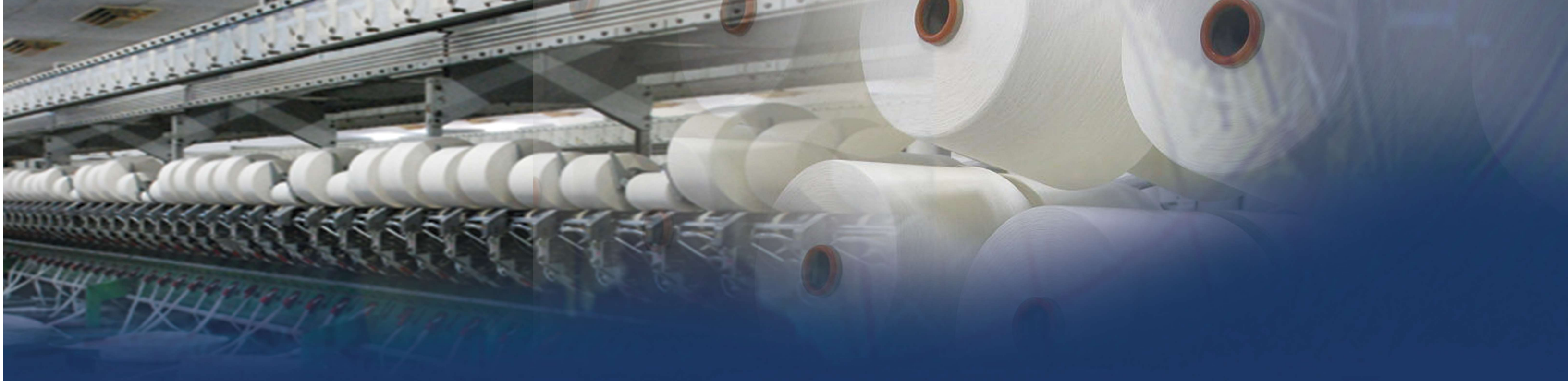

Annual Report

2012

Shadab Textile Mills Limited

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	Mian Aamir Naseem	**Chief Executive Officer**
	Mian Farrukh Naseem	
	Mian Shahzad Aslam	
	Mst. Nusrat Shamim	
	Mr. Ahmed Ali Tariq	
	Mr. Mazhar Hussain	
	Mr. Tariq Javaid	
AUDIT COMMITTEE	Mian Farrukh Naseem	**Chairman**
	Mian Shahzad Aslam	**Member**
	Mr. Ahmed Ali Tariq	**Member**
HUMAN RESOURCE & REMUNERATION COMMITTEE	Mian Farrukh Naseem	**Chairman**
	Mian Aamir Naseem	**Member**
	Mr. Ahmed Ali Tariq	**Member**
CHIEF FINANCIAL OFFICER	Mr. Mazhar Hussain	
COMPANY SECRETARY	Mr. Mazhar Hussain	
AUDITORS	M/s. Fazal Mahmood & Company Chartered Accountants	
SHARE REGISTRAR	Corplink (Pvt) Limited Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel: 042-35887262, 35839182 Fax: 042-35869037	
BANKERS	National Bank of Pakistan Bank Al-falah Limited	
REGISTERED OFFICE	A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore. Ph: 042-35788714-16	
WEBSITE ADDRESS	www.shadabtextile.com	
MILLS	Nasimabad, Shahkot, District Nankana Sahib.	

VISION STATEMENT

To Strive for excellence through commitments, integrity, honesty and team work.

MISSION STATEMENT

To be a model amongst the textile spinning, capable of producing high quality blended and hundred percent cotton yarn both for knitting and weaving.

- Complete satisfaction of Buyers/Consumers is our Motto.
- Manufacturing of blended and hundred percent cotton yarn as per the customers' requirements and market demand.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Betterment of Mills Employees as quality policy.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the Shareholders of SHADAB TEXTILE MILLS LIMITED will be held on Wednesday, October 31, 2012 at 10:30 a.m. at the Registered Office of the Company at A-601/A, City Towers, 6-K Main Boulevard, Gulberg-II, Lahore to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2012 together with Directors' and Auditors' Reports thereon.

2. To declare and approve the Final Cash Dividend at Rs. 1.00 per share i.e. 10% for the year ended June 30, 2012 as recommended by the Board of Directors.

3. To appoint auditors for the year 2012-2013 and fix their remuneration.

SPECIAL BUSINESS

4. To sanction the holding of office of profit by the working directors of the Company on the terms and conditions to be approved by the Board of Directors of the Company.

By order of the Board

(Mazhar Hussain)
Company Secretary

LAHORE: October 04, 2012.

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 25, 2012 to October 31, 2012 (both days inclusive). Transfers received at Corplink (Pvt) Limited, Wings Arcade, I-K, Commercial, Model Town, Lahore, the Registrar and Shares Transfer Office of the Company by the close of business on October 24, 2012 will be treated in time.

2. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the time of holding the meeting. A proxy must be a member.

3. Any Individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original C.N.I.C or Passport to prove his/her identity and in case of Proxy must enclose an attested copy of his/her C.N.I.C or Passport. Representative of corporate members should bring the usual documents required for such purposes.

4. Shareholders are once again requested to submit copy of their valid CNIC mentioning company name & Folio Number at our Share Registrar's address for compliance of SECP S.R.O. 779(1) 2011, dated August 18, 2011. In case of non receipt of copy of valid CNIC, the company may be constrained to withhold dispatch of dividend warrants/ bonus shares.

5. Shareholders are requested to immediately notify the change of address, if any to Share Registrar of the Company.

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

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 31st October, 2012.

The executive directors are to be authorized to hold their respective offices of profit under the terms of their contracts of service. The members' approval is sought for holding of offices of profit by the directors namely Mian Shahzad Aslam, Mr. Mazhar Hussain and Mr. Tariq Javaid of the Company on the terms and conditions to be approved by the Board of Directors of the Company.

For this purpose, it is proposed that the following Resolution be passed as an Ordinary Resolution:

> "Resolved that sanction of the Company be and is hereby accorded to the following executive directors namely Mian Shahzad Aslam, Mr. Mazhar Hussain and Mr. Tariq Javaid for holding their respective offices of profits under the Company on the terms and conditions to be approved from time to time by the Board of Directors of the Company"
>
> "Resolved further that in the event any of the aforesaid offices of profit falls vacant, the sanction hereby granted shall be equally applicable on any other person appointed to fill such vacancy."

The executive directors are interested in the above resolution to the extent of their remuneration.

DIRECTORS' REPORT

Dear Shareholders,

The Directors of the Company welcome you to the 33rd Annual General Meeting and are pleased to present the Annual Report together with Audited Accounts of the Company for the year ended June 30, 2012.

