CONTENTS

VISION 2015

To be a world class and leading organization continuously providing high quality textile products.

MISSION 2012

To be a model diversified textile organization exceeding expectations of all stakeholders. We will achieve this by utilizing best blend of state-of-the-art technologies, excellent business processes, high performing people, and synergetic organizational culture.

CORE VALUES

Our success will not be a matter of chance. but of commitment to the following enduring beliefs and values that are engrained in the way we think and take actions to pursue a climate of excellence:

Integrity & Ethics	*Integrity, honesty and high ethical, legal & safe standards are corner stones of our business practices.*
Quality	*We pursue quality as a way of life. It is an attitude that affects everything we do for relentless pursuit of excellence. Our aim is:* *To achieve and sustain good reputation in both domestic and international market by manufacturing quality Yarn /Fabric with organized training and implementation of quality system as per our valued customers needs to ensure the achievement of our aim.*
Social Responsibility	*We believe in respect for the community and preserving the environment for our future generations and keeping National interests paramount in all our actions.*
Learning & Innovation	*We embrace lifelong learning and innovation as an essential catalyst for our future success. We believe in continuous improvement and to seize opportunities inherent in change to shape the future.*
Team Work	*We believe that competent and satisfied people are the company's heart, muscle and soul. We savours flashes of genius in organization's life by reinforcing attitude of teamwork and knowledge sharing based on mutual respect, trust and openness.*
Empowerment	*We flourish under an ecosystem of shared understanding founded on the concept of empowerment, accountability and open communication in all directions.*

STRATEGIC PLAN

To achieve the above objectives, the Company has made strategic plans to enhance and upgrade its installed capacity over the next 10 years to maintain and expand its market. Further plans are to excel in social responsibilities by implementing related projects and community developments.

COMPANY INFORMATION

BOARD OF DIRECTORS:

Chairman	Mian Muhammad Javed Anwar
Chief Executive Officer	Mian Muhammad Parvez
Directors	Mr. Muhammad Haris
	Mr. Muhammad Aurangzeb
	Mrs. Salma Javed
	Mr. Muhammad Jahanzeb
	Mr. Syed Raza Abbas Jaffari *(Rep. N.I.T)*

AUDIT COMMITTEE:

Chairman	Mr. Muhammad Jahanzeb
Members	Mrs. Salma Javed
	Mr. Muhammad Haris

HR & R COMMITTEE:

Chairman	Mr. Muhammad Jahanzeb
Members	Mrs. Salma Javed
	Mian Muhammad Parvez

CHIEF FINANCIAL OFFICER:	Dr. Rashid Nawaz Khan
HEAD OF INTERNAL AUDIT:	Mr. Najeeb Ahmed Khan
COMPANY SECRETARY:	Mr. Shamsur Rahman
AUDITORS:	M/s F.R.A.N.T.S & Co. Chartered Accountants Multan.
BANKERS:	Bank Al-Habib Limited Allied Bank Limited United Bank Limited Bank Al-Falah Limited Habib Bank Limited Faysal Bank Limited National Bank of Pakistan
REGISTERED OFFICE:	46 - Hassan Parwana Colony, Multan.
MILLS:	M.M. Road, Chowk Sarwar Shaheed, Distt. Muzaffargarh.
SHARES REGISTRARS:	M/s Vision Consulting Limited 3-C, LDA Flats, Lawrance Road, Lahore.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held at its Head Office, 46-Hassan Parwana Colony, Multan, on Wednesday 31st October, 2012, at 10:00 A.M., to transact the following business.

1. To confirm the minutes of the Annual General Meeting held on 31st October, 2011.
2. To receive, consider and adopt the Audited Accounts together with Directors' and Auditors' Reports for the year ended June 30, 2012.
3. To approve a cash dividend at 12.50% i.e. Rs. 1.25 per share of Rs. 10/- each for the year ending 30.06.2012, as recommended by the Board of Directors.
4. To appoint Auditors of the Company for the financial year 2012-2013 and to fix their remuneration. The present Auditors Messrs. F.R.A.N.T.S & Co., Chartered Accountants, retire and being eligible offer themselves for re-appointment as recommended by the Board of Directors.

SPECIAL BUSINESS:

5. To consider and approve revised package for existing three full time working Directors of the Company.
6. To consider any other matter with the permission of the Chair.

BY ORDER OF THE BOARD OF DIRECTORS

(Shamsur Rahman)
Company Secretary

Multan: 06.10.2012

NOTES:

i. The Share Transfer Books of the Company will remain closed from 24th October, 2012 to 31st October, 2012 (both days inclusive).

ii. A Member entitled to attend and vote at the meeting may appoint another member of the Company as a proxy to attend and vote instead of him/her. Proxy forms duly completed should reach the Registered/Head Office of the Company at least 48 hours before the time of the meeting.

iii. Any individual Beneficial Owners of CDC, entitled to attend and vote at this meeting, must bring his/her NIC or Passport to prove his/her identity, and in case of proxy must enclose an attested copy of his/her NIC or passport. Representatives of Corporate members should bring the usual documents required for such purpose.

iv. Members are requested to notify immediately any change in their addresses.

v. Members who have not yet submitted attested photocopy of their Computerized National Identity Cards (CNIC) to the Company are requested to send the same to Share Registrars of the Company (M/s VISION Consulting Limited, 3-C, LDA Flats, Lawrence Road, Lahore) at the earliest otherwise their future dividends would not be processed.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984

Keeping in view high cost of living, the shareholders approval will be obtained for the revised package of three full time working Directors of the Company as recommended by the Board of Directors in their meeting held on 06.10.2012. In this connection following resolution intended to be moved at the meeting:

> "Resolved that monthly remuneration of Mian Muhammad Javed Anwar, Chairman and Mr. Muhammad Haris and Mr. Muhammad Aurangzeb (Full time working Directors of the Company) be and is fixed at Rs. 200,000/- each, w.e.f. 01.10.2012 as recommended by the Board of Directors."

The working Directors are interested in the Resolution to the extent of their respective remuneration.

Directors' Report

In the Name of Allah, the Most Beneficent, the Merciful

Dear Shareholders

Yours Directors are pleased to present before you the 23rd Annual Report on the affairs of your Company and Financial Results for the year ended June 30, 2012 together with the Directors Report and Auditors Report.

SUMMARIZED FINANCIAL RESULTS:

	2012 (Rupees)	2011 (Rupees)
Sales	3,376,915,926	3,991,815,274
Gross Profit	424,920,553	582,496,614
Profit before taxation	**167,614,187**	235,894,371
Profit after taxation	**96,222,497**	172,217,295

REVIEW OF OPERATIONS:

By the grace of Almighty Allah, during current year, the operations of the Company were quite satisfactory as your Company has earned gross profit of Rs. 425 million despite of tough conditions in the textile market and this has been possible through the efficient and effective management of company's resources. Though during the year, gross profit of the Company has decreased by 2.09% from 14.67% to 12.58% as compared to last year, this is mainly due to the increased prices of the energy. In line with sales and gross profit, net profit has also decreased.

Further, the provision for income tax in current year amounted to Rs. 33.64 million (2011:Rs.37.83 million) and provision for deferred tax amounted to Rs. 56.09 million (2011: Rs 25.85million). As the total income of the company attracts minimum tax undersection113 of the Income Tax Ordinance, 2001 or falls under final tax regime and hence tax has been provided under section 154 and 169 of the Income Tax Ordinance, 2001.

Further the distribution cost also decreased by Rs. 37.05 million as compared to last year due to decrease in export sales. No significant change has been observed in administrative expenses. Finance costs, during the year, decreased by Rs. 50 million mainly due to effective financial management.

DIVIDEND

Your directors are pleased to recommend for the payment of the cash dividend to its shareholders at 12.50% i.e. Rs. 1.25 per share of Rs. 10/- for the year ended June 30, 2012.

BOARD MEETINGS AND ATTENDANCE BY DIRECTOR:

Total No. of Board Meeting held during the year under review	5
Attendance by each Director	
Mian Muhammad Javed Anwar	5
Mian Muhammad Parvez	5
Mrs. Salma Javed	5
Mr. Muhammad Haris	5
Mr. Muhammad Jahanzeb	2
Mr. Muhammad Aurangzeb	5
Mr. Raza Abbas Jaffari (Nominee N.I.T)	3

FUTURE OUTLOOK

The Textile Industry has the advantages and disadvantages in the past and present, while Future seems to be positive as International market especially European community has given an indication for easy access to supply value added goods from Pakistan. Prices of cotton are almost stable and quality cotton is available. But energy tariffs are much un-predictible, it varies every month with upper trend.

Only dilemma is energy crises. There is no solution yet on the part of Govt. of Pakistan, while we have made all possible arrangements to overcome this situation like standby Gas Gensets.

By the grace of Almighty Allah, management is striving very hard to make the future business profitable.

CORPORATE GOVERNANCE

Compliance of corporate governance is attached.

AUDITORS

M/s F.R.A.N.T.S. & Co., Chartered Accountants, Multan being eligible and are recommended for re-appointment as Auditors of the Company for a term of one year as suggested by the Audit Committee.

PATTERN OF SHAREHOLDING

Pattern of holding of shares by the shareholders of the Company as on June 30, 2012 as required under Section 236(2)(d) of the Companies Ordinance, 1984, is enclosed.

ACKNOWLEDGMENT

Your Directors place on record their deep appreciation for the efforts made by the workers and staff of the Company for their deep devotion to work.

Your Directors would also like to express their thanks to the Shareholders and Financial Institutions for their support and assistance, especially Bank Al-Falah Limited, Bank Al-Habib Limited, Allied Bank Limited, Habib Bank Limited, National Bank of Pakistan and United Bank Limited.

