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COMPANY INFORMATION

Board of Directors:

Khawaja Muhammad Masood	Chairman
Khawaja Muhammad Iqbal	Chief Executive Officer
Khawaja Muhammad Ilyas	Director
Khawaja Muhammad Younus	Director
Jalal-ud-Din Roomi	Director
Mrs. Mehr Fatima	Director
Muhammad Muzafar Iqbal	Director

Chief Financial Officer

Muhammad Amin Pal
F.C.A.

Company Secretary

Ghulam Mohayuddin

Auditors

Hameed Chaudhri & Co
Chartered Accountants
H M House, 7-Bank Square,
Lahore.

Audit Committee

Khawaja Muhammad Ilyas	Chairman
Khawaja Muhammad Younus	Member
Muhammad Muzafar Iqbal	Member

Stock Exchange Listing

The Mahmood Textile Mills Limited is a listed Company and its shares are traded on Karachi Stock Exchanges in Pakistan.

Bankers

MCB Bank Limited
United Bank Limited
Habib Bank Limited
Allied Bank Limited
Bank Al-Habib Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Bank Alfalah Limited

Mills

Mahmoodabad, Multan Road,
Muzaffargarh.

Masoodabad, D.G. Khan Road,
Muzaffargarh.

Registered Office

Mehr Manzil, Lohari Gate, Multan.
Tel.: 061-111-181-181 Fax: 061-4511262
E-mail: info@mahmoodgroup.com

Share Registrar

Hameed Majeed Associates (Pvt.) Ltd.
H M House, 7-Bank Square,
Lahore.

www.mahmoodgroup.com

VISION STATEMENT

To be recognized internationally and locally as dynamic, quality conscious and ever progressive Textile Product manufacturer in the Textile Industry of Pakistan

MISSION

Mahmood Group is committed to:

- Be ethical in its practices.
- Excel through continuous improvement by adopting most modernized technology in production.
- Operate through professional Team work.
- Retain our position as leaders and innovators in the Textile Industry.
- Achieve Excellence in the quality of our product.
- Be a part of country's economic development and social Prosperity.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 41st Annual General Meeting of the Company will be held on Monday, 31st October, 2011, at 11.00 A.M., at its Registered Office, Mehr Manzil, O/s Lohari Gate, Multan to transact the following business:

1. To confirm the Minutes of Annual General Meeting held on 30th October, 2010.
2. To receive consider and adopt the Audited Accounts for the year ended 30th June, 2011 together with Director's and Auditor's Reports thereon.
3. To approve payment of Cash Dividend @ 100 % (Rs.10 per ordinary Share of Rs. 10/- each) for the year ended 30th June, 2011 as recommended by the Board of Directors.
4. To appoint Auditors for the year 2011 - 2012 and to fix their remuneration. The present Auditors M/s. Hameed Chaudhri & Company, Chartered Accountants, Lahore being eligible have offered themselves for re-appointment.
5. To transact any other business with the permission of the Chair.

by order of the board of directors

Sd/-
Ghulam Mohayuddin
Company Secretary

Multan.
Date: 06th October, 2011.

Notes:-

i) The Share Transfer Books of the Company will remain Closed from 20th October to 30th October, 2011 (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 Form duly completed should reach the Registered Office of the Company at least 48 hours before the time of Meeting.

iii) Any individual beneficial owner of CDC entitled to attend and vote at this Meeting must bring his/her CNIC or Passport. Representative of Corporate Member should bring the usual documents required for such purpose.

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


SGS
Mahmood Textile Mills Limited
ISO 9001:2008
Manufacturing and Export of Yarn and Grey Fabric
SGS


RIETER
Competence in Compacting
CERTIFICATE
Mahmood Textile Mills Ltd.
LICENSEE
your systems supplier
Rieter Textile Systems
www.rieter.com

CERTIFICATE

CERTIFICATE


CERTIFICATE


fair for life
control
IMO
CERTIFICATE
OPERATOR

COTTON USA

Cotton Council International

certifies that

Mahmood Group of Industries

is a verified

COTTON USA Licensee

This licensee has complied with the necessary licensing requirements and has been granted the right to use CCI's registered trademark on all qualifying labels, print and promotional materials for one calendar year from the date of the certificate.

Issued this **01st** *day of* **January 2011**

Executive Director
Cotton Council International

Supima®
WORLD'S FINEST COTTONS

This is to certify that

Mahmood Group of Industries

is authorized to use the Supima® trademark and name as governed by Supima. The company is a member and licensee of Supima and has agreed to uphold the highest standards of quality and distribution of all Supima cotton textile products.

This also certifies that said licensee is purchasing, consuming or using yarn or fabric made from American Pima cotton that is grown in the United States of America, specifically in the states of California, Arizona, New Mexico and the El Paso region of Texas, and that the cotton is grown by a member in good-standing of Supima.

Jesse W. Curlee, President
Supima

DIRECTORS' REPORT TO THE SHAREHOLDERS

IN THE NAME OF ALLAH, THE MOST BENEFICENT, THE MOST MERCIFUL

The Directors are pleased to welcome you on the 41st Annual General Meeting and place before you Annual Report along with Audited Financial Statements of the Company comprising Balance Sheet, Profit & Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year ended 30 June, 2011. Despite of severe energy crisis in textile sector, the Company's strategic policies made it successful to achieve encouraging financial performance for the year ended 30 June, 2011.

OPERATING PERFORMANCE

With the blessing and grace of ALMIGHTY ALLAH the Company during the year earned outstanding net profit after tax of Rs. 1,123.43 Millions for the year ended 30 June, 2011 against Rs. 578.199 Million net profit after tax for the year ended 30 June, 2010.

Earning per share increased to Rs. 74.90 in the current year from Rs. 38.55 earned in previous year.

The operating results alongwith appropriations are summarized as under:-

	2011 Rupees	2010 Rupees
Sales - Net	15,098,337,252	8,135,551,381
Gross Profit	2,227,526,901	1,507,128,176
Profit from operations	1,604,443,550	933,129,406
Profit after taxation	1,123,428,617	578,199,790
Unappropriated profit B/F	2,092,595,745	1,604,486,021
Proposed cash dividends @ Rs.10 per share (2010 @ Rs. 6 per share)	(150,000,000)	(90,000,000)
Balance retained earning	3,066,024,362	2,092,685,811
Earning per share	74.90	38.55

The main factor which contributed to achieve encouraging results was effective management of operations by directors and timely purchase of cotton at good average price for the whole year. Adequate resources were used to procure quality cotton from local & international markets at competitive prices. Later on cotton prices increased tremendously and the prices of the yarn & fabrics also increased. The scenario overall moved towards achieving excellent operating results of the Company for current fiscal year.

THREATS & CHALLENGES TO THE INDUSTRY

No doubt the Company has achieved historic performance in the current year but there are many problems and difficulties facing textile industry which needs to be redressed at all levels properly and effectively. The basic issue of this sector is regular and uninterrupted supply of electricity and sui gas at economical rate. In the total cost of the product utility expense is main cost after raw material. This problem is prevailing since many years and is aggravating day by day. In the current year unprecedented load shedding of sui gas during summer months disturbed operational performance badly. It is worth mentioning that textile industry is the only basic industry which is contributing more than 60% towards economic activity and foreign exchange earning of the country. Therefore this issue should be resolved at priority level.

The availability of good quality cotton play basic and vital role in the entire vertical and horizontal hierarchy of the textile products right from ginning/ spinning to value added goods. But unfortunately being an agrarian country, we are still unable to produce cotton to such an extent to meet demand of our industry comfortably and a lot of foreign exchange is used on import of cotton from various countries. Survival of our Textile industry will remain at stake unless we produce good quality of cotton in abundance. The Government should take every measure on war footing basis to improve production of cotton in the country. Strict measures are required to control quality of cotton right from picking stage, although there is law but Govt. is not bothering to handle this critical issue.

Heavy rains and floods in the reporting and subsequent years have caused damages of billions of rupees at national exchequer. The impact of these floods was so severe that Govt. was forced to appeal before the International Community for help and assistance. The cotton crops also witnessed damage of 25% to 35% due to this sonami. Although nobody can avoid natural calamities but rational planning and adequate long term measures at Govt level can help a lot to minimize such losses.

Inflation rate is constantly rising in the country and it is having severe impact on all input cost along with overheads and administrative expenses, resultantly cost of production is becoming uncompetitive in the international market.

To save the textile industry which is labor intensive and foreign exchange earner and is the back bone of the economy, following policies need to be implemented;

- Exclusion of Textile industry from electricity and sui gas load shedding.
- Same subsidies on export, energy, and bank refinance schemes as being awarded by India, Bangladesh, and China.
- Textile policy announced during 2009 should be implemented with letter and spirit.
- Interest rate should be lower down in order to survive this industry and Subsidy on Bank interest rate must be given.
- Financial support for the technology up gradation.
- The production and quantity of the cotton in Pakistan should be increased with effective quality measures.
- Duty free excess to Europe, USA, Japan etc.
- Measures to improve law and order situation in the country.

CAPITAL INVESTMENT

It is a part of Company's strategic policy to review technical aspects regularly, we emphasize to run our plant with most modern techniques, BMR and expansion is made to cater the need of our valued customers and to get quality production in economical way. This year Company has made investment of Rs. 596.67 million in purchasing spinning unit of 18500 spindles and to upgrade existing set up.

The BMR mainly was for
1) New cards of TC-07,
2) Replacement of old chinese ring frames by the new RX-240 E-drafting frames,
3) Installation of new K-44 ring frames and
4) Replacement of all old autocones by new 338 and 21-C".
5) Addition of Loptex machines for control of contamination"

The Company during the year has also made investment of Rs. 434.925 million to purchase 39,842,500 shares of Orient Power Company (Pvt) Ltd. (OPCL). OPCL has installed & operating 225 MW gas based Power Plant near Lahore. This is the first most efficient IPP in Pakistan running on natural gas, commercial operation has been started and it is now operating at full capacity. This investment has been made out of surplus earning of the Company and will be expected to yield good return.

DIVIDEND PAY OUT

According to Dividend pay out strategy the management wish to pay good return to the share holders of the Company keeping in view profitability for the year. Board has recommended to pay cash dividend @ Rs. 10.00 per share this year which will be put up in the Annual General Meeting for final approval.

FUTURE OUTLOOK

Keeping in view above mentioned submission it is difficult to predict any definite conclusion about the performance of the Company in future. In these circumstances Government should evolve business friendly policies for smooth running of the industry.

PATTERN

Pattern of share holding is annexed and details have been submitted according to the requirement of Code of Corporate Governance and Section 236 of the Companies Ordinance 1984.

AUDITORS

The present Auditors M/S Hameed Chaudhri & Co, Chartered Accountants retire and being eligible offer themselves for reappointment for the year ending 30 June, 2012.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Karachi Stock Exchange in its listing Rules, relevant for the year ended 30 June, 2011 have been duly complied with. A statement to this effect is annexed with the report.

CORPORATE GOVERNANCE

The various information and statements as required by the Code are given below:

a) Proper books of accounts have been maintained by the Company for the year ended 30 June, 2011.
b) Financial statement prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flow and changes in equity.
c) Appropriate accounting policies have consistently been applied in preparation of financial statement.
d) International Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements. The system of internal control is sound in design and has been effectively implemented and monitored. The process of review will continue and any weaknesses in control will be overcome.
e) The company is confident to continue as a progressive concern.
f) There has been no material departure from the best practices of corporate governance as detailed in the listing regulations.
g) Key financial data for last six years is annexed.
h) There are no outstanding statutory payments due on account of taxes, duties, charges except for those discussed in the financial statements.
i) During the year, there is no trade reported in the shares of the company, carried out by Directors, CEO, CFO. Company Secretary and their spouses and minor children.
j) Audit Committee has been established and is working satisfactorily.