Financial Results

The financial results of the company in comparative form are as follows:-

	(RUPEES IN THOUSAND)	
	June 30 2012	**June 30 2011**
Sales	**1,619,546**	1,832,307
Cost of sales	**1,524,589**	1,664,082
GROSS PROFIT	**94,957**	168,225
Administrative and general	**28,997**	26,474
Selling and distribution	**453**	2,853
	29,450	29,327
OPERATING PROFIT	**65,507**	138,898
Financial charges	**40,274**	55,612
Other charges	**1,953**	5,901
	23,280	77,385
Other income	**3,058**	2,238
PROFIT BEFORE TAXATION	**26,338**	79,623
Taxation	**5,494**	25,381
PROFIT AFTER TAXATION	**20,844**	54,242
Basic earning per share (Rupees)	**6.95**	18.08

During the year under review, your company earned profit after tax Rs. 20.844 million as compared to after tax profit Rs. 54.242 million of the previous year. The net sales made in the year are amounting to Rs.1,619.546 million as compared to previous year sale of Rs. 1,832.307 million showing decrease of 11.61 % against previous year sales due to decrease in raw material as well as yarn prices. Earning per share is Rs. 6.95 as compared to Rs. 18.08 per share.

During the year, cotton prices were relatively stable. However, in the beginning we had some high value carry over stock of cotton & yarn and purchased cotton at higher rates in the early period of the season. Afterword, prices of cotton reduced and the prices of yarn also reduced which affected the first half yearly results. The fuel price adjustment (FPA) of Rs. 20.072 million charged on electricity consumption has also affected the results.

Energy outages have left a profound effect on the industry in Punjab. During the year, gas and power was not available and remained closed the mills for number of days, inspite of the fact that the company is utilizing both gas and power facilities.

Future Prospects

This year the cotton crop prospects are encouraging and cotton production will hopefully better and it will be available at export parity and we foresee an opportunity to purchase local cotton. However, the major issues faced by the company are non-availability of gas and power, high interest rate, impact of wages increased and inflationary trend in the cost of all major inputs. The management is trying its best to improve the results by controlling the factors which are under its control.

The management is planning to BMR its existing machinery from own sources to compete with the fast changing trends, market requirements to increase the production and improve its quality to make the project more viable.

Dividend

The Board of Directors has recommended a cash dividend at Rs.1.00 per share i.e. 10% to the shareholders of the company.

Corporate and Financial Reporting Framework

a. The financial statements, prepared by the management of the company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity.

b. Proper books of account have been maintained by the Company.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. There are no significant doubts upon the company's ability to continue as a going concern.

g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h. Key operating and financial data of last six years is annexed to the annual report.

i. There are no outstanding statutory payments on account of taxes, duties, levies and charges except routine payments of various levies.

j. Value of investments of provident fund as on 30-06-2012 was Rs.38.356 million.

k. The pattern of shareholding and the additional information as required by the CCG is annexed to the annual report.

l. Directors, CEO, CFO, Company Secretary and their spouses and minor children have made transaction in the company's shares during the year is as follows:

Sr.No.	Name	Sale	Purchase
1.	Mst. Nusrat Shamim	91,300	600
2.	Mrs. Fatima Aamir W/o Mian Aamir Naseem	-	91,300
3.	Mrs. Hina Farrukh W/o Mian Farrukh Naseem (CDC)	-	710

Board of Directors

During the year, five meetings of the Board of Directors were held, attendance of these meetings is as follows:

Sr. No.	Name of Director	No. of Meetings Attended
1	Mian Aamir Naseem	5
2	Mian Farrukh Naseem	5
3	Mian Shahzad Aslam	5
4	Mst. Nusrat Shamim	5
5	Mr. Ahmed Ali Tariq	5
6	Mr. Mazhar Hussain	5
7	Mr. Tariq Javaid	5

Audit Committee

The Board of Directors in compliance with the Code of Corporate Governance has established an Audit Committee. The audit committee comprises of the following three directors.

Mian Farrukh Naseem	Chairman
Mian Shahzad Aslam	Member
Mr. Ahmed Ali Tariq	Member

During the year, six meetings of the Audit Committee were held, attendance of these meetings is as follows:

Name	No. of Meetings Attended
Mian Farrukh Naseem	6
Mian Shahzad Aslam	6
Mr. Ahmed Ali Tariq	6

Human Resource Committee

In compliance with the Code of Corporate Governance, the Board of Directors has constituted a Human Resource Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non-executive director.

Mian Farrukh Naseem	Chairman
Mian Aamir Naseem	Member
Mr. Ahmed Ali Tariq	Member

Directors Training Programme

In accordance with the criteria specified in clause (xi) of CCG the directors other than those who are not exempted from the directors training programme will acquire certification within the specified time.

Auditors

The present Auditors M/s Fazal Mehmood & Company, Chartered Accountants, retire and being eligible offer themselves for re-appointment. The audit committee of the board has recommended the re-appointment of M/s Fazal Mahmood & Company, Chartered Accountants, as external auditors of the Company for the year 2012-2013.

Acknowledgements

The board avails the opportunity to appreciate the devoted work done by the executives, officers, staff and workers of the company.

For and on behalf of the Board

Lahore: October 04, 2012

Mian Aamir Naseem
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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

The Company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Nil
Executive Directors	Mian Aamir Naseem
	Mian Shahzad Aslam
	Mr. Mazhar Hussain
	Mr. Tariq Javaid
Non-Executive Directors	Mian Farrukh Naseem
	Mst. Nusrat Shamim
	Mr. Ahmed Ali Tariq

   The condition of clause (i) (b), i (d) of the code relating to composition of Board is applicable on the expiry of its current term.

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

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

4. During the year ended June 30, 2012 no casual vacancy occurred on the Board.

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

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

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and executive director have been taken by the Board.

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

9. In accordance with the criteria specified in clause (xi) of CCG the directors other than those who are not exempted from the requirement of director's training program will acquire certification within the specified time.

10. There is no change in the position of CFO, Company Secretary and Head of Internal Audit during the year.

11. 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 disclosed.

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

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

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

15. The Board has formed an Audit Committee comprising of three members of whom majority are non-executive directors including the chairman of the committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the chairman of the committee is a non executive director.

18. The Board has set up an effective internal audit function.

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

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

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

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

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

for and on behalf of the Board

Aamir Naseem

LAHORE: October 04, 2012

MIAN AAMIR NASEEM
(Chief Executive Officer)

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

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of directors of **SHADAB TEXTILE MILLS LIMITED** ("the Company"), to comply with the listing regulation of the Karachi and Lahore Stock Exchanges respectively 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 personnel and review of various documents prepared by the company to comply with the code.

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

Further, the listing regulations require 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 transaction 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 place before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and 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 arms length price or not.

