Kohinoor Mills Limited

Annual Report 2016

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COMPANY PROFILE

Kohinoor Mills Limited's vision is to achieve and then remain as the most progressive and profitable textile organization in Pakistan. Incorporated in 1987 as a small weaving mill, today Kohinoor Mills broadly undertakes three major businesses, weaving, dyeing and power generation. It has, and continues to develop, a portfolio of businesses that are major players within their respective industries. Bringing together outstanding knowledge of customer needs with leading edge technology platforms your Company undertakes to provide superior products to its customers.

With an annual turnover of over Rs. 8.5 billion, today Kohinoor Mills Limited employs about 1,700 employees. It aims to create superior value for Kohinoor's customers and stakeholders without compromising its commitment to safety, environment and health for the communities in which it operates. Its products range is from greige fabric to processed fabric.

COMPANY INFORMATION

Board of Directors

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Asad Fayyaz Sheikh	Director
Mr. Ali Fayyaz Sheikh	Director
Mr. Riaz Ahmed	Director
Mr. Aamir Amin	Director (NIT Nominee)
Mr. Shahbaz Munir	Director

Audit Committee

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	Member
Mr. Shahbaz Munir	Member
Mr. Ali Fayyaz Sheikh	Member

Human Resource & Remuneration Committee

Mr. Rashid Ahmed	Chairman
Mr. Asad Fayyaz Sheikh	Member
Mr. Shahbaz Munir	Member

Chief Financial Officer
Mr. Kamran Shahid

Head of Internal Audit
Mr. Jamal Asif

Legal Advisors
- Raja Mohammad Akram & Co., Advocate & Legal Consultants, Lahore.
- Malik Muhammad Ashraf Kumma Advocate

Company Secretary
Mr. Muhammad Rizwan Khan

Auditors
M/s. Riaz Ahmad & Co.,
Chartered Accountants

Bankers
Allied Bank Limited
Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Silk Bank Limited
Standard Chartered Bank (Pakistan) Ltd
The Bank of Punjab
United Bank Limited

Registered Office & Mills
8th K.M. Manga Raiwind Road,
District Kasur, Pakistan
UAN: (92-42) 111-941-941
Cell Lines: (92-333) 4998801-6
Land Lines: (92-42) 36369340
Fax (92-42) 36369340 Ext: 444
Email: info@kohinoormills.com
Website : www.kohinoormills.com

Shares Registrar
Hameed Majeed Associates (Pvt.) Ltd,
HM House, 7 Bank Square, Lahore.
Land Lines: (92-42) 37235081 & 82
Fax: (92-42) 37358817

Other Corporate Information
Kohinoor Mills Limited is registered in Pakistan under Companies Ordinance, 1984. The registration number of the Company is 0017194

Kohinoor Mills Limited is listed on Pakistan Stock Exchange Limited as a Public Limited Company and its shares are traded under textile composite sector. Shares trading symbol is KML

The National Tax Number of the Company is 0658184-6

Financial statements are available on website of the Company i.e., www.kohinoormills.com

Our Vision

To become and then remain as the most progressive and profitable company exhibiting a meaningful role on sustainable basis in the economy of Pakistan in terms of industry standards and stakeholders interest

Our Mission

The Company shall achieve its mission through a continuous process of sourcing, developing, implementing and managing the best leading edge technology, industry best practices, human resource and innovative products and services and selling these to its customers, suppliers and stakeholders

Business Activities

The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate, and supply electricity

Rejoicing
Twenty Nine
years in business

Excellence, Quality, Service, Innovation , Technology......

BOARD OF DIRECTORS

Rashid Ahmed
Chairman

Aamir Fayyaz Sheikh
Chief Executive

Asad Fayyaz Sheikh
Director

Riaz Ahmed
Director

Ali Fayyaz Sheikh
Director

Shahbaz Munir
Director

Aamir Amin
Director

STRATEGIC BUSINESS OBJECTIVES

- Continue to build the Company as the most preferred and leading Regional Supplier of fabrics;
- To achieve Market dominance through greater market outreach in to new and existing markets;
- Ensure reliability and sustainability of operations and business process;
- To gain customer satisfaction through high quality and timely service;
- Innovation focus to develop further specialized product competencies;
- To maintain highest workplace safety standards;
- Consistent improvement in quality through implementation of systems;
- To explore options on alternate sources of fuel supply for future needs;
- Focus on developing and retaining good Human Resource;
- To carry on benchmark performance as per acclaimed environmental practices;
- To develop and promote the reputation and image of the Company for its stakeholders in specific and non-stakeholders in general;
- To adopt a distinct Corporate and Social Responsibility policy in order to contribute and securing the community within which it operates;
- Avoidance of conflict of interest and justice to all irrespective of gender, ethnicity, beliefs, cultures and religions;
- Full compliance with all the applicable laws and regulations;
- Commitment towards team work to achieve common goals whilst fairly recognizing and rewarding individuals contribution on merit;
- To conduct uncompromising ethics and honesty at all times.

Left to Right

Mr. Kamran Shahid (Chief Financial Officer), Mr. Mazhar Noor (Deputy General Manager-Power),
Mr. M. Aamir Alam Qureshi (General Manager Marketing-Dyeing), Mr. Asad-ullah (General Manager Production-Dyeing),
Mr. Arif Shafique (General Manager Production-Weaving), Mr. Adnan Shahid (General Manager Marketing-Weaving)


together we grow

CODE OF CONDUCT

Introduction to the Code

This code has been formulated to ensure that directors and employees of the Company operate within acceptable standards of conduct and sound business principles which strive for development and growth. The Company takes pride in adherence to its principles and continues to serve its customers, stakeholders and society.

Contents

This code identifies the acceptable standards under following headings:

- Core values
- Business culture
- Responsibilities

Core values

The credibility, goodwill and repute earned over the years can be maintained through continued conviction in our corporate values of honesty, justice, integrity, and respect. The Company strongly believes in democratic leadership style with fair, transparent, ethical and high professional standards of conduct in all areas of business activities.

Business culture

Operations	The Company shall formulate and monitor its objectives, strategies and overall business plan of the organization. The Company shall be continuously involved in the research and development of new products while improving quality of existing products using highest level of quality control measures at every stage of its operations. Creativity and innovation must prevail at all levels of hierarchy to achieve organizational excellence.
Abidance of Law	It is Company's prime object to comply with all applicable laws and regulations and to co-operate with all governmental and regulatory bodies.
Corporate Reporting and Internal Controls	The Company maintains effective, transparent and secure financial reporting and internal control systems so as to ensure reliable performance measurement and compliance with local regulations and international accounting standards as applicable. The Company strictly adheres to the principles of good corporate governance and is committed to high standards of corporate governance. The Company regularly updates and upgrades manufacturing and reporting systems so as to keep abreast with technological advancements and achieve economies of production.
Integrity and Confidentiality	The Company believes in uprightness and expects it to be a fundamental responsibility of employees to act in Company's best interest while holding confidential information and neither to solicit internal information from others nor to disclose Company's figures, data or any material information to any unauthorized person/body. Inside information about the Company, its customers, vendors, employees shall not be used for their own gain or for that of others directly or indirectly.