ACKNOWLEDGMENT

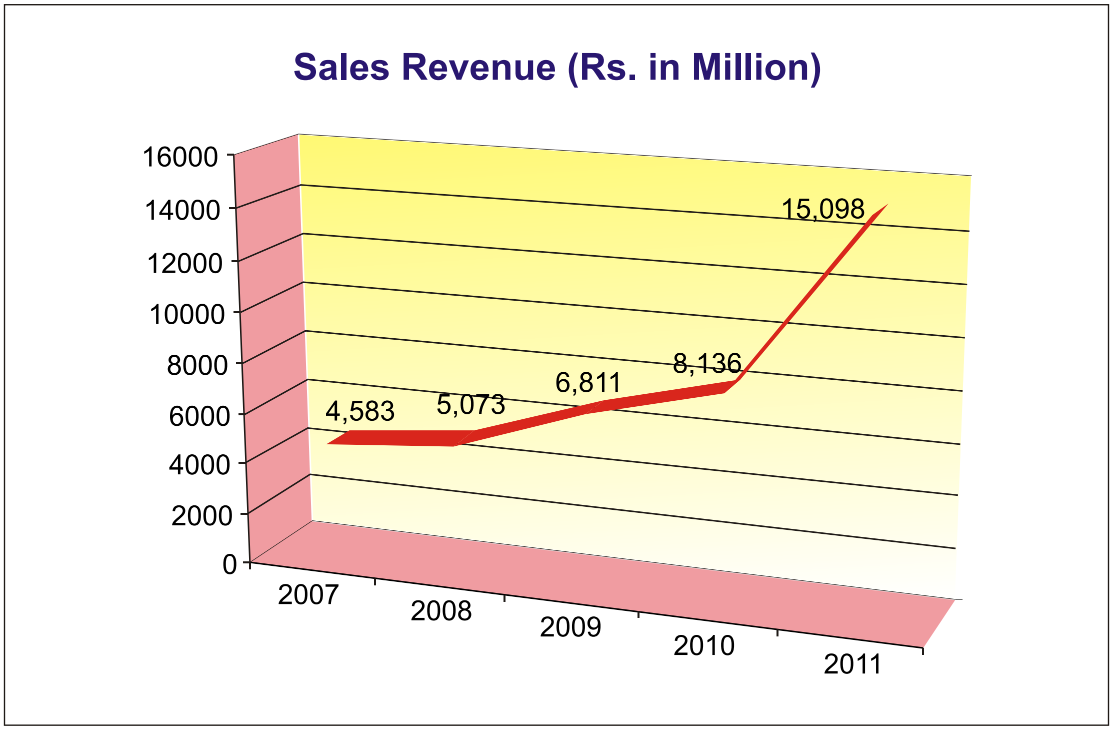
At the end the Directors wish to place on record their sincere appreciations for the Company's employees at all levels for their dedicated efforts and efficiency. They also wish to put on record their thanks for the co-operation and support extended by the shareholders, the Company's banks, Customers and Suppliers of the Company and hope their wholehearted support will continue in future with the same spirit and zeal.

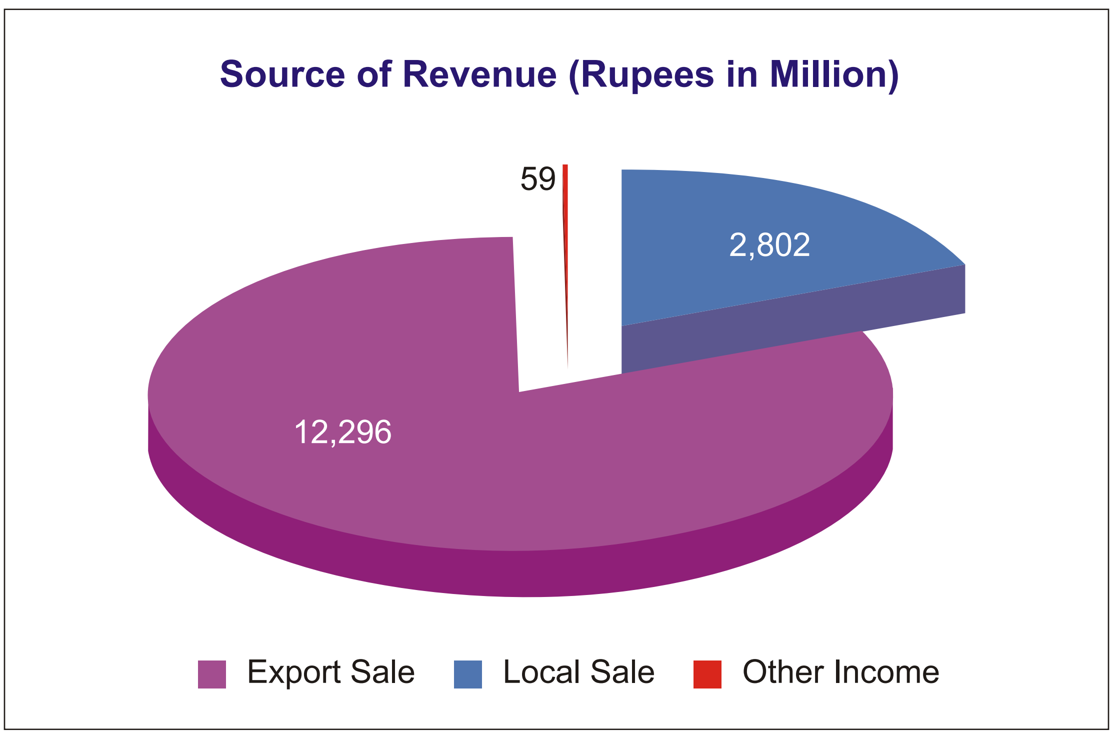
For and on behalf of the Board

(Khawaja Muhammad Masood)
Chairman

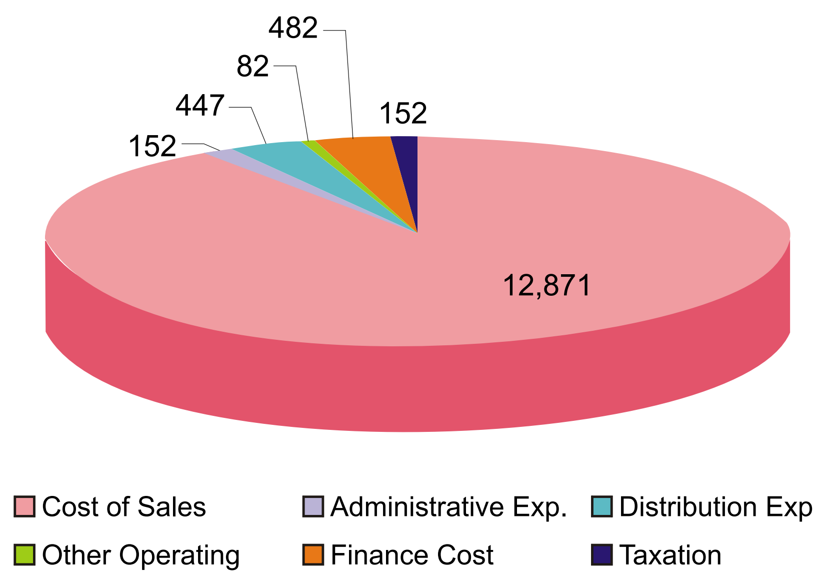
Multan
Dated: 5th October, 2011

GRAPHICAL VIEW OF COMPANY'S PERFORMANCE

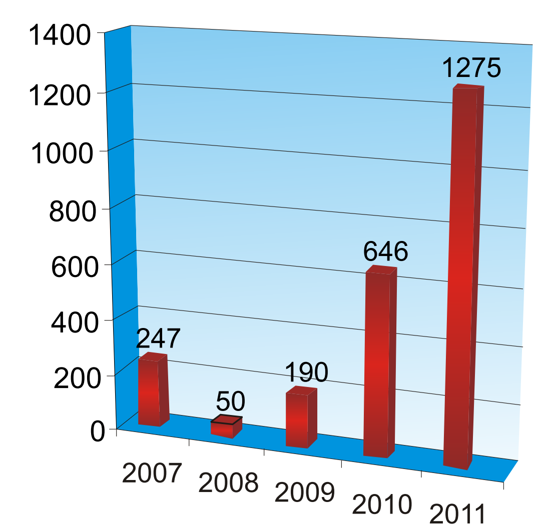


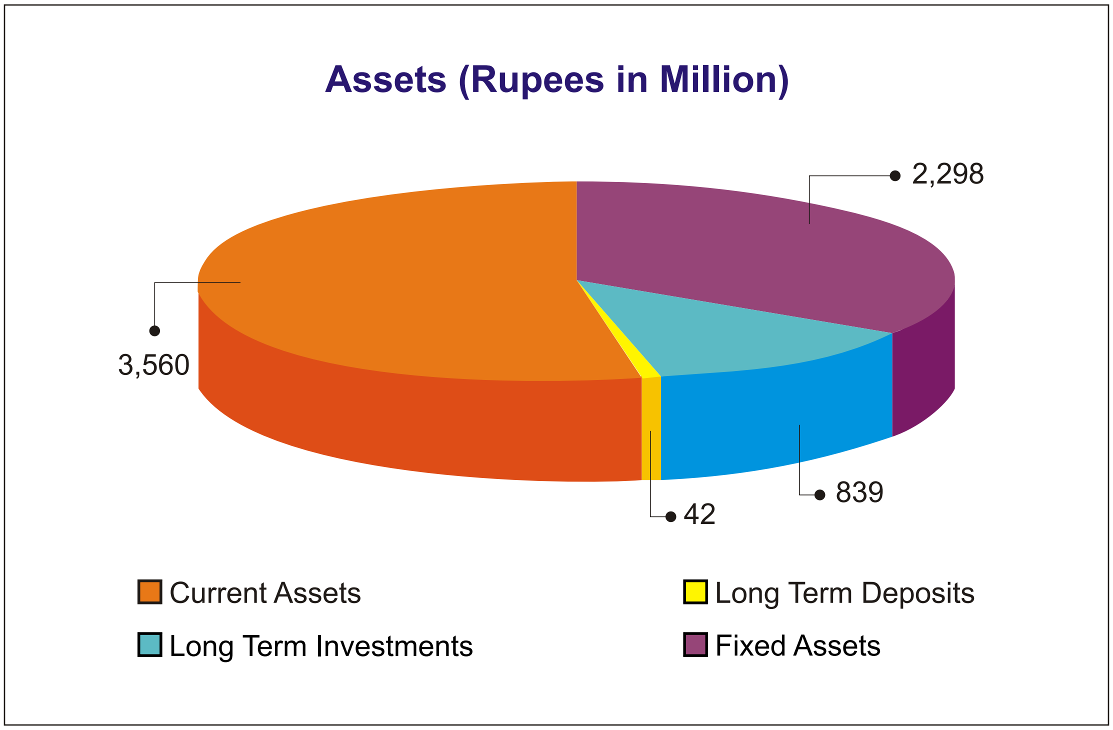


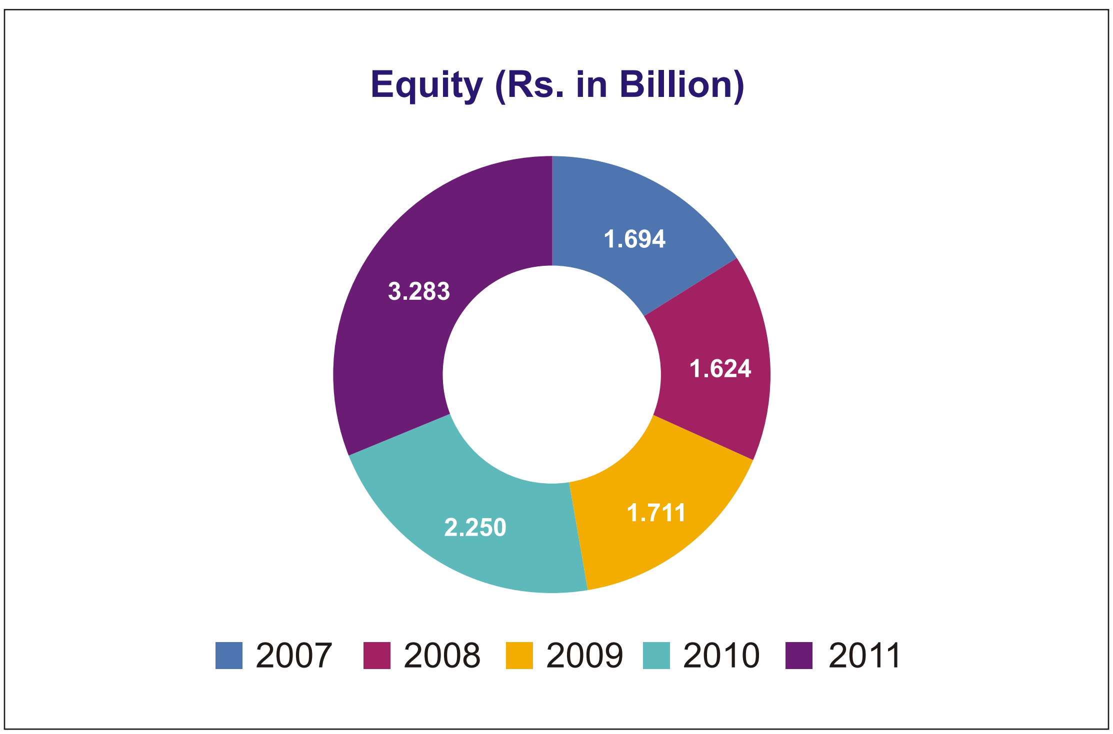
Utilization of Revenue (Rs. in Million)

