THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

KSE/N-6596 **N O T I C E** **October 15, 2008**

HIRA TEXTILE MILLS LIMITED

Source: "**BUSINESS RECORDER**" Dated: October 09, 2008

HIRA TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting of the Members of HIRA TEXTLE MILLS LIMITED will be held on Friday, October 31, 2008 at 11:00 a.m at the registered office of the company i.e.44 E/I Gurlberg III, Lahore to transact the following:

1. To confirm the minutes of the last General Meeting.
2. To receive and adopt the audited accounts of the company for year ended on June 30, 2008 together with the Directors and auditor's reports thereon.
3. To appoint auditors and fix their remuneration. The retiring auditors M/S M. Yousuf Adil Saleem & Co. chartered accountants, being eligible offer themselves for reappointment.
4. **SPECIAL BUSINESS:**

i. To consider the increase in the remuneration of the Chief Executive and 3 Directors with effect from July 01, 2008.

ii. To consider and if thought fit, Pass the following Special Resolution in terms of Section 208 of The Companies Ordinance 1984, with or without Amendments.

"RESOLVED THAT the Company be and is hereby authorized to make temporary loans / advances from time to time to the extent of Rs. 100,000,000/- (Rupees One Hundred Million only) to Hira Terry Mills Ltd an associated Company."

"FURTHER RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to undertake and make the above temporary loans / advances as short term financing on the terms and conditions given in the statement under Section 160(1) (b) annexed herewith."

5. To transact any other business with the permission of the Chair.

The statement under section 160 (1) (b) of the Companies Ordinance, 1984 read with S.R.O. 865 (1) /2000 dated December 06, 2000 issued by SECP is pertaining to the Special Business is annexed with this notice to the members.

By order of the Board

(Saeed Ahmad Khan)
Company Secretary

Lahore September 29, 2008

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 25, 2008 to October 31, 2008 (both days inclusive).
2. A member entitled to attend and vote at the General Meeting may appoint ant person as proxy to attend and vote instead of him/her. No person other than a member shall act as proxy.
3. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarially certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, singed and witnessed.
4. The account holders of CDC are requested to bring their original NIC/Pasport for the purpose of identification at the meeting.
5. Members are requested to immediately inform of any change in their address.

STATEMENT OF MATERIAL FACTS UNDER SECTION 160 (1) (B) OF THE COMPANIES ORDINANCE, 1984

1. It is proposed that the remuneration of Chief executive be increased by Rs. 45,000/- P.M and other 3 Directors aggregate by Rs. 88,000/- P.M. with effect from July 01, 2008.
2. Hira Terry Mills Limited is Public Limited (unlisted) Company having assets of Rs. 1,506.74 million with paid up capital of Rs. 388,300 million. The company manufactures and deals in all types of Towels.

INVESTMENT IN ASSOCIATED COMPANY

A. An amount of Rs.15 million was advanced to Hira Terry Mills Limited as short term advances out of funds available as on July 23, 2005 for a period of 3 years. The amount was completely adjusted as on June 30, 2008 and now no amount is outstanding. No loan was written off.

B The investment would be made at such times as the Chief Executive may think appropriate in the following manner:

(I)	Name of Investee Company	Hira Terry Mills Limited
(II)	Nature of Loan/Advance	Short Term running advances from time to time
(III)	Purpose of short term loans and advances	The purpose of short term loans and advances is to provide financial facilities as and when required for meeting the immediate requirements of Working Capital of the borrowing Company.
(IV)	Amount of Loan/Running advance (Maximum Limit)	Rs. 100,000,000/- (Rupees one hundred million only)
(V)	Rate of mark up	1% above the prevailing short term lending Rates of the Commercial banks which, in any case, will not be less than the borrowing cost of the investing Company.
(VI)	Tenure	Initially for a period of 2 years extendable after 2 years depending upon the financial conditions of Hira Terry.
(VII)	Securities	No security is considered necessary as both the Companies are under common management control.
(VIII)	Source of Funds	Company's own internal cash reserves.
(IX)	Repayable schedule	The loans and advances are adjustable maximum within a period of twelve months.
(X)	Other Terms & Conditions	i) Hira Textile shall have the right to add, Amend or alter any terms and conditions including the rate of Markup or call back the advance amount after notice to Hira Terry. ii) In the event of default the Board of Directors shall have the right to call back the amount and/or charge additional markup as penalty.
(XI)	Benefits likely to accrue to the Company and its shareholders from loans and advances	The investing Company and its shareholders will be benefited in a manner that their investment will fetch a return of 1% above the Lending rates of commercial banks. Hira Textile owns 18,450,000 shares in the issued capital of Hira Terry and shall also benefit if Hira Terry declares dividends on account of better business of Hira Terry on the basis of Financial Facility being provided to it.

(C) Brief about Hira Terry Mills Limited the investee Company on the basis of last audited financial statement for the year ended 30-06-2008:

Net Sales	Rs. 689.44 Million	Equity Net	Rs. 436.81 Million
Long Term Loans and Lease	Rs. 506.42 Million	Current Ratio	Rs. 0.90: 1
GP Ratio	Rs. 26.32 %	Net Profit Ratio	Rs.6.56 %

Shareholding of Hira Textile Mills Ltd. 18,450 Million Shares or 47.515 %
Share of Profit to Hira Textile Mills Ltd. Rs. 21.45 Million
Outstanding Balance of Running advances / Loan as on June 30, 2008. Nil
Maximum outstanding Balance of Running Advance / Loan during the year 2007- 2008. Rs. 14.672 Million

(D) The Directors of Hira Textile Mills Limited have no other interest in the investment except that 3 Directors of Hira Textile Mills Limited are also Directors and shareholders in Hira Terry and 2 Directors are Shareholders in Hira Terry Mills Limited, the Associated Company.

(E) The audited Financial Statement of Hira Terry Mills Limited and Hira Textile Mills Limited for the year ended June 30, 2008, can be inspected from 10.00 a.m. to 11.30 a.m. in all working days up-to October 22, 2008 by the shareholders of Hira Textile.