Insider Trading	No employees or his/her spouse will transact in the shares of the Company during the closed period prior to the announcement of financial results. Employees categorized as executives according to the requirement of code of corporate governance should also inform the company secretary immediately about transactions performed by them and their spouse other than during the closed period.
Whistle Blowing Policy	The company is committed to high standards of ethical, moral and legal business conduct and open communication. In line with these commitments the company placed whistle blowing policy on its intranet namely KNET to provide an avenue for its employees to raise their concerns and get assurance that they will be protected from reprisals or victimization for whistle blowing matters such as unlawful activity, activities not in line with the company's policy including code of conduct.

Responsibilities

Shareholders	The Company believes in maximizing shareholders value by providing consistent growth and fair return on their investment.
Customers	The Company considers it imperative to maintain cordial relationship with the customers as integral to its growth and development of business and is committed to provide high quality products and services that conform to highest international standards.
Employees	The Company is an equal opportunity employer at all levels with respect to issues such as color; race, gender, age; ethnicity and religious beliefs and its promotional policies are free of any discrimination. We do not tolerate an form of harassment or victimization. The Company ensures that employees work towards achievement of corporate objectives, individually and collectively as a team and conduct themselves at work and in society as respectable employees and good citizens. The Company believes in continuous development and training of its employees. The Company has set high standards of performance and recognizes employee's contribution towards its growth and reward them based on their performance. The Company believes development, growth and recognition result in motivated employees. All employees of the Company are part of Kohinoor family and the families of all members are also part and parcel of Kohinoor family. The Company believes that the sense of belonging to Kohinoor fulfils an essential need of its employees and the organization and as such will always be nurtured.
Environment and Social Responsibility	Protecting the environment in which we live is an important element. The Company uses all means to ensure a clean, safe, and healthy and pollution free environment not only for its workers and employees but also for the well being of all people who live in and around any of the production and manufacturing facilities. The Company will always employ such technology as may be beneficial in maintaining a healthy and hygienic working environment. It also believes in community development without political affiliations with any person or group of persons and contributes part of its resources for a better environment with an unprejudiced approach.

Notice of the Meeting

29th
Annual
General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at 8 Kilometer, Manga Raiwind Road, District Kasur on Thursday, October 20, 2016 at 2:30 p.m., to transact the following business:

A. Ordinary Business:

1. To confirm the minutes of Extra Ordinary General Meeting held on March 31, 2016.
2. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2016, together with Directors' and Auditors' Reports thereon.
3. To appoint auditors for the year ending June 30, 2017 and fix their remuneration.

B. Special Business:

4. To consider and if thought fit, to pass the following resolution as special resolution with or without modification(s), addition(s) or deletion(s) to alter the Articles of Association of the company:

   "RESOLVED that in accordance with the provisions of Section 28 and other applicable provisions of the Companies Ordinance, 1984 and subject to requisite permission and clearance, the following new Article 73A be and is hereby inserted after the existing Article 73 in the Articles of Association of the company:

   73A. Electronic Voting:

   I. This article shall only be applicable for the purposes of electronic voting;

   II. The company shall comply with the mandatory requirements of law regarding the use of electronic voting by its members at general meetings. Members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this article."

   "RESOLVED FURTHER that the Company Secretary be and is hereby authorized to take or cause to be taken any and all actions necessary and make necessary filings and complete legal formalities as may be required to implement this resolution."

5. To consider dissemination of Annual Audited Accounts through CD/DVD/USB instead of transmitting the same in the form of hard copies. However, for convenience of shareholder Standard Request Form will be uploaded on company website namely www.kohinoormills.com for those who opt to receive Annual Audited Accounts at their registered addresses or through email:

“RESOLVED that dissemination of information regarding Annual Audited Accounts to the shareholders in soft form i.e CD/DVD/USB as notified by Securities & Exchange Commission of Pakistan vide its SRO 470(I)/2016 dated May 31, 2016 be and is hereby approved.”

6. To transact any other business of the Company with permission of the Chair.

Statement of material facts under Section 160 (1) (b) of the Companies Ordinance, 1984 is annexed with this Notice

By Order of the Board

(MUHAMMAD RIZWAN KHAN)
Company Secretary

Kasur:
Wednesday, September 28, 2016

NOTES

1. Closure of Shares Transfer Books

The shares transfer books of the Company will remain closed from October 12, 2016 to October 20, 2016 (both days inclusive). Transfers received in order at the office of our Shares Registrar, Hameed Majeed Associates (Pvt.) Ltd, HM House, 7 Bank Square, Lahore, by the close of business hours (5:00 p.m.) on Tuesday, October 11, 2016, will be treated as in time.

2. Participation in the Annual General Meeting

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her. Proxies in order to be effective must be received at the Company's Registered Office duly stamped and signed not later than 48 hours before the time for holding the meeting. A member may not appoint more than one proxy. A copy of member attested Computerized National Identity Card (CNIC) must be attached with the proxy form. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the nominee shall be furnished along with proxy form to the Company. Shareholders through CDC are requested to bring original CNIC, Account Number and Participant Number at the time of attending the meeting.

3. Submission of copy of CNIC and Change of Address

Members, who have not yet submitted photocopies of their CNIC are requested to send the same at earliest to Shares Registrar of the Company.

Shareholders are also requested to promptly notify change in their addresses, if any, to Shares Registrar of the Company.

Statement 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 Thursday, October 20, 2016.

Item 1 of agenda:

Insertion of Article 73A in the Articles of Association

Securities and Exchange Commission of Pakistan (SECP) has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 73A therein which will give the members option to be part of the decision making in the general meeting of the company through electronic means.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the company.

Original and amended copies of the Articles of Association have been kept at the registered office of the company which can be inspected on any working day during usual business hours till the date of Annual General Meeting.

Item 2 of agenda:

Dissemination of information regarding Annual Audited Accounts to the shareholders through CD/DVD/USB

In order to implement SECP directions vide its SRO 470(i)/2016 dated May 31, 2016, with respect to transmission / circulation of information such as Annual Audited Accounts through CD/DVD/USB instead of hard copies, resolution is part of the notice for consensus of shareholders to adopt the newly introduced mode of transmission.

The directors, sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are held by them in the company.

DIRECTORS' REPORT

The Directors of the Company are pleased to present the audited financial statements for the year ended June 30, 2016. These financial statements are presented in accordance with the requirements of the Companies Ordinance, 1984.

Textile Industry Outlook

The continuing slide in the overall exports, both in value and quantity terms, is an alarming sign for the country's economy. Although, reduction in import bills due to reduced oil prices have partially offset huge negative impact on the aggregate balance of trade, but the Government has failed to take on serious steps to curb its repercussions on macro- economic situation. The total textile exports for FY 2015-16 stands at US$ 12.7 Billion, the lowest level since FY 2009-10.

Earnest steps are needed from the Government to reverse this negative trend. Reducing the ERF rate, zero rating of sales tax and assured supply of RLNG are some of the encouraging recent steps. Nonetheless, much more needs to be done by the Government to enhance exports of textiles and clothing sector.