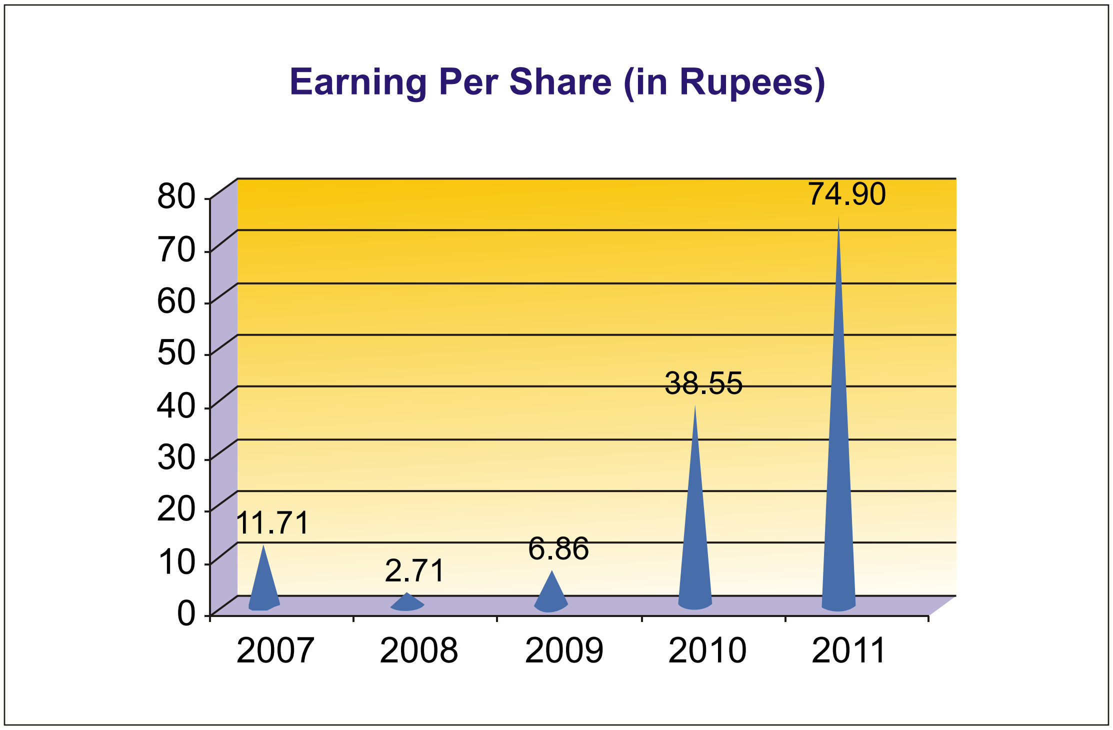


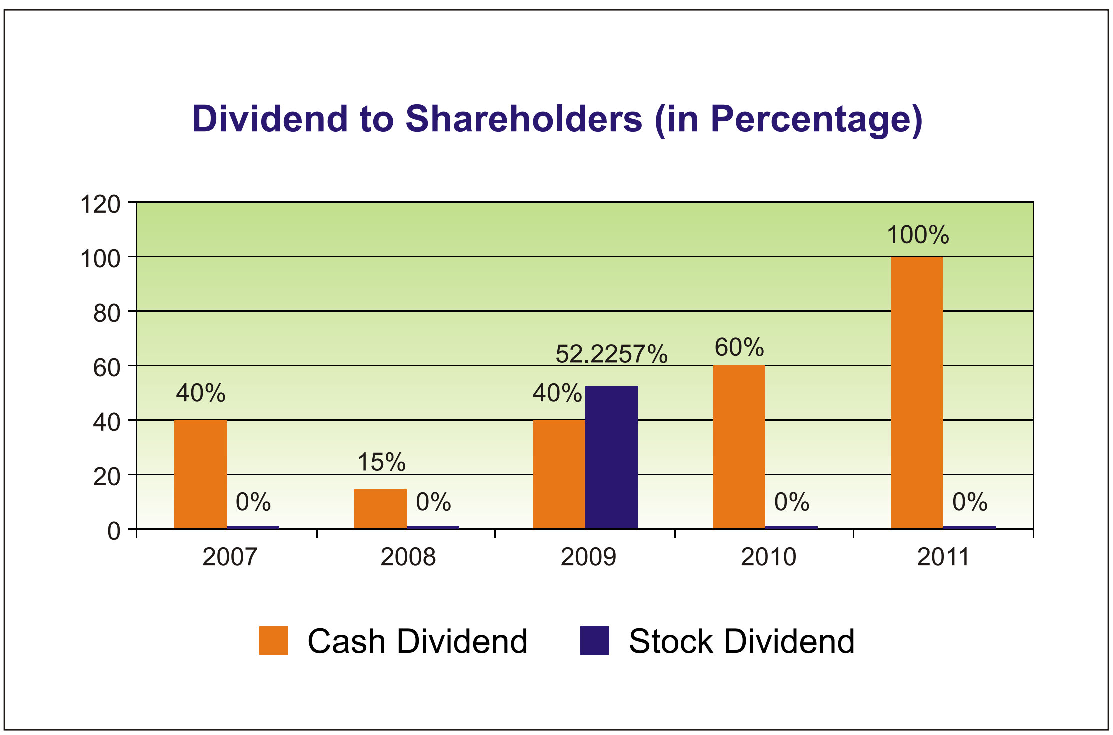
Profit Before Taxation (Rs. in Million)




Assets (Rupees in Million)
2,298
3,560
42
839
Current Assets
Long Term Deposits
Long Term Investments
Fixed Assets


Equity (Rs. in Billion)
1.694
1.624
1.711
2.250
3.283
2007
2008
2009
2010
2011


Earning Per Share (in Rupees)
80
70
60
50
40
30
20
10
0
11.71
2.71
6.86
38.55
74.90
2007
2008
2009
2010
2011


Dividend to Shareholders (in Percentage)
120
100
80
60
40
20
0
40%
0%
15%
0%
40%
52.2257%
60%
0%
100%
0%
2007
2008
2009
2010
2011
Cash Dividend
Stock Dividend

SIX YEARS REVIEW AT A GLANCE

Rupees in Million

	2011	2010	2009	2008	2007	2006
ASSETS :						
FIXED ASSETS	2,298	1,774	1,632	1,756	1,736	1,666
LONG TERM INVESTMENTS	839	562	338	273	253	134
LONG TERM DEPOSITS	42	7	7	4	4	4
CURRENT ASSETS	3,560	2,672	2,441	2,264	1,750	1,387
TOTAL ASSETS	**6,739**	**5,015**	**4,418**	**4,297**	**3,743**	**3,191**
FINANCED BY:						
EQUITY	3,283	2,250	1,711	1,624	1,694	1,552
LONG TERM LIABILITIES	987	689	595	656	602	550
DEFFERED LIABILITIES	115	120	140	93	63	33
CURRENT LIABILITIES	2,354	1,956	1,972	1,924	1,384	1,056
TOTAL FUNDS INVESTED	**6,739**	**5,015**	**4,418**	**4,297**	**3,743**	**3,191**
PROFIT AND LOSS:						
SALES - NET	15,098	8,136	6,811	5,073	4,583	3,839
OPERATING PROFIT	1,604	933	523	254	411	280
PROFIT BEFORE TAXATION	1,275	646	190	50	247	178
PROFIT AFTER TAXATION	1,123	578	103	(5)	177	110
CASH DIVIDENDS	100%	60%	40%	15%	40%	40%
PROFIT C/F	3,126	2,093	1,604	1,517	1,587	1,445

DIRECTORS ATTENDANCE AT BOARD MEETINGS

From July 1st 2010 to June 30, 2011

Sr. No.	Name	Designation	Meeting Held	Meeting Attended
1.	Khawaja Muhammad Masood	Chairman	4	4
2.	Khawaja Muhammad Iqbal	CEO	4	4
3.	Khawaja Muhammad Ilyas	Director	4	4
4.	Khawaja Muhammad Younus	Director	4	4
5.	Jalal-ud-Din Roomi	Director	4	4
6.	Mrs. Mehr Fatima	Director	4	4
7.	Muhammad Muzaffar Iqbal	Director	4	4

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance Contained in Listing Regulation No. 37 of the Karachi Stock Exchange 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 Code in the following manner:

1. The Company encourages representation of independent non-executive directors. At present there is no independent non executive director in the Board.

2. The directors have confirmed that none of them is serving as a director in more than ten listed Companies including this Company.

3. All the resident directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DF1 or an NBF1.

4. No casual vacancies were occurred in the Board during the year.

5. The Company has prepared a "Statement of Ethics and Business Practices" which has been signed by all the directors and employees of the Company.

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 decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.

8 The meeting of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. There were no new appointments of CFO, Company Secretary or head of internal Audit Department during the year.

10. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be.

11. The financial statement of the Company were duly endorsed by the CEO and the CFO before approval by the Board.

12. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of share-holding.

13. The Company has complied with all the corporate and financial reporting requirements of the Code.

14. The Board has formed an Audit Committee, which comprises of 3 members.

15. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formulated and advised to the Committee for compliance.

16. The Board has set-up an effective internal audit function.

17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (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 a adopted by ICAP.

18. The statutory auditors or the persons associated with them have not been appointed to provide other service, except in accordance with the Listing Regulations and the auditors have confirmed that they have observed (IFA) guidelines in this regard.

19. We confirm that all other material principles contained in the Code have been complied.

For and on behalf ofthe Board of Directors.

Multan:
Dated: 05 October, 2011

Sd/
CHAIRMAN

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Mahmood Textile Mills Limited ("the Company") to comply with the Listing Regulations of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the 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, Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the board of directors for their consideration 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. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of the related party transactions by the board of directors and placement of such transactions before 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 30 June, 2011.

Hameed Chaudhri & Co.,
Chartered Accountants.
Engagement Partner Abdul Hameed Chaudhri

Lahore:
Dated: 05 October, 2011

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of MAHMOOD TEXTILE MILLS LIMITED (the Company) as at 30 June, 2011 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 misstatement. 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 the Company's affairs as at 30 June, 2011 and of the profit, 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 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Hameed Chaudhri & Co.,
Chartered Accountants.
Engagement Partner Abdul Hameed Chaudhri

Lahore:
Dated: 05 October, 2011

BALANCE SHEET

AS AT 30 JUNE, 2011

	Note	2011 Rupees	2010 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	7	2,297,580,329	1,774,030,933
Long term investments	8	838,716,214	256,658,405
Deposit for shares	8.2	0	302,500,000
Long term deposits	9	42,304,359	6,478,119
Loans to employees	10	0	2,100,000
		3,178,600,902	2,341,767,457
Current assets			
Stores, spares and loose tools	11	130,236,873	111,245,589
Stock-in trade	12	2,468,738,851	1,642,559,568
Trade debts	13	607,042,675	420,537,757
Short term investments	14	0	269,407,993
Loans and advances	15	73,115,962	35,915,979
Other receivables	16	109,581,603	90,002,216
Tax refunds due from the Government	17	160,142,904	87,922,613
Cash and bank balances	18	11,556,330	15,358,305
		3,560,415,198	2,672,950,020
Total assets		6,739,016,100	5,014,717,477
EQUITY AND LIABILITIES			
Capital and reserves			
Authorized capital			
30,000,000 ordinary shares of Rs. 10 each		300,000,000	300,000,000
Issued, subscribed and paid-up capital	19	150,000,000	150,000,000
Capital reserve		7,120,600	7,120,600
Unappropriated profit		3,126,024,362	2,092,595,745
		3,283,144,962	2,249,716,345
Liabilities			
Non-current liabilities			
Long term financing	20	986,893,077	688,597,010
Deferred taxation	21	115,243,874	120,573,000
		1,102,136,951	809,170,010
Current liabilities			
Trade and other payables	22	762,792,390	344,875,039
Accrued mark-up	23	91,089,983	62,353,293
Short term borrowings	24	1,112,301,714	1,299,103,549
Current maturity of long term financing	20	230,550,100	164,499,241
Taxation	25	157,000,000	85,000,000
		2,353,734,187	1,955,831,122
Total liabilities		3,455,871,138	2,765,001,132
Total equity and liabilities		6,739,016,100	5,014,717,477
Contingencies and commitments	26		

The annexed notes form an integral part of these financial statements.

Kh. Muhammad Masood Chairman	Kh. Muhammad Iqbal Chief Executive Officer	Kh. Muhammad Younus Director	Muhammad Amin Pal Chief Financial Officer

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE, 2011

	Note	2011 Rupees	2010 Rupees
Sales - Net	27	15,098,337,252	8,135,551,381
Cost of Sales	28	12,870,810,351	6,628,423,205
Gross Profit		2,227,526,901	1,507,128,176
Distribution Cost	29	446,985,160	269,380,932
Administrative Expenses	30	152,472,118	118,605,811
Other Operating Expenses	31	82,436,033	190,141,321
Other Operating Income	32	(58,809,960)	(4,129,294)
		623,083,351	573,998,770
Profit from Operations		1,604,443,550	933,129,406
Finance Cost	33	482,379,954	340,466,887
		1,122,063,596	592,662,519
Share of Profit of Associates	8	153,132,809	53,377,190
Profit before Taxation		1,275,196,405	646,039,709
Taxation			
Current	25	157,000,000	85,000,000
Prior year	25	96,914	1,990,851
Deferred	21	(5,329,126)	(19,150,932)
		151,767,788	67,839,919
Profit after Taxation		1,123,428,617	578,199,790
Other Comprehensive Income		0	0
Total Comprehensive Income		1,123,428,617	578,199,790
Earnings Per Share	34	74.90	38.55

The annexed notes form an integral part of these financial statements.