On behalf of the Board of Directors

Multan
Dated: October 06, 2012

Mian Muhammed Javed Anwar
Chairman

Six Years Growth at Glance (2007-2012)

Particulars	2007	2008	2009	2010	2011	2012
OPERATIONAL PERFORMANCE:						
Weaving						
Number of Looms Installed	112	130	130	130	130	130
Number of Looms Worked	112	130	130	130	130	130
Installed Capacity after conversion into 60 picks Sq. Meter (000)	36,446	37,696	41,538	41,538	41,538	41,538
Actual Production after conversion into 60 picks Sq. Meter (000)	34,265	35,515	33,644	32,489	37,814	34,850
Spinning						
Number of Spindles Installed	38,400	38,400	38,400	38,400	20,760	20,760
Number of Spindles Worked	38,400	38,400	38,400	38,400	20,760	20,760
No. of Shifts Worked	1,095	1,095	1,095	1,095	1,095	1,095
Installed Capacity (after conversion into 20/s count) (1095 shifts) KGS (000)	12,468	12,593	12,988	12,988	7,821	7,821
Actual yarn Production (after con. 20/s count) KGS (000)	12,210	12,472	11,818	11,837	7,793	7,442
PROFIT AND LOSS:						
Net Sales Rs. (000)	2,150,014	2,556,340	2,736,385	3,311,020	3,991,815	3,376,915
Gross Profit Rs. (000)	180,955	205,853	332,062	410,893	582,497	424,920
Operating Profit/(loss) Rs. (000)	133,413	(103,687)	243,897	284,393	412,658	284,667
Profit/(loss) before Tax Rs. (000)	2,708	(103,687)	(52,869)	58	235,894	167,614
Profit /(loss) after Tax Rs. (000)	3,074	(85,871)	(63,844)	58,712	172,217	96,222
BALANCE SHEET:						
Share Capital and Reserves Rs. (000) Shareholders Equity	369,763	925,607	876,761	839,920	1,012,137	1,090,349
Property Plant & Equipment Rs. (000)	1,119,102	2,017,040	1.954,828	1,665,880	1,600,881	1,612,312
CurrentAssets Rs. (000)	6,637,368	848,140	1,005,862	902,267	1,092,832	899,568
Current Liabilities Rs.	813,003	1,267,807	1,328,924	1,234,835	1,085,949	916,144
Long Term Liabilities Rs. (000)	673,553	673,553	755,004	652,812	470,414	358,635
INVESTOR INFORMATION:						
Per Share (Rs.)						
Cash Dividend	-	-	-	-	12.50%	12.50%
Earning Per Share	0.21	(6.03)	(4.43)	4.07	11.95	6.68
FINANCIAL RATIOS:						
Gross Profit Ratio (%age)	8.41	8.05	12.14	12.41	14.59	12.58
Net Profit Ratio (%age)	0.14	(3.40)	(2.33)	1.77	4.31	3.47
Inventory Turnover (times)	4.62	4.03	3.80	4.37	6.35	6.00
Fixed Assets Turnover (times)	1.81	1.27	1.40	1.83	2.44	2.04
Total Assets Turnover (times)	1.16	0.89	0.92	1.14	1.44	1.32
Return on Capital Employed (%age)	0.12	0.05	0.15	0.18	0.26	0.18
Leverage Ratio	3.04	2.10	3.36	1.90	1.21	1.53
Current Ratio	0.82	0.67	0.76	0.73	1.01	0.98
Interest Coverage Ratio (times)	1.02	0.45	0.82	1.26	2.33	2.43

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (The Code) prepared by the Board of Directors of **Ahmad Hassan Textile Mills Limited** (the Company) to comply with the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, the Code requires the Company to place before the audit committee and upon recommendation of the audit committee, before the Board of Directors for their review and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and recommendation by the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2012.

F.R.A.N.T.S. & Co.
Chartered Accountants
Engagement Partner: Muhammad Talib
Date: 08.10.2012
Multan

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Year Ended June 30, 2012

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Listing Regulation No. 35 of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. However, none of the Directors on the Board represents minority. At present the board includes:

   Executive Directors:
   - Mr. Muhammad Javed Anwar
   - Mr. Muhammad Parvez
   - Mr. Muhammad Haris
   - Mr. Muhammad Aurangzeb

   Non-Executive Directors:
   - Syed Raza Abbas Jaffari
   - Mr. Muhammad Jahanzeb
   - Mrs. Salma Javed

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The elections of the directors were held on October 31, 2011 in which seven directors were elected for a term of three years. No casual vacancy occurred on the Board during the year ended June 30, 2012.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO), other executive and non-executive Directors, have been taken by the Board/shareholders.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Three directors of the Company are exempted from the Directors Training Program on the basis of

their level of education and length of experience as provided in the CCG. The board arranged training program for one director during the year.

10. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment. However, there were no new appointments of CFO, Company Secretary or Head of Internal Audit during the year.

11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises of three (3) members, of whom two (2) are non-executive directors. The Chairman of the Committee is non-executive director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has also formed a Human Resource and Remuneration Committee. It comprises of CEO and two (2) non-executive directors. The Chairman of the Committee is non-executive director.

18. The Board has set up an effective internal audit function headed by Head of Internal Audit. The staff is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

On the behalf of the Board

MULTAN: 06.10.2012

Mian Muhammad Parvez
Chief Executive Officer

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of AHMAD HASSAN TEXTILE MILLS LIMITED (the Company) as at June 30, 2012 and the related profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that;

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion;

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

(c) in our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and, respectively give a true and fair view of the state of Company's affairs as at June 30, 2012 and of the profits, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The financial statement of the Company for the year ended June 30, 2011 were audited by another firm of Chartered Accountants whose report dated October 06, 2011 expressed unqualified opinion on those financial statements.

F.R.A.N.T.S. & Co.
Chartered Accountants
Engagement Partner: Muhammad Talib
Date: 08.10.2012
Multan

BALANCE SHEET
AS AT JUNE 30, 2012

ASSETS	Notes	2012 Rupees	2011 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	3	**1,612,312,862**	1,600,881,140
Long term investments	4	**259,376**	259,480
Long term deposits	5	**39,180,010**	38,972,497
		1,651,752,248	1,640,113,117
CURRENT ASSETS			
Stores, spares and loose tools	6	**33,084,000**	37,956,824
Stock-in-trade	7	**458,637,533**	499,145,437
Trade debts	8	**244,238,658**	373,370,269
Loans, advances and prepayments	9	**123,074,530**	137,887,077
Tax refunds due from Government	10	**12,864,588**	2,270,199
Short term investments	11	**20,394,452**	-
Other receivables	12	**3,607,356**	2,392,532
Current portion of long term investments	4	**104**	104
Cash and bank balances	13	**3,666,866**	5,469,621
		899,568,087	1,058,492,063
TOTAL ASSETS		**2,551,320,335**	2,698,605,180
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	14	**200,000,000**	200,000,000
Issued, subscribed and paid up share capital 14,408,248.8 (2011: 14,408,248.8) ordinary shares of Rs. 10 each	14	**144,082,488**	144,082,488
Capital reserve	15	**32,746,284**	32,746,284
Revenue reserve - unappropriated profit		**496,839,670**	402,081,637
		673,668,442	578,910,409
Surplus on revaluation of property, plant and equipment	16	**416,680,723**	433,226,784
NON-CURRENT LIABILITIES			
Long term financing	17	**253,635,983**	362,486,586
Subordinated loans	18	**105,000,000**	105,000,000
Liabilities against assets subject to finance lease	19	**-**	2,927,290
Deferred taxation	20	**186,190,549**	130,105,365
		544,826,532	600,519,241
CURRENT LIABILITIES			
Trade and other payables	21	**187,004,426**	252,297,912
Finances under mark up arrangements and other credit facilities	22	**491,724,454**	597,209,539
Current portion of non-current liabilities	23	**178,418,769**	160,668,374
Mark-up accrued	24	**25,356,419**	37,576,189
Provision for taxation	25	**33,640,570**	38,196,732
		916,144,638	1,085,948,746
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		**2,551,320,335**	2,698,605,180

The annexed notes from 1 to 46 form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Mian Muhammad Javed Anwar	Mian Muhammad Parvez	Muhammad Haris	Dr. Rashid Nawaz Khan
Chairman	Chief Executive Officer	Director	Chief Financial Officer

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012	2011
		Rupees	Rupees
Sales - net	**27**	**3,376,915,926**	3,991,815,274
Cost of sales	**28**	**(2,951,995,373)**	(3,406,318,660)
Gross profit		**424,920,553**	585,496,614
Other operating (loss) / income	**29**	**(4,608,976)**	4,565,228
Profit on trading	**30**	**3,731,655**	1,834,320
Distribution cost	**31**	**(99,462,050)**	(136,513,923)
Administrative expenses	**32**	**(30,962,485)**	(30,231,347)
Other operating expenses	**33**	**(8,951,599)**	(12,493,362)
		(140,253,455)	(172,839,084)
Profit from operations		**284,667,098**	412,657,530
Finance cost	**34**	**(117,052,911)**	(176,763,159)
Profit before taxation		**167,614,187**	235,894,371
Provision for taxation	**35**	**(71,391,690)**	(63,677,076)
Profit after taxation		**96,222,497**	172,217,295
Other comprehensive income:			
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax		**16,546,061**	17,869,717
Revaluation surplus relating to disposal of non-current assets classified as held for sale		**-**	92,918,047
Total comprehensive income - net of tax		**112,768,558**	283,005,059
Earnings per share - basic and diluted	**36**	**6.68**	11.95

The annexed notes from 1 to 46 form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Mian Muhammad Javed Anwar	Mian Muhammad Parvez	Muhammad Haris	Dr. Rashid Nawaz Khan
Chairman	Chief Executive Officer	Director	Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

	Note	2012 Rupees	2011 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	479,389,293	367,423,797
Income taxes paid		(21,612,500)	(34,701,908)
Finance cost paid		(129,272,681)	(192,012,324)
Long term deposits		(4,000)	-
Workers' Profit Participation Fund paid		(12,412,862)	(2,900,000)
Staff gratuity paid		(4,833,968)	(2,960,722)
		(168,136,011)	(232,574,954)
Net cash generated from operating activities		311,253,282	134,848,843
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(95,904,854)	(26,556,209)
Proceeds from disposal of assets held for sale		-	260,000,000
Proceeds from disposasl of property, plant and equipment		200,000	4,418,967
Redemption of long term investments		104	104
Net cash (used in) / generated from investing activities		(95,704,750)	237,862,862
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		67,000,000	-
Repayment of long term financing		(144,986,359)	(176,011,346)
Repayment of principal portion of finance lease		(16,041,139)	(15,028,488)
Repayment of finances under mark up arrangements and other credit facilities - net		(105,485,085)	(177,282,606)
Dividend paid		(17,838,704)	-
Net cash used in financing activities		(217,351,287)	(368,322,440)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(1,802,755)	4,389,265
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,469,621	1,080,356
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,666,866	5,469,621

The annexed notes from 1 to 46 form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Mian Muhammad Javed Anwar	Mian Muhammad Parvez	Muhammad Haris	Dr. Rashid Nawaz Khan
Chairman	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2012

	Share Capital	Reserves		Total
		Capital	Revenue	
	Issued, subscribed and paid up capital	Share premium	Unappropriated profit	Total
	Rupees	Rupees		Rupees
Balance as at June 30, 2010	144,082,488	32,746,284	119,076,578	295,905,350
Total comprehensive income for the year:				
Profit for the year	-	-	172,217,295	172,217,295
Other comprehensive income for the year	-	-	110,787,764	110,787,764
Total comprehensive income for the year	-	-	283,005,059	283,005,059
Balance as at June 30, 2011	**144,082,488**	**32,746,284**	**402,081,637**	**578,910,409**
Total comprehensive income for the year:				
Profit for the year	-	-	**96,222,497**	**96,222,497**
Other comprehensive income for the year	-	-	**16,546,061**	**16,546,061**
Total comprehensive income for the year	-	-	**112,768,558**	**112,768,558**
Transactions with owners of the Company recognized directly in equity:				
Final dividend for the year ended June 30, 2011 @ Rs. 1.25 per share	-	-	**(18,010,525)**	**(18,010,525)**
Balance as at June 30, 2012	**144,082,488**	**32,746,284**	**496,839,670**	**673,668,442**

The annexed notes from 1 to 46 form an integral part of these financial statements.

sd/-	sd/-	sd/-	sd/-
Mian Muhammad Javed Anwar	Mian Muhammad Parvez	Muhammad Haris	Dr. Rashid Nawaz Khan
Chairman	Chief Executive Officer	Director	Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012

1. *STATUS AND ACTIVITIES*

Ahmad Hassan Textile Mills Limited (the Company) was incorporated in Pakistan on December 03, 1989 as a Public Limited Company under the Companies Ordinance 1984. Its shares are quoted on all Stock Exchanges in Pakistan. It is principally engaged in the manufacturing and sale of yarn and fabric. The registered office of the Company is situated at 46-Hassan Parwana Colony, Multan. The mill is located at M. M. Road, Chowk Sarwar Shaheed, District Muzaffargarh.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (the IASB) as notified under the provisions of the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by the SECP differ with the requirements of the IFRS, the requirements of the Companies Ordinance, 1984, and the said directives shall take precedence.