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

FAZAL MAHMOOD & COMPANY
Chartered Accountants
(A member firm of JHI)
Engagement Partner: Fazal Mahmood

LAHORE: October 04, 2012

SIX YEAR'S FINANCIAL DATA AT A GLANCE

(RUPEES IN MILLION)

PARTICULARS	2012	2011	2010	2009	2008	2007
ASSETS EMPLOYED						
Operating fixed assets	271.336	258.062	251.650	267.925	284.918	271.772
Capital work-in-progress	-	-	-	0.217	2.529	39.049
Long term deposits	2.382	2.382	2.382	1.042	1.037	0.354
Current assets	255.075	238.165	240.487	171.280	172.452	120.881
TOTAL ASSETS EMPLOYED	528.793	498.609	494.519	440.464	460.936	432.056
FINANCED BY						
Share holders' equity	200.238	182.394	131.152	83.620	111.881	112.707
Long term liabilities	46.973	68.290	40.589	74.904	113.470	135.798
Deferred taxation	42.492	49.517	28.334	6.728	20.406	26.830
Current liabilities	239.090	198.408	294.444	275.212	215.179	156.721
TOTAL FUNDS INVESTED	528.793	498.609	494.519	440.464	460.936	432.056
PROFIT & (LOSS)						
Sales – net	1,619.546	1,832.307	1,246.000	874.380	862.888	705.739
Cost of sales	1,524.589	1,664.082	1,095.568	849.672	811.899	654.903
Gross profit	94.957	168.225	150.432	24.708	50.989	50.836
Administrative & general	28.997	26.474	23.046	22.315	21.944	20.817
Selling & distribution	0.453	2.853	1.103	0.778	0.399	0.474
Operating profit	65.507	138.898	126.283	1.615	28.646	29.545
Financial charges	40.274	55.612	45.315	43.654	32.127	26.622
Other charges	1.953	5.901	5.635	-	-	0.177
	23.280	77.385	75.333	(42.039)	(3.481)	2.746
Other income	3.058	2.238	0.697	0.172	0.334	0.471
PROFIT BEFORE TAXATION	26.338	79.623	76.030	(41.867)	(3.147)	3.217
Taxation	5.494	25.381	28.498	(13.606)	(2.321)	1.263
PROFIT AFTER TAXATION	20.844	54.242	47.532	(28.261)	(0.826)	1.954
PREVIOUS YEAR'S BALANCE B/F	92.394	41.152	(6.380)	21.881	22.707	20.753
Profit available for appropriation	113.238	95.394	41.152	(6.380)	21.881	22.707
Dividend	3.000	3.000	-	-	-	-
BALANCE CARRIED TO B/S	110.238	92.394	41.152	(6.380)	21.881	22.707
Dividend Proposed (%)	10.000	10.000	10.000	-	-	-
EARNING PER SHARES (Rs.)	6.95	18.08	15.84	(9.42)	(0.28)	0.65
Number of spindles installed	32640	32640	32640	32640	32640	26880
Number of spindles worked	32640	32640	32640	27800	30460	26880
Number of shifts per day	3	3	3	3	3	3
Actual production converted into 20's count (kgs. in million)	14.767	12.771	13.666	12.090	13.753	12.099

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **SHADAB TEXTILE MILLS LIMITED** as at June 30, 2012 and the related profit and loss account, statement of comprehensive income, 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, statement of comprehensive income, 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 June 30, 2012 and of the profit, comprehensive income, 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.

FAZAL MAHMOOD & COMPANY
Chartered Accountants
(A member firm of JHI)
Engagement Partner: Fazal Mahmood

LAHORE: October 04, 2012

BALANCE SHEET AS

	NOTE	(RUPEES IN THOUSAND) 2012	2011
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 6,000,000 ordinary shares of Rs. 10/- each.		**60,000**	60,000
Issued, subscribed and paid up share capital	4	**30,000**	30,000
Reserves	5	**60,000**	60,000
Un-appropriated profit		**110,238**	92,394
		200,238	182,394
NON - CURRENT LIABILITIES			
Long term loans	6	**46,973**	68,290
Deferred liabilities	7	**42,492**	49,517
CURRENT LIABILITIES			
Trade and other payables	8	**84,915**	65,815
Accrued mark up on secured loans	9	**8,153**	7,803
Short term borrowings	10	**109,393**	72,808
Current portion of long term loans	11	**23,487**	47,835
Provision for taxation	12	**13,142**	4,147
		239,090	198,408
CONTINGENCIES AND COMMITMENTS	13	**-**	-
Total Equity & Liabilities		**528,793**	498,609

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

Aamir Naseem

(Mian Aamir Naseem)
Chief Executive Officer

AT JUNE 30, 2012

	NOTE	2012 (RUPEES IN THOUSAND)	2011 (RUPEES IN THOUSAND)
ASSETS			
NON - CURRENT ASSETS			
Property, Plant and Equipment			
Operating fixed assets	14	**271,336**	258,062
LONG TERM DEPOSITS	15	**2,382**	2,382
		273,718	260,444
CURRENT ASSETS			
Stores & spares	16	**28,984**	35,718
Stock in trade	17	**129,561**	123,996
Trade debts	18	**60,116**	37,713
Loans and advances	19	**5,217**	4,534
Trade deposits, prepayments and other receivables	20	**24,545**	31,843
Cash and bank balances	21	**6,652**	4,361
		255,075	238,165
Total Assets		**528,793**	498,609

(Mian Farrukh Naseem)
Director

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

	NOTE	(RUPEES IN THOUSAND) 2012	2011
Sales - net	22	**1,619,546**	1,832,307
Cost of Sales	23	**1,524,589**	1,664,082
GROSS PROFIT		**94,957**	168,225
Administrative and General	24	**28,997**	26,474
Selling and Distribution	25	**453**	2,853
		29,450	29,327
OPERATING PROFIT		**65,507**	138,898
Financial Charges	26	**40,274**	55,612
Other Charges	27	**1,953**	5,901
		23,280	77,385
Other Income	28	**3,058**	2,238
PROFIT BEFORE TAXATION		**26,338**	79,623
Taxation	29	**5,494**	25,381
PROFIT AFTER TAXATION		**20,844**	54,242
BASIC EARNING PER SHARE - (RUPEES)	32	**6.95**	18.08

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

(Mian Aamir Naseem)
Chief Executive Officer

(Mian Farrukh Naseem)
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2012

	2012	2011
	(RUPEES IN THOUSAND)	
PROFIT AFTER TAXATION	**20,844**	54,242
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	**20,844**	54,242

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

(Mian Aamir Naseem)
Chief Executive Officer

(Mian Farrukh Naseem)
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	NOTE	2012	2011
		(RUPEES IN THOUSAND)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**26,338**	79,623
Adjustments for:			
Depreciation		**28,092**	27,017
Financial charges		**38,104**	55,123
Workers' profit participation fund		**1,415**	4,276
Workers' welfare fund		**538**	1,625
Profit on sale of fixed assets		**(1,153)**	-
Remeasurement of financial liability at fair value		**2,170**	(2,170)
Balances written off		**(1,905)**	-
Operating profit before working capital changes		**93,599**	165,494
Adjustments for working capital changes:			
(Increase)/decrease in current assets			
Stores and spares		**6,734**	(12,590)
Stock in trade		**(5,565)**	(880)
Trade debts		**(22,403)**	24,812
Loans and advances		**(683)**	(819)
Trade deposits, prepayments and other receivables		**9,935**	3,207
		(11,982)	13,730
Increase/(decrease) In current liabilities			
Trade and other payable		**23,308**	(3,319)
		23,308	(3,319)
Cash generated from operations		**104,925**	175,905
Financial charges paid		**(37,754)**	(81,588)
Income tax paid		**(6,161)**	(17,082)
WPPF paid		**(4,276)**	(4,083)
Dividend paid		**(2,980)**	(2,978)
		(51,171)	(105,731)
Net cash inflow from operating activities		**53,754**	70,174
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		**(41,818)**	(33,429)
Sale proceed of fixed assets		**1,605**	-
Net Cash (outflow) from investing activities		**(40,213)**	(33,429)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans			
- repayments		**(32,535)**	(25,315)
Short term borrowings (net)		**21,285**	(10,195)
Net cash (outflow) from financing activities		**(11,250)**	(35,510)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**2,291**	1,235
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**4,361**	3,126
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	33	**6,652**	4,361