Kh. Muhammad Masood Chairman	Kh. Muhammad Iqbal Chief Executive Officer	Kh. Muhammad Younus Director	Muhammad Amin Pal Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE, 2011

	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year - before taxation and share of profit of Associates	1,122,063,596	592,662,519
Adjustments for non-cash charges and other items:		
Depreciation	214,017,316	167,645,557
Loss/(gain) on sales of operating fixed assets	377,778	(2,476,847)
Impairment loss on long term investments	0	62,990,453
(Gain)/loss on sale of shares	(23,145,622)	2,206,470
Loss on re-measurement of short term investments at fair value	0	61,320,710
Obsolete/slow moving stores and spares written-off	0	5,745,893
Provision against doubtful sales tax refunds	0	6,964,373
Uncollectible receivable balances written-off	0	5,675,505
Dividend income	0	(1,400,000)
Income on bank deposits	(108,743)	(69,158)
Finance cost	482,379,954	340,466,887
Profit before working capital changes	1,795,584,279	1,241,732,362
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(18,991,284)	(565,300)
Stock-in-trade	(826,179,283)	(198,753,334)
Trade debts	(186,504,918)	(32,958,496)
Loans and advances	(35,099,983)	15,778,168
Other receivables	(19,579,387)	10,907,355
Tax refunds due from the Government	124,509	6,067,930
Increase in trade and other payables	407,022,387	83,089,760
	(679,207,959)	(116,433,917)
Cash generated from operations	1,116,376,320	1,125,298,445
Income tax paid	(146,639,588)	(66,971,238)
Net cash generated from operating activities	969,736,732	1,058,327,207
Cash flow from investing activities		
Purchase of property, plant and equipment	(759,909,480)	(315,674,157)
Sale proceeds of operating fixed assets	21,964,990	8,767,435
Long term investments made	(132,425,000)	0
Deposit for shares	0	(302,500,000)
Long term deposits	(35,826,240)	0
Short tem investments - net	292,553,615	1,461,249
Dividend income received	6,000,000	1,400,000
Income on bank deposits	108,743	69,158
Net cash used in investing activities	(607,533,372)	(606,476,315)
Cash flow from financing activities		
Long term financing - net	364,346,926	157,768,651
Dividend paid	(89,907,162)	(39,870,889)
Short term borrowings - net	(186,801,835)	(192,945,895)
Finance cost paid	(453,643,264)	(370,670,893)
Net cash used in financing activities	(366,005,335)	(445,719,026)
Net (decrease) / increase in cash and cash equivalents	(3,801,975)	6,131,866
Cash and cash equivalents - at beginning of the year	15,358,305	9,226,439
Cash and cash equivalents - at end of the year	11,556,330	15,358,305

The annexed notes form an integral part of these financial statements.

Kh. Muhammad Masood	Kh. Muhammad Iqbal	Kh. Muhammad Younus	Muhammad Amin Pal
Chairman	Chief Executive Officer	Director	Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2011

	Share capital	Capital reserve	Unappropriated profit	Total
	------------------------ Rupees --------------------			
Balance as at 30 June, 2009	99,849,890	7,120,600	1,604,486,021	1,711,456,511
Transactions with owners:				
Final cash dividend for the year ended 30 June, 2009 @ Rs. 4 per share	0	0	(39,939,956)	(39,939,956)
5,015,011 ordinary shares of Rs. 10 each issued as fully paid bonus shares	50,150,110	0	(50,150,110)	0
	50,150,110	0	(90,090,066)	(39,939,956)
Total comprehensive income for the year	0	0	578,199,790	578,199,790
Balance as at 30 June, 2010	150,000,000	7,120,600	2,092,595,745	2,249,716,345
Transactions with owners:				
Final cash dividend for the year ended 30 June, 2010 @ Rs. 6 per share	0	0	(90,000,000)	(90,000,000)
Total comprehensive income for the year	0	0	1,123,428,617	1,123,428,617
Balance as at 30 June, 2011	150,000,000	7,120,600	3,126,024,362	3,283,144,962

The annexed notes form an integral part of these financial statements.

Kh. Muhammad Masood Chairman	Kh. Muhammad Iqbal Chief Executive Officer	Kh. Muhammad Younus Director	Muhammad Amin Pal Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2011

1. CORPORATE INFORMATION

Mahmood Textile Mills Limited (the Company) was incorporated in Pakistan on 25 February, 1970 as a Public Company and its shares are quoted on Karachi Stock Exchange. The Company is principally engaged in manufacture and sale of yarn, grey cloth and generation & sale of electricity. The registered office of the Company is situated at Multan whereas the mills are located at District Muzaffargarh, Dera Ghazi Khan Division, Punjab.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance), directives issued by the Securities and Exchange Commission of Pakistan (SECP)and 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 as are notified by the provisions of and directives issued under the Ordinance. Wherever, the requirements of the Ordinance or directives issued by the SECP differ from the requirements of these standards, the requirements of the Ordinance or the requirements of the said directives have been followed.

3. BASIS OF MEASUREMENT

3.1 Accounting Convention

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

- modification of foreign currency translation adjustments.
- measurement of long term investments under equity method, and
- measurement of short term investments at fair value

3.2 Functional and presentation currency

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of the future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:-

a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable an estimate of recoverable amount of asset is made if indicator of impairment is identified.

b) Stores & spares and stock-in-trade

The Company reviews the net realisable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

c) Provision for impairment of trade debts

The Company assesses the recoverability of its trade debts if there is objective evidence that the Company will not be able to collect all the amount due according to the original terms. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indications that the trade debt is impaired.

d) Taxation

In making the estimate for income taxes payable by the Company, the management looks at the applicable law and decisions of appellate authorities on certain issues in the past.

5. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

5.1 Amendments to published standards that are effective in current financial year and are relevant to the Company

The following amendments to published standards are mandatory for the financial year beginning 01 July, 2010:

(a) IAS 1 (Amendment), 'Presentation of Financial Statements' is effective from 01 July, 2010. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time. The application of the amendment will not affect the results or net assets of the Company as it is only concerned with presentation and disclosure.

(b) IAS 7 (Amendment), 'Statement of Cash Flows' is effective from 01 July, 2010. The amendument provides clarification that only expenditure that results in a recognised asset in the balance sheet can be classified as a cash flow from investing activity. The clarification results in an improvement in the alignment of the classification of cash flows from investing activities in the cash flow statement and the presentation of recognised assets in the balance sheet. The application of the amendment will not affect the result or net assets of the Company as it is only concerned with presentation and disclosures.

(c) IAS 17 (Amendment), 'Classification of leases of land and buildings'. The amendment deletes the specific guidance regarding classification of lease of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, lease of land should be classified as either finance or operating, using the general principles of IAS 17. There is no effect of this amendment on the Company's financial statements.

(d) IFRS 8 (Amendment), 'Operating Segments'. This amendment clarifies that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision-maker. Since the operations of the Company are considered as a single reportable segment, therefore the amendment will have no effect on the Company's financial statements.

5.2 New accounting standards, amendments to existing approved accounting standards and interpretations that are effective in current financial year but are not relevant to the Company

The other new standards, amendments to existing approved accounting standards and interpretations are mandatory for the periods beginning on or after 01 July, 2010 are considered not to be currently relevant as these do not have any significant effect on the Company's current financial reporting and operations; however, these may affect the accounting for future transactions and events.

5.3 New accounting standards, amendments to existing approved accounting standards and interpretations that are issued by not yet effective and have not been early adopted by the Company

The following new standards, amendments to existing approved accounting standards and interpretations are not effective for the periods beginning on or after 01 July, 2010 and have not been early adopted by the Company:

a) IFRS 7 (Amendment), 'Financial Instruments: Disclosures' (effective for the periods beginning on or after 01 January, 2011). The amendment emphasizes the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with a financial instrument. The amendment will only affect the disclosures in the Company's financial statements.

b) IFRS 9, 'Financial Instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39 (Financial Instruments: Recognition and Measurement). IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Company's accounting for its financial assets. The standards is not applicable until 01 July, 2013 but is available for early adoption.

c) IAS 1 (Amendment), 'Presentation of Financial Statements' (effective for the periods beginning o or after 01 January, 2011). The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The amendment will only affect the disclosures in the Company's financial statements.

d) IAS 24 (Revised), 'Related Party Disclosures' (effective for the periods beginning on or after 01 January, 2011). The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. When the revised standard is applied, the Company will be required to disclose transactions with its associates. At this stage it is not possible to assess the impact, if any, of the revised standard on the related party disclosures in the Company's financial statements.

e) IAS 34 (Amendments), 'Interim Financial Reporting' (effective for periods beginning on or after 01 January, 2011). This amendment provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial instruments between different levels of the fair value hierarchy, changes in classification of financial assets and changes in contingent liabilities and assets. The amendment will only affect the disclosures in the Company's condensed interim financial information.

There are a number of other minor amendments and interpretations to other approved accounting standards that are not yet effective and are also not relevant to the Company and therefore have not been presented here.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

6.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment in value, if any, except freehold & leasehold land and capital work-in-progress, which are stated at cost.

Depreciation is charged to income applying reducing balance method to write-off the historical cost and capitalised exchange fluctuations over estimated remaining useful life of the assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Rates of depreciation are stated in note 7.1. Depreciation is charged on additions from the month the assets is available for use and on disposals upto the month of disposal.

Gains or losses on disposal or retirement of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of asset and are included in the profit and loss account.
Normal repairs and maintenance are taken to profit and loss account as and when incurred. Major renewals and replacements are capitalised and the assets so replaced, if any, other than those kept as stand-by, are

retired.

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use.

6.2 Long term investments

a) Investments in equity instruments of associated companies

Investments in associated companies are accounted for using equity method of accounting under which these investments are initially recognised at cost and are subsequently restated to reflect the Company's share in the net assets of associated companies. Gain/loss on sale of investment is included in income.

b) Other investments

Other investments where the Company does not have significant influence that are intended to be held for an indefinite period of time or may be sold in response to the need for liquidity are classified as available-for-sale. These investments are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are remeasured at fair value (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Unrealised gains and losses arising from the changes in the fair value are included in fair value reserve in the period in which they arise.

c) Bonus shares are accounted for by increase in number of shares without any change in value.

6.3 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated upto the balance sheet date. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

6.4 Stock-in-trade

Basis of valuation are as follows:

Particulars	Mode of Valuation
Raw materials:	
- At mills	- At lower of annual average cost of both local and imported stocks and net realisable value
- In transit	- At cost accumulated to the balance sheet date.
Work-in-process	- At manufacturing cost.
Finished goods	- At lower of cost and net realisable value
Waste	- At net realisable value.

- Cost in relation to work-in-process and finished goods represents the annual average manufacturing cost, which consists or prime cost and appropriate manufacturing overheads.
- Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

6.5 Trade debts

Trade debts are recognised initially at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts, if any. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written-off.

6.6 Short term investments

Short term investments, at inception, are designated at fair value through profit or loss. These are initially measured at fair value and changes on re-measurement are taken to profit and loss account. Regular way purchase or sale of held for trading investments is recognised using trade date accounting. A trade date is the date that an enterprise commits to purchase or sell an asset. All investments are de-recognised when the right to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

6.7 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 equivalent consist of cash-in-hand and balances with banks.

6.8 Impairment loss

The carrying amounts of the Company's assets are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the profit and loss account. Reversal of impairment loss is restricted to the original cost of the asset.

6.9 Borrowings and borrowing costs

All borrowings are recorded at the proceeds received. 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. All other borrowing cost are recognised in profit or loss in the period of incurrence.

6.10 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all its eligible employees. Provision is made annually to cover obligation under the scheme. The payable balance of gratuity has been fully paid to the employees before the year-end.

6.11 Trade and other payables

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

6.12 Provisions

Provisions are recognised 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.

6.13 Taxation

Current and prior year

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantially enacted by the balance sheet date and is based on current rates of taxation being applied on the taxable income for the year, after taking into account, tax credits and rebates available, if any. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

Deferred

Deferred taxation is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets is recognised for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which te deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets is reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are recognised for all the taxable temporary differences.

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

6.14 Foreign Currency Translations

Transactions in foreign currencies are translated in Pak Rupees using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated in Pak Rupees at the exchange rates prevailing at the balance sheet date. Exchange gains and losses are taken to profit and loss account.

6.15 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

6.16 Government Grants

Government grant that compensates the Company for expenses incurred is recognised in the profit and loss account on a systematic basis in the same period in which the expenses are recognised. Government grants are deducted in reporting the related expenses.