Operating & Financial Results

During the financial year ended June 30, 2016, your company earned a gross profit of Rs. 1,393 million on sales of Rs. 8,551 million compared to gross profit of Rs. 1,299 million on sales of Rs. 7,906 million for the previous financial year 2014-15. During FY 2015-16, your company recorded a net profit of Rs. 119 million (EPS: Rs. 2.33 per share), compared to net profit of Rs. 123 million (EPS: Rs. 2.42 per share) in the previous financial year.

Net profit for the FY 2015-16 includes net notional interest expense of Rs. 242 million as per IAS: 39, due to restructuring of financial liabilities of the company in an earlier period and conversion of some of the facilities to SBP ERF scheme to benefit from lower mark-up rates, compared to expense of Rs. 135 million recognized in FY 2014-15. Had there been no such notional adjustment, net profit for FY 2015-16 would have been Rs. 360 million (EPS: Rs. 7.08 per share) and net profit of Rs. 258 million for FY 2014-15 (EPS: Rs. 5.07 per share).

Better capacity utilization, continued savings in fuel and power costs resulted in some improvement in the overall operating performance of the company.

Dividend

Owing to significant principal and deferred markup payments to banks, your directors have regrettably decided to omit dividend this year.

Performance Overview

A brief overview of performance of your company for the year ended June 30, 2016 is discussed below. Please also refer page no. 27 of this Annual Report for six years' performance overview of your Company.

Weaving Division

Owing to increased overseas competition and rising raw material prices, the performance in this division was not as per expectation during the year. Management is making efforts to enhance export performance and profitability in this division for the ensuing period.



Dyeing Division

This division recorded significant improvement in its operating performance, achieving record capacity utilization through increased sales to international brands, during the year. The management has set a higher volume and profitability targets for the following period, hence "raising the bar". Being the flagship division of the Company, its better performance is expected to result in better overall results for the Company.


Genertek Division

The continuing reduced oil prices in the global market resulted in comparatively lower energy costs, for electricity and steam. Further the consistent supply of RLNG also benefited the processing side of our operations.

Additionally 30 TPH coal-fired boiler was commissioned in the last quarter of current financial year. This is expected to further reduce the company's energy costs.

Q Mart Corporation (Pvt) Ltd (a wholly owned subsidiary of your company)

The company, in line with its decision to focus on its core fabric business, decided to pull out of retail business during an earlier financial year and accordingly shut-down all its Q-Mart retails stores. The management is currently in the process of disposing of the fixed assets of this company.

Information Technology

Your company is making continuous efforts to have efficient IT systems supporting timely and effective decisions. It has provided its employees, the most modern facilities to achieve optimum efficiency levels. Most of manufacturing equipment and machinery used in the operations are equipped with technologically advanced software providing on line real time information for most of the production processes.

The company's intranet acts as a useful resource base providing in depth information on the company's policies and procedures along with other information for beneficial use to the employees of the company.

Human Resource & Training

With a human capital of about 1,700 employees, the company believes that the employees are vital ingredient in shaping company's future where each individual contributes directly to the success of the organization.

Your company's HR team is a group of highly skilled and experienced professionals. They work very closely with business teams to design efficient people solutions that will effectively meet the business goals.

Your company places a premium on respect for individuals, equal opportunities, advancement based on merit, effective communication, and the development of high performance culture. The company takes pride in continuous improvement at all levels and strives to ensure that opportunity for growth and varied career experiences are provided to all employees.

Your company is an equal opportunity employer and this is practiced in all aspects of the company's business activities including recruitment and employment.

Combined with state of the art technology and HR Information Systems, the result is a high performance environment within which individuals can achieve their professional and personal dreams.

Training & Development

Your company believes in human resource development through training and development and places due emphasis on training in all spheres of its production process. The company made efforts during the year with more focused and cost effective training programs for the major technical categories such as weavers, technologists and quality control inspectors.

Candidates are engaged through a Trainee Scheme and trained in-house over a period of 6 months through a career path. This has helped company in preparing a highly skilled workforce and also provides replacements to cover turnover.

In-house training sessions are regularly conducted in general management, fire fighting, first aid, health and safety, computer and technical disciplines.

Safety, Health & Environment

Your company has provided safe & healthy workplace for all of the employees and will act responsibly towards the communities and environment in which we operate. This will be achieved by continuous improvement of our safety, health and environment performance through corporate leadership, dedication of staff and the application of the highest professional standards at workplace.

Corporate Social Responsibility

Your company has very distinct Corporate and Social Responsibility (CSR) policy in fulfilling its responsibilities of securing the community within which it operates.

Your company through its directors is actively involved in various social responsibility initiatives in the field of primary education and health care. Your company has donated Rs. 5 million to Friends of Punjab Institute of Cardiology (PIC) for building a new emergency block and state-of-the-art Cath Lab at PIC, Lahore. In addition the company is taking an active part through APTMA initiatives for Clean Water for remote areas.

Compliance with the Code of Corporate Governance

The Board reviews the company's strategic direction on regular basis. The business plans and budgetary targets, set by the Board are also reviewed regularly. The Sub-Committees are empowered for effective compliance of Code of Corporate Governance. The Board is committed to maintain a high standard of good Corporate Governance.

Corporate & Financial Reporting Frame Work

The Board of Directors of the company is fully cognizant of its responsibility as laid down in the Code of Corporate Governance issued by the Securities & Exchange Commission of Pakistan. The following statements are a manifestation of its commitment towards compliance with best practices of Code of Corporate Governance.

a. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984. These Statements, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b. The company has maintained proper books of account as required by the Companies Ordinance, 1984.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements. 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 departures therefrom 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 rule book of Pakistan Stock Exchange Limited.

h. There are no significant plans for any corporate restructuring, business expansion or discontinuation of any part of company's operations.

i. Information regarding statutory payments on account of outstanding taxes, duties, levies and other charges (if any) has been given in related note(s) to the audited accounts.

j. The company strictly complies with the standard of safety rules & regulations. It also follows environmental friendly policies.

k. The valuation of investment made by the staff retirement benefit fund (Provident Fund), based on their respective un-audited accounts is as follows:

June 30, 2016	Rs. 112.01 million	Un-audited
June 30, 2015	Rs. 120.35 million	Audited

Board of Directors

The Board of Directors is responsible for the overall governance and administration of the company. All directors are aware of their duties and powers conferred by the Companies Ordinance, 1984, Code of Corporate Governance and Company's Memorandum and Articles of Association. They exercise their fiduciary responsibilities through board meetings which are held every quarter for reviewing and approving the adoption of company's financial statements in addition to review and adoption of company's significant plans and decisions, projections, forecasts, and budgets having regard to the recommendations of the Sub-committees. The responsibilities include establishing the company's strategic objectives, providing leadership, supervising the management of the business and reporting to shareholders on their stewardship.

During the year under review five (5) meetings of the Board of Directors were held. The attendance by each Director is as follows:

Sr.	Name of the Directors	No. of meetings attended
1	Mr. Rashid Ahmed	5
2	Mr. Aamir Fayyaz Sheikh	5
3	Mr. Asad Fayyaz Sheikh	5
4	Mr. Ali Fayyaz Sheikh	3
5	Mr. Riaz Ahmed	4
6	Mr. Aamir Amin	4
7	Mr. Shahbaz Munir	5

Leave of absence was granted to the director unable to attend the meeting.