2.2 Standards, interpretation and amendment adopted during the year

In the current year, the Company has adopted following new standards and amendments to approved standards issued by the IASB and as notified by the SECP that are relevant to its operations and effective for the Company's accounting period beginning on July 01, 2011.

Amendments to IFRS 7 - Financial Instruments
Amendments to IAS 1 - Presentation of Financial Statements
IAS 24 - Related Party Disclosures (Revised)
IAS 34 - Interim Financial Reporting (Amendment)
IFRIC 14 - Prepayment of Minimum Funding Requirement

The adoption of new standards, interpretation and amendments/improvements did not have any material effect on the financial statements.

2.3 *New, revised and amended standards and IFRIC interpretations that are not yet effective*

The following standards, amendments and interpretations of approved accounting standards are effective for accounting periods beginning on or after January 1, 2012. These standards are either not relevant to the Companys operations or are not expected to have significant impact on the Companys financial statements ;

		effective for annual periods beginning on or after
a)	Amendments to IAS 12 - deferred tax on investment property	January 1, 2012
b)	IAS 19 - Employee Benefits (amended 2011)	January 1, 2013
c)	Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)	July 1, 2012
d)	IAS 27 - Separate Financial Statements (2011)	January 1, 2013
e)	IAS 28 - Investments in Associates and Joint Ventures (2011)	January 1, 2013
f)	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	January 1, 2014
g)	Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	January 1, 2013
h)	Annual Improvements 2009-2011	January 1, 2013
i)	IFRS 12 - Disclosure of Interests in Other Entities	January 1, 2013
j)	IFRS 13 - Fair Value Measurement	January 1, 2013

The new cycle of improvements contains amendments to the following five standards, with consequential amendments to other standards and interpretations.

- IAS 1 Presentation of Financial Statements
- IAS 16 Property, Plant and Equipment
- IAS 32 Financial Instruments: Presentation
- IAS 34 Interim Financial Reporting
- IFRIC 20 - Stripping cost in the production phase of a surface mining

2.4 *Basis of preparation*

These financial statements have been prepared under historical cost convention, except for:

- modification of foreign currency translation adjustments as stated in **note 2.5.2,**
- operating property, plant and equipment as stated in **note 2.5.3.**

The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.5 *The principal accounting policies adopted are set out below:*

2.5.1 *Taxation*

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated at the prevailing rates of taxation after taking into account tax credits, rebates and exemption available, if any, or minimum tax on turnover, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years. However, for income under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release 27 of Institute of Chartered Accountants of Pakistan .

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

2.5.2 *Foreign currency translations*

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pak Rupees at the exchange rates prevailing on the balance sheet date except for those covered by forward contracts, if any. All exchange fluctuations are charged to profit and loss account.

2.5.3 *Property, plant and equipment*

Owned

Property, plant and equipment except freehold land and capital work-in-progress (CWIP) are stated at cost or revalued amount less accumulated depreciation and any identified impairment in value. Freehold land is stated at revalued amount and CWIP is stated at cost less any recognized impairment loss. Borrowing costs pertaining to erection/ construction of qualifying assets are capitalized as part of the historical cost as stated in note 2.5.14.

Property, plant and equipment - continued

All expenditures connected to the specific assets incurred during installation and construction period are carried under CWIP. These are transferred to specific assets as and when assets are available for use.

Depreciation on all items of property, plant and equipment except for freehold land and capital work-in-progress is charged to income applying reducing balance method so as to write-off the depreciable amounts over estimated remaining useful life of the assets. The useful life and depreciation method are consistent with the expected pattern to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of operating fixed assets. Rates of depreciation are stated in note 3.1. Depreciation is charged on additions from the month in which an asset is acquired or capitalized and no depreciation is charged for the month in which asset is disposed. The profit or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Surplus arising on revaluation of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred to unappropriated profit through other comprehensive income.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The assets so replaced, if any, other than those kept as stand-by, are retired. All other repair and maintenance cost is charged to income during the period in which it is incurred.

Leased

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligation of leases is accounted for as liability. Finance cost is allocated to accounting periods in a manner so as to provide a constant periodic rate of finance cost on the remaining balance of principal for each period.

Depreciation is charged to income at the rates stated in note 3.1 applying reducing balance method to write-off the depreciable amounts of the assets over their estimated useful life in view of certainty of ownership of the assets at the end of lease period.

Finance cost and depreciation on leased assets are charged to current year income.

2.5.4 *Impairment of assets*

The management assesses at each balance sheet date whether there is any indication that an asset except deferred tax asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

Where the impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

2.5.5 *Investments*

Held to maturity

Held to maturity investments are initially recognized at cost inclusive of transaction cost and are subsequently carried at amortized cost using effective interest rate method.

2.5.6 *Stores, spares and loose tools*

These are valued at cost, determined on basis of moving average cost less allowance for obsolete and slow moving items, except for items-in-transit which are valued at cost accumulated to the balance sheet date.

2.5.7 *Stock in trade*

These are determined at lower of cost and net realisable value. Cost is determined as;

Raw material at warehouse	Weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Waste	Net realizable value

Cost in relation to work in process and finished goods represents the annual average cost which consists of prime cost and appropriate manufacturing overheads. Cost of raw materials consumed is accounted for by applying the annual average cost of both imported and local purchases.

Net realizable value signifies the selling price in the ordinary course of business less cost of completion and cost to be incurred to such sale.

2.5.8 *Trade debts and other receivables*

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

2.5.9 *Loans, advances and prepayments*

Loans, advances and prepayments included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets.

2.5.10 *Trade and other payables*

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for the goods and services received, whether or not billed to the Company.

2.5.11 *Dividend*

Dividend distribution to the Company's shareholders is recognised as a liability in the year in which the dividends are approved.

2.5.12 *Related party transactions*

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

2.5.13 *Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

- Local sales are recorded when goods are delivered to customers and invoices are raised.
- Export sales are recorded on shipment basis.
- Profit on deposits is accrued on time proportion basis by reference to the principal outstanding and applicable rate of return.
- Mark up income is accrued on time basis by reference to the principal outstanding and at the agreed mark up rate applicable.

2.5.14 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to profit or loss in the period in which they are incurred.

2.5.15 *Provisions*

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

2.5.16 *Provision for gratuity*

The Company operates an un-funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme. Provision and payment of gratuity is made annually based on service period completed by an employee.

2.5.17 *Financial assets and liabilities*

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be.

All purchases and sales of financial assets are recognized on the trade date when the Company becomes the party to the contractual provision.

2.5.18 *Off setting of financial instruments*

Financial assets and liabilities are off-set and the net amounts are reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.5.19 *Derivative financial instruments*

These are initially recorded at cost on the date a derivative contract is entered into and are re-measured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

2.5.20 *Cash and cash equivalents*

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and balances with banks.

2.5.21 *Non-current assets classified as held for sale*

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition within one year of the date of its classification as assets held for sale. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Gain / loss on sale of assets classified as held for sale is recognized in profit and loss account.

2.5.22 *Segment Reporting*

Operating segments are reported in a manner consistent with the internal reporting structure. Management monitors the operating results of its business units separately for the purpose of making decisions regarding resource allocation and performance assessment.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and trade and other debts. Segment liabilities comprise of operating liabilities and exclude items such as taxation and corporate.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

2.6 *Significant accounting estimates and judgments*

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of operating assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, provision for doubtful receivables, deferred tax and slow moving inventory. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

		2012	2011
3. *PROPERTY, PLANT AND EQUIPMENT*	**Note**	**Rupees**	Rupees
Operating property, plant and equipment	**3.1**	**1,546,168,208**	1,582,831,964
Capital work-in-progress	**3.2**	**66,144,654**	18,049,176
		1,612,312,862	1,600,881,140

3.1 Operating property, plant and equipment

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION CHARGE				BOOK VALUE	Rate
	As at July 01, 2011	Additions / transfer from capital work-in-progress	Disposals	As at June 30, 2012	As at July 01, 2011	For the year	Accumulated depreciation on disposals	As at June 30, 2012	As at June 30, 2012	
	Rupees				Rupees					
Owned assets:										
Land - freehold	41,167,502	-	-	**41,167,502**	-	-	-	-	**41,167,502**	
Buildings on freehold land:										
- Factory building	237,443,728	-	-	**237,443,728**	68,360,208	8,454,176	-	**76,814,384**	**160,629,344**	5%
- Residential building	52,774,691	-	-	**52,774,691**	14,393,141	1,919,078	-	**16,312,219**	**36,462,472**	5%
	290,218,419	-	-	**290,218,419**	**82,753,349**	**10,373,254**		**93,126,603**	**197,091,816**	
Plant and machinery	1,759,011,206			**1,759,011,206**	507,054,278	62,597,847	-	**569,652,125**	**1,189,359,081**	5%
Generators	5,825,841	27,275,046	-	**33,100,887**	3,746,326	662,274	-	**4,408,600**	**28,692,287**	10%
Gas Installations	-	18,739,816	-	**18,739,816**	-	546,578	-	**546,578**	**18,193,238**	5%
Electric installations	43,698,201	-	-	**43,698,201**	29,002,965	2,204,285	-	**31,207,250**	**12,490,951**	15%
Factory equipments	33,449	-	-	**33,449**	12,482	2,097	-	**14,579**	**18,870**	10%
Office equipments	2,540,737	434,714	-	**2,975,451**	770,084	194,829	-	**964,913**	**2,010,538**	10%
Telephone installations	397,224	61,000	-	**458,224**	317,231	9,524	-	**326,755**	**131,469**	10%
Furniture and fittings	1,133,836	5,700	-	**1,139,536**	620,272	51,500	-	**671,772**	**467,764**	10%
Arms and ammunition	27,800	-	-	**27,800**	15,511	1,229	-	**16,740**	**11,060**	10%
Weighing scale	210,000	-	-	**210,000**	132,577	7,742	-	**140,319**	**69,681**	10%
Tube well	45,000	-	-	**45,000**	27,070	1,793	-	**28,863**	**16,137**	10%
Fire extinguishing equipments	-	-	-	**-**	-		-	**-**	**-**	10%
Vehicles	23,809,876	1,293,100	(642,960)	**24,460,016**	10,262,911	2,791,090	(556,663)	**12,497,338**	**11,962,678**	20%
	2,168,119,091	**47,809,376**	**(642,960)**	**2,215,285,507**	**634,715,056**	**79,444,042**	**(556,663)**	**713,602,435**	**1,501,683,072**	
Leased assets:										
Grid station	64,747,312	-	-	**64,747,312**	15,319,383	4,942,793	-	**20,262,176**	**44,485,136**	10%
	64,747,312	**-**	**-**	**64,747,312**	**15,319,383**	**4,942,793**	**-**	**20,262,176**	**44,485,136**	
	2,232,866,403	**47,809,376**	**(642,960)**	**2,280,032,819**	**650,034,439**	**84,386,835**	**(556,663)**	**733,864,611**	**1,546,168,208**	