6.17 Financial Assets and Liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the balance sheet include long term investments, deposit for shares, long term deposits, trade debts, short term investments, loans and advances, other receivables, bank balances, long term financing, trade and other payables, accrued mark-up and short term borrowings. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

6.18 Off-setting of Financial Assets and Liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

6.19 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at he fair value of consideration received or receivable on the following basis:

- Local sales through agents are booked on intimation from agents.

- Direct local sales are accounted for when goods are delivered to customers and invoices raised.

- Export sales are booked on despatch of goods.
- Export rebate is accounted for on accrual basis.
- Dividend income is recognised when the right to receive dividend is established.
- Interest/mark-up is accounted for on 'accrual basis'.

6.20 Segment reporting

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments. Management has determined the operating segments based on the information that is presented to the Chief Operating Decision Maker of the Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products being produced and sold, the Company has been organised into three operating segments i.e. spinning, weaving and power.

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Finance cost, other operating income & expenses and taxation are managed at the Company level. Unallocated assets mainly include long term investments, deposit for shares, long term deposits, short term investments, tax refunds due from the Government and cash & bank balances.

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2011 Rupees	2010 Rupees
Operating fixed assets	7.1	2,217,824,122	1,681,073,080
Capital work-in-progress	7.5	79,756,207	92,957,853
		2,297,580,329	1,774,030,933

7.1 Operating fixed assets - tangible

Particulars	Leasehold land	Owned: Freehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Furniture and fittings	Vehicles	Office equipment	Protective dam	Electric installations	Gas installations	Tools and equipment	Computer and accessories	Weighing bridge	Total
	Rupees														
As at 30 June, 2009															
Cost	17,654,855	7,725,725	342,779,823	24,714,302	2,683,329,156	6,591,402	51,500,144	3,334,948	3,631,049	87,310,441	2,720,023	7,234,204	14,913,261	2,861,872	3,256,301,205
Accumulated depreciation	0	0	198,646,801	7,243,276	1,327,678,355	3,668,048	26,650,484	2,242,162	2,092,858	39,111,709	831,224	4,503,016	9,706,242	1,778,011	1,624,152,186
Book Value	17,654,855	7,725,725	144,133,022	17,471,026	1,355,650,801	2,923,354	24,849,660	1,092,786	1,538,191	48,198,732	1,888,799	2,731,188	5,207,019	1,083,861	1,632,149,019
Year ended 30 June, 2010															
Additions	0	0	3,884,411	0	208,237,700	520,944	2,905,810	0	0	5,574,595	0	0	1,736,746	0	222,860,206
Disposals:															
Cost	0	0	0	0	(45,277,367)	0	(2,173,225)	0	0	0	0	0	0	0	(47,450,592)
Depreciation	0	0	0	0	39,556,761	0	1,603,243	0	0	0	0	0	0	0	41,160,004
Depreciation charge	0	0	14,484,062	1,747,103	138,266,260	328,439	5,277,058	109,278	76,909	4,980,772	188,880	273,118	1,805,292	108,386	167,645,557
Book value as at 30 June, 2010	17,654,855	7,725,725	133,533,371	15,723,923	1,419,901,635	3,115,859	21,908,430	983,508	1,461,282	48,792,555	1,699,919	2,458,070	5,138,473	975,475	1,681,073,080
Year ended 30 June, 2011															
Additions	3,100,888	7,131,774	85,869,943	0	596,665,844	1,385,118	17,757,842	66,300	1,921,136	53,583,934	0	0	4,628,347	1,000,000	773,111,126
Disposals:															
Cost	0	(2,720,000)	0	0	(23,463,377)	0	(3,754,045)	0	0	0	0	0	0	0	(29,937,422)
Depreciation	0	0	0	0	5,455,002	0	2,139,652	0	0	0	0	0	0	0	7,594,654
Depreciation charge	0	0	21,057,228,	1,572,392	173,911,775	373,893	6,585,878	102,220	81,069	7,501,007	169,992	245,806	2,310,176	105,880	214,017,316
Book value as at 30 June, 2011	20,755,743	12,137,499	198,346,086	14,151,531	1,824,647,329	4,127,084	31,466,001	947,588	3,301,349	94,875,482	1,529,927	2,212,264	7,456,644	1,869,595	2,217,824,122
As at 30 June, 2010															
Cost	17,654,855	7,725,725	346,664,234	24,714,302	2,846,289,489	7,112,346	52,232,729	3,334,948	3,631,049	92,885,036	2,720,023	7,234,204	16,650,007	2,861,872	3,431,710,819
Accumulated depreciation	0	0	213,130,863	8,990,379	1,426,387,854	3,996,487	30,324,299	2,351,440	2,169,767	44,092,481	1,020,104	4,776,134	11,511,534	1,886,397	1,750,637,739
Book Value	17,654,855	7,725,725	133,533,371	15,723,923	1,419,901,635	3,115,859	21,908,430	983,508	1,461,282	48,792,555	1,699,919	2,458,070	5,138,473	975,475	1,681,073,080
As at 30 June, 2011															
Cost	20,755,743	12,137,499	432,534,177	24,714,302	3,419,491,956	8,497,464	66,236,526	3,401,248	5,552,185	146,468,970	2,720,023	7,234,204	21,278,354	3,861,872	4,174,884,523
Accumulated depreciation	0	0	234,188,091	10,562,771	1,594,844,627	4,370,380	34,770,525	2,453,660	2,250,836	51,593,488	1,190,096	5,021,940	13,821,710	1,992,277	1,957,060,401
Book value	20,755,743	12,137,499	198,346,086	14,151,531	1,824,647,329	4,127,084	31,466,001	947,588	3,301,349	94,875,482	1,529,927	2,212,264	7,456,644	1,869,595	2,217,824,122
Annual depreciation rate (%)	0	0	10	10	10	10	20	10	5	10	10	10	30	10	

7.2 Leasehold land and buildings on leasehold land represent the leased assets allotted by the board of Management, Industrial Estate, Multan for a period of 99 years.

7.3 Disposal of operating fixed assets

Particulars	Cost	Accumulated depreciation	Book Value	Sale proceeds	Gain/ (loss)	Sold through negotiations to / insurance claim received from:
	Rupees					
Freehold land	2,720,000	0	2,720,000	3,375,000	655,000	Ahmed Hassan Textile Mills Ltd., Multan.
Plant and machinery:						
1 Wooden Boiler	2,206,000	431,995	1,774,005	1,400,000	(374,005)	Allied Electronic Industries (Pvt.) Ltd., Faisalabad.
7 Ring frames	7,000,000	525,000	6,475,000	6,480,000	5,000	Akram Cotton Mills Ltd., Lahore
3 Ring frames	3,000,000	225,000	2,775,000	2,475,000	(300,000)	SANYOU, Lahore.
2 Ring frames	6,757,377	3,935,507	2,821,870	2,950,000	128,130	Imperial Textile Mills Ltd., Faisalabad.
Murata auto coner	4,500,000	337,500	4,162,500	3,500,000	(662,500)	Rafiq Spinning Mills (Pvt.) Ltd., Faisalabad.
	23,463,377	5,455,002	18,008,375	16,805,000	(1,203,375)	
Vehicles						
1 Mitsubishi Lancer	1,031,080	451,062	580,018	700,000	119,982	Mr. Abdul Sattar, Lahore
1 Daihatsu Cuore	491,350	222,588	268,762	284,990	16,228	Mr. Bashir Ahmad, Layyah
1 Toyota Parado	2,231,615	1,466,002	765,613	800,000	34,387	EFU General Insurance Ltd.
	3,754,045	2,139,652	1,614,393	1,784,990	170,597	
	29,937,422	7,594,654	22 342,768	21 964,990	(377,778)	

	2011 Rupees	2010 Rupees
7.4 Depreciation for the year has been apportioned as under:		
Cost of sales	204,645,149	160,125,490
Administrative expenses	9,372,167	7,520,067
	214,017,316	167,645,557
7.5 Capital work-in-progress		
Plant and machinery		
- cost and expenses	59,965,903	88,519,447
Advances to suppliers against:		
- civil works	19,790,304	3,024,406
- vehicles	0	1,414,000
	79,756,207	92,957,853

	Note	2011 Rupees	2010 Rupees
8. LONG TERM INVESTMENTS			
Associated Companies			
Un-quoted			
Masood Spinning Mills Limited			
4,000,000 fully paid ordinary shares of Rs. 10 each - **cost**		40,000,000	40,000,000
Equity held: 13.33%			
Post acquisition profit brought forward		63,901,133	36,074,117
		103,901,133	76,074,117
Share of profits			
- current year		78,675,936	30,111,775
- adjustment for last year profits based on audited financial statements		(116,966)	(2,284,759)
		78,558,970	27,827,016
Dividend received		(6,000,000)	0
		176,460,103	103,901,133
Roomi Fabrics Limited			
4,000,000 fully paid ordinary shares of Rs.10 each - **cost**		40,000,000	40,000,000
Equity held: 18.18%			
Post acquisition profit brought forward		112,757,272	87,207,098
		152,757,272	127,207,098
Share of profits			
- current year		75,522,679	34,522,622
- adjustment for last year profits based on audited financial statements		(948,840)	(8,972,448)
		74,573,839	25,550,174
		227,331,111	152,757,272
Others			
Un-quoted			
Orient Power Company (Pvt.) Limited (OPCL)			
39,842,500 fully paid ordinary shares of Rs. 10 each - **cost**	8.2	434,925,000	0
		838,716,214	256,658,405

8.1 Summarised financial information of Masood Spinning Mills Limited and Roomi Fabrics Limited, based on the un-audited financial statements for the year ended 30 June, 2011, is as follows:

	2011	2010
Masood Spinning Mills Limited		
Total assets	2,240,974,875	2,115,842,560
Total liabilities	917,193,157	1,336,389,199
Revenue for the year	6,435,132,038	3,635,799,509
Profit after tax for the year	590,217,078	225,894,783

	Note	2011 Rupees	2010 Rupees
Roomi Fabrics Limited			
Total assets		3,305,914,969	2,799,178,028
Total liabilities		2,055,468,816	1,958,929,005
Revenue for the year		5,686,481,865	4,344,461,447
Profit after tax for the year		415,416,274	189,893,412

8.2 a) The Company, on 22 June, 2010, had entered into a shares subscription agreement with OPCL, which is engaged in generation of 225 MW electric power. The project is located near Balloki, District Kasur, Punjab. As per the agreement terms, the Company had agreed to purchase 27,500,000 shares of OPCL at a price of Rs. 11 per share.

b) The Company, during the year, has acquired 36,500,000 shares at a price of Rs. 11 per share as per the shares subscription agreement entered into with OPCL and 3,342,500 right shares at a price of Rs. 10 per share.

9. LONG TERM DEPOSITS

The balance as at 30 June, 2011 includes security deposits aggregating Rs. 35.307 million held by Sui Northern Gas Pipelines Ltd. for new gas connections.

10. LOANS TO EMPLOYEES - Unsecured

	Note	2011 Rupees	2010 Rupees
Loan to an executive - balance at year end	10.1	975,000	2,700,000
Less: current portion grouped under current assets		975,000	600,000
		0	2,100,000

10.1 Movement in the account of loan to an executive is as follows:

	2011 Rupees	2010 Rupees
Opening balance	2,700,000	0
Loan advanced during the year	0	3,000,000
Less: deductions made during the year	(1,725,000)	(300,000)
Closing balance	975,000	2,700,000

This interest free loan to an executive has been advanced for construction of house; the year-end balance is recoverable during the financial year 2011-12.

10.2 The maximum aggregate amount of loan due from the executive at the end of any month during the year was Rs. 2,700,000 (2010: Rs. 3,000,000).