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

(Mian Aamir Naseem)
Chief Executive Officer

(Mian Farrukh Naseem)
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2012

(RUPEES IN THOUSAND)

	Issued, subscribed and paid up share capital	General Reserve	Un-appropriated Profit	Total Equity
Balance as at June 30, 2010	**30,000**	**60,000**	**41,152**	**131,152**
Total comprehensive income				
- Profit after taxation	-	-	54,242	54,242
Transaction with owners				
Final Dividend for the year ended June 30, 2010 @ Rs. 1.00 per share	-	-	(3,000)	(3,000)
Balance as at June 30, 2011	**30,000**	**60,000**	**92,394**	**182,394**
Total comprehensive income				
- Profit after taxation	-	-	20,844	20,844
Transaction with owners				
Final Dividend for the year ended June 30, 2011 @ Rs. 1.00 per share	-	-	(3,000)	(3,000)
Balance as at June 30, 2012	**30,000**	**60,000**	**110,238**	**200,238**

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

(Mian Aamir Naseem)
Chief Executive Officer

(Mian Farrukh Naseem)
Director

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

1. THE COMPANY AND ITS OPERATIONS

The company is registered as a public limited company in Pakistan and quoted on the Karachi and Lahore Stock Exchanges and engaged in the business of manufacturing, selling, buying and dealing in yarn of all types. The registered office of the company is situated at 6th Floor, A-601/A, City Towers, Main Boulevard, Gulberg-II, Lahore.

2. SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

2.1 Accounting Convention

These Financial Statements have been prepared under the historical cost convention without any adjustment for the effect of inflation or current values, if any, using accrual basis of Accounting.

2.2 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provision of and directives issued under the Companies Ordinance 1984. In case requirement differ, the provision or directives of the Companies Ordinance, 1984 , shall prevail.

2.3 Use of Estimate & Judgment

The preparation of financial statements in conformity with International Accounting Standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amount of assets and liabilities, income and expenses. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Significant areas requiring the use of management estimates in the financial statements relate to provision for doubtful balances, provisions for income taxes, useful life and residual values of property, plant and equipment. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in next year.

2.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is the Pakistan Rupee (Rs).

2.5 Standard, amendments and interpretations to approved accounting standards

The following amendments to exisiting standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

2.5.1 Standards, amendments to published standards and interpretations effective in current year

Following are the amendments that are applicable for accounting periods beginning on or after January 1, 2011:

a) IAS 1 (Amendments), 'Presentation of Financial Statements' is effective for annual periods beginning on or after January 1, 2011. The amendment clarifies that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This amendment does not have a material impact on the company’s financial statements.

b) IAS 24 (Revised), ‘Related Party Disclosures’, is effective for annual periods beginning on or after January 1, 2011. The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. This amendment does not have a material impact on the company’s financial statements.

c) IAS 34 (amendment), ‘Interim financial reporting’, is effective for annual periods beginning on or after January 1, 2011. The 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. This amendment does not have a material impact on the company’s financial statements.

d) IFRS 7 (amendment), ‘Financial Instruments: Disclosure’, is effective for annual periods beginning on or after January 1, 2011. The amendment emphasizes the interaction between quantitative and qualitative disclosure and the nature and extent of risks associated with financial instruments. This amendment does not have a material impact on the company’s financial statements.

e) IFRS 7 (amendment),‘ Financial Instruments: Disclosure’, is effective for annual periods beginning on or after January 1, 2011. The amendment requires additional quantitative and qualitative disclosures relating to transfer of financial assets, where financial assets are derecognized in their entirety, but where the entity has a continuing involvement in them (e.g., options or guarantees on the transferred assets) or where financial assets are not derecognized in their entirety. This amendment does not have any impact on the company’s financial statements.

2.5.2 Standards, Interpretations and amendments to published standards that are effective but not relevant to the company.

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2011 are considered not to be relevant or to have any significant impact on the company’s financial reporting and operations.

2.5.3 Standards, interpretations and amendments to existing standards that are applicable to the company but are not yet effective.

a) The following amendments and interpretations to existing standards have been published and are mandatory for the company’s accounting periods beginning on or after their respective effective dates:

b) IAS 1 (amendment), ‘Financial statement presentation’ regarding other comprehensive is effective for periods starting from or on July 1, 2012. It requires entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

c) IAS 12, 'Income taxes' (amendment), is effective for periods starting from or an January 1, 2012. The Standard currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'. This amendment therefore introduces and exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income Taxes – recovery of revalued non-depreciable assets' will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS' 12 the remaining guidance previously contained in SIC 21, which is withdrawn.

d) The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective dates:

e) Standards or Interpretation: | Effective date (accounting periods beginning on or after)

– IFRS 7	– Financial Instruments: Disclosure	(January 1, 2013)
– IFRS 9	– Financial Instruments	(January 1, 2015)
– IFRS 12	– Disclosure of interest in other entities	(January 1, 2013)
– IFRS 13	– Fair Value Measurement	(January 1, 2013)
– IAS 32	– Financial Instruments: Presentation	(January 1, 2013)
– IAS 32	– Financial Instruments: Presentation on offsetting financial assets and financial liabilities	(January 1, 2014)
	– Annual improvements 2011; IFRS 1,'First time adoption'.	
	– IAS 1, 'Financial statements presentation'. IAS 16,	
	– Property plant and equipment'. IAS 32, Financial Instruments; Presentation'. IAS 34, Interim Financial reporting'	
	– First Time Adoption of IFRSs - Replacement of fixed date for certain exemptions	(January 1, 2013)

2.5.4 Standards, interpretations and amendments to existing standards that are not yet effective and not applicable to the company.

Standards or Interpretation: | Effective date (accounting periods beginning on or after)

– IFRS 11	Joint arrangements	(January 1, 2013)
– IFRS 1	First time adoption on government loans	(January 1, 2013)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied 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.

3.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and impairment if any. Freehold land is stated at cost. Capital work in progress is stated at cost less any recognized impairment.

Borrowing costs pertaining to the construction and erection are capitalized up to the date of completion. Depreciation on property, plant & equipment is charged to income on reducing balance method at the rates specified in note No. 14. to the accounts to write off the cost cover their estimated useful lives.

Depreciation on addition and deletion is charged on the basis of number of days the asset remain in use of the company. Assets residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate at each balance sheet date. An asset carrying amount is written down immediately to its recoverable amount. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within “other income” in profit and loss account.

3.2 STORES & SPARES

These are valued at lower of cost and net realizable value, determined on moving average cost less allowance for obsolete and slow moving items. Items in transit are valued at invoice values plus other incidental charges incurred thereon.

3.3 STOCK IN TRADE

These are valued at lower of cost and net realizable value. Cost comprises of:

Raw material	At weighted average cost
Work in Process	At direct cost & appropriate portion of production overhead
Finished Goods	At estimated manufacturing cost
Wastes	At net realizable value.

Cost of finished goods comprises cost of direct material, labour and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.

Provision for obsolete and slow-moving stock in trade is based on management estimate.