Operating property, plant and equipment
For comparative year

PARTICULARS	COST / REVALUED AMOUNTS				DEPRECIATION CHARGE				BOOK VALUE	Rate
	As at July 01, 2010	Additions	Disposals / transfers	As at June 30, 2011	As at July 01, 2010	For the year	Accumulated depreciation on disposals/ transfers	As at June 30, 2011	As at June 30, 2011	
	Rupees				Rupees					
Owned assets:										
Land - freehold	41,167,502	-	-	41,167,502	-	-	-	-	41,167,502	
Buildings on freehold land:		-								
- Factory building	237,443,728	-	-	237,443,728	59,461,075	8,899,133	-	68,360,208	169,083,520	5%
- Residential building	52,774,691	-	-	52,774,691	12,373,059	2,020,082	-	14,393,141	38,381,550	5%
	290,218,419	-	-	290,218,419	71,834,134	10,919,215	-	82,753,349	207,465,070	
Plant and machinery	1,758,901,710	109,496	-	1,759,011,206	441,165,255	65,889,023	-	507,054,278	1,251,956,928	5%
Generators	14,867,784	-	(9,041,943)	5,825,841	10,713,011	231,057	(7,197,742)	3,746,326	2,079,515	10%
Gas Installations	43,698,201	-	-	43,698,201	26,409,699	2,593,266	-	29,002,965	14,695,236	15%
Electric installations	33,449	-	-	33,449	10,152	2,330	-	12,482	20,967	10%
Factory equipments	3,984,370	220,040	(1,663,673)	2,540,737	1,485,194	185,661	(900,771)	770,084	1,770,653	10%
Office equipments	397,224	-	-	397,224	308,343	8,888	-	317,231	79,993	10%
Telephone installations	1,133,836	-	-	1,133,836	563,209	57,063	-	620,272	513,564	10%
Furniture and fittings	27,800	-	-	27,800	13,861	1,650	-	15,511	12,289	10%
Arms and ammunition	210,000	-	-	210,000	123,974	8,603	-	132,577	77,423	10%
Weighing scale	345,649	-	(300,649)	45,000	265,776	1,992	(240,698)	27,070	17,930	10%
Tube well	263,497	-	(263,497)	-	187,070	-	(187,070)	-	-	10%
Fire extinguishing equipments	16,683,949	8,177,497	(2,283,570)	23,809,876	8,421,336	2,294,728	(1,192,668)	10,262,911	13,546,965	20%
Vehicles			1,232,000				739,515			
	2,171,933,390	8,507,033	(12,321,332)	2,168,119,091	561,501,014	82,193,476	(8,979,434)	634,715,056	1,533,404,035	
Leased assets:										
Grid station	64,747,312	-	-	64,747,312	9,827,391	5,491,992	-	15,319,383	49,427,929	10%
Vehicles	1,232,000	-	(1,232,000)	-	704,338	35,177	(739,515)	-	-	20%
	65,979,312	-	(1,232,000)	64,747,312	10,531,729	5,527,169	(739,515)	15,319,383	49,427,929	
	2,237,912,702	**8,507,033**	**(13,553,332)**	**2,232,866,403**	**572,032,743**	**87,720,645**	**(9,718,949)**	**650,034,439**	**1,582,831,964**	

3.1.1 Depreciation for the year has been allocated as follows:

	Note	2012 Rupees	2011 Rupees
Cost of sales	28	**79,419,584**	82,142,526
Administrative expenses	32	**4,967,251**	5,578,119
		84,386,835	87,720,645

3.1.2 Cost of generator includes borrowing cost capitalized during the year amounting to Rs. 2,889,425.

3.1.3 Revaluation of buildings on freehold land, plant and machinery and generator was carried out as on June 30, 2008 by an independent valuer (M/s Consultancy Support & Services, Multan) on the basis of evaluated present values. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment.

3.1.4 Revaluation of freehold land, building on freehold land and plant and machinery was again carried out on June 22, 2010 by an independent valuer (M/s Pirsons Associates, Multan) on the basis of evaluated present values. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment.

3.1.5 Had there been no revaluations, the related carrying values of freehold land, buildings on freehold land, plant and machinery and generator at June 30, 2012 would have been as follows:

	2012 Rupees	2011 Rupees
Freehold land	**2,577,758**	2,577,758
Buildings on freehold land	**108,490,458**	114,200,482
Plant and machinery	**955,296,483**	1,005,575,245
Generator	**3,281,355**	3,645,950
	1,069,646,054	1,125,999,435

3.1.6 ***The following assets were disposed off during the year:***

Description of assets disposed off	*Cost*	*Accumulated depreciation*	*Book value*	*Sale proceeds*	*Mode of disposal*	*Particulars of buyer*
	Rupees					
Vehicles - Hyundai Shehzore	642,960	556,663	86,297	200,000	Negotiation	Abdul Majeed s/o Muhammad Rafiq (Multan)
2012	**642,960**	**556,663**	**86,297**	**200,000**		
2011	13,553,332	9,718,949	3,834,383	4,418,967		

3.2 ***Capital work-in-progress***

	Note	**As at July 01, 2011**	**Additions during the year**	**Transfer to operating property, plant and equipment**	**As at June 30, 2012**
		Rupees			
Gas installations		18,049,176	690,640	(18,739,816)	-
Cost of generators	**3.2.1**	-	54,114,304	-	54,114,304
Advances to suppliers		-	12,030,350	-	12,030,350
		18,049,176	**66,835,294**	**(18,739,816)**	**66,144,654**

3.2.1 It includes borrowing cost capitalized during the year amounting to Rs. 1,559,779 (2011: Rs. Nil)

		Note	2012 Rupees	2011 Rupees
4.	***LONG TERM INVESTMENTS***			
	Held to maturity			
	Term Finance Certificates	4.1	**259,480**	259,584
	Less: Current maturity shown under current assets		**(104)**	(104)
			259,376	259,480

4.1 The market value of these Term Finance Certificates (TFCs) as at **June 30, 2012 was Rs. 268,086 (2011: Rs. 266,800).**

The Company had purchased second tranche of TFCs of Bank Al Habib Limited having face value of Rs. 260,000 on March 07, 2007. The final maturity date is February 07, 2015. These certificates carry mark up at a rate of KIBOR+1.5% per annum and are redeemable on half yearly basis starting from August 07, 2007. First fourteen redemptions are of principal amount of Rs. 52 each and the last two of Rs. 129,636 each.

		Note	2012 Rupees	2011 Rupees
5.	***LONG TERM DEPOSITS***			
	Security deposits against utilities	5.1	**39,180,010**	38,972,497

5.1 These include security deposit of Rs. 34,593,513 (2011: Rs. 34,390,000) deposited with Sui Northern Gas Pipelines Limited (SNGPL) against Gas Connection at site. This deposit bears markup @ 5% per annum. Markup of Rs. 203,513 (net of tax) up to June 30, 2011 has been calculated by SNGPL and added in the security deposit held.

		Note	2012 Rupees	2011 Rupees
6.	***STORES, SPARES AND LOOSE TOOLS***			
	Stores		**14,986,814**	15,204,040
	Spares		**17,955,094**	22,563,000
	Loose tools		**142,092**	189,784
		6.1	**33,084,000**	37,956,824

6.1 These include stores in transit of Rs. Nil (2011: 2,366,274).

6.2 No identifiable stores and spares were held for specific capitalization.

		Note	2012 Rupees	2011 Rupees
7.	***STOCK-IN-TRADE***			
	Raw material	7.1	**193,981,063**	268,960,874
	Work-in-process		**78,649,546**	68,930,564
	Finished goods		**186,006,924**	161,253,999
			458,637,533	499,145,437

7.1 This includes raw material in transit of Rs. Nil (2011: Rs. 45,093,377).

			2012	2011
8.	***TRADE DEBTS***	**Note**	**Rupees**	Rupees
	Considered good			
	Foreign - secured against letter of credits	**8.1**	**180,097,593**	261,408,288
	Local - unsecured		**64,141,065**	111,961,981
			244,238,658	373,370,269
	Considered doubtful			
	Local - unsecured		-	128,859
	Provision for doubtful debts	**8.2**	-	(128,859)
			-	-
			244,238,658	373,370,269

8.1 Trade receivables are non-interest bearing and are generally on 30 to 90 days terms.

8.2	***Provision for doubtful debts***		
	Balance as at July 01,	**128,859**	1,165,206
	Add: Provision made during the year	-	-
	Less: Debts recovered /written off	**(128,859)**	(1,036,347)
	Balance as at June 30,	-	128,859

8.3 Trade debts consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable, where appropriate.

9.	***LOANS, ADVANCES AND PREPAYMENTS***		
	Loans - considered good		
	To employees - against salary	**782,743**	986,855
	Advance payments - considered good		
	To suppliers and against expenses	**92,009,570**	108,510,899
	Income tax	**30,132,097**	28,382,265
	Letter of credit fee and expenses	-	7,058
		122,141,667	136,900,222
	Prepayments	**150,120**	-
		123,074,530	137,887,077
10.	***TAX REFUNDS DUE FROM GOVERNMENT***		
	Sales tax	**4,344,992**	2,270,199
	Income tax	**8,519,596**	-
		12,864,588	2,270,199

		Note	2012 Rupees	2011 Rupees
11.	***SHORT TERM INVESTMENTS***			
	Term deposit receipts - held to maturity:			
	National Bank of Pakistan	**11.1**	**20,000,000**	-
	Faysal Bank Limited	**11.2**	**394,452**	-
			20,394,452	-

11.1 This deposit receipt is for six months maturity and yields profit @ 11% per annum.

11.2 These deposit receipts are for one year maturity and yield profit @ 10.9% to 11% per annum.

		Note	2012 Rupees	2011 Rupees
12.	***OTHER RECEIVABLES***			
	Minimum tax paid under protest	**12.1**	**642,984**	642,984
	Others		**2,964,372**	1,749,548
			3,607,356	2,392,532

12.1 The Company, in view of the Supreme Court of Pakistan's Judgment dated June 04, 1997, was not liable to pay Minimum Tax under section 80- D of the Repealed Income Tax Ordinance, 1979 up to September 30, 1999. Accordingly, Minimum Tax paid up to September 30, 1999 has been accounted for as receivable from the income tax department.