11. STORES, SPARE PARTS AND LOOSE TOOLS

	2011 Rupees	2010 Rupees
Stores including in-transit inventory valuing Rs. 14,457,800 (2010: Rs. 3,117,181)	79,744,819	68,135,371
Spares	50,197,452	42,911,898
Loose tools	294,602	198,320
	130,236,873	111,245,589

11.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	Note	2011 Rupees	2010 Rupees
12. STOCK-IN-TRADE			
Raw materials including in-transit inventory valuing Rs. 372,218,247 (2010: Rs. 11,173,685).		1,495,709,327	1,085,106,540
Work-in-process		102,755,212	60,306,212
Finished goods			
- own manufactured		870,274,312	481,702,516
- trading		0	15,444,300
		870,274,312	497,146,816
		2,468,738,851	1,642,559,568
13. TRADE DEBTS			
Unsecured			
- considered good		243,110,630	149,993,369
Secured			
- local		66,388,854	16,166,425
- export		297,543,191	254,377,963
		363,932,045	270,544,388
		607,042,675	420,537,757
14. SHORT TERM INVESTMENTS - Quoted (at fair value through profit or loss)			
Askari Bank Limited Nil shares (2010: 7,784,311 fully paid ordinary shares of Rs. 10 each)		0	118,477,213
Nishat Mills Limited Nil shares (2010: 3,500,250 fully paid ordinary shares of Rs. 10 each)		0	150,930,780
		0	269,407,993
15. LOANS AND ADVANCES			
Advances to:			
- executives		2,325,478	1,979,259
- employees		1,134,175	862,472
- suppliers and contractors		68,706,404	31,466,987
Letters of credit		949,905	1,607,261
		73,115,962	35,915,979

	Note	2011 Rupees	2010 Rupees
16. OTHER RECEIVABLES			
Export rebate receivable		377,997	518,056
Cotton claims receivable		4,295,951	1,747,732
Receivable against sale of shares	16.1	83,546,912	83,546,912
Insurance claims receivable		15,664,500	0
Customs duty refundable		0	55,537
Containers' deposits		1,000,000	943,332
Others		4,696,243	3,190,647
		109,581,603	90,002,216

16.1 (a) This represents amount receivable from Three Star Hosiery Mills (Pvt.) Ltd. [TSHM] against sale of 4,284,457 shres of Dandot Cement Company Ltd. (DCCL) sold at the rate of Rs. 19.50 per share vide agreement dated 11 September, 2008. These shares have been sold against post dated cheques of Rs. 83.546 million, which could not be encashed on their due dates.

(b) Initially, the Company had transferred one million shares to a director of TSHM on 29 May, 2008 whereas another transfer of one million shares to the same director of TSHM was made on 02 June, 2008. Against both the transfers, the Company received two post dated cheques, which were due on 18 August, 2008 and 16 September, 2008 respectively. Later on, at the request of TSHM, the Company entered into an agreement for sale of all the shares of DCCL including the balance left with it and its Associated Companies. The Company had handed-over to TSHM CDC transfer orders and against them TSHM issued post dated cheques; the aforementioned two cheques were also included in that agreement with new payment date.

(c) TSHM had also failed to make payment of mark-up on delayed payments as per terms of the agreement i.e. TSHM was liable to pay mark-up at the rate of 3-months KIBOR plus 2% per annum for the delayed period.

(d) The Company, through its legal counsel, has issued legal notices to TSHM for recovery of outstanding amounts and mark-up thereon on 31 March, 2009 and 20 May, 2009; TSHM failed to make payments even in response to the legal notices issued by the Company. Consequently, the Company has filed a suit in the Court of District Judge, Multan for recovery of the outstanding amounts along with mark-up at the rate of 3-months KIBOR +2% per annum to be calculated on daily product basis from date of the cheques till the final realisation of the amount due. Mark-up on the balance receivable from TSHM amounting Rs. 31.864 million approximately has not been accrued in these financial statements as the ultimate outcome of the matter depends upon judgment of the Court. The proceedings of the Court are still in progress.

17. TAX REFUNDS DUE FROM THE GOVERNMENT

	2011	2010
Income tax refundable, advance tax and tax deducted at souce	150,101,527	77,756,727
Sales tax refundable	17,005,750	17,130,259
Less: provision for doubtful refunds	6,964,373	6,964,373
	10,041,377	10,165,886
	160,142,904	87,922,613

	Note	2011 Rupees	2010 Rupees
18. CASH AND BANK BALANCES			
Cash-in-hand		1,687,058	1,601,379
Cash at banks on:			
- current accounts		8,665,683	12,120,621
- saving accounts	18.1	1,203,589	1,636,305
		9,869,272	13,756,926
		11,556,330	15,358,305

18.1 These carry profit at the rates ranging from 5% to 5.50% (2010: 5.02% to 5.26%) per annum.

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2011 (No. of shares)	2010 (No. of shares)		2011 Rupees	2010 Rupees
6,288,800	6,288,800	Ordinary shares of Rs. 10 each fully paid in cash	62,888,000	62,888,000
11,000	11,000	Ordinary shares of Rs. 10 each issued as fully paid against shares of Mahmood Power Generation Ltd. upon merger	110,000	110,000
8,700,200	8,700,200	Ordinary shares of Rs. 10 each issued as fully paid bonus share	87,002,000	87,002,000
15,000,000	15,000,000		150,000,000	150,000,000

19.1 Movement in share capital during the year

15,000,000	9,984,989	Balance at beginning	150,000,000	99,849,890
0	5,015,011	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	0	50,150,110
15,000,000	15,000,000		150,000,000	150,000,000

19.1 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to the Company's residual assets.

19.2 The Company has one class of ordinary shares, which carry no right to fixed income.

19.3 Nil shares [2010: 27ordinary shares were held by Roomi Enterprises (Pvt.) Ltd. - an Associated Company as at 30 June, 2010].

19.4 The Company has no reserved shares for issuance under options and sale contracts.

	Note	2011 Rupees	2010 Rupees
20. LONG TERM FINANCING - Secured			
From banking companies			
United Bank Limited (UBL)	20.1	643,757,676	599,125,051
Habib Bank Limited (HBL)	20.2	573,685,501	253,971,200
Balance as at 30 June,		1,217,443,177	853,096,251
Less: current portion grouped under current liabilities:			
- UBL		108,119,645	98,889,578
- HBL		122,430,455	65,609,663
		230,550,100	164,499,241
		986,893,077	688,597,010

	No. of instalments and repayment commencement date	Rates of mark-up per annum	2011 Rupees	2010 Rupees
20.1 UBL				
Demand Finance-NIDF-III	10 Half yearly February, 2009	1.5% over 6 months KIBOR	14,507,948	20,324.188
Demand Finance-NIDF-V	12 Half yearly June, 2009	-do-	7,429,240	9,551,880
Demand Finance-NIDF-VI	10 Half yearly November, 2012	1.75% over 6 months KIBOR	67,088,325	67,088,325
Demand Finance-NIDF-VII	Shifted under SBP scheme of LTFF	-do-	0	69,654,000
Demand Finance-NIDF-VIII	10 Half yearly May, 2012	-do-	48,766,925	0
Demand Finance-NIDF-X	10 Half yearly August, 2012	2% over 6 months KIBOR	49,755,278	0
State Bank of Pakistan - Export Oriented Projects				
- Finance No. 1	9 Half yearly May, 2010	2% p.a. over the rate of refinance as worked-out by SBP	60,688,711	80,918,281
- Finance No. 2	9 Half yearly June, 2010	-do-	13,503,005	18,004,005
- Finance No. 3	9 Half yearly June, 2010	-do-	765,358	1,020,478
- Finance No. 4	9 Half yearly January, 2010	-do-	52,623,726	70,164,968
- Finance No. 5	11 Half yearly May, 2010	-do-	37,547,200	46,934,000
- Financi No. 6	11 Half yearly May, 2010	-do-	15,336,674	19,170,842
Balance c/f			368,012,390	402,830,967

	No. of instalments and repayment commencement date	Rates of mark-up per annum	2011 Rupees	2010 Rupees
Balance b/f			368,012,390	402,830,967
- Finance No. 7	11 Half yearly June, 2010	2% p.a. over the rate of refinance as worked-out by SBP	21,357,200	26,696,500
- Finance No. 8	11 Half yearly June, 2010	-do-	6,546,668	8,183,334
- Finance No. 9	12 Half yearly January, 2010	-do-	5,436,000	6,644,000
- Finance No. 10	12 Half yearly April, 2010	-do-	29,883,749	36,524,583
- Finance No. 11	12 Half yearly March, 2010	-do-	3,272,999	4,000,333
- Finance No. 12	12 Half yearly June, 2010	-do-	32,928,002	40,245,334
- Finance No. 13	12 Half yearly September, 2010	-do-	28,333,334	34,000,000
- Finance No. 14	12 Half yearly September, 2010	-do-	33,333,334	40,000,000
- Finance No. 15	16 Half yearly May, 2012	As stipulated by SBP	69,654,000	0
- Finance No. 16	16 Half yearly July, 2012	-do-	45,000,000	0
			643,757,676	599,125,051
20.2 HBL				
Demand Finance - I	14 Half yearly April, 2006	1% over 6 months KIBOR	79,584,562	132,640,936
Demand Finance - II	24 quarterly April, 2012	2% over 3 months KIBOR	8,839,152	0
Demand Finance - III	24 quarterly April, 2012	-do-	17,633,560	0
Demand Finance - IV	24 quarterly May, 2012	-do-	86,796,600	0
Demand Finance - V	24 quarterly June, 2012	-do-	59,698,800	0
Term Loan-I	12 Half yearly May, 2011	2% over 6 months KIBOR	80,251,233	87,546,800
Term Loan-II	10 Half yearly November, 2011	1.75% over 3 months KIBOR	200,000,000	0
Finance Against Fixed Assets - I	12 Half yearly February, 2011	2% over 6 months KIBOR	5,888,421	6,423,732
Finance Against Fixed Assets - II	10 Half yearly December, 2010	-do-	10,132,800	10,468,000
Balance c/f			548,825,128	237,079,468

	No. of instalments and repayment commencement date	Rates of mark-up per annum	2011 Rupees	2010 Rupees
Balance b/f			548,825,128	237,079,468
State Bank of Pakistan- Export Oriented Projects				
- Finance No. 1	12 Half yearly February, 2011	10.25% flat	5,888,421	6,423,732
- Finance No. 2	10 Half yearly December, 2010	10.40% flat	8,374,400	10,468,000
- Finance No. 3	10 Half yearly December, 2010	11.10% flat	1,758,400	0
- Finance No. 4	24 equal quarterly April, 2012	11.20% flat	8,839,152	0
			573,685,501	253,971,200

20.3 The finance facilities available from UBL are secured against first charge over all present and future fixed assets including land and buildings of Units 4 & 5 of the Company to the tune of Rs. 1.224 billion.

20.4 The finance facilities available from HBL are secured against first pari passu charge on entire fixed assets on land consisting total area of 219 kanals and 6 marlas situated at District Muzaffargarh and exclusive charge on plant & machinery imported through HBL.

20.5 The effective mark-up rate that prevailed during the year on these finance facilities ranged from 7% to 15.76% per annum (2010: 7% to 14.37% per annum).

21. DEFERRED TAXATION

The Company's income for the current year is chargeable to tax under presumptive tax regime of the Income Tax Ordinance, 2001; however, deferred taxation has been recognised as the management is not certain whether income for the subsequent years will be chargeable to tax under presumptive tax regime or normal tax regime.

22. TRADE AND OTHER PAYABLES

	Note	2011 Rupees	2010 Rupees
Creditors		128,702,616	57,631,082
Payable against purchase of land		3,500,000	0
Bills payable - secured	22.1	227,237,200	0
Due to an associated undertaking	22.2	57,450,333	126,440,739
Accrued expenses		232,297,129	104,042,202
Advances from customers		28,511,163	10,733,923
Tax deducted at source		113,088	282,504
Workers' (profit) participation fund	22.3	60,255,960	31,829,314
Workers' welfare fund		22,897,265	12,095,139
Unclaimed dividends		368,020	275,182
Others		1,459,616	1,544,954
		762,792,390	344,875,039

22.1 These are secured against the securities as detailed in note 24.1.

22.2 This represents amounts payable to M/s Khawaja Muzaffar Mahmood Muhammad Masood on account of normal trading transactions.

	Note	2011 Rupees	2010 Rupees
22.3 Workers' (profit) participation fund - (the Fund)			
Opening balance		31,829,314	10,254,195
Add:			
- interest on funds utilised in the Company's business		4,316,578	1,231,627
- allocation for the year		60,255,960	31,829,314
		64,572,538	33,060,941
		96,401,852	43,315,136
Less:			
- amount paid to the fund		36,140,250	11,482,360
- amount deposited in the Government Treasury		5,642	3,462
		36,145,892	11,485,822
Closing balance		60,255,960	31,829,314
23. ACCRUED MARK-UP			
Mark-up accrued on:			
- long term financing		31,473,181	13,578,974
- short term borrowings		59,616,802	48,774,319
		91,089,983	62,353,293
24. SHORT TERM BORROWINGS			
Secured			
- Short term borrowings	24.1	419,441,460	551,837,198
- Short term running finances	24.1	692,567,887	746,393,514
		1,112,009,347	1,298,230,712
Un-secured			
- Temporary bank overdrafts	24.3	292,367	872,837
		1,112,301,714	1,299,103,549

24.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate Rs.6.720 billion (2010: Rs. 4.550 billion) of which facilities aggregating Rs. 5.608 billion (2010: Rs.3.252 billion) remained unutilised at the year-end. These finance facilities, during the year, carried mark-up at the rates ranging from 12.75% to 15.16% (2010: 12.79% to 14.79%) per annum. The aggregate finance facilities are secured against hypothecation charge on the Company's current assets, pledge of stock-in-trade, lien over export bills and banks' lien over letters of credit. These facilities are expiring on various dates by 28 February, 2012.