3.4 TRADE DEBTS

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimated provision for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

3.5 FOREIGN CURRENCY TRANSLATION

All monitory assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the date of transaction. Foreign exchange gains and losses on translation are recognized in the profit and loss account. Non-monitory items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

3.6 STAFF RETIREMENT BENEFITS

Defined Contribution Plan

The company operates a funded provident fund scheme covering all permanent employees. Monthly contribution @ 6.25% of basic pay of employees is made by the company to the trust.

3.7 TRADE AND OTHER PAYABLES

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

3.8 REVENUE RECOGNITION

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

Revenue from local sales is recognized at the time of dispatch of goods to the customer where risks and rewards are transferred to the customer.

Export sales are recognized as revenue when invoiced will be transfer of significant risks and rewards of ownership, which coincides with date of shipping bill.

Dividend is recognized as income when the right to receive dividend is established. Profit on bank deposits is recognized when earned. Investment income is recognized when right to receive the income is established.

3.9 BORROWING COSTS

Borrowing Cost on long term finances and short term borrowings which are specifically obtained for the acquisition, construction or production of a qualifying assets are capitalized upto the date of commencement of commercial production on the respective assets . All other borrowing cost are charge to profit and loss account in the period in which these are incurred.

3.10 PROVISIONS

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a 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 can be made to the amount of obligation. Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.11 IMPAIRMENT

a) FINANCIAL ASSETS

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) NON- FINANCIAL ASSETS

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.12 CONTINGENT LIABILITIES

Contingent liability is disclosed when the Company has a possible obligation as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

3.13 TAXATION

Current

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination; and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.14 FINANCIAL INSTRUMENTS

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. A financial asset is de-recognized when the company loses control of its contractual rights that comprise the financial asset. A financial liability is de-recognized when the obligations specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets or liabilities is taken to profit and loss account currently.

All financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

3.15 OFF SETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 CASH AND CASH EQUIVALENT

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand, balances with banks, short term highly liquid investments that are readily convertible to known amount of cash and the subject to insignificant risk of change in values.

3.17 RELATED PARTY TRANSACTIONS

All transactions between the company and related parties are accounted for at arm's length price in accordance with 'Comparable Uncontrolled Price Method'.

3.18 DIVIDEND AND APPROPRIATIONS

Dividend distribution to the company's shareholders and appropriations to/from reserves is recognized in the period in which these are approved by the shareholders.

		(RUPEES IN THOUSAND)	
		2012	**2011**
4. ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
2,000,000 ordinary shares of Rs. 10/- each fully paid in cash.		**20,000**	20,000
1,000,000 ordinary shares of Rs. 10/- each issued as bonus shares		**10,000**	10,000
		30,000	30,000

4.1 Associated companies hold 375,000 (2011: 375,000) shares as at June 30, 2012.

		2012	2011
5. RESERVES			
Revenue Reserve			
General Reserve		**60,000**	60,000
6. LONG TERM LOANS			
Loan from Banking Companies - Secured	6.1	**46,973**	68,290
6.1 National Bank of Pakistan			
Term Finance I	6.1.1	**70,460**	93,947
Term Finance II	6.1.2	**-**	13,130
Term Finance V	6.1.3	**-**	9,048
Balance as at 30th June		**70,460**	116,125
Less:			
Current portion shown under Current Liabilities		**(23,487)**	(47,835)
		46,973	68,290

6.1.1 According to rescheduling / restructuring arrangements with National Bank of Pakistan, previously outstanding Term Finance Loans had been consolidated into Term Finance Loan I. The Term Finance I Loan is repayable in 9 bi-annual equal installments commencing from March 1, 2011. The loan carries markup @ 6 months kibor + 3% p.a. payable on quarterly basis.

6.1.2 According to rescheduling / restructuring arrangements with National Bank of Pakistan, frozen markup payable had been converted into term finance II. The approved limit of this loan is Rs. 30.600 Million. The loan was repayable in twenty four monthly installments commencing from July 2010 and repayable by June 01, 2012. The loan was interest free, therefore using prevailing market interest rate of 3 months kibor + 3% , the fair value of the old markup loan was estimated at Rs. 13.130 million. The difference of Rs.2.170 million between the gross proceeds and the fair value of the loan was the benefit derived from the interest free loan and had been recognized as gain (refer note.28). Fair value had been determined using discounting techniques. Unwinding of discount on the loan is recognized in note. 26. The loan has been repaid by June 30, 2012.

6.1.3 This loan carries mark-up @ 7% p.a. and Kibor plus 3%. This is repayable in 10 equal half yearly installments, commencing from December 31, 2007 and is repaid by June 30, 2012.

6.1.4 The above finances are secured against first equitable / registered mortgage ranking pari passu over fixed assets of the company, demand promissory note and personal guarantees of the directors of the company.

		(RUPEES IN THOUSAND) 2012	2011
7. DEFERRED LIABILITIES			
Deferred Taxation	7.1	**42,492**	49,517

7.1 Deferred taxation liability comprises of the following taxable/(deductible) temporary differences:

		2012	2011
Taxable Temporary Differences			
Accelerated tax depreciation allowance		**53,048**	49,517
Deductible Temporary Differences			
Minimum tax available for carry forward		**(10,556)**	-
		42,492	49,517

		2012	2011
8. TRADE AND OTHER PAYABLES			
Creditors		**8,490**	17,983
Contractors retention money		**215**	274
Security deposits - Interest free	8.1	**10,123**	5,623
Provident fund trust		**607**	564
Accrued charges		**58,519**	29,265
Unclaimed dividend		**117**	97
Advances from customers		**914**	3,756
Workers' Profit Participation Fund	8.2	**1,415**	4,276
Workers' Welfare Fund		**3,715**	3,177
Others		**800**	800
		84,915	65,815

8.1 No interest is payable on the deposits and it can be used for the business.

8.2 WORKERS' PROFIT PARTICIPATION FUND

Workers profit participation fund represents allocation for the year.

	Note	2012	2011
		(RUPEES IN THOUSAND)	
9. ACCRUED MARK UP ON SECURED LOANS			
Mark up on long term financing and short term bank borrowings		**8,153**	7,803
10. SHORT TERM BORROWINGS			
From Banking Companies - Secured		**109,393**	72,808
		109,393	72,808

10.1 These have been obtained from banking companies on mark-up basis and are secured by pledge and hypothecation of stocks & stores, charge on stocks, book debts, other movable assets and fixed assets of the company and against personal guarantee of directors. The borrowing form a part of total credit facilities available to the extent of Rs. 540 million (2011: Rs. 335 million). Unavailed facility as at balance sheet date is Rs. 431 million. Mark-up is paid at the rate ranging from 3 months Kibor plus 2% to 2.5 %. It includes inland letter of credit for purchase of raw material amounting to Rs. 18.614 million (2011: Rs. NIL).

	Note	2012	2011
11. CURRENT PORTION OF LONG TERM LOANS			
National Bank of Pakistan	6	**23,487**	47,835
		23,487	47,835
12. PROVISION FOR TAXATION			
Opening balance		**4,147**	6,858
Less:			
Paid during the year		**(3,524)**	-
Adjusted during the year		**(740)**	(6,909)
		(117)	(51)
Current		**13,142**	4,147
Prior		**117**	51
		13,259	4,198
		13,142	4,147

13. CONTINGENCIES AND COMMITMENT

13.1 Contingencies

Counter guarantees of Rs. 14.487 million (2011: Rs. 14.487 million) has been issued by the bank of the company to Sui Northern Gas Pipelines Limited against gas connections.