Other than those set out below, there has been no trading in shares during the year under review by the Directors, Executives, their spouses and minor children:

Sr.	Name	Designation	Purchased	Sold
			No. of Shares	
1	Mrs. Muneeza Asad Fayyaz	Director's spouse	75,000	-
2	Mr. Rashid Ahmed	Director	-	138,651
3	Mr. Kamran Shahid	CFO	-	255,000

Annual Board Performance Evaluation

The Board considers its performance assessment as a key contributor to good governance as it provides feedback from the Directors on their perceptions of how the Board is currently performing its role and responsibilities. Envisaging the same, the Board devised in-house questionnaires based on emerging and leading practices to assist performance of the board as a whole, of its committees and of its members. The Company Secretary presents the summarized report for discussion and review of the Board annually.

Directors' Training Programme

All directors other than exempted have already completed Directors' Training Programme.

Audit Committee

The Audit Committee operates according to the terms of reference determined by the Board of Directors of the company. It focuses on monitoring compliance with the best practices of the Code of Corporate Governance and relevant statutory requirements, changes in accounting policies and practices, compliance with applicable accounting standards and listing regulations.

It recommends to the Board of Directors the terms of appointment of external auditors and reviews their recommendations relating to audit. Other responsibilities include monitoring the internal audit function, safeguarding company's assets through appropriate internal control systems including financial and operational controls, accounting system and reporting structure, preliminary review of business plans and quarterly, half-yearly and annual results prior to approval and publication by the Board.

During the year under review five (5) meetings of the Audit Committee were held. The attendance by each member was as follows:

Sr.	Name of the Members	No. of meetings attended
1	Mr. Riaz Ahmed	5
2	Mr. Rashid Ahmed	5
3	Mr. Ali Fayyaz Sheikh	4
4	Mr. Shahbaz Munir	5

Leave of absence was granted to the member unable to attend the meeting.

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee (HR & R) operates according to terms of reference approved by the Board of Directors and is responsible for recommending human resource management policies to the board, selection, evaluation, compensation (including retirement benefits) and succession planning of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit; and consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO.

During the year under review five (5) meetings of the HR & R Committee were held, the attendance by its members was as follows:

Sr.	Name of the Members	No. of meetings attended
1	Mr. Rashid Ahmed	5
2	Mr. Asad Fayyaz Sheikh	5
3	Mr. Shahbaz Munir	5

Code of Conduct

In order to promote integrity for the Board, senior management and other employees of the Company, the Board has prepared and disseminated Code of Conduct on Company's website for information of his/her understanding of the professional standards and corporate values for everybody associated or dealing with the Company.

Pattern of Shareholding

The Statement of Pattern of Shareholding along with categories of shareholders of the company as at June 30, 2016, as required under section 236 of the Companies Ordinance, 1984 and Code of Corporate Governance is annexed with this report.

Future Prospects

Declining exports and uncertain political and security situation are big challenges for the Government. Despite several positive steps, including interest rate reduction, the payment of sales tax refunds, zero-rating of textile sector, the overall impact of these on economy at large remain to be seen. In short, the current macro-economic scenario is not very amicable. Further, slump in overseas high-street demand also remains a cause of concern.

To counter this challenging economic situation, cost effectiveness, niche marketing, product and customer development are the essential tools to remain competitive domestically and internationally. The efforts on marketing side especially focused on international brands and technical textiles, will ensure increased revenue and better margin. On the cost side, better supply-chain management for raw materials and innovation in production processes shall remain pivotal parts of the strategy. The current order book of the company is healthy and it has confirmed orders up to December 2016 at full capacity. Therefore, the management is confident that the company shall be able to improve its operational performance, going forward.

Auditors

The external auditors of the company, M/s Riaz Ahmad & Company, Chartered Accountants shall retire on the conclusion of forthcoming Annual General Meeting. Being eligible for re-appointment under the Companies Ordinance, 1984, they have offered their services as auditors of the company for the year ending June 30, 2017. The Board of Directors endorsed its recommendations of Audit Committee for their re-appointment.

The auditors have conveyed that they have been assigned satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and the firm is fully compliant with the code of ethics issued by International Federation of Accountants (IFAC). Further they are also not rendering any related services to the company. The auditors have also confirmed that neither the firm nor any of their partners, their spouses or minor children at any time during the year held or traded in the shares of the company.

Acknowledgment

The board places on record its profound gratitude for its valued shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have enabled the company to strive for constant improvement. During the period under review, relations between the management and employees remained cordial and we wish to place on record our appreciation for the dedication, perseverance and diligence of the staff and workers of the company.

For and on behalf of the Board

AAMIR FAYYAZ SHEIKH
Chief Executive

Kasur:
September 01, 2016

The Companies Ordinance, 1984 Form - 34
(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1.	CUI Number	0017194
2.	Name of Company	KOHINOOR MILLS LIMITED
3.	Pattern of holding of shares held by the shareholders as at	June 30, 2016

4.

Number of Shareholders	Shares held Range From		To	Total Shares held	Percentage
356	1	-	100	7,045	0.01
725	101	-	500	155,488	0.31
110	501	-	1000	85,327	0.17
210	1001	-	5000	532,001	1.04
46	5001	-	10000	346,510	0.68
17	10001	-	15000	219,408	0.43
15	15001	-	20000	275,404	0.54
5	20001	-	25000	113,882	0.22
4	25001	-	30000	115,500	0.23
2	30001	-	35000	65,500	0.13
5	45001	-	50000	234,104	0.46
2	50001	-	55000	103,000	0.20
1	60001	-	65000	60,500	0.12
1	65001	-	70000	68,000	0.13
1	70001	-	75000	70,500	0.14
1	75001	-	80000	76,500	0.15
2	80001	-	85000	161,867	0.32
1	85001	-	90000	88,000	0.17
3	95001	-	100000	300,000	0.59
1	100001	-	105000	101,326	0.20
1	110001	-	115000	112,500	0.22
1	120001	-	125000	125,000	0.25
1	125001	-	130000	128,500	0.25
2	140001	-	145000	286,000	0.56
1	175001	-	180000	178,000	0.35
1	195001	-	200000	200,000	0.39
1	200001	-	205000	202,500	0.40
1	220001	-	225000	222,467	0.44
1	255001	-	260000	256,350	0.50
1	495001	-	500000	500,000	0.98
1	765001	-	770000	768,500	1.51
1	1020001	-	1025000	1,023,661	2.01
1	1230001	-	1235000	1,232,257	2.42
1	1445001	-	1450000	1,445,500	2.84
1	2760001	-	2765000	2,762,357	5.43
1	3675001	-	3680000	3,677,059	7.22
1	10925001	-	10930000	10,925,564	21.46
1	10960001	-	10965000	10,961,678	21.53
1	12720001	-	12725000	12,723,256	24.99
1,528	Total			50,911,011	100.00

Note: The slabs not applicable, have not been shown.

