



Ahmad Hassan  
Textile Mills Limited



AHTM/2021/

26-10-2021

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Cancellation of Shares and Reduction of Total Shares & Paid Up Capital**

Dear Sir,

We M/s Ahmad Hassan Textile Mills Limited running textile business comprising of weaving and spinning units. Honourable Lahore High Court, Multan Bench, Multan issued Court Order for demerger of Ahmad Hassan Textile Mills Limited for split its two separate business i.e weaving business to be retained by M/s Ahmad Hassan Spinning Limited and spinning business to be transferred to Ahmed Hassan Spinning Limited which is newly incorporated company.

For compliance Court Order and Scheme of Arrangement, please reduce of total shares and paid up capital.

Particulars	Shares (CDC)	Shares (Physical)	Total Shares (CDC + Physical)	Paid Up Capital (In Shares)
Number of shares before cancellation	5,841,730	8,566,518.8	14,408,248.8	14,408,248.8
Number of cancel shares	1,619,652	4,317,061	5,936,713	
Number of shares after cancellation	4,222,078	4,249,457.8	8,471,535.8	8,471,535.8

Auditor Certificate attached also attached.

Yours sincerely

For Ahmad Hassan Textile Mills Limited

(AUTHORISED SIGNATORY)



**Head Office :** 46-Hassan Parwana Colony, Multan - Pakistan.

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Mills: M.M. Road, Chowk Sarwar Shaheed, Distt. Muzaffargarh. Tel: 066-2210067

PKF/AHTML/AC/21-01  
October 13, 2021

The Board of Directors  
Ahmad Hassan Textile Mills Limited  
46-Hassan Parwana Colony,  
Multan.

Dear Sirs,

**AHMAD HASSAN TEXTILE MILLS LIMITED (the Company)**  
**STATUTORY AUDITOR'S CERTIFICATE ON CANCELLATION OF SHARES OF THE**  
**COMPANY AS REQUIRED UNDER REGULATIONS / PROCEDURES LAID DOWN BY**  
**CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC)**

We have been requested to provide you with a certificate in support of cancellation of shares of the Company pursuant to the Scheme of Arrangement sanctioned under the Order of the Honorable Lahore High Court (the Court) dated August 07, 2021, (the Scheme); as required under regulations/procedures laid down by CDC.

**Scope of Certificate:**

This certificate is required to be issued to the Company for onward submission to CDC in compliance with the requirements of regulations/procedures laid down by CDC which state that the Company shall submit a certificate from its 'Statutory Auditor' to confirm the following:

1. Revised paid-up capital of the Company after cancellation of shares pursuant to the Scheme;
2. That all requirements with regards to reduction of shares of the Company & their forthwith cancellation pursuant to de-merger have been fulfilled by the Company;
3. That conditions imposed by the competent authority/the Court have been satisfied by the Company in every respect; and
4. That all requirements as per Section 282 of the Companies Act, 2017 (the Act) have been ensured by the Company.

**Management Responsibility:**

It is the responsibility of the Company's management:

1. To prepare the pre and post factual position of the paid-up capital before and after cancellation of shares;
2. To complete and comply with all legal/regulatory formalities with respect to the application of the Scheme and cancellation of shares in line with the Scheme;
3. To provide us with the relevant authenticated copies of:
  - a. The Scheme;
  - b. The special resolution authorizing the Scheme;

*[Signature]*

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- c. The Order of the Court sanctioning the Scheme,
  - d. The members'/shareholders' register before the cancellation of shares; and
  - e. Other relevant regulatory documents necessary for the verification purposes; and
4. To provide us with a written representation:
- a. That all requirements with regards to reduction of paid-up capital of the Company & their forthwith cancellation pursuant to De-Merger have been fulfilled by the Company;
  - b. That conditions imposed by the competent authority / the Court have been satisfied by the Issuer in every respect;
  - c. That all requirements as per Section 282 have been ensured by the Company; and
  - d. That they have provided us with all the information and explanations, which to the best of their knowledge and belief, were necessary for the issuance of this certificate.

**Auditor's Responsibility:**

Our responsibility is to confirm the particulars required under the regulations/procedures laid down by CDC, as detailed in the Scope section, in accordance with '*the Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms*' as issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to the procedures as mentioned below:

1. Checking the revised paid-up capital of the Company after the cancellation of shares pursuant to the Scheme;
2. Checking the members'/shareholders' register to confirm the paid-up capital of the Company before the cancellation of shares;
3. Checking the statement to be submitted to CDC for cancellation of shares; and
4. Obtaining specific representations from the Company's management to the effect that:
  - a. All requirements with regards to reduction of shares of the Company & their forthwith cancellation pursuant to de-merger have been fulfilled by the Company;
  - b. Conditions imposed by the competent authority / the Court regarding the cancellation of shares have been satisfied by the Company in every respect; and
  - c. All requirements as per Section 282 of the Act have been ensured by the Company; and
  - d. The Company has provided us with all the information and explanations, which to the best of our knowledge and belief, were necessary for the issuance of this certificate.





**Certificate:**

As the 'Statutory Auditor' of the Company, based on the procedures mentioned above and in the light of documents/information provided to us by the management of the Company, we state the following as per requirements of regulations/procedures laid down by CDC:

1. That the revised paid-up capital of the Company after cancellation of shares pursuant to the Scheme will be Rs. 84,715,358/- (Eighty-four million, seven hundred fifteen thousand, three hundred fifty-eight rupees only) divided into 8,471,535.8 shares of Rs. 10/- each fully paid in cash; as detailed below:

Particulars	No. of Shares in CDS	No. of Physical Shares	Total No. of Shares
Total number of shares of the Company before cancellation of the shares.	5,841,730	8,566,518.8	14,408,248.8
Less: Number of shares that need to be cancelled	1,619,652	4,317,061	5,936,713
Total number of shares of the Company after cancellation of the shares.	4,222,078	4,249,457.8	8,471,535.8

2. That all requirements with regards to reduction of shares of the Company & their cancellation pursuant to de-merger have been fulfilled by the Company;
3. That Conditions imposed by the Court regarding the cancellation of shares have been satisfied by the Company in every respect; and
4. That all requirements as per Section 282 of the Act have been ensured by the Company.

**Restriction on use and distribution:**

This certificate is solely for the purpose of submission to CDC in compliance with the requirements of regulations / procedures laid down by CDC and is not to be used or distributed for any other purpose. Further, this certificate is restricted to the facts stated herein.

Yours truly,

PKF F.R.A.N.T.S.

PKF F.R.A.N.T.S.,  
Chartered Accountants  
Multan.