13.2 Commitments

Commitments for capital expenditure are amounting to Rs. 1.505 million (2011: Rs. Nil) and non capital expenditure are amounting to Rs. 8.996 million (2011: Rs. 7.636 million).

14. SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

(RUPEES IN THOUSAND)

	Land Freehold	Building on Freehold Land	Plant and Machinery	Electric Installations	Factory Equipments	Furniture & Fixtures	Vehicles	Office Equipments	Total
At June 30, 2010									
Cost	3,351	77,784	433,966	2,425	150	3,783	9,910	3,234	534,603
Accumulated depreciation	-	41,981	228,779	1,764	133	2,430	5,854	2,012	282,953
Net book Value	3,351	35,803	205,187	661	17	1,353	4,056	1,222	251,650
Year ended June 30, 2011									
Opening Net book value	3,351	35,803	205,187	661	17	1,353	4,056	1,222	251,650
Additions	-	7,314	23,183	-	-	-	2,852	80	33,429
Depreciation	-	(3,824)	(21,770)	(66)	(2)	(135)	(1,095)	(125)	(27,017)
Closing Net book value	3,351	39,293	206,600	595	15	1,218	5,813	1,177	258,062
At June 30, 2011									
Cost	3,351	85,098	457,149	2,425	150	3,783	12,762	3,314	568,032
Accumulated depreciation	-	45,805	250,549	1,830	135	2,565	6,949	2,137	309,970
Net book Value	3,351	39,293	206,600	595	15	1,218	5,813	1,177	258,062
Year ended June 30, 2012									
Opening Net book value	3,351	39,293	206,600	595	15	1,218	5,813	1,177	258,062
Additions	-	6,896	31,324	-	-	-	3,569	29	41,818
Disposals									
Cost	-	-	3,963	-	-	-	1,541	-	5,504
Depreciation	-	-	(3,680)	-	-	-	(1,372)	-	(5,052)
Net book value	-	-	283	-	-	-	169	-	452
Depreciation	-	(4,217)	(21,844)	(60)	(1)	(122)	(1,729)	(119)	(28,092)
Closing Net book value	3,351	41,972	215,797	535	14	1,096	7,484	1,087	271,336
At June 30, 2012									
Cost	3,351	91,994	484,510	2,425	150	3,783	14,790	3,343	604,346
Accumulated depreciation	-	50,022	268,713	1,890	136	2,687	7,306	2,256	333,010
Net book Value	3,351	41,972	215,797	535	14	1,096	7,484	1,087	271,336
Depreciation Rate (%)	-	10	10	10	10	10	20	10	

(RUPEES IN THOUSAND)

14.1 Depreciation for the year has been allocated as follows:

	2012	2011
Cost of goods sold	26,122	25,662
General and administrative expenses	1,970	1,355
	28,092	27,017

14.2 Statement of disposals of Operating Fixed Assets

Depreciation	Cost	Accumulated Depreciation	Net Book Value	Sales Proceeds	Gain/Loss	Sold to	Basis of Sales
Plant & Machinery							
Diesel Generator	3,963	(3,680)	283	500	217	Falcon Power Engineering	Negotiation
Vehicles							
Toyota Corolla Saloon	939	(870)	69	525	456	Mr. Munawar Islam	Negotiation
Hyundai Shehzore	602	(502)	100	580	480	Mr. Mohammed Arshad	Negotiation
	1,541	(1,372)	169	1,105	936		
Grand Total	5,504	(5,052)	452	1,605	1,153		

	(RUPEES IN THOUSAND) 2012	2011
15. LONG TERM DEPOSITS		
Others	**2,382**	2,382
	2,382	2,382
16. STORES AND SPARES		
Stores	**11,144**	9,875
Spares	**17,840**	25,843
	28,984	35,718
17. STOCK IN TRADE		
Raw material	**96,302**	67,464
Work in process	**17,292**	16,844
Finished goods	**14,089**	38,941
Waste	**1,878**	747
	129,561	123,996

17.1 Stock in trade includes raw material, work in process and finished goods of Rs. NIL (2011: Rs. 100.160 million) valued at net realizable value.

17.2 The aggregate amount of write down of inventories to net realizable value recognized during the year was Rs. Nil (2011: Rs. Rs. 23.563 million)

	2012	2011
18. TRADE DEBTS		
These are unsecured but considered good.	**60,116**	37,713
19. LOANS AND ADVANCES		
(Unsecured but considered good):-		
Advances to :		
Suppliers and contractors	**3,044**	2,284
Against expenses	**2,154**	2,244
Employees	**19**	6
	5,217	4,534
20. TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Income tax	**19,219**	16,582
Letters of credit	**1,295**	10,646
	20,514	27,228
Deposits:		
Sales tax	**2,239**	2,794
Margin on bank guarantee	**1,587**	1,587
	3,826	4,381
Prepayments	**181**	210
Other receivables	**24**	24
	24,545	31,843

		(RUPEES IN THOUSAND) 2012	2011
21. CASH AND BANK BALANCES			
Cash in hand		**284**	402
Cash with banks:			
In current accounts		**6,368**	3,959
		6,652	4,361
22. SALES - net			
Local		**1,617,748**	1,836,832
Waste		**9,604**	13,545
		1,627,352	1,850,377
Less: commission		**(7,806)**	(18,070)
		1,619,546	1,832,307
23. COST OF SALES			
Raw material consumed	23.1	**1,098,413**	1,306,139
Salaries, wages and benefits	23.2	**116,828**	104,250
Stores and spares		**34,168**	37,682
Packing materials		**18,332**	14,980
Fuel and power		**196,284**	159,526
Repair and maintenance		**5,394**	3,273
Insurance		**3,868**	4,124
Other factory overhead		**1,907**	1,872
Depreciation		**26,122**	25,662
		402,903	351,369
		1,501,316	1,657,508
Opening stock in process		**16,844**	11,987
		1,518,160	1,669,495
Closing stock in process		**(17,292)**	(16,844)
Cost of goods manufactured		**1,500,868**	1,652,651
Opening stock of finished goods		**39,688**	39,919
Purchase of yarn		**-**	11,200
		1,540,556	1,703,770
Closing stock of finished goods		**(15,967)**	(39,688)
		1,524,589	1,664,082
23.1 RAW MATERIAL CONSUMED			
Opening stock		**67,464**	71,211
Purchases - net		**1,127,251**	1,302,392
		1,194,715	1,373,603
Less: Closing stock		**(96,302)**	(67,464)
		1,098,413	1,306,139

23.2 Salaries, wages and other benefits include Rs. 2.776 million (2011: Rs. 2.545 million) in respect of staff retirement benefits.