Form - 34

5.	Categories of Shareholders	Shares held	Percentage of holding
5.1	Directors, Chief Executive Officer, their Spouse(s) and Minor Children	34,737,348	68.2300
5.2	Associated Companies, Undertakings and Related Parties	Nil	Nil
5.3	NIT and ICP	3,679,859	7.2280
5.4	Banks, Development Financial institutions, Non-Banking Financial institutions	520,404	1.0222
5.5	Insurance Companies	125	0.0002
5.6	Takaful, Modarabas, Pension Funds & Mutual Funds	81,379	0.1598
5.7	Share holders holding 10% or more	38,287,557	75.2049
5.8	General Public		
	a. Local	10,387,972	20.4042
	b. Foreign	82,636	0.1623
	c. Joint Stock Companies	270,125	0.5306
5.9	Others		
	Lahore Stock Exchange	680	0.0013
	Trustee-Kohinoor Mills Limited - Staff Provident Fund	909,500	1.7865
	Trustees Al-Mal Group Staff Provident Fund	1,695	0.0033
	Trustee National Bank of Pakistan Employees Pension Fund	222,467	0.4370
	Trustee National Bank of Pakistan Employee Benevolent Fund	7,806	0.0153
	Trustees Moosa Lawai Foundation	9,015	0.0177
		1,151,163	2.2611

AAMIR FAYYAZ SHEIKH
Chief Executive

Information under Clause 5.19.11 (x) of Pakistan Stock Exchange Limted Rule Book as at June 30, 2016

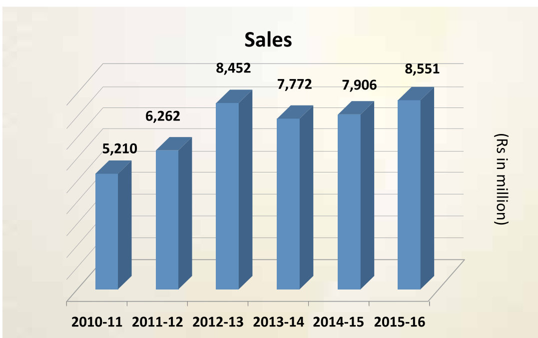
		Number of Shares held
I.	Associated Companies, Undertakings and Related Parties	
	Nil	-
II.	Mutual Funds	
	Nil	-
III.	Directors, CEO and their Spouse(s) and minor children	
	Mr. Rashid Ahmed (Chairman)	3,850
	Mr. Aamir Fayyaz Sheikh (Chief Executive)	12,723,256
	Mr. Asad Fayyaz Sheikh (Director)	10,961,678
	Mr. Ali Fayyaz Sheikh (Director)	10,925,564
	Mr. Riaz Ahmed (Director)	20,000
	Mr. Shahbaz Munir (Director)	3,000
	Mr. Aamir Amin (Director NIT Nominee)	-
	Mrs. Muneeza Asad Fayyaz (Director's Spouse)	100,000
		34,737,348
IV.	Executives	256,350
V.	Public Sector Companies and Corporations	17,532
VI.	Banks, Development Finance Institutions, Non-banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	5,414,118
VII.	Shareholders holding five percent or more voting Rights	
	Mr. Aamir Fayyaz Sheikh	12,723,256
	Mr. Asad Fayyaz Sheikh	10,961,678
	Mr. Ali Fayyaz Sheikh	10,925,564
	National Bank of Pakistan-Trustee Department NI(U)T Fund	3,677,059
		38,287,557

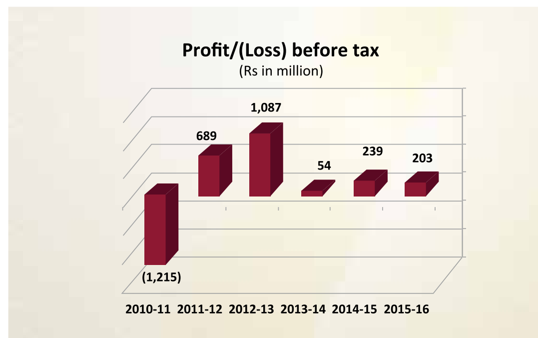
Information under clause 5.19.11 (xii) of Pakistan Stock Exchange Limited Rule Book relating to all trades in the share of the Company as at June 30, 2016 carried out by its Directors, Executives, and their spouses and minor children are disclosed on page no 21.

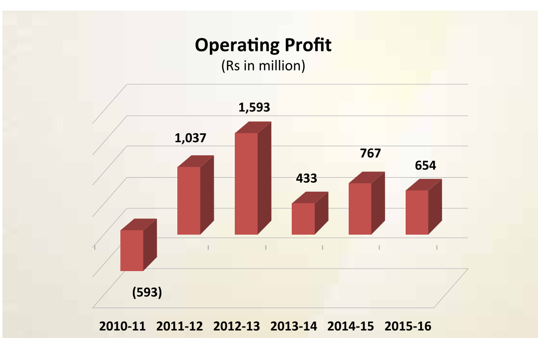
SIX YEARS' PERFORMANCE

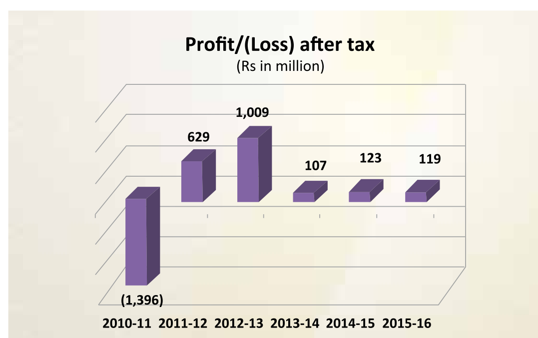
		2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
OPERATING							
Gross Margin	%	16.29	16.43	13.45	16.31	14.67	(1.81)
Pre Tax Margin	%	2.37	3.03	0.70	12.86	11.00	(23.32)
Net Margin	%	1.39	1.56	1.37	11.93	10.05	(26.79)
PERFORMANCE							
Return on Long Term Assets	%	3.16	3.11	3.01	29.17	17.58	(41.38)
Total Assets Turnover	x	1.35	1.26	1.30	1.44	1.08	0.90
Fixed Assets Turnover	x	2.37	2.14	2.26	2.52	1.83	1.70
Inventory Turnover	Days	59.13	58.34	52.80	45.36	53.41	63.84
Return on Equity	%	0.14	0.14	0.14	1.93	nm	nm
Return on Capital Employed	%	36.36	25.86	13.65	48.03	36.36	nm
Retention	%	100	100	100	100	100	-
LEVERAGE							
Debt:Equity		68:32	67:33	71:29	82:18	nm	nm
LIQUIDITY							
Current		0.75	1.05	1.19	1.33	1.06	0.38
Quick		0.39	0.56	0.70	0.82	0.67	0.26
VALUATION							
Earning per share (pre tax)	Rs.	3.98	4.70	1.06	21.36	13.53	(23.87)
Earning per share (after tax)	Rs.	2.33	2.42	2.09	19.81	12.36	(27.42)
Breakup value	Rs.	17.04	17.30	15.23	10.24	(11.21)	(24.69)
Price earning ratio	Rs.	8.65	7.16	5.96	0.82	0.19	(0.04)
Market price to breakup value	Rs.	1.19	1.00	0.82	1.58	(0.21)	(0.04)
Market value per share	Rs.	20.20	17.30	12.49	16.20	2.36	1.06
Market capitalization	Rs. In million	1,028	881	636	825	120	54
HISTORICAL TRENDS							
Turnover	Rs. In million	8,551	7,906	7,772	8,452	6,262	5,210
Gross profit	Rs. In million	1,393	1,299	1,045	1,378	919	(95)
Profit/(Loss) before tax	Rs. In million	203	239	54	1,087	689	(1,215)
Profit/(Loss) after tax	Rs. In million	119	123	107	1,009	629	(1,396)
FINANCIAL POSITION							
Shareholder's funds	Rs. In million	867	881	775	521	(571)	(1,257)
Property Plant and Equipment	Rs. In million	3,614	3,694	3,441	3,355	3,413	3,063
Current assets	Rs. In million	2,592	2,326	2,445	2,403	2,243	2,414
Current liabilities	Rs. In million	3,474	2,207	2,047	1,804	2,116	6,345
Long term assets	Rs. In million	3,761	3,951	3,542	3,457	3,580	3,373
Long term liabilities	Rs. In million	930	2,086	2,396	2,794	3,423	31