24.2 Facilities available for opening letters of credit and guarantee from various commercial banks aggregate Rs.1.715 billion (2010: Rs. 1.560 billion) of which the amounts aggregating Rs. 1.062 billion (2010: Rs. 1.006 billion) remained unutilised at the year- end. These facilities are secured against lien over import documents and charge on current assets of the Company. These facilities are expiring on various dates by 30 November, 2011.

24.3 These have arisen due to issuance of cheques for amounts in excess of the balance in the bank accounts.

	2011 Rupees	2010 Rupees
25. TAXATION - Net		
Opening balance	85,000,000	33,691,302
Add: provision made during the year for:		
- current year	157,000,000	85,000,000
- prior year	96,914	1,990,851
	157,096,914	86,990,851
	242,096,914	120,682,153
Less: payments/adjustments against completed assessments	85,096,914	35,682,153
Closing balance	157,000,000	85,000,000

25.1 Income tax assessments of the Company have been completed upto the Tax Year 2010; the return for the said year has not been taken-up for audit till 30 June, 2011.

25.2 No numeric tax rate reconciliation has been presented in these financial statements as provision for the current and preceding years mainly represents tax due under section 154 of the Income Tax Ordinance, 2001.

26. CONTINGENCIES AND COMMITMENTS

26.1 Guarantees given by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregated Rs. 234.033 million as at 30 June, 2011 (2010: Rs. 159.011 million).

26.2 Foreign bills discounted outstanding as at 30 June, 2011 aggregated Rs. 1,324.522 million (2010: Rs. 708.109 million).

26.3 Local bills discounted outstanding as at 30 June, 2011 aggregated Rs. 1.650 million (2010: Rs. 78.567 million).

	2011 (Rupees in million)	2010
26.4 Commitments for irrevocable letters of credit:		
- capital expenditure	164.585	134.575
- others	26.966	260.157
	191.551	394.732

	Note	2011 Rupees	2010 Rupees
27. SALES - Net			
LOCAL			
Own produced:			
- yarn		1,357,417,508	537,540,611
- cloth		85,381,898	50,547,909
- electricity sales to Multan Electric Power Company Ltd. (MEPCO)		711,220,512	518,009,427
- waste		408,335,058	125,896,830
- doubling/sizing income		4,142,456	15,012,650
		2,566,497,432	1,247,007,427
Purchased products:			
- cotton		148,974,992	231,318,091
- yarn		86,907,050	346,948,095
		235,882,042	578,266,186
	27.1	2,802,379,474	1,825,273,613
EXPORT			
Own produced:			
- yarn		8,159,327,968	4,388,276,470
- cloth		2,144,006,455	1,299,996,315
- waste		99,171,626	90,300,511
		10,402,506,049	5,778,573,296
Purchased products:			
- yarn		1,893,451,729	531,704,472
		12,295,957,778	6,310,277,768
		15,098,337,252	8,135,551,381

27.1 Local sales have been shown after deduction of sales tax aggregating Rs. 120,907,487 (2010: Rs. 82,306,763).

28. COST OF SALES	Note	2011 Rupees	2010 Rupees
Raw materials consumed	28.1	8,894,427,394	4,367,711,001
Stores consumed		265,414,473	154,427,854
Packing materials consumed		123,346,126	82,451,402
Salaries, wages and benefits	28.4	465,511,586	336,763,813
Power and fuel		1,261,922,439	843,956,771
Repair and maintenance		26,522,350	9,590,096
Depreciation		204,645,149	160,125,490
Insurance		48,960,036	34,031,977
Doubling charges		49,753,159	0
		11,340,502,712	5,989,058,404
Adjustment of work-in-process			
Opening		60,306,212	40,745,771
Closing		(102,755,212)	(60,306,212)
		(42,449,000)	(19,560,441)
Cost of goods manufactured		11,298,053,712	5,969,497,963
Adjustment of finished goods			
Opening stock		481,702,516	340,667,739
Closing stock		(870,274,312)	(481,702,516)
		(388,571,796)	(141,034,777)
Cost of goods sold - Own manufactured		10,909,481,916	5,828,463,186
Cost of goods sold - Purchased products			
Opening stock		15,444,300	0
Purchases		1,945,884,135	815,404,319
Closing stock		0	(15,444,300)
		1,961,328,435	799,960,019
		12,870,810,351	6,628,423,205

28.1 Raw materials consumed	Note	2011 Rupees	2010 Rupees
Opening stock		1,085,106,540	1,062,392,724
Purchases and purchase expenses		5,941,475,297	2,996,535,062
Transfer from Ginning Section	28.3	3,360,253,087	1,391,365,905
		9,301,728,384	4,387,900,967
		10,386,834,924	5,450,293,691
Less: closing stock		(1,495,709,327)	(1,085,106,540)
		8,891,125,597	4,365,187,151
Cotton cess		3,301,797	2,523,850
		8,894,427,394	4,367,711,001

28.2 Insurance claims aggregating Rs. 49.713 million (2010: Rs. 53.414 million), against loss of raw materials due to fire and quality claims lodged with suppliers, have been adjusted against raw materials consumption for the current year.

	2011 Rupees	2010 Rupees
28.3 Production cost of Ginning Section - Net		
Raw materials consumed including local taxes aggregating Rs. 4,107,379 (2010: Rs. 3,910,983)	3,888,428,340	1,814,256,780
Lease charges	1,500,000	1,400,000
Salaries, wages and benefits	26,118,268	21,076,282
Travelling and conveyance	416,230	465,014
Repair and maintenance	3,839,078	4,970,667
Stores consumption	7,757,643	6,706,544
Utilities	23,783,203	24,139,409
Entertainment	596,032	516,892
Stationery	199,661	115,721
Communication	224,832	263,544
Insurance	3,213,101	2,801,425
Bank charges	9,764,877	7,205,248
Others	960,517	945,327
	3,966,801,782	1,884,862,853
Less: sale of cotton seed	606,548,695	493,496,948
Transferred to Spinning Section	3,360,253,087	1,391,365,905

The Company has acquired three Cotton Ginning Factories on operating lease, their total cost of production, after adjustment of sale of cotton seed to outsiders, has been transferred to Spinning Section as raw materials cost.

28.4 Expense for the year includes staff retirement benefits - gratuity amounting Rs. 14.933 million (2010: Rs.18.439 million).

	2011 Rupees	2010 Rupees
29. DISTRIBUTION COST		
Advertisement	143,538	129,375
Export expenses	127,590,438	103,719,090
Commission	251,144,303	122,507,808
Export development surcharge	18,935,295	9,422,368
Freight and other expenses	49,171,586	33,602,291
	446,985,160	269,380,932

	Note	2011 Rupees	2010 Rupees
30. ADMINISTRATIVE EXPENSES			
Salaries and benefits	30.1	36,512,964	27,352,509
Travelling and conveyance	30.2	31,753,218	25,372,001
Rent, rates and taxes		1,190,062	4,397,888
Entertainment		7,365,325	5,916,919
Electricity		2,596,338	3,417,615
Communication		10,772,493	9,226,066
Printing and stationery		3,613,908	7,190,943
Insurance		2,416,226	2,111,587
Repair and maintenance		20,943,801	7,080,796
Vehicles' running and maintenance		14,826,146	8,893,732
Subscription		2,871,136	2,614,847
Advisory fees for acquisition of equity investments in Orient Power Company (Pvt.) Ltd.		0	3,025,000
Auditors' remuneration:			
- statutory audit		1,000,000	1,000,000
- half yearly review		75,000	75,000
- certification charges		10,000	0
		1,085,000	1,075,000
Legal and professional charges		1,326,130	1,943,332
Depreciation		9,372,167	7,520,067
General		5,827,204	1,467,509
		152,472,118	118,605,811

30.1 Expenses for the year includes staff retirement benefits - gratuity amounting Rs. 2.925 million (2010: Rs.2.568 million).

30.2 These include directors' travelling expenses amounting Rs. 21.857 million (2010: Rs. 13.842 million).

	Note	2011 Rupees	2010 Rupees
31. OTHER OPERATING EXPENSES			
Donations (without directors' interest)		1,489,190	437,000
Loss on sale of operating fixed assets - net	7.3	377,778	0
Loss on sale of shares - net		0	2,206,470
Loss on re-measurement of short term investments at fair value		0	61,320,710
Impairment loss on long term investments		0	62,990,453
Workers' (profit) participation fund		60,255,960	31,829,314
Workers' welfare fund		17,454,653	12,095,139
Obsolete/slow moving stores and spares written-off		0	5,745,893
Provision against doubtful sales tax refunds		0	6,964,373
Special excise duty		0	874,975
Uncollectible receivable balances written-off		0	5,675,505
Flood relief expenses		2,856,937	0
Others		1,515	1,489
		82,436,033	190,141,321

	Note	2011 Rupees	2010 Rupees
32. OTHER OPERATING INCOME			
Income from financial assets			
Return on bank deposits		108,743	69,158
Dividend		0	1,400,000
Gain on sale of shares - net		23,145,622	0
Exchange fluctuation gain - net	32.1	35,545,995	0
Income from non-financial assets			
Rent		9,600	46,500
Reversal of excess provision for workers' welfare fund		0	136,789
Gain on sale of operating fixed assets - net		0	2,476,847
		58,809,960	4,129,294

32.1 This gain upto 30 June, 2010 was grouped under sales; effective from current year , for better presentation, this has been disclosed separately.

	2011 Rupees	2010 Rupees
33. FINANCE COST - Net		
Interest/mark-up on:		
- long term financing [net of mark-up subsidy aggregating Rs. 2.919 million (2010: Rs. 4.161 million)]	112,486,869	58,530,732
- short term borrowings	325,573,567	242,858,685
- workers' (profit) participation fund	4,316,578	1,231,627
Bank charges and commission	40,002,940	37,845,843
	482,379,954	340,466,887

	2011	2010
34. EARNINGS PER SHARE		
Profit after taxation attributable to ordinary shareholders	1,123,428,617	578,199,790
	2011	**2010**
	No. of shares	
Number of ordinary shares issued and subscribed at the end of the year	15,000,000	15,000,000
	Rupees	**Rupees**
Earnings per share	74.90	38.55

34.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at 30 June, 2011 and 30 June, 2010, which would have any effect on the earnings per share of the Company if the option to convert is exercised.

35. SEGMENT INFORMATION

Segment analysis

	Spinning	Weaving	Power	Total
	----------	Rupees	----------	
Year ended 30 June, 2011				
Revenue	12,135,309,193	2,251,807,547	711,220,512	15,098,337,252
Segment results	1,392,289,578	225,970,450	9,809,595	1,628,069,623
Year ended 30 June, 2010				
Revenue	6,216,674,231	1,400,867,723	518,009,427	8,135,551,381
Segment results	1,064,649,883	11,622,139	42,869,411	1,119,141,433

Reconciliation of segment results with profit from operations:

	2011 Rupees	2010 Rupees
Total results for reportable segments	1,628,069,623	1,119,141,433
Other operating expenses	(82,436,033)	(190,141,321)
Other operating income	58,809,960	4,129,294
Finance cost	(482,379,954)	(340,466,887)
Profit from Associates	153,132,809	53,377,190
Profit from operations	1,275,196,405	646,039,709

Information on assets and liabilities by segment is as follows:

	Spinning	Weaving	Power	Total
	----------	Rupees	----------	
As at 30 June, 2011				
Segment assets	4,167,157,277	1,150,861,057	278,068,089	5,596,086,423
Segment liabilities	1,416,193,315	492,573,051	8,530,841	1,917,297,207
As at 30 June, 2010				
Segment assets	2,754,030,873	1,023,248,606	292,976,130	4,070,255,609
Segment liabilities	550,144,674	470,355,718	5,285,569	1,025,785,961

Reconciliation of segments assets and liabilities with totals in the balance sheet is as follows:

	As at 30 June, 2011		As at 30 June, 2010	
	Assets	Liabilities	Assets	Liabilities
	----------	Rupees	----------	
Total for reportable segments	**5,596,086,423**	**1,917,297,207**	4,070,255,609	1,025,785,961
Unallocated assets/liabilities	**1,142,929,677**	**1,538,573,931**	944,461,868	1,739,215,171
Total as per balance sheet	**6,739,016,100**	**3,455,871,138**	5,014,717,477	2,765,001,132

- Sales to domestic customers in Pakistan are 18.56% (2010: 22.44%) and to customers outside Pakistan are 81.44% (2010: 77.56%) of the revenues during the year.

- The Company's customer base is diverse with no single customer accounting for more than 10% of net revenues.

Geographical Segments
All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

36. FINANCIAL INSTRUMENTS

The Company has exposures to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

36.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted and primarily arises from long term investments, long term deposits, trade debts, loans & advances, other receivables and bank balances. Out of the total financial assets of Rs.1,208,869,620 (2010: Rs.1,109,226,121), the financial assets which are subject to credit risk aggregate Rs.1,207,182,562 (2010: Rs.1,107,624,742).

