



Quarterly Accounts March 31, 2016
(Un-Audited)



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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

Mr. Umair Umar

Mrs. Shahnaz Umar

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

Deloitte Yousaf Adil (Chartered Accountants)

134-A, Abu Bakar Block, New Garden 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.

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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 Company for the nine months ended 31 March 2016. The Company's sales are Rs. 2,627.880 million as compared to Rs. 2,989.801 million during the corresponding period of last year, which shows a decrease of 12.11%. The current quarter sale decreased by Rs. 109.856 million as compared to last year's corresponding quarter. Gross Profit for the period is Rs.253.004 million showing a decrease of 31.33 % over the gross profit of Rs. 368.421 million in the corresponding period in 2015. The decrease in GP is mainly due to low sale rate in national & International market.

Profit from operations is Rs. 24.823 million as compared to profit of Rs. 57.641 million in the corresponding period. Profit after tax is Rs. 69.091 million as compared to profit of Rs.83.438 million in the corresponding period. M/s Hira Terry Mills Limited has contributed its share of profit Rs.67.057 million. Earning per share is Rs. 0.80 per share as compared to Rs.1.06 per share in corresponding period. 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 three months 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

Nadeem Aslam Butt
(Chief Executive Officer)

Lahore
April 27, 2016



Condensed Interim Balance Sheet

as at March 31, 2016

	Un-Audited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment-note 3	2,067,099,360	2,083,750,163
Long term investment-note 4	601,179,199	570,897,959
Long term deposits	26,668,348	26,534,648
	2,694,946,907	2,681,182,770
CURRENT ASSETS		
Stores, spares and loose tools	160,934,742	177,042,638
Stock in trade	1,669,401,963	1,714,457,816
Trade debts	118,932,167	125,829,226
Deposits and Short term Prepayments	249,368,171	119,265,468
Advance Income Tax - net of Provision for tax	110,806,321	130,090,886
Sales tax refundable	40,000,438	52,042,321
Cash and bank balances	27,401,985	21,368,329
	2,376,845,787	2,340,096,684
TOTAL ASSETS	5,071,792,694	5,021,279,454
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Authorised capital		
87,000,000 ordinary shares of Rs. 10 each	870,000,000	800,000,000
Issued, subscribed and paid-up capital		
86,577,920 ordinary shares of Rs. 10 each	865,779,200	787,072,000
Reserves	82,500,000	82,500,000
Unappropriated profit	973,634,269	983,250,076
Shares Holders' Equity	1,921,913,469	1,852,822,076
Surplus on revaluation of property, plant and equipment	65,892,542	65,892,542
NON CURRENT LIABILITIES		
Long term loans	454,999,997	542,166,123
Liabilities against assets subject to finance Lease	36,861,114	47,535,287
Deferred Liabilities	79,866,652	84,022,100
CURRENT LIABILITIES		
Trade and other payables	632,579,426	612,596,835
Mark-up accrued	78,215,115	56,141,653
Short term borrowings	1,638,718,350	1,606,582,666
Current maturity of long term liabilities	162,746,029	153,520,173
	2,512,258,920	2,428,841,326
CONTINGENCIES AND COMMITMENTS -note 5	-	-
TOTAL EQUITY AND LIABILITIES	5,071,792,694	5,021,279,454

The annexed notes form an integral part of these financial statements

Lahore
Date : April 27, 2016


 Chief Executive


 Director



Condensed Interim Profit and Loss Account (Un-audited)