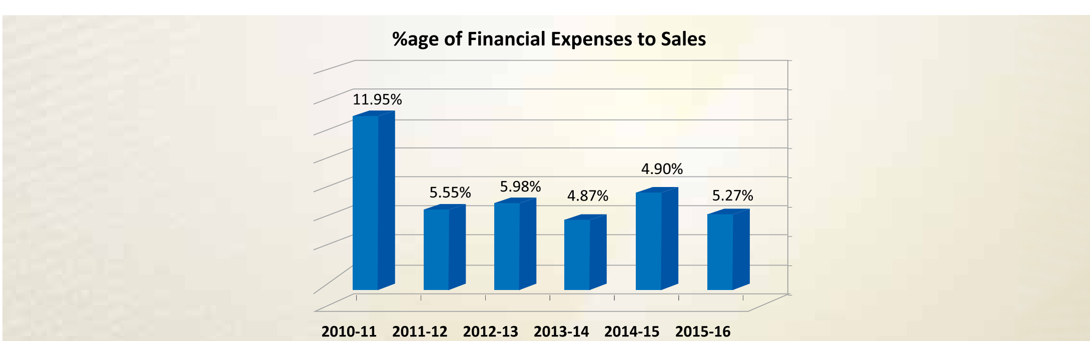
PERFORMANCE OVERVIEW

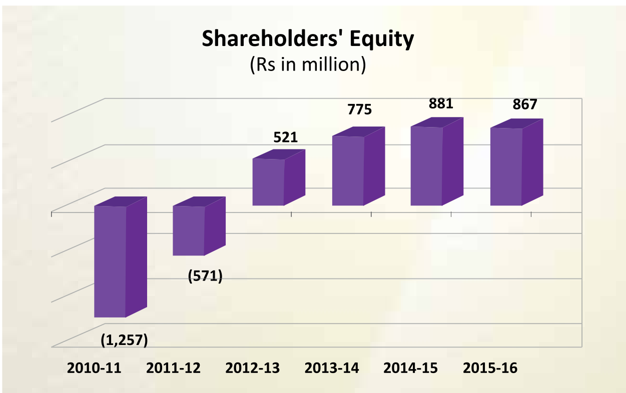


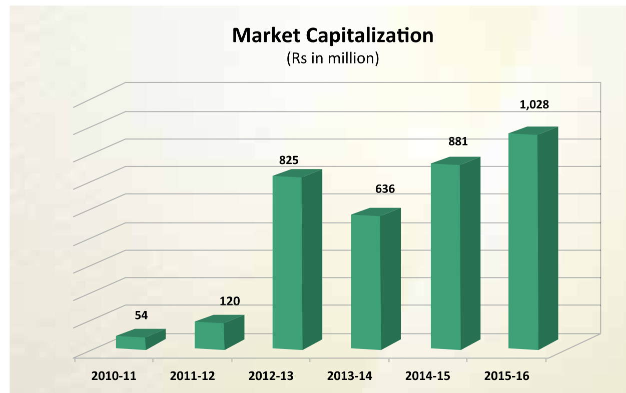


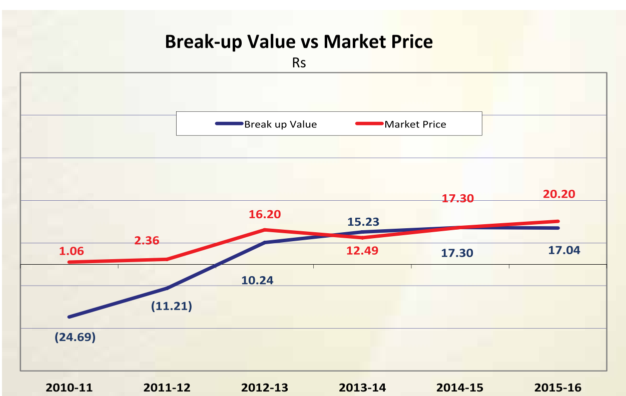


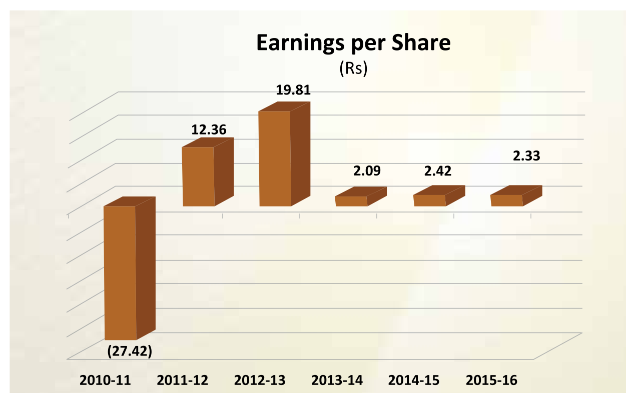


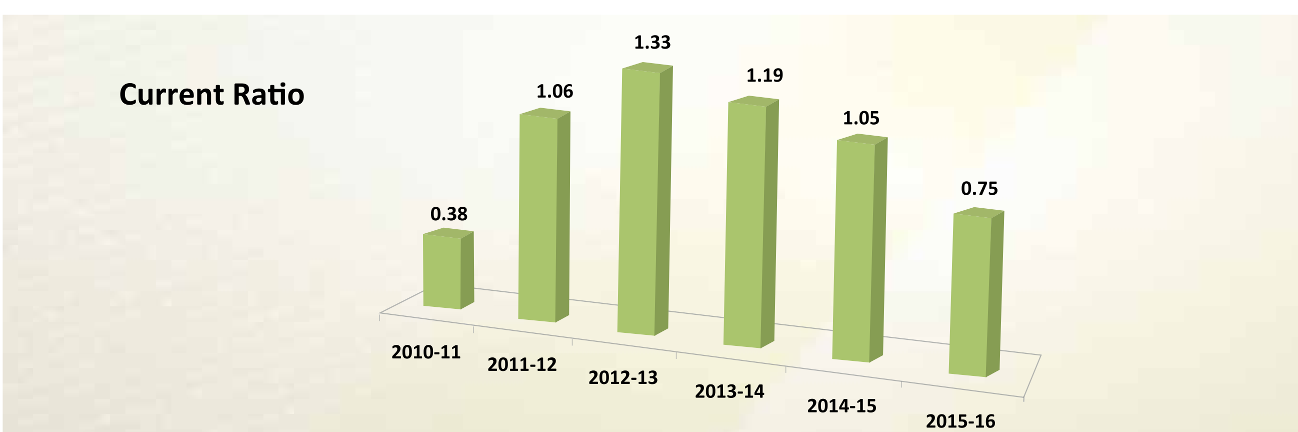



Shareholders' Equity
(Rs in million)
(1,257)
(571)
521
775
881
867
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16