(RUPEES IN THOUSAND)

	Note	2012	2011
24. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries, allowances and benefits	24.1	**19,867**	17,793
Traveling and conveyance		**239**	578
Vehicle running and maintenance		**2,248**	2,009
Printing and stationery		**402**	393
Newspaper and periodicals		**18**	13
Postage, telegram and telephone		**479**	425
Advertisement		**39**	37
Rent, rates, and taxes		**169**	780
Legal and professional		**797**	600
Auditor's remuneration	24.2	**537**	537
Subscription and donations	24.3	**168**	152
Insurance		**813**	727
Entertainment		**250**	230
Computerization		**191**	144
General		**269**	233
Lighting charges		**541**	468
Depreciation		**1,970**	1,355
		28,997	26,474

24.1 Salaries, allowances and benefits include Rs.0.448 million (2011: 0.419 million) in respect of staff retirement benefits.

24.2 Auditors remuneration	2012	2011
Statutory audit fee	**500**	500
Half yearly review fee	**25**	25
Provident fund audit & other certification fee	**12**	12
	537	537

24.3 No director or his spouse had any interest in the donee's fund.

	2012	2011
25. SELLING AND DISTRIBUTION EXPENSES		
Freight and expenses on local sales	**453**	2,853
	453	2,853
26. FINANCIAL CHARGES		
Mark-up on:		
Long term Loans-secured	**15,904**	16,874
Short term bank borrowings - secured	**21,801**	34,128
	37,705	51,002
Bank charges and commission	**2,129**	4,121
Interest on workers' profit participation fund	**440**	489
	40,274	55,612
27. OTHER CHARGES		
Workers' profit participation fund	**1,415**	4,276
Workers' welfare fund	**538**	1,625
	1,953	5,901

	(RUPEES IN THOUSAND) 2012	2011
28. OTHER INCOME		
Profit on sale of fixed assets	**1,153**	-
Balances written off	**1,905**	-
Gain on remeasurement of financial liability at fair value	**-**	2,170
Miscellaneous income	**-**	68
	3,058	2,238
29. TAXATION		
Current	**13,142**	4,147
Prior	**(623)**	51
Deferred tax	**(7,025)**	21,183
	5,494	25,381

29.1 The company's income tax assessments have been finalized upto and including tax year 2011.

<u>Reconciliation of tax charge for the year</u>

	2012	2011
Accounting profit for the year before tax	**26,338**	79,623
Tax on accounting profit at applicable rate @ 35%	**-**	28,752
Tax effect of amounts that are inadmissible for tax purposes	**-**	8,696
Tax effect of amounts that are admissible for tax purposes	**-**	(11,836)
Adjustment of brought forward tax loss	**-**	(4,543)
Minimum turnover tax @ 1%	**16,274**	-
Adjustment of minimum tax	**(3,132)**	(16,922)
Tax effect relating to prior years	**(623)**	51
Tax effect of timing differences	**(7,025)**	21,183
	5,494	25,381

30. CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES' REMUNERATION

The aggregate amount charged in the accounts during the period for remuneration including benefits to Chief Executive Officer, Directors and Executives is as follows:

(RUPEES IN THOUSAND)

	Chief Executive Officer	Directors	Executives
	2012	2012	2012
Managerial remuneration	**720**	**1,566**	**2,787**
House rent	**324**	**705**	**1,254**
Medical allowance	**72**	**157**	**279**
Utility allowance	**84**	**182**	**325**
	1,200	**2,610**	**4,645**
Number	**1**	**3**	**5**

	Chief Executive Officer	Directors	Executives
	2011	2011	2011
Managerial remuneration	720	1,510	1,415
House rent	324	679	637
Medical allowance	72	151	141
Utility allowance	84	176	165
	1,200	2,516	2,358
Number	1	3	2

30.1 Chief Executive Officer of the company has been provided with a free Company maintained car.

30.2 No meeting fee was paid to the directors of the company during the year (June 30, 2011: Rs. Nil).

31. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKING

Transaction with Related Parties/ Associated Undertakings, other than remuneration and benefits to key management personnel's under the terms of their employment (refer note 30) and other than the payments made to the retirement benefit plans are as under:

The company sold to associated undertaking material of aggregate sum of Rs. NIL (2011: Rs. 24.279 Million) and purchased from associated undertaking material of aggregate sum of Rs. 3.364 Million (2011: Rs. 5.712 Million) during the year.

The maximum aggregate amount due from associated undertaking at the end of any month during the year was Rs. Nil (2011: Rs. Nil).

	(RUPEES IN THOUSAND)	
	2012	**2011**

32. EARNING PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earning per share of the company.

	2012	2011
Profit after taxation	**20,844**	61,688
Weighted average number of ordinary shares outstanding during the year (No in '000)	**3,000**	3,000
Basic earning per share (Rupees)	**6.95**	20.56

33. CASH AND CASH EQUIVALENTS

	2012	2011
Cash and bank balances	**6,652**	4,361

34. PLANT CAPACITY AND ACTUAL PRODUCTION

	2012	2011
Production at normal capacity converted to 20/s (Kgs.)	**14766607**	13134449
Actual production converted to 20/s (Kgs.)	**13960124**	12771421
No. of shifts worked per day	**3**	3

34.1 Reason for low production is due to normal maintenance, gas and electric shut down / closures.

	2012	2011
35. NUMBER OF EMPLOYEES		
At the year end number of employees of the company	**959**	807

(RUPEES IN THOUSAND)

36. FINANCIAL INSTRUMENTS BY CATEGORY

	2012	2011
FINANCIAL ASSETS as per Balance Sheet		
Cash and bank balances	**6,652**	4,361
Trade debts	**60,116**	37,713
Loans & advances	**19**	6
Deposit prepayments & other receivables	**1,611**	1,611
Long term deposits	**2,382**	2,382
	70,780	46,073
FINANCIAL LIABILITIES as per Balance Sheet		
Long term loans	**70,460**	116,125
Short term borrowings	**109,393**	72,808
Trade and other payable	**78,871**	54,606
Accrued mark-up on secured loans	**8,153**	7,803
	266,877	251,342

36.1 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

37. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(a) FINANCIAL RISK MANAGEMENT

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

(b) Risk management framework

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activates. The company, through its training and management standards and procedures, aims to developed a disciplined and constructive control environment in which all employees understand their roles and obligations.

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk and the company’s management of capital.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

37.1 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans to/due from related parties.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors. Limits are reviewed periodically and the customers may transact with the Company only on a prepayment basis.

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 carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	(RUPEES IN THOUSAND)	
	2012	**2011**
Bank balances	**6,368**	3,959
Trade debts	**60,116**	37,713
Loans & advances	**19**	6
Deposit prepayments & other receivables	**1,611**	1,611
Long term deposits	**2,382**	2,382
	70,496	45,671

Based on past experience the management believes that no impairment allowance is necessary as there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Bank balances are held only with reputable banks with high quality credit ratings.

37.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from various commercial banks to meet its liquidity requirements as mentioned in note 10.1 and note 21. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the Board.

Following is the maturity analysis of financial liabilities:

(RUPEES IN THOUSAND)

2012	Upto 1 Year	Between 1 to 5 Years	Total
Non derivative financial liabilities			
Long term loans	23,487	46,973	70,460
Short term borrowings	109,393	-	109,393
Trade and other payable	78,871	-	78,871
Accrued mark-up on secured loans	8,153	-	8,153
	219,904	46,973	266,877

2011	Upto 1 Year	Between 1 to 5 Years	Total
Non derivative financial liabilities			
Long term loans	47,835	68,290	116,125
Short term borrowings	72,808	-	72,808
Trade and other payable	54,606	-	54,606
Accrued mark-up on secured loans	7,803	-	7,803
	183,052	68,290	251,342

37.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rate effectively as at 30 June. The rate of mark-up have been disclosed in respective notes to the financial statements.