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 60 to 90 days to reduce the credit risk. All the export sales are secured through letters of credit.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk as at 30 June, 2011 along with comparative is tabulated below:

	2011 Rupees	2010 Rupees
Long term investments	434,925,000	0
Deposit for shares	0	302,500,000
Long term deposits	42,304,359	6,478,119
Trade debts	607,042,675	420,537,757
Short term investments	0	269,407,993
Loans and advances	3,459,653	4,941,731
Other receivables	109,581,603	90,002,216
Bank balances	9,869,272	13,756,926
	1,207,182,562	1,107,624,742

	2011 Rupees	2010 Rupees
Trade debts exposure by geographic region is as follows:		
Domestic	309,499,484	166,159,794
Export	297,543,191	254,377,963
	607,042,675	420,537,757

The majority of export debts of the Company are situated in Asia and Europe.

	2011 Rupees	2010 Rupees
The ageing of trade debts at the year-end was as follows:		
Not past due	589,841,449	417,481,302
Less than 3 months	13,958,140	52,809
3 to 6 months	620,000	0
over 6 months	2,623,086	3,003,646
	607,042,675	420,537,757

Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as debts aggregating Rs. 560,864,783 have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

36.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company's treasury department maintains flexibility in funding by maintaining availability under committed credit lines.

Financial liabilities in accordance with their contractual maturities are presented below:

	2011				
	Carrying amount	Contractual cash flows	Less than 1 Year	Between 1 to 5 years	5 years and above
	--- Rupees ---				
Long term financing	1,217,443,177	1,635,719,818	369,388,125	1,102,398,739	163,932,954
Short term borrowings	1,112,301,714	1,191,135,062	1,191,135,062	0	0
Trade and other payables	651,014,914	651,014,914	651,014,914	0	0
Accrued mark-up	91,089,983	91,089,983	91,089,983	0	0
	3,071,849,788	3,568,959,777	2,302,628,084	1,102,398,739	163,932,954

	2010				
	Carrying amount	Contractual cash flows	Less than 1 Year	Between 1 to 5 years	5 years and above
	--- Rupees ---				
Long term financing	853,096,251	1,129,648,742	240,253,864	756,048,277	133,346,601
Short term borrowings	1,299,103,549	1,399,611,232	1,399,611,232	0	0
Trade and other payables	289,934,159	289,934,159	289,934,159	0	0
Accrued mark-up	62,353,293	62,353,293	62,353,293	0	0
	2,504,487,252	2,881,547,426	1,992,152,548	756,048,277	133,346,601

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective at the respective year-ends. The rates of mark-up have been disclosed in the respective notes to these financial statements.

36.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

The Company is exposed to currency risk on import of plant & machinery, raw materials, stores & spares and export of goods mainly denominated in U.S. Dollar, Euro and Japanese Yen. The Company's exposure to foreign currency risk for U.S. Dollar, Euro and Japanese Yen is as follows:

	2011				
	Rupees	**US$**	**Euros**	**CHF**	**Yens**
Trade debts	(297,543,191)	(3,458,785)	0	0	0
Short term borrowings	61,409,680	718,122	0	0	0
Bills payable	227,237,200	2,547,810	0	0	6,936,469
Gross balance sheet exposure	(8,896,311)	(192,853)	0	0	6,936,469
Outstanding letters of credit	191,550,435	112,474	697,652	927,500	0
Net exposure	182,654,124	(80,379)	697,652	927,500	6,936,469

	2010				
	Rupees	**US$**	**Euros**	**CHF**	**Yens**
Trade debts	(254,377,963)	(2,983,906)	0	0	0
Short term borrowings	21,292,500	250,000	0	0	0
Gross balance sheet exposure	(233,085,463)	(2,733,906)	0	0	0
Outstanding letters of credit	394,731,587	4,105,814	169,050	0	26,490,000
Net exposure	161,646,124	1,371,908	169,050	0	26,490,000

The following significant exchange rates have been applied:

	Average rate		Balance sheet date rate	
	2011	**2010**	**2011**	**2010**
U.S. $ to Rupee	85.60	85.45	85.8/86	85.4/85.6
EURO to Rupee	114.24	104.58	123.90	104.58
CHF to Rupee	102.90	-	102.90	-
Yen to Rupee	1.0170	0.97	1.0678	0.9662

Sensitivity analysis

At the reporting date, if Rupee had strengthened by 10% against U.S. Dollar and Yen, with all other variables held constant, profit after taxation for the year would have been higher by the amount shown below mainly as a result of net foreign exchange gain on translation of foreign currency financial assets and liabilities.

	2011 Rupees	2010 Rupees
Effect on profit for the year:		
U.S. $ to Rupee	(1,630,307)	23,308,547
Yen to Rupee	740,676	0

The weakening of Rupee against U.S. Dollar, and Yen would have had an equal but opposite impact on the profit after taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets/liabilities of the Company.

b) Interest rate risk

At the reporting date, the profit and mark-up rate profile of the Company's significant financial assets and liabilities is as follows:

	2011	2010	2011	2010
	Effective mark-up rate		Carrying amount -------- (Rupees) --------	
	%	%		
Fixed rate instruments				
Financial assets				
Bank balances at saving accounts	5% to 5.50%	5.02% to 5.26%	1,203,589	1,636,305
Variable rate instruments				
Financial liabilities				
Long term financing	7% to 15.76%	7% to 14.37%	1,217,443,177	853,096,251
Short term borrowings	12.75% to 15.16%	12.79% to 14.79%	1,112,009,347	1,298,230,712

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in mark-up/profit rates at the reporting date would not affect profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in mark-up rates at the balance sheet date would have (decreased)/increased profit for the year by the amounts shown below. The analysis is performed on the same basis for the year 2010.

	Decrease Rupees	Increase Rupees
As at 30 June 2011		
Cash flow sensitivity		
- Variable rate financial liabilities	(23,294,525)	23,294,525
As at 30 June 2010		
Cash flow sensitivity-variable rate financial liabilities	(21,513,270)	21,513,270

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and liabilities of the Company.

36.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between carrying values and the fair value estimates. The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

37. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratio under the financing agreements.

38. REMUNERATION OF EXECUTIVES

	2011 Rupees	2010 Rupees
Managerial remuneration	23,191,000	9,149,266
Bonus	1,663,542	838,000
Retirement benefits - gratuity	1,203,500	838,000
Other perquisites and benefits	1,155,784	893,867
	27,213,826	11,719,133
Number of persons	17	13

38.1 Some of the executives have been provided with the Company maintained cars.

39. TRANSACTIONS WITH RELATED PARTIES

39.1 Maximum aggregate balance due from Associated Companies, on account of normal trading transactions, at any month-end during the year was Rs. 164.687 million (2010: Rs. 173.739 million).

39.2 The Company has related party relationship with its Associated Companies, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Amounts due to related parties are shown under payables and remuneration of key management personnel is disclosed in note 38. Other significant transactions with Associated Companies during the year were as follows:

	2011 Rupees	2010 Rupees
- sale of goods	2,814,505,472	1,496,629,907
- sale of shares	0	6,845
- purchase of goods	2,263,906,247	415,725,759
- purchase of waste/comber noil	10,074,450	0
- doubling charges	2,683,050	2,295,100
- doubling revenue	3,810,056	13,327,250
- rent accrued	0	36,000

40. CAPACITY AND PRODUCTION

		2011	2010
Yarn			
Number of spindles installed		104,976	84,912
Number of spindles-shift worked		109,884,529	90,206,856
Production capacity at 20's count			
1,094 shifts (2010: 1,094 shifts)	Kgs.	37,382,132	30,687,893
Actual production converted into 20's count	Kgs.	37,129,827	30,802,567
Cloth			
Number of looms installed		100	100
Number of looms-shifts worked		109,500	97,904
Installed capacity at 60 picks			
1,094 shifts (2010: 1,093 shifts)	Sq. mtrs.	22,591,200	19,273,198
Actual production converted into 60 picks	Sq. mtrs.	21,158,918	18,201,608
Power House			
Number of generators installed		9	9
Number of shifts worked		1,094	1,094
Generation capacity in Mega Watts		18	18
Actual generation in Mega Watts		12	13

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.

41. DIVIDEND

The Board of Directors in its meeting held on October, 2011 has proposed a final cash dividend of Rs. 10 per share (2010: Rs. 6 per share) for the year ended 30 June, 2011. The financial statements for the year ended 30 June, 2011 do not include the effect of proposed dividend amounting Rs. 150,000,000, which will be accounted for in the financial statements for the year ending 30 June, 2012 after approval by the members in the annual general meeting.

42. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 05 October, 2011 by the board of directors of the Company.

43. GENERAL

- Figures in the financial statements have been rounded-off to the nearest Rupee, except stated otherwise.

- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison; however, no material rearrangements and reclassifications have been made in these financial statements.

sd/-	sd/-	sd/-	sd/-
(KH. MUHAMMAD MASOOD)	(KH. MUHAMMAD IQBAL)	(KH. MUHAMMAD YOUNUS)	(MUHAMMAD AMIN PAL)
CHAIRMAN	CHIEF EXECUTIVE OFFICER	DIRECTOR	CHIEF FINANCIAL OFFICER

FORM-34
PATTERN OF SHAREHOLDING
AS AT 30TH JUNE, 2011

NUMBER OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
19	1	100 Shares	799
63	101	500 Shares	15,317
22	501	1,000 Shares	15,723
49	1,001	5,000 Shares	88,282
5	5,001	10,000 Shares	39,777
4	10,001	15,000 Shares	47,648
1	15,001	20,000 Shares	15,165
2	30,001	35,000 Shares	60,314
1	95,001	100,000 Shares	95,435
4	105,001	110,000 Shares	431,189
2	160,001	165,000 Shares	323,060
6	170,001	175,000 Shares	1,026,186
1	190,001	195,000 Shares	190,035
3	215,001	220,000 Shares	649,059
1	245,001	250,000 Shares	246,144
3	280,001	285,000 Shares	851,865
1	290,001	295,000 Shares	291,466
2	320,001	325,000 Shares	645,788
1	415,001	420,000 Shares	415,633
1	535,001	540,000 Shares	538,782
1	675,001	680,000 Shares	678,492
1	740,001	745,000 Shares	743,438
1	790,001	795,000 Shares	792,186
1	805,001	810,000 Shares	805,322
1	830,001	835,000 Shares	831,523
1	865,001	870,000 Shares	866,662
1	1,005,001	1,010,000 Shares	1,009,088
1	1,020,001	1,025,000 Shares	1,022,267
1	1,080,001	1,085,000 Shares	1,106,864
1	1,155,001	1,160,000 Shares	1,156,491
201			15,000,000

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARE HELD	PERCENTAGE
Directors, Chief Executive Officer, & their spouse & Minor Children:	12	6,743,400	44.96
Associated Companies, Undertakings & related parties:	-	-	-
NIT & ICP:	2	30,469	0.20
Banks, Development Financial Institutions, Non-Banking Financial Institutions:	-	-	-
Joint Stock Companies:	1	1,921	0.01
Insurance Companies:	-	-	-
Modarabas & Mutual Funds:	-	-	-
Shareholders Holding 10%:	-	-	-
General Public:			
a. Local:	186	8,224,210	54.83
b. Foreign:	-	-	-
Others:	-	-	-
	201	15,000,000	100

N.B: The above two statements include (123) shareholders Holding 1,106,864 Share through Central Depository Company of Pakistan Limited.

SHAREHOLDINGS OF DIRECTORS. ALONGWITH SPOUSE AND MINORS

Sr. No.	Name fo Director.	No. of shares Held	TOTAL SHARES
1	Khawaja Muhammad Masood	1,009,088	
	Mst. Mehr Fatima (Spouse)	805,322	1,814,410
2	Khawaja Muhammad Iqbal	678,492	
	Mst. Khadija Qureshi (Spouse)	95,435	773,927
3	Khawaja Muhammad Ilyas	538,782	
	Mst. Bilquees Akhtar (Spouse)	743,438	1,282,220
4	Khawaja Muhammad Younus	831,523	
	Mst. RubinaYounus (Spouse)	108,130	939,653
5	Khawaja Muhammad Jalaluddin Roomi	1,156,491	
	Mrs. Humera Jalaluddin (Spouse)	190,035	1,346,526
6	Mr. Muhammad Muzaffar Iqbal	415,633	
	Mrs. Attiya Fatima (Spouse)	171,031	586,664
7	Mst. Mehr Fatima (Spouse)	Already given above.	
	Khawaja Muhammad Masood	Already given above.	
		Grand Total:	6,743,400

FORM OF PROXY

I,____

of____

being a member of Mahmood Textile Mills Ltd., 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____

Day of________________________ 2011.

Signed by the siad

Affix Revenue Stamp

IMPORTANT

This form of proxy, duly completed, must be deposited at the Company's Registered Office at Mehr Manzil, Lohari Gate, Multan not less than 48 hours before the time for holding the meeting.