Market Capitalization
(Rs in million)
54
120
825
636
881
1,028
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16

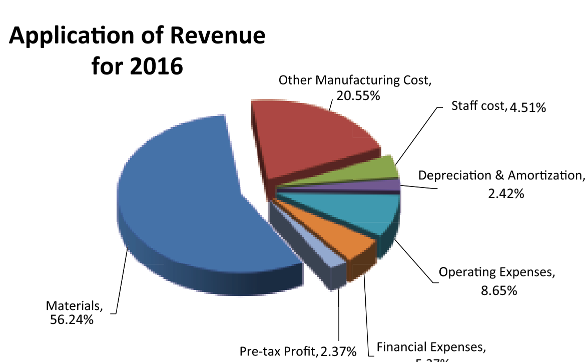

Break-up Value vs Market Price
Rs
Break up Value
Market Price
1.06
2.36
16.20
12.49
17.30
20.20
(24.69)
(11.21)
10.24
15.23
17.30
17.04
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16

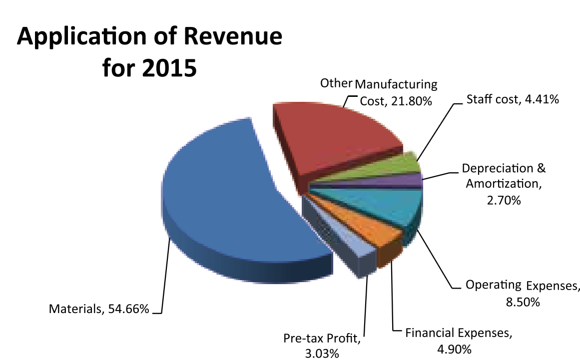

Earnings per Share
(Rs)
(27.42)
12.36
19.81
2.09
2.42
2.33
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16


Current Ratio
0.38
1.06
1.33
1.19
1.05
0.75
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16

STATEMENT OF VALUE ADDITION

	2016		2015	
	%age	Amount (000)	%age	Amount (000)
Value Added				
Local Sales	16.23%	1,387,911	16.47%	1,302,063
Export Sales	83.77%	7,163,181	83.53%	6,603,957
Total Sales	100%	8,551,092	100%	7,906,021
Value Allocated				
Materials	56.24%	4,808,762	54.66%	4,321,066
Other Manufacturing Cost	20.55%	1,756,879	21.80%	1,723,828
Staff cost	4.51%	385,512	4.41%	348,792
Depreciation & Amortization	2.42%	206,913	2.70%	213,518
Operating Expenses	8.65%	739,470	8.50%	671,902
Financial Expenses	5.27%	450,764	4.90%	387,592
Pre-tax Profit	2.37%	202,792	3.03%	239,323
	100%	8,551,092	100%	7,906,021





Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Regulation No. 5.19 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Mr. Riaz Ahmed
Executive Directors	Mr. Aamir Fayyaz Sheikh Mr. Asad Fayyaz Sheikh
Non-Executive Directors	Mr. Ali Fayyaz Sheikh Mr. Rashid Ahmed Mr. Shahbaz Munir Mr. Aamir Amin

The above named independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a 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. No casual vacancy was occurred on the board during the year. The same Board was re-elected on March 31, 2016.

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

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

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

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

9. All directors other than exempted have already completed directors' training programme.

10. During the year no new appointment of CFO, Company Secretary and Head of Internal Audit was approved by the Board. However, remuneration of the above officers was ratified as per company policy approved by the Board.

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

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

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

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

15. The Board has formed an Audit Committee. It comprises four members, of whom three are non-executive directors and the chairman of the committee is an independent director.

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

17. The Board has also formed a Human Resource and Remuneration Committee. It comprises three members of whom two are non-executive directors and one is executive director. The chairman of the committee is a non-executive director.

18. The Board has set-up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the 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 as adopted by ICAP.

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

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

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

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

For and on behalf of the Board

Kasur :
September 01, 2016

(AAMIR FAYYAZ SHEIKH)
Chief Executive

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of KOHINOOR MILLS LIMITED ("the Company") for the year ended 30 June 2016 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 a 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 of Directors' 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.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of 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 as applicable to the Company for the year ended 30 June 2016.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

DATE: 01 Septermber 2016
LAHORE

Financial Statements

For the year ended 30 June 2016

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of KOHINOOR MILLS LIMITED as at 30 June 2016 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 30 June 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

DATE: 01 September 2016

LAHORE

BALANCE SHEET AS AT 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	3	1,100,000,000	1,100,000,000
Issued, subscribed and paid-up share capital	4	509,110,110	509,110,110
Reserves	5	358,240,114	371,887,258
Total equity		867,350,224	880,997,368
Surplus on revaluation of operating fixed assets - net of deferred income tax	6	1,081,449,031	1,102,492,273
LIABILITIES			
Non-current liabilities			
Long term financing - secured	7	735,286,694	1,532,875,759
Sponsor's loan	8	-	196,855,369
Deferred liabilities	9	194,599,666	356,647,458
		929,886,360	2,086,378,586
Current liabilities			
Trade and other payables	10	853,749,084	848,944,580
Accrued mark-up	11	194,483,901	250,378,063
Sponsor's loan	8	272,000,000	-
Short term borrowings - secured	12	1,917,369,966	756,228,140
Current portion of long term financing	7	163,323,416	279,032,044
Provision for taxation		73,303,245	72,208,980
		3,474,229,612	2,206,791,807
Total liabilities		4,404,115,972	4,293,170,393
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		6,352,915,227	6,276,660,034

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

AAMIR FAYYAZ SHEIKH
Chief Executive

	Note	2016 Rupees	2015 Rupees
ASSETS			
Non-current assets			
Fixed assets	14	3,613,786,853	3,694,363,572
Long term investments	15	126,357,045	235,693,073
Long term security deposits		21,200,012	20,953,202
		3,761,343,910	3,951,009,847
Current assets			
Stores, spares and loose tools	16	416,776,129	366,497,465
Stock-in-trade	17	806,079,356	729,676,914
Trade debts	18	465,442,351	485,583,822
Advances	19	74,812,228	78,488,927
Trade deposits and short term prepayments	20	14,389,121	17,487,549
Other receivables	21	311,146,735	292,227,577
Sales tax recoverable	22	449,022,395	243,395,861
Cash and bank balances	23	53,903,002	112,292,072
		2,591,571,317	2,325,650,187
TOTAL ASSETS		6,352,915,227	6,276,660,034