For the Quarter Ended March 31, 2016

	For the 3rd quarter		Cumulative	
	Jan-March 2016	Jan-March 2015	July-March 2016	July-March 2015
	Rupees	Rupees	Rupees	Rupees
Sales - net	883,674,813	993,531,867	2,627,880,170	2,989,801,921
Cost of goods sold	806,785,756	880,435,696	2,374,875,521	2,621,380,817
Gross profit	76,889,057	113,096,171	253,004,649	368,421,104
Other operating income		553,504	-	553,504
	76,889,057	113,649,675	253,004,649	368,974,608
Distribution cost	8,126,217	9,606,512	24,543,408	37,789,513
Administrative expenses	15,553,509	19,526,829	52,440,886	62,801,559
Other operating expenses	308,122	1,379,364	1,868,428	4,338,574
Finance cost	44,518,178	64,870,302	149,328,528	206,403,902
Total Operating Exp.	68,506,026	95,383,007	228,181,250	311,333,548
	8,383,031	18,266,668	24,823,399	57,641,059
Share of Profit of Jointly Controlled Company	24,830,203	16,625,182	67,056,971	40,745,915
Profit / (Loss) before tax	33,213,234	34,891,850	91,880,370	98,386,974
Provision for taxation	7,662,272	5,251,160	22,788,977	14,949,010
Profit / (Loss) after tax	25,550,962	29,640,690	69,091,393	83,437,964
Earnings / (Loss) per share - basic and diluted	0.30	0.38	0.80	1.06

The annexed notes form an integral part of these financial statements



Condensed Interim Cash Flow Statement (Un-audited)

For the Quarter Ended March 31, 2016

	Nine Months Ended	
	March 31, 2016	March 31, 2015
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit / (Loss) before taxation	91,880,370	98,386,976
Add Depreciation of property, plant and equipment	87,509,624	76,952,408
Gain on disposal of property, plant and equipment	-	(553,504)
Share of Profit of Jointly Controlled Company	(67,056,971)	(40,745,915)
Employee benefits- provision for the period	10,000,000	9,100,000
Finance cost	149,328,528	206,403,902
	271,661,550	349,543,867
(Increase)/ decrease in store, spare and loose tools	16,107,896	31,658,256
(Increase)/ decrease in stock in trade	45,055,853	(533,806,779)
(Increase)/ decrease in trade debts	6,897,059	(19,816,435)
(Increase)/ decrease in deposits and short term prepayments	(130,102,703)	(14,681,492)
(Increase)/ decrease in other receivables	19,284,565	(32,126,983)
Increase/ (decrease) in trade & other payables	19,982,591	276,886,845
Cash generated from operations	248,886,811	57,657,279
Finance cost paid	(112,207,937)	(161,616,104)
Gratuity paid	(13,578,260)	(8,615,200)
Income taxes paid	(18,675,395)	(64,348,652)
Net cash used operating activities	104,425,219	(176,922,677)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(72,646,731)	(231,080,904)
Proceeds from sale of plant and equipment	-	610,000
Long term deposits	(133,700)	(173,400)
NET CASH USED IN INVESTING ACTIVITIES	(72,780,431)	(230,644,304)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long term Financing	-	100,156,400
Payment of long term financing	(73,180,630)	(20,923,252)
Payment of liabilities against assets subject to finance lease	15,433,813	(62,566,586)
Short term borrowings - secured	32,135,684	384,077,327
Dividends Paid	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(25,611,133)	400,743,889
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	6,033,656	(6,823,092)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	21,368,329	15,933,539
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	27,401,985	9,110,447

The annexed notes form an integral part of these financial statements



Condensed Interim Statement of Changes in Equity (Un-audited)

For the Quarter Ended March 31, 2016

	Share capital	Share premium	Unappropriated profits	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2014	787,072,000	82,500,000	892,612,468	1,762,184,468
Profit for the period	-	-	83,437,966	83,437,966
Balance as at March 31, 2015	<u>787,072,000</u>	<u>82,500,000</u>	<u>976,050,434</u>	<u>1,845,622,434</u>
Profit for the period	-	-	7,199,642	7,199,642
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>
Issue Bonus Shares @ 1 bonus shares for 10 ordinary shares held.	78,707,200		(78,707,200)	
Profit for the period	-	-	69,091,393	69,091,393
Balance as at March 31, 2016	<u>865,779,200</u>	<u>82,500,000</u>	<u>973,634,269</u>	<u>1,921,913,469</u>

The annexed notes form an integral part of these financial statements



Notes to the Condensed Interim Financial Information (*Un-audited*) For the Quarter Ended March 31, 2016

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.