37.3 MARKET RISK

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

37.3.1 Interest Risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at fixed and variable interest rates and entering into interest rate swap contracts. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

Cash flow sensitivity analysis

A change of 100 basis points in interest rate of long term loans at the reporting date would have increased / (decreased) equity and profit or (loss) by Rs. 0.831 million (2011: Rs.1.189 million).

37.3.2 Fair value of financial assets and liabilities

The carrying values of financial assets and financial liabilities reported in balance sheet approximate their fair values.

38. CAPITAL MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

(I) "to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and"

(ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 04, 2012 by the Board of Directors of the company.

40. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors in thier meeting held on October 04, 2012 has recommended final cash dividend at Rs. 1.00 per share (i.e 10%) amounting to Rs. 3.000 Million on the existing paid up value of the share capital for approval of the sherholders in the Annual General meeting to be held on October 31, 2012.

41. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, wherever necessary, for the purpose of comparison, however, no significant reclassification has been made during the year.

42. GENERAL

Figures have been rounded off to the nearest thousand rupee.

(Mian Aamir Naseem)	(Mian Farrukh Naseem)
Chief Executive Officer	**Director**

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)

FORM 34

PATTERN OF SHAREHOLDING

1. Incorporation Number **0007162**
2. Name of the Company **SHADAB TEXTILE MILLS LIMITED**
3. Pattern of holding of the shares held by the shareholders as at 3 0 0 6 2 0 1 2

4.

No. of Shareholders	Shareholdings From		To	Total shares held
81		-	100	2,398
65	101	-	500	13,635
14	501	-	1000	10,564
10	1001	-	5000	17,504
3	5001	-	10000	24,418
1	10001	-	15000	12,020
3	15001	-	20000	48,013
1	25001	-	30000	30,000
2	30001	-	35000	62,025
1	35001	-	40000	40,000
2	40001	-	45000	85,720
2	45001	-	50000	95,260
5	60001	-	65000	311,418
2	65001	-	70000	130,364
1	70001	-	75000	75,000
1	85001	-	90000	88,253
1	90001	-	95000	94,207
2	100001	-	105000	208,491
1	105001	-	110000	108,182
1	145001	-	150000	147,900
1	170001	-	175000	173,950
1	175001	-	180000	176,356
1	190001	-	195000	193,200
1	200001	-	205000	203,636
1	270001	-	275000	272,486
1	370001	-	375000	375,000
205				3,000,000

5.	Categories of shareholders	Shares Held	Percentage
5.1	Directors, Chief Executive Officer, and their spouse and minor children.	1,393,174	46.4391
5.2	Associated Companies, undertakings and related parties.	375,000	12.5000
5.3	NIT and ICP	94,807	3.1602
5.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	8,968	0.2989
5.5	Insurance Companies	-	-
5.6	Modarabas and Mutual Funds	-	-
5.7	Shareholders holding 10%	696,850	23.2283
5.8	General public		
	a. Local	1,052,822	35.0941
	b. Foreign	-	-
5.9	Others (to be specified)		
	1. Joint Stock Companies	75,200	2.5067
	2. Others	29	0.0010

6.	Signature of Company Secretary	
7.	Name of Signatory	Mr. Mazhar Hussain
8.	Designation	Company Secretary
9.	NIC Number	3 5 2 0 2 – 2 7 2 5 5 7 6 – 3
10.	Date	30-06-2012

CATEGORIES OF SHAREHOLDERS REQIURED UNDER C.C.G . AS AT JUNE 30, 2012

S.No.	Name	Shareholding	%age
	Associated Companies, Undertakings and Related Parties		
	Husein Sugar Mills Limited	375,000	12.5000
	Mutual Funds	-	-
	DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN		
1.	Mian Shahzad Aslam	234,620	7.8207
2.	Mst. Nusrat Shamim	176,356	5.8785
3.	Mian Farrukh Naseem	203,636	6.7879
4.	Mian Aamir Naseem	272,486	9.0829
5.	Mr. Mazhar Hussain	600	0.0200
6.	Mr. Tariq Javaid	520	0.0173
7.	Mr. Ahmed Ali Tariq	104,246	3.4749
8.	Mrs. Fatima Aamir W/o Mian Aamir Naseem	321,850	10.7283
9.	Mrs. Hina Farrukh W/o Mian Farrukh Naseem	78,860	2.628
	Executives:	-	-
	Public Sector Companies & Corporations:	-	-
	Bank, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	8,968	0.2989
	Sharesholders holding five percent or more voting intrest in the listed company		
1.	Husein Sugar Mills Limited	375,000	12.5000
2.	Mrs. Fatima Aamir W/o Mian Aamir Naseem	321,850	10.7283
3.	Mian Shahzad Aslam	234,620	7.8207
4.	Mst. Nusrat Shamim	176,356	5.8785
5.	Mian Farrukh Naseem	203,636	6.7879
6.	Mian Aamir Naseem	272,486	9.0829
7.	Mr. Saad Naseem	173,364	5.7788
8.	Mr. Ahmed Naseem	153,435	5.1145

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor childern are as follows:-

S.No.	Name	Sale	Purchase
1.	Mst. Nusrat Shamim	91300	600
2.	Mrs. Fatima Aamir W/o Mian Aamir Naseem	-	91300
3.	Mrs. Hina Farrukh W/o Mian Farrukh Naseem (CDC)	-	710

FORM OF PROXY

I / We ______________________________

Son / Daughter / Wife of ______________________________

being a member of SHADAB TEXTILE MILLS LIMITED and holder of ______________ (Number of Shares)

Ordinary Shares as per Registered Folio No. ______________

hererby appoint Mr. ______________ of ______________

of failing him Mr. ______________ of ______________

who is also a member of SHADAB TEXTILE MILLS LIMITED, Vide Registered Folio No. ______________

as my / our proxy to vote for me / us and on my / our behalf at the 33rd Annual General Meeting of the Company to be held on Wednesday, October 31, 2012 at 10:30 a.m. and at any adjournment thereof.

As witness my / our hand (s) this ______________ day of ______________ 2012

1. Witness:

Signature ______________

Name ______________

Address ______________

____

____

Affix
Revenue
Stamps of
Rs. 5/-

____
Signature of Member

2. Witness:

Signature ______________

Name ______________

Address ______________

____

____

Shareholder's Folio No. ______________

CDC A/c No. ______________

NIC No. | | | | | | | | | | | | | | | |

NOTE:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his / her behalf. Proxies in order to be valid must be received at the Registered Office of the Company 48 hours before the time of the meeting. A proxy must be member of the Company.

2. CDC shareholders are requested to bring with them their Computrised National Identity Cards alongwith the participants' ID numbers and their account numbers at the time of attending the Annual General Meeting in order to facilitate identification of the respective shareholders.

3. Signature should agree with specimen signature registered with the company.