited to Sui Northren Gas Pipelines Limited

27,979,420	27,979,420
<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

49,927,760	3,242,396
38,989,019	10,310,647
<u>88,916,779</u>	<u>13,553,043</u>

5 COST OF SALES

Un-Audited September 30, 2014 Rupees	Un-Audited September 30, 2013 Rupees
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Note
Stock - opening
Cost of goods manufactured 5.1
Stocks - closing

337,411,890	261,361,067
906,123,955	1,111,068,635
407,579,380	277,802,091
<u>835,956,465</u>	<u>1,094,627,611</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Un-Audited September 30, 2014 Rupees	Un-Audited September 30, 2013 Rupees
5.1 Cost of goods manufactured		
Work in process - opening	38,533,960	29,624,791
Raw materials consumed	663,544,883	831,197,337
Overheads	248,223,653	287,707,724
Work in process - closing	44,178,541	37,461,217
	906,123,955	1,111,068,635

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 September 30, 2014 Rupees	Audited June 30, 2014 Rupees
Transactions with jointly Controlled entity		
Sale of yarn, Cotton, dyes and Chemicals	184,999,087	1,674,376,199
Purchases of Towels, Stores & Spares	5,679,163	13,610,612
Expenses charged	5,038,148	21,538,702
Mark-up expenses / (Income) on balance due	1,283,212	4,207,492
Transactions with Other related parties		
Remuneration paid to directors and chief executive of the Company	1,425,000	6,434,864
Payment to Employees' Provident Fund Trust	510,756	2,079,362
Payment to Director for Office Rent	1,050,000	3,600,000
Interest expenses on Director Loan	-	20,070,720
Interest on Director's Loan waived	-	20,070,720
Payments for Insurance to Adamjee Insurance Company Ltd.	4,258,060	11,994,240

7 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28th October, 2014 by the Board of Directors of the Company.

8 PRESENTATION

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



Lahore
Oct 28, 2014

Nadeem Aslam Butt
Chief Executive



Muhammad Umar Virk
Director