		2012 Rupees	2011 Rupees
13.	***CASH AND BANK BALANCES***		
	Cash in hand	**449,822**	32,278
	Cash at banks in current accounts	**3,217,044**	5,437,343
		3,666,866	5,469,621
14.	***SHARE CAPITAL***		
	Authorised:		
	20,000,000 (2011: 20,000,000)ordinary shares of Rs. 10 each.	**200,000,000**	200,000,000
	Issued, subscribed and paid up:		
	14,408,248.8 (2011: 14,408,248.8) ordinary shares of Rs. 10 each issued for cash.	**144,082,488**	144,082,488

14.1 There is no movement in share capital during the reporting years.

14.2 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally.

	2012	2011
15. *CAPITAL RESERVE*	**Rupees**	Rupees
This includes share premium received during the previous years as detailed below:		
Rs. 4 per share on issue of 2,989,920 ordinary shares of Rs. 10 each issued during the year 2001	**11,959,680**	11,959,680
Rs. 10 per share on issue of 1,138,992 ordinary shares of Rs. 10 each issued during the year 2004	**11,389,920**	11,389,920
Rs. 5 per share on issue of 1,879,336.8 ordinary shares of Rs. 10 each issued during the year 2007	**9,396,684**	9,396,684
	32,746,284	32,746,284

16. *SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT*

Balance as at July 01,	**433,226,784**	544,014,548
Less: Transferred to unappropriated profit on account of:		
Incremental depreciation (net of deferred tax)	**(16,546,061)**	(17,869,717)
Disposal of non-current assets classified as held for sales	**-**	(92,918,047)
Balance as at June 30,	**416,680,723**	433,226,784

17. *LONG TERM FINANCING*

From banking companies - secured

Name of the Bank / Type of Facility	*2012 Rupees*	*2011 Rupees*	*Collaterals / Securities*	*Total no. of installments*	*Remaining no. of installments*	*Frequency of payment*	*Repayment commenced from*	*Rate of markup*
Habib Bank Limited								
LTF EOP	-	1,077,501	- Joint Pari Passu (JPP) charge on present and future fixed assets of the Company. Total JPP charge is for Rs. 1,153 million. HBL's share is Rs. 400 million. - First Pari Passu charge for Rs. 130 million on all present and future current assets of the Company. - Personal Guarantees with Personal Net Worth Statements of all directors of the Company. - Subordination of directors' loan of Rs. 105 million.	10	-	Half yearly	06/Feb/08	SBP base rate + 2%
Demand Finance	140,467,497	181,267,497		64	36	Monthly	31/Mar/10	Average 6 Months KIBOR + 0.75%
Demand Finance	36,666,670	46,666,668		60	44	Monthly	31/Mar/11	Average 6 Months KIBOR + 0.75%
	177,134,167	229,011,666						
Allied Bank Limited								
Demand Finance	19,999,999	34,000,000	- Joint Pari Passu (JPP) charge on present and future fixed assets of the Company for Rs. 187 million. - Personal guarantees of directors (Mr. Muhammad Javed Anwar, Mr. Muhammad Parvez and Mr. Muhammad Haris.)	12	2	Half yearly	30/Mar/07	Average 6 Months KIBOR + 0.5%
LTF - EOP	63,450,058	81,946,026		12	7	Half yearly	25/Dec/08	SBP base rate + 0.5%
	83,450,057	115,946,026						
Faysal Bank Limited								
Term Finance - Comber	2,358,039	4,716,079	- Joint Pari Passu (JPP) charge on present and future fixed assets of the Company for Rs. 135 million. - Personal Guarantees of directors (Mr. Muhammad Javed Anwar, Mr. Muhammad Parvez and Mr. Muhammad Haris.) - Subordination of directors' loan of Rs. 90 million in favor of FBL. - Ownership of leased assets in case of Term Finance	8	2	Half yearly	31/Dec/09	Average 6 Months KIBOR + 2%
LTF - EOP Comber	17,728,937	26,593,437		8	4	Half yearly	17/Oct/09	SBP base rate + 2%
LTF - EOP Morabaha	-	4,739,639		6	-	Half yearly	01/Aug/10	SBP base rate + 2%
Long Term Finance	31,111,107	46,666,663		8	2	Half yearly	01/Jul/09	Average 6 Months KIBOR + 1%
	51,198,083	82,715,818						
United Bank Limited								
Demand Finance	**42,500,000**	63,750,000	Joint Pari Passu Charge for Rs. 86 million over present and future fixed assets of the Company.	8	4	Half yearly	01/Jul/10	Average 3 Months KIBOR + 2.5%
Bank Al Habib Limited								
Term Finance - 2	67,000,000	-	First exclusive charge over specific machineries (Gas generators, Boilers and allied machineries) installed or to be installed at mill.	18	18	Quarterly	09/Oct/12	Average 6 Months KIBOR + 2%
Term Finance - 3	7,845,155	15,690,311	Joint Pari Passu charge with United Bank Limited, Habib Bank Limited, Faysal Bank Limited and Allied Bank Limited over fixed assets of the Company. (Bank Al Habib's share is Rs. 297 million.)	9	2	Half yearly	14/Feb/09	Average 6 Months KIBOR + 1.5%
	74,845,155	15,690,311						
LONG TERM FINANCES	**429,127,462**	507,113,821						
Current portion grouped under current liabilities	**(175,491,479)**	(144,627,235)						
	253,635,983	362,486,586						

17.1 Effective rate of mark up on long term loans ranges from 7% to 17.6% (2011: 7% to 15.78%) per annum.

18. *SUBORDINATED LOANS*

Unsecured- from related parties	Note	2012 Rupees	2011 Rupees
Mian Muhammad Javed Anwar		**27,500,000**	27,500,000
Mian Muhammad Parvez		**27,500,000**	27,500,000
Dr. Muhammad Haris		**35,000,000**	35,000,000
Mrs. Waheeda Parvez		**15,000,000**	15,000,000
	18.1	**105,000,000**	105,000,000

18.1 These interest free subordinated loans were obtained during the years ended June 30, 2008 and 2009 from the directors of the Company. These loans are subordinated to long term finances from Habib Bank Limited and Faysal Bank Limited.

19. *LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - Secured*

	2012		*2011*	
	Minimum lease payment	***Present value***	*Minimum lease payment*	*Present value*
	Rupees	***Rupees***	*Rupees*	*Rupees*
Within one year	**3,007,574**	**2,927,290**	18,045,444	16,041,139
After one year but not more than five years	**-**	**-**	3,007,574	2,927,290
Total minimum lease payments	**3,007,574**	**2,927,290**	21,053,018	18,968,429
Less: Amount representing mark-up	**(80,284)**	**-**	(2,084,589)	-
Present value of minimum lease payments	**2,927,290**	**2,927,290**	18,968,429	18,968,429
Less: Current portion	**(2,927,290)**	**(2,927,290)**	(16,041,139)	(16,041,139)
	-	**-**	2,927,290	2,927,290

In 2007, the Company entered into an Ijara (lease agreement) with Meezan Bank Limited for installation of power grid station. The liabilities under the Ijara are payable in monthly installments by July 2012 and are subject to mark-up at the rate of average 6 Months KIBOR plus 2%. During the year mark-up has been charged at the rates ranging from 13.82% to 15.37% (2011: 14.50% to 15.37%) per annum. The Company intends to exercise its option to purchase the assets under Ijara upon completion of Ijara terms. The said facility is secured against exclusive ownership of asset under Ijara.

20. *DEFERRED TAXATION*

	Note	2012 Rupees	2011 Rupees
The deferred taxation liability comprises of temporary differences arising due to:			
Credit balance arising in respect of			
- Accelerated tax depreciation allowances		116,642,029	163,751,914
- Lease finances		6,650,298	4,598,014
- Surplus on revaluation of property, plant and equipment		66,679,832	65,397,749
Debit balances arising in respect of:			
- Provision for gratuity		(848,139)	(738,892)
- Provision for doubtful debts		-	(19,452)
- Carry forward losses		(2,933,472)	(102,883,968)
		186,190,549	130,105,365

21. *TRADE AND OTHER PAYABLES*

	Note	2012 Rupees	2011 Rupees
Creditors		**81,869,470**	137,881,250
Accrued liabilities	21.1	**78,570,788**	88,402,081
Workers' Profit Participation Fund		**8,821,799**	12,412,862
Advances from customers		**11,612,637**	7,631,859
Other advances		**843,629**	706,288
Unclaimed dividend		**2,622,038**	2,450,217
Derivative cross currency swap		**1,844,710**	1,844,710
Tax deducted at source		**819,355**	968,645
		187,004,426	252,297,912

21.1 These include staff gratuity payable amounting to Rs. 6,685,964 (2011: Rs. 6,219,932)

22. *FINANCES UNDER MARK UP ARRANGEMENTS AND OTHER CREDIT FACILITIES*

From banking companies - Secured

	Note	2012 Rupees	2011 Rupees
Short term finances	22.1	**140,956,421**	263,037,837
Export finances	22.2	**350,768,033**	334,171,702
		491,724,454	597,209,539

22.1 Short term finance facilities available from commercial banks under mark-up arrangements aggregate to Rs. 992 million (2011: Rs. 962.1 million) of which facilities aggregating Rs. 852 million (2011: Rs. 686.9 million) remained unutilized at the year end. These facilities, during the year, carried markup at the rates ranging from 12.54% to 15.31% (2011: 12.89% to 15.55%) per annum.

22.2 The Company has obtained export finance facilities from commercial banks aggregating to US$ 3.98 million (2011: US$ 1.9 million) of which facilities aggregating US$ 0.372 million (2011: US$ 0.479 million) remained unutilized at the year end. These facilities, during the year, carried markup at the rates ranging from 3.5% to 3.75% (2011: 2.5% to 3.5%) per annum.

Finances under mark up arrangements and other credit facilities - continued

These includes foreign currency balances aggregated US$ 3.618 million (2011: US$ 3.89 million) which have been converted into Pak rupees at the exchange rate of Rs. 94.2 (2011: Rs. 85.6) prevailing on the balance sheet date.

22.3 Facilities available for opening letters of credit and guarantee aggregate Rs. 239 million (2011: Rs. 142 million).

22.4 The aggregate facilities are secured against pledge, hypothecation of stock in trade, book debts, lien on export bills, lien on title documents and personal guarantees of all the working directors of the Company.