3 PROPERTY, PLANT AND EQUIPMENT

	Note	Un-Audited 31 March, 2016 Rupees	Audited 30-Jun-15 Rupees
Tangible fixed assets	3.1	1,988,752,028	2,032,876,176
Capital Work in progress		78,347,332	50,873,987
		2,067,099,360	2,083,750,163
3.1 Tangible fixed assets			
Opening book value		2,032,876,176	1,948,545,364
Additions/Adjustment during the period			
- Building on freeholdland		-	12,484,507
- plant and machinery		38,757,224	67,140,529
plant and machinery - Leased			64,302,110
- electric installations		4,819,107	7,044,134
- Generator			40,837,121
- power house		669,175	1,070,247
- telephone installation			179,302
- Office Equipments		22,000	-
- computers		873,880	50,500
- furniture and fixtures			259,527
- vehicles Owned			641,090
- vehicles - leased		32,000	935,100
		45,173,386	194,944,167
Book value of assets disposed-off during the period		-	(2,623,737)
Depreciation charge for the period		(89,297,534)	(107,989,618)
Closing book value		1,988,752,028	2,032,876,176



	Un-Audited 31-Mar-16	Audited 30-Jun-15		
	Rupees	Rupees		
4 LONG-TERM INVESTMENTS				
Investment in related party - equity method				
Jointly controlled entity - (Hira Terry Mills Limited)				
Cost of investment	184,500,000	184,500,000		
18,450,000 (June 30, 2015 : 18,450,000) fully paid ordinary shares of Rs.10 each	416,679,199	349,622,228		
Share of profit for the period / year	<u>601,179,199</u>	<u>534,122,228</u>		
5 CONTINGENCIES AND COMMITMENTS				
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	-	2,351,071		
Letters of credit for import of raw material	154,502,777	16,316,433		
Letters of credit for import of stores and spares	-	-		
	<u>154,502,777</u>	<u>18,667,504</u>		
6 COST OF SALES				
	For the 3rd quarter	Cumulative		
	January - March 2016	January - March 2015		
	July - March 2016	July - March 2015		
Note	Rupees	Rupees		
Stock - opening	434,299,790	464,266,467	444,313,193	337,411,890
Cost of goods manufactured	843,591,163	871,783,144	2,401,667,525	2,739,582,842
	<u>1,277,890,953</u>	1,336,049,611	<u>2,845,980,718</u>	3,076,994,732
Stocks - closing	471,105,196	455,613,916	471,105,196	455,613,916
	<u>806,785,756</u>	<u>880,435,695</u>	<u>2,374,875,521</u>	<u>2,621,380,817</u>



	For the 3rd quarter		Cumulative	
	January - March 2016	January - March 2015	July - March 2016	July - March 2015
	Rupees	Rupees	Rupees	Rupees
6.1 Cost of goods manufactured				
Work in process - opening	59,167,400	39,667,007	51,749,875	38,533,960
Raw materials consumed	640,187,394	640,594,950	1,701,313,114	1,993,427,852
Overheads	211,588,289	239,746,245	715,956,456	755,836,088
	851,775,683	880,341,195	2,417,269,570	2,749,263,940
	910,943,083	920,008,202	2,469,019,445	2,787,797,900
Work in process - closing	67,351,920	48,225,058	67,351,920	48,225,058
	843,591,163	871,783,144	2,401,667,525	2,739,572,842

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, 2016	Un-Audited 31 March, 2015
	Rupees	Rupees
Transactions with Associated undertaking - Hira Terry Mills Limited (H.T.L)		
Sale of yarn and store etc	821,586,418	983,083,104
Purchase of cotton/ towels & Dyes	10,068,020	64,060,704
Expenses charged / Recoverable	12,679,291	15,263,617
Mark-up charged / (Income) on balance due	3,168,651	4,450,961
Other Transaction in ordinary course of business - Net	132,387,000	65,450,000
Transactions with Other related parties		
Remuneration paid to directors and chief executive of the Company	4,702,500	4,275,000
Payment to Employees' Provident Fund Trust	1,933,161	1,523,629
	986,525,041	1,138,107,015

8 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 27th April, 2016 by the Board of Directors of the Company.

9 PRESENTATION

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



Notes