23. *CURRENT PORTION OF NON-CURRENT LIABILITIES*

	Note	2012 Rupees	2011 Rupees
Long term financing	17	**175,491,479**	144,627,235
Liabilities against assets subject to finance lease	19	**2,927,290**	16,041,139
		178,418,769	160,668,374

24. *MARK-UP ACCRUED*

	2012 Rupees	2011 Rupees
Long term financing	**13,630,639**	17,619,816
Finances under mark-up arrangements and other credit facilities	**11,725,780**	19,956,373
	25,356,419	37,576,189

25. *PROVISION FOR TAXATION*

	Note	2012 Rupees	2011 Rupees
Balance as at July 01,		**38,196,732**	20,429,451
Add: Provision made during the year	35	**33,640,570**	37,829,455
Less: Prior year adjustment		**(18,334,064)**	(158,432)
Payments / adjustments against completed assessments		**(19,862,668)**	(19,903,742)
Balance as at June 30,		**33,640,570**	38,196,732

25.1 Income tax returns of the Company have been filed, completed up to the Tax Year 2011 and deemed assessed.

26. *CONTINGENCIES AND COMMITMENTS*

Contingencies

26.1 Excise and Taxation Department Karachi has imposed excise duty of Rs. 7.1 million on account of machinery imported by the Company. The Company has not accepted it and filed a suit in Sindh High Court Karachi against said levy. The Honourable High Court issued order " Till the next date, the respondent may not recover impugned levy upon the appellants furnishing bank guarantee for the amount demanded" The decision of the Court is still pending. The management of the Company is very confident that decision will be made in their favour. A bank guarantee amounting to Rs. 7.1 million had been given by Bank Al-Habib Limited on behalf of the Company in favour of the Director Excise and Taxation Karachi .

26.2 Foreign bills discounted outstanding as at June 30, 2012 aggregated Rs. 65.098 million (2011: 22.03 million)

26.3 The Company has not accounted for additional 2% Earthquake Surcharge (EQS) being claimed by Multan Electric Power Company (MEPCO) through monthly electricity bills. The recovery of EQS has been stayed by Honourable Islamabad High Court. The decision of the appeal is still pending. The Company is expecting favourable decision from the Court. The total liability billed by MEPCO and not paid by the Company till 30th June 2012 works out to Rs. 5,761,656.

26.4 Through the Finance Act, 2006 an amendment was made in section 2(i) of the Workers' Welfare Fund Ordinance, 1971 (the WWF Ordinance) whereby the definition of 'total income' has been amended, the effect of the amendment is that the term "total income" for the purposes of the WWF Ordinance is deemed to be 'profit before taxation' as per the accounts or declared income as per the return, whichever is higher.

Based on the legal advice and judgment of High Court of Sindh in a similar case it is ascertained that under section 4(1) of the WWF Ordinance the incidence of WWF is not just on "total income" but on the total income which is "assessable" under the Income Tax Ordinance, 2001 (the Tax Ordinance), and the term "assessable" under the Tax Ordinance means income which is given the benefit of depreciation, brought forward/carry forward losses and excludes income falling under the Final Tax Regime (FTR) i.e. declared income .

Further, through Finance Act, 2008 amendments were made where in mainly section 4(5) the term "assessed income" has been substituted with the term "total income" this means that purportedly the WWF is to be charged at 2% of the "total income", as defined and amended in section 2(i) through Finance Act, 2006.

Lahore High Court vide its judgment dated August 19, 2011 on a similar case has declared the amendments introduced vide Finance Act, 2006 and Finance Act, 2008 in the WWF Ordinance as unconstitutional and therefore struck down on the basis that the contribution paid towards the fund under the WWF Ordinance is a fee and not a tax. However FBR has filed an appeal with the Supreme Court of Pakistan which has been granted leave but the decision is still pending.

The management expects that the appeal against the applicability of WWF pending in the Honourable Supreme Court of Pakistan on the subject as referred above will be decided in favour of the taxpayers. Based on the above facts, the Company is booking its liability against WWF in the light of decision of Honourable Lahore High Court. The aggregate unrecognised disputed amount of WWF as at June 30, 2012 works out to Rs. 8,069,171 (June 30, 2011 Rs. 4,716,887).

27. *Sales - net*

	Note	2012 Rupees	2011 Rupees
Local:			
Yarn		**323,118,308**	496,967,597
Fabric (net of sales tax of Rs. 166,982 (2011: Rs. Nil))		**1,140,709,669**	870,906,281
Waste (net of sales tax of Rs. 79,637 (2011: Rs. Nil))		**77,439,734**	123,058,401
		1,541,267,711	1,490,932,279
Export:			
Yarn		**824,381,602**	1,020,043,481
Fabric		**983,432,055**	1,477,849,936
Waste		**27,834,558**	2,989,578
		1,835,648,215	2,500,882,995
		3,376,915,926	3,991,815,274

28. *Cost of Sales*

	Note	2012 Rupees	2011 Rupees
Raw material consumed	**28.1**	**2,316,922,513**	2,550,844,455
Salaries, wages and benefits	**28.2**	**115,395,661**	135,190,510
Stores and spares consumed		**56,540,215**	62,549,845
Packing materials consumed		**27,764,478**	23,434,908
Chemicals consumed		**36,117,169**	37,531,654
Processing charges		**3,912,293**	5,282,573
Power and fuel		**340,036,070**	291,936,515
Repair and maintenance		**1,124,364**	9,848,509
Insurance		**6,531,148**	8,101,265
Depreciation	**3.1.1**	**79,419,584**	82,142,526
Others		**2,703,785**	9,082,238
		2,986,467,280	3,215,944,998
Adjustment of work-in-process			
Opening stock		**68,930,564**	63,425,408
Closing stock	**7**	**(78,649,546)**	(68,930,564)
		(9,718,982)	(5,505,156)
Cost of goods manufactured		**2,976,748,298**	3,210,439,842
Adjustment of finished goods			
Opening stock		**161,253,999**	357,132,817
Closing stock	**7**	**(186,006,924)**	(161,253,999)
		(24,752,925)	195,878,818
Cost of goods sold		**2,951,995,373**	3,406,318,660

28.1 *Raw material consumed*

	Note	2012 Rupees	2011 Rupees
Opening stock		**268,960,874**	194,251,134
Purchases including direct expenses		**2,241,942,702**	2,625,554,195
		2,510,903,576	2,819,805,329
Less: Closing stock	**7**	**(193,981,063)**	(268,960,874)
		2,316,922,513	2,550,844,455

28.2 These include Rs.4,800,000 (2011: Rs.7,855,723) in respect of staff gratuity.

		Note	2012 Rupees	2011 Rupees
29.	***OTHER OPERATING (LOSS) / INCOME***			
	Income from financial assets:			
	Profit on bank deposits		**42,412**	48,836
	Profit on investments		**798,824**	26,296
	Mark-up on security deposit with SNGPL		**1,945,626**	-
	Exchange rate fluctuation (loss) / gain		**(7,589,932)**	1,707,415
			(4,803,070)	1,782,547
	Income from non-financial assets:			
	Export rebate on packing materials		**17,641**	118,749
	Gain on disposal of property, plant and equipment		**113,703**	1,749,138
	Others		**62,750**	914,794
			194,094	2,782,681
			(4,608,976)	4,565,228
30.	***PROFIT ON TRADING***			
	Yarn:			
	Local		**12,839,540**	38,192,420
	Export		**5,065,515**	7,202,715
	Less: Purchase and purchase expenses		**(15,652,365)**	(42,483,715)
			2,252,690	2,911,420
	Fabric:			
	Export		**4,231,173**	10,763,506
	Less: Purchase and purchase expenses		**(2,752,208)**	(11,840,606)
			1,478,965	(1,077,100)
			3,731,655	1,834,320
31.	***DISTRIBUTION COST***			
	Commission		**59,018,249**	87,973,217
	Freight, forwarding and others		**33,355,363**	38,989,104
	Export development surcharge		**3,546,535**	4,871,633
	Export expenses		**3,541,903**	4,679,969
			99,462,050	136,513,923

		Note	2012 Rupees	2011 Rupees
32.	***ADMINISTRATIVE EXPENSES***			
	Director's meeting fee		**5,500**	3,000
	Staff salaries and benefits	**32.1**	**14,996,623**	13,950,191
	Vehicles running and maintenance		**1,966,339**	2,724,613
	Utilities		**552,764**	548,880
	Travelling and conveyance		**1,688,167**	621,225
	Printing and stationery		**278,778**	299,571
	Communication		**1,602,499**	1,844,758
	Rent, rates and taxes		**6,567**	606,567
	Repair and maintenance		**998,113**	685,128
	Entertainment		**708,076**	1,233,413
	Fees and subscription		**964,926**	550,635
	Advertisement		**67,200**	107,150
	Depreciation	**3.1.1**	**4,967,251**	5,578,119
	Auditors' remuneration	**32.2**	**650,000**	650,000
	Legal and professional charges		**457,144**	140,000
	Others		**1,052,538**	688,097
			30,962,485	30,231,347

32.1 These include Rs.500,000 (2011: Rs. Nil) in respect of staff gratuity.

			2012	2011
32.2	***Auditors' remuneration***			
	Annual audit		**500,000**	500,000
	Half yearly accounts review		**150,000**	150,000
			650,000	650,000
33.	***OTHER OPERATING EXPENSES***			
	Workers' Profit Participation Fund		**8,821,799**	12,412,862
	Charity and donation	**33.1**	**129,800**	80,500
			8,951,599	12,493,362

33.1 No director or his spouse had any interest in the donee.

			2012	2011
34.	***FINANCE COST***			
	Mark-up on:			
	Long term financing		**50,797,420**	71,971,202
	Liabilities against assets subject to finance lease		**1,809,377**	3,978,390
	Finances under mark up arrangements		**56,805,679**	98,471,077
	Interest on Workers' Profit Participation Fund		**1,002,561**	-
	Bank charges		**7,311,713**	8,328,361
	Gain on cross currency swap		**(673,839)**	(5,985,871)
			117,052,911	176,763,159

	Note	2012 Rupees	2011 Rupees
35. *TAXATION*			
Current		**33,640,570**	37,829,455
Prior year		**(18,334,064)**	-
Deferred		**56,085,184**	25,847,621
		71,391,690	63,677,076

35.1 Relationship between tax expense and accounting profit

The provision for current taxation represents the minimum tax liability under section 113 and 169 of the Income Tax Ordinance, 2001. Accordingly tax charge reconciliation has not been prepared and presented.

36. *EARNINGS PER SHARE*

***36.1* Basic**

		2012	2011
Profit after taxation	***Rupees***	**96,222,497**	172,217,295
Weighted average number of ordinary shares	***No.***	**14,408,248.8**	14,408,248.8
Earnings per share	***Rupees***	**6.68**	11.95

36.2 Diluted

There is no dilutive effect on the basic earnings per share of the Company as at June 30, 2012.

37. CASH FLOWS FROM OPERATING ACTIVITIES	2012 Rupees	2011 Rupees
Profit before taxation	**167,614,187**	235,894,371
Adjustments for:		
Depreciation on property, plant and equipment	**84,386,835**	**87,720,645**
Provision for gratuity	**5,300,000**	7,855,723
Provision for Workers' Profit Participation Fund	**8,821,799**	2,900,000
Gain on sale of assets held for sale	**-**	(1,164,554)
Gain on disposal of property, plant and equipment	**(113,703)**	(584,584)
Loss / (gain) on exchange rate fluctuation	**7,589,932**	(1,707,415)
Mark up on security deposit with SNGPL	**(203,513)**	-
Accrued finance cost	**117,052,911**	176,763,159
	222,834,261	271,782,974
Cash flows before working capital changes c/f	**390,448,448**	507,677,345

CASH FLOWS FROM OPERATING ACTIVITIES - continued	2012 Rupees	2011 Rupees
Cash flows before working capital changes b/f	**390,448,448**	507,677,345
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**4,872,824**	10,162,481
Stock-in-trade	**40,507,904**	115,663,922
Trade debts	**121,541,679**	(171,665,055)
Loans, advances and prepayments - excluding advance income tax	**16,562,379**	(128,471,542)
Tax refunds due from government	**(10,594,389)**	4,919,869
Short term investments	**(20,394,452)**	-
Other receivables	**(1,214,824)**	(488,487)
(Decrease) / increase in current liabilities:		
Trade and other payables (excluding provision for gratuity, unclaimed dividend and provision for Workers' Profit Participation Fund)	**(62,340,276)**	29,625,264
	88,940,845	(140,253,548)
CASH GENERATED FROM OPERATIONS	**479,389,293**	367,423,797

38. *RELATED PARTY TRANSACTIONS*

The related parties comprise of an associated undertaking (Ahmad Cotton Industries), Chief Executive Officer, directors and executives of the Company.

38.1 The Company, during the year, purchased goods aggregating Rs. 183,786,668 (2011: Rs. 12,562,574) from the associated undertaking.

38.2 Maximum aggregate amount due to the associated undertaking at any month end during the year was Rs. 1,650,350 (2011: Rs. 18,693,726).

38.3 No interest was charged on the associated undertaking's balances during the year as these arose due to normal trade dealings.

38.4 Remuneration and benefits to Chief Executive Officer, directors and executives under the term of their employment as disclosed in note 41.

39. *FINANCIAL RISK MANAGEMENT*

The Companys principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to raise finance for the Companys operations. The Company has loan and advances, trade and other receivables, and cash and short term deposits that arise directly from its operations. The Company also holds investment held to maturity investment.

The Companys activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Companys senior management oversees the management of these risks. The Board of Directors reviews these policies periodically.

39.1 Credit risk and concentration of credit risk

The Company is exposed to credit risk from its operating activities (primarily for trade receivables, advances and loan) and from its financing activities, including deposits with banks.

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties to the financial instruments fails to perform as contracted. Out of the total financial assets of Rs. 403,496,047 (2011 : Rs.529,319,169), the financial assets which are subject to credit risk amounted to Rs.403,196,449 (2011 : Rs.529,294,053). The management believes that the Company is not exposed to major concentration of credit risk. The management monitors and limits the Company's exposure to credit risk through monitoring of clients credit exposure review and conservative estimates of provision for doubtful receivable. The management is of the view that it is not exposed to significant concentration of credit risk.

The maximum exposure to credit risk as at the reporting date is tabulated below:
Financial assets

	2012 ***Rupees***	***2011*** ***Rupees***
Long term investments	**259,480**	259,584
Long term deposits	**39,180,010**	38,972,497
Trade debts	**244,238,658**	373,370,269
Loans and advances	**92,942,433**	109,504,812
Short term investments	**20,394,452**	-
Other receivables	**2,964,372**	1,749,548
Bank balances	**3,217,044**	5,437,343
	403,196,449	529,294,053

The bank balances and investments along with credit ratings are tabulated below:

Credit rating	**Bank Balances**	**Short term Investmenst**	**Long term Investments**
June 30, 2012:			
A1+	**2,433,734**	**394,452**	-
A-1+	**783,310**	-	-
AAA		**20,000,000**	-
AA+	-	-	**259,480**
	3,217,044	**20,394,452**	**259,480**
June 30, 2011:			
A1+	5,350,137	-	
A-1+	87,206	-	
AA+	-	-	259,584
	5,437,343	-	259,584

Due to Company's long standing relationship with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company.

39.1.1 *Credit risk related to receivables*

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on past experience with the customer. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit.

At June 30, 2012, the Company has approximately 10 customers (2011: 17 customers) that owed more than Rs. 7 million each and accounted for approximately 77% (2011: 47%) of all trade debts. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets mentioned in Note 8.

The Company does not hold collateral as security.

39.1.2 *Credit risk related to financial instruments and cash deposits*

Credit risk on balances with banks is managed by management in accordance with the Company's policy. Excess funds are placed in deposits with reputable banks and financial institutions.

39.2 *Liquidity risk management*

Liquidity risk reflects the Companys inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

The Company manages liquidity risk by maintaining adequate reserves and borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in note 22.1 is a listing of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

Financial Liabilities in accordance with their contractual maturities are presented as follows:

	Interest/markup bearing			*Non-Interest/markup bearing*			*Total*
	Maturity within 1 year	*Maturity after 1 year*	*Sub-total*	*Maturity within 1 year*	*Maturity after 1 year*	*Sub-total*	
June 30, 2012	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*	*Rupees*
Financial liabilities							
Long term financing	**175,491,479**	**253,635,983**	**429,127,462**	-	-	-	**429,127,462**
Liabilities against assets subject to finance lease	**2,927,290**	-	**2,927,290**	-	-	-	**2,927,290**
Subordinated loan	-	-	-	-	**105,000,000**	**105,000,000**	**105,000,000**
Trade and other payables	-	-	-	**165,726,361**	-	**165,726,361**	**165,726,361**
Accrued markup	-	-	-	**25,356,419**	-	**25,356,419**	**25,356,419**
Short term borrowings	**491,724,454**	-	**491,724,454**	-	-	-	**491,724,454**
	670,143,223	**253,635,983**	**923,779,206**	**191,082,780**	**105,000,000**	**296,082,780**	**1,219,861,986**
June 30, 2011							
Financial liabilities							
Long term financing	144,627,235	362,486,586	507,113,821	-	-	-	507,113,821
Liabilities against assets subject to finance lease	16,041,139	2,927,290	18,968,429	-	-	-	18,968,429
Subordinated loans	-	-	-	-	105,000,000	105,000,000	105,000,000
Trade and other payables	-	-	-	232,253,191	-	229,802,974	229,802,974
Accrued markup	-	-	-	37,576,189	-	37,576,189	37,576,189
Short-term borrowings	597,209,539	-	597,209,539	-	-	-	597,209,539
	757,877,913	365,413,876	1,123,291,789	269,829,380	105,000,000	372,379,163	1,495,670,952

39.3 Market risk management

Market risk is the risk that changes market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

39.3 .1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Companys exposure to the risk of changes in market interest rates relates primarily to the Companys short term debt obligations having floating interest rates .

39.3 .2 Interest rate sensitivity

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Companys profit before taxation for the year ended June 30, 2012 would decrease by Rs. 4,618,896 (2011: Rs. 5,616,459). This is mainly attributable to the Companys exposure to interest rates on its variable rate borrowings .

The Companys sensitivity to interest rates has decreased during the current year mainly due to the decrease in borrowings and variable rate debts.

39.3 .3 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. As at June 30, 2012, the total foreign currency risk exposure was Rs. 340,853,012 (2011: Rs. 261,408,288) in respect of foreign trade debts. However, Rs. 181,870,884 (2011: Rs. 192,042,984) were payable in respect of foreign currency borrowing.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

39.3 .4 Foreign currency sensitivity analysis

At June 30, 2012, if the Rupee had strengthen/weakened by 5% against the US dollar and Euro with all other variables held constant, profit before taxation for the year would have been (decreased) / increased by Rs. 345,845 (2011: Rs. 384,664) mainly as a result of foreign exchange gains on translation of US dollar-denominated trade receivables and foreign exchange losses on translation of US dollar short term borrowings. Profit is less sensitive to movement in Rupee/US dollar and Rupee/Euro exchange rates in year 2012 than in year 2011.

39.3 .5 Equity price risk management

The Company is not exposed to equity price risks arising from equity investments as the Company has no such investment are held for trading purpose.

39.4 Determination of fair values

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction other than in a forced or liquidation sale.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

39.5 Fair value estimation

IFRS 7 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measured fair value of financial instruments.

- Level 1; Quoted prices (unadjusted) in active market for identical assets or liabilities

- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. drive from prices). The Company has no items to report in this level.

- Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial assets measured at above mentioned levels.

39.6 Financial instruments by category

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an approximate mix between various sources of finance to minimize risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

	Note	*2012* *Rupees*	*2011* *Rupees*
Financial assets as per balance sheet			
Loan and receivable			
Long-term deposits	**5**	**39,180,010**	38,972,497
Trade debts	**8**	**244,238,658**	373,370,269
Loans and advances	**9**	**92,792,313**	109,497,754
Other receivables	**12**	**2,964,372**	1,749,548
Cash and bank balances	**13**	**3,666,866**	5,469,621
Held to maturity investments			
Long term investments	**4**	**259,376**	259,480
Short term investments	**11**	**20,394,452**	-
		403,496,047	529,319,169
Financial liabilities as per balance sheet			
Financial liabilities measured at amortised cost			
Long term financing	**17**	**429,127,462**	507,113,821
Liabilities against assets subject to finance lease	**19**	**2,927,290**	18,968,429
Subordinated loans	**18**	**105,000,000**	105,000,000
Trade and other payables	**21**	**165,726,361**	232,253,191
Mark-up accrued	**24**	**25,356,419**	37,576,189
Finances under mark up arrangements and other credit facilities	**22**	**491,724,454**	597,209,539
		1,219,861,986	1,498,121,169

40. CAPITAL DISCLOSURE

The Company's objectives, policies and processes for managing capital are as follows:

- The Company is not subject to any externally imposed capital requirements.
- The Companys objectives when managing capital are to safeguard the Companys ability to continue as a going concern in order to provide returns for shareholders and benet for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
- Consistently with others in the industry, the Company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the balance sheet) less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e., share capital and unappropriated profit).
- The debt-to-adjusted capital ratios at June 30, 2012 and June 30, 2011 were as follows:

	2012 Rupees	2011 Rupees
Total debt	**1,028,779,206**	1,228,291,789
Less: Cash and cash equivalents	**(3,666,866)**	(5,469,621)
Net debt	**1,025,112,340**	1,222,822,168
Total equity	**673,668,442**	578,910,409
Adjusted capital	**1,698,780,782**	1,801,732,577
Debt-to-adjusted capital ratio	**0.60**	0.68

41. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2012		2011	
	Rupees	No. of persons	Rupees	No. of persons
Managerial remuneration:				
Chief executive officer	-	-	1,056,000	1
Directors	**3,120,000**	**3**	2,835,000	3
Executives	**975,000**	**2**	-	-
No. of persons	**4,095,000**	**5**	3,891,000	4

41.1 Meeting fee amounting to Rs. 5,500 (2011: Rs. 3,000) was paid to one (2011: one) non-working directors. The chief executive officer, the three directors and the two executives are provided with the Company maintained cars. The chief executive officer and the three directors are provided with telephone at their residences.

41.2 Remuneration of chief executive officer, directors and executives has been included in "Administrative Expenses - Staff salaries and benefits (Note 32)".

42. SEGMENT REPORTING

42.1 REPORTABLE SEGMENTS

The management has determined the operating segments of the Company on the basis of the difference in the products produced.

The Company's reportable segments are as follows:

- Spinning segment - production of different qualities of yarn using natural and artificial fibers.
- Weaving segment - production of different qualities of fabric using yarn.

Information regarding the Company's reportable segments is presented below:

42.2 Segment revenue and results

Following is an analysis of the Company's revenue and results by reportable operating segments :

	Spinning	Weaving	Total
	Rupees	Rupees	Rupees
For the year ended 30 June 2012			
Sales - net	1,242,080,747	2,156,971,407	**3,399,052,154**
Cost of sales	(858,908,831)	(2,019,844,698)	**(2,878,753,529)**
Other unallocated expenses			**(91,646,417)**
Gross profit	**383,171,916**	**137,126,709**	**428,652,208**
Distribution and marketing expenses	(36,345,396.24)	(63,116,653.76)	**(99,462,050)**
Administrative expenses	(11,314,303.15)	(19,648,181.85)	**(30,962,485)**
Finance cost			**(117,052,911)**
Profit before tax and unallocated expenses			**181,174,762**
Unallocated income and expenses:			
Other operating expenses			**(8,951,599)**
Other operating loss			**(4,608,976)**
Taxation			**(71,391,690)**
Profit after taxation			**96,222,497**

SEGMENT REPORTING - CONTINUED

42.2.1 The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.5 to the financial statements. Administrative expenses, Distribution & marketing expenditures are allocated on the basis of Sales. This is the measure reported to management for the purposes of resource allocation and assessment of segment performance.

		2012 Rupees
42.3	**Gross revenue from major products and services**	
	Fabric export sales	**987,663,228**
	Yarn export sales	**829,447,117**
	Waste export sale	**27,834,558**
	Fabric local sales	**1,140,709,669**
	Yarn local sales	**335,957,848**
	Waste local sales	**77,439,734**
	Total sale	**3,399,052,154**
42.4	**Gross revenue from major customers**	
	Spinning	1,408,352,499
	Weaving	1,421,920,050
		2,830,272,549

42.5 Geographical information

The Company's gross revenue from external customers by geographical location is detailed below:

Pakistan	**1,541,267,711**
Africa	**12,435,120**
Asia	**940,829,322**
Europe	**904,520,001**
	3,399,052,154

All non-current assets of the Company as at June 30, 2012 are located and operating in Pakistan.

42.6 Segment assets and liabilities

Reportable segments' assets and liabilities are reconciled to total assets and liabilities as follows:

As at 30 June 2012	Spinning Rupees	Weaving Rupees	Total Rupees
Segment assets for reportable segment			
Operating fixed assets	903,016,580	624,958,391	**1,527,974,971**
Un allocated operating assets			**84,337,891**
Total operating assets			**1,612,312,862**
Stores, spares and loose tools	15,092,938	17,991,062	**33,084,000**
Stock in trade	170,596,705	288,040,828	**458,637,533**
Other unallocated corporate assets			**447,285,940**
Total assets as per balance sheet			**2,551,320,335**
Segment liabilities for reportable segment	298,677,449	133,377,303	**432,054,752**
Unallocated corporate liabilities			**1,028,916,418**
Total liabilities as per balance sheet			**1,460,971,170**

For the purposes of monitoring segment performance and allocating resources between segments:

- operating property, plant & equipment, Stocks in trade and Stores, spares and Loose tools are allocated to reportable segments while all other assets are held under unallocated corporate assets; and

- long term loan and liabilities against assets subject to finance lease are allocated to reportable segment and all other liabilities (i.e) loans from related parties, deferred liabilities, trade and other payable, short term borrowings and accrued mark up are held under unallocated corporate assets.

42.7 Other segment information

	Spinning Rupees	Weaving Rupees	Total Rupees
For the year ended 30 June 2012			
Capital expenditure	567,789	28,501,771	**29,069,560**
Common capital expenditure			**66,835,294**
Depreciation:			**95,904,854**
Cost of sales	49,009,432	30,410,153	**79,419,585**
Administrative expenses	2,652,709	2,314,541	**4,967,250**
			180,291,689

42.8 The comparative information for segment reporting has not been presented in these financial statements.

43. *CAPACITY AND PRODUCTION*

		2012	2011
Yarn			
Number of spindles installed		**20,760**	20,760
Installed capacity after conversion into 20's count (1095 shifts)	Kgs	**7,820,907**	7,820,907
Actual production of yarn after conversion into 20's count	Kgs	**7,442,225**	7,793,214
Fabric			
Number of looms installed		**130**	130
Number of looms worked		**130**	130
Installed capacity after conversion into 60 picks	Sq. mtrs	**41,538,600**	41,538,600
Actual production of fabric after conversion into 60 picks	Sq. mtrs	**34,850,626**	37,813,546

It is difficult to describe precisely the production capacity in Spinning / Weaving Mills since it fluctuates widely depending on various factors such as count of yarn spun, spindles speed twist, the width and construction of fabric woven etc. It also varies according to the pattern of production adopted in a particular year. Under utilization of capacities is due to electricity shut down and normal repair & maintenance.

44. *RECLASSIFICATION*

Comparative figures in these financial statements have been reclassified where necessary for the purpose of comparison. Following major reclassifications has been made in the financial statements to give better presentation:

Previous classification	*Current classification*	Rupees
Advances to suppliers (Note 9)	Security deposits against utilities (Note 5)	34,390,000

45. *DATE OF AUTHORIZATION*

These financial statements were authorized for issue on October 06, 2012 by the board of directors of the Company.

46. *GENERAL*

Figures

- Figures have been rounded-off to the nearest Pak Rupee except stated otherwise.

sd/-	sd/-	sd/-	sd/-
Mian Muhammad Javed Anwar	Mian Muhammad Parvez	Muhammad Haris	Dr. Rashid Nawaz Khan
Chairman	Chief Executive Officer	Director	Chief Financial Officer

FORM 34

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number **0020650**
2. Name of the Company **Ahmad Hassan Textile Mills Limited**
3. Pattern of holding the shares held by the shareholders as at **30.06.2012**

ORDINARY SHARES

Category	Shareholdings From	To	No. of shareholders	No. of shares held
1	1	100	113	7,155
2	101	500	426	195,716
3	501	1000	118	75,622
4	1001	5000	46	84,879
5	5001	10000	3	16,761
6	10001	15000	4	45,930
7	20001	25000	1	23,511
8	60001	65000	1	64,000
9	65001	70000	1	70,000
10	70001	75000	1	71,400
11	85001	90000	1	86,890
12	210001	215000	1	214,400
13	275001	280000	1	276,513
14	320001	325000	1	324,608
15	325001	330000	1	325,615
16	405001	410000	1	406,444
17	430001	435000	3	1,296,000
18	445001	450000	2	900,000
19	525,001	530000	1	527,000
20	540001	545000	1	541,879
21	645001	650000	3	1,942,734
22	690001	695000	1	690,943
23	705001	710000	1	708,526
24	800001	805000	1	804,540
25	895001	900000	1	895,865
26	910001	915000	1	913,009
27	1015001	1020000	1	1,016,731
28	1880001	1885000	1	1,881,577
			737	**14,408,248**

Categories of Share Holders
As At: 30-Jun-2012

Category	Number of shareholders	No. of shares held	Percentage of capital
Directors / Sponsors	9	6,107,339	42.3878
Financial Institutions	8	115,148	0.7992
Joint Stock Companies	9	3,044	0.0211
Other Companies	1	1,550	0.0108
Individuals	708	7,267,958	50.4430
NIT & ICP	2	913,209	6.3381
Grand Total	**737**	**14,408,248**	**100.0000**

Sr. No	Folio/(Par ID-A/c No)	Name	Shares Held	Percentage
Directors / Sponsors			**6,107,339**	**42.3878**
1.	3	Mian Muhammad Javed Anwar	71,400	0.4955
2.	5	Mrs. Salma Javed	804,540	5.5839
3.	7	Mian Muhammad Parvez	1,016,731	7.0566
4.	8	Mrs. Waheeda Parvez	527,000	3.6576
5.	9	Mr. Muhammad Haris	276,513	1.9191
6.	10	Mr. Muhammad Aurengzeb	647,578	4.4945
7.	CDC-112 (3525-54113)	Mr. Muhammad Haris	1,881,557	13.0590
8.	CDC-114 (3525-76212)	Mian Muhammad Javed	450,000	3.1232
9.	CDC-115 (3525-76229)	Muhammad Aurangzeb	432,000	2.9983
Financial Institutions			**115,148**	**0.7992**
10.	6196	National Bank of Pakistan	500	0.0035
11.	7019	NDFC	4,000	0.0278
12.	CDC-23 (2295-39)	Faysal Bank Limited	40	0.0003
13.	CDC-119 (3798-52)	The Bank of Khyber	6	0.0000
14.	CDC-122 (3889-28)	National Bank of Pakistan	86,890	0.6031
15.	CDC-123 (3889-44)	National Bank of Pakistan	149	0.0010
16.	CDC-167 (7088-54)	The Bank of Punjab, Treasury Division	52	0.0004
17.	CDC-190 (11353-22)	National Investment Trust Limited	23,511	0.1632
Individual			**7,267,958**	**50.4430**
Joint Stock Companies			**3,044**	**0.0211**
726	6897	Adam Lubricants Limited	500	0.0035
727	CDC-18 (1669-26)	Shaffi Securities (Pvt) Limited	25	0.0002
728	CDC-20 (1917-41)	Prudential Securities Limited	50	0.0003
729	CDC-120 (3863-20)	Ace Securities (Pvt) Limited	95	0.0007
730	CDC-127 (4085-24)	M.R.A. Securities (Pvt) Limited	92	0.0006
731	CDC-148 (4580-23	Capital Vision Securities (Pvt) Ltd.	575	0.0040
732	CDC-162 (6684-22999)	Progressive Securities (Pvt) Ltd.	500	0.0035
733	CDC-169 (7161-21)	ZHV Securities (Pvt) Ltd.	575	0.0040
734	CDC-182 (9787-10973)	S.Z. Securities (Private) Limited	632	0.0044
NIT & ICP			**913,209**	**6.3381**
735	7106	Investment Corp. of Pakistan	200	0.0014
736	CDC-21 (2154-27)	National Bank of Pakistan - Trustee Department NI(U)	913,009	6.3367
Other Companies			**1,550**	**0.0108**
737	CDC-11 (984-11)	The Karachi Stock Exchange (G) Limited	1,550	0.108
		Grand Total:	**14,408,248**	**100.0000**

FORM OF PROXY

I, ...

....

of ....

being a member of AHMAD HASSAN TEXTILE MILLS LIMITED, hereby appoint..

of ....

as my proxy in my absence to attend and vote for me and on my behalf at the (Ordinary or / and Extraordinary as the case may be) General Meeting of the Company to be held on the .... and at any adjournment thereof.

As witness my hand this

day of 2012

Signed by the said

Five Rupees Revenue Stamp

Important

This form of proxy, duly completed, must be deposited at the Company's Registered office at 46-Hassan Parwana Colony, Multan not less than 48 hours before the time of holding the meeting (Article 76).