ASAD FAYYAZ SHEIKH
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
SALES	24	8,551,091,835	7,906,020,841
COST OF SALES	25	(7,158,065,284)	(6,607,203,773)
GROSS PROFIT		1,393,026,551	1,298,817,068
DISTRIBUTION COST	26	(497,552,931)	(438,881,171)
ADMINISTRATIVE EXPENSES	27	(232,700,374)	(230,803,140)
OTHER EXPENSES	28	(53,970,345)	(47,692,944)
		(784,223,650)	(717,377,255)
		608,802,901	581,439,813
OTHER INCOME	29	44,753,708	186,003,744
PROFIT FROM OPERATIONS		653,556,609	767,443,557
FINANCE COST	30	(450,764,146)	(528,120,387)
PROFIT BEFORE TAXATION		202,792,463	239,323,170
TAXATION	31	(83,960,087)	(116,346,078)
PROFIT AFTER TAXATION		118,832,376	122,977,092
EARNINGS PER SHARE - BASIC AND DILUTED	32	2.33	2.42

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	2016 Rupees	2015 Rupees
PROFIT AFTER TAXATION	118,832,376	122,977,092
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Deficit arising on re-measurement of available for sale investment to fair value	(104,808,983)	(19,870,001)
Deferred income tax relating to re-measurement of available for sale investment to fair value	25,540,380	6,090,116
Other comprehensive loss for the year - net of tax	(79,268,603)	(13,779,885)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	39,563,773	109,197,207

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	33	584,419,530	827,175,261
Income tax paid		(90,420,324)	(87,684,048)
Net increase in long term security deposits		(246,810)	(365,462)
Finance cost paid		(410,903,778)	(326,349,744)
NET CASH GENERATED FROM OPERATING ACTIVITIES		82,848,618	412,776,007
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(184,510,636)	(138,303,040)
Proceeds from disposal of operating fixed assets		33,732,732	21,631,126
Dividend received		3,218,336	2,896,501
NET CASH USED IN INVESTING ACTIVITIES		(147,559,568)	(113,775,413)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		36,300,000	-
Repayment of long term financing		(1,191,119,946)	(284,216,064)
Short term borrowings - net		1,161,141,826	(57,966,859)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		6,321,880	(342,182,923)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(58,389,070)	(43,182,329)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		112,292,072	155,474,401
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		53,903,002	112,292,072

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	SHARE CAPITAL	RESERVES								TOTAL EQUITY
		CAPITAL RESERVES			REVENUE RESERVES			Equity portion of sponsor's loan	Total reserves	
		Share premium reserves	Fair value reserves	Sub-Total	General reserve	Accumulated loss	Sub-Total			
	RUPEES									
Balance as at 30 June 2014	509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,233,110,302)	(175,082,662)	95,257,884	266,153,612	775,263,722
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	16,649,692	16,649,692	-	16,649,692	16,649,692
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(20,113,253)	(20,113,253)	(20,113,253)
Profit for the year	-	-	-	-	-	122,977,092	122,977,092	-	122,977,092	122,977,092
Other comprehensive loss for the year	-	-	(13,779,885)	(13,779,885)	-	-	-	-	(13,779,885)	(13,779,885)
Total comprehensive income for the year ended 30 June 2015	-	-	(13,779,885)	(13,779,885)	-	122,977,092	122,977,092	-	109,197,207	109,197,207
Balance as at 30 June 2015	509,110,110	213,406,310	118,792,195	332,198,505	1,058,027,640	(1,093,483,518)	(35,455,878)	75,144,631	371,887,258	880,997,368
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	21,933,714	21,933,714	-	21,933,714	21,933,714
Adjustment due to change in repayment term of sponsor's loan (Note 8.1)	-	-	-	-	-	-	-	(75,144,631)	(75,144,631)	(75,144,631)
Profit for the year	-	-	-	-	-	118,832,376	118,832,376	-	118,832,376	118,832,376
Other comprehensive loss for the year	-	-	(79,268,603)	(79,268,603)	-	-	-	-	(79,268,603)	(79,268,603)
Total comprehensive income for the year ended 30 June 2016	-	-	(79,268,603)	(79,268,603)	-	118,832,376	118,832,376	-	39,563,773	39,563,773
Balance as at 30 June 2016	509,110,110	213,406,310	39,523,592	252,929,902	1,058,027,640	(952,717,428)	105,310,212	-	358,240,114	867,350,224

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited ("the Company") is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate, and supply electricity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with 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 under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except for freehold land and buildings which are carried at revalued amounts and certain financial instruments which are carried at their fair value.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the balance sheet date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

The Company reviews its receivable against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Provision for obsolescence of stores, spares and loose tools

Provision for obsolescence of items of stores, spares and loose tools is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis.

d) Standards that are effective in current year and are relevant to the Company

The following standards are mandatory for the Company's accounting periods beginning on or after 01 July 2015:

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these financial statements, except for certain additional disclosures.

e) Amendments to published standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2016 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner as under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Company's financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Company's financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Company's financial statements.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10 and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 'Interim Financial Reporting', which is considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. This amendment is unlikely to have a significant impact on the Company's financial statements and has therefore not been analyzed in detail.

g) Standard and amendments to published standards that are not yet and not considered relevant to the Company

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements

2.2 Employee benefit

The Company operates a funded contributory provident fund scheme for its permanent employees. The Company and employees make equal monthly contributions of 8.33 percent of the basic salary, towards the fund. The Company's contribution is charged to the profit and loss account.

2.3 Provisions

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

2.4 Taxation

Current

Provision for current tax is based on the 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 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 the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets 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 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 or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in statement of comprehensive income or directly in equity, respectively.

2.5 Foreign currencies

The financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the spot rate. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses, where applicable, are recognized in the profit and loss account.

2.6 Fixed assets

2.6.1 Property, plant and equipment and depreciation

Owned

a) Cost

Property, plant and equipment except freehold land and buildings are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss, buildings are stated at revalued amount less accumulated depreciation and any identified impairment loss, while capital work-in-progress is stated at cost less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Increases in the carrying amount arising on revaluation of operating fixed assets are credited to surplus on revaluation of operating fixed assets. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of operating fixed assets to retained earnings. All transfers to / from surplus on revaluation of operating fixed assets are net of applicable deferred income tax.

b) Depreciation

Depreciation on all operating fixed assets is charged to income on a reducing balance method so as to write off cost / depreciable amount of an asset over its estimated useful life at the rates as disclosed in note 14.1. Depreciation on additions is charged from the month in which the asset is put to use and on disposal up to the month of disposal. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

c) Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognized.

Leased

a) Finance leases

Leases where the Company has substantially all the risk and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost, is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to income.

b) Operating leases

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

2.6.2 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each balance sheet date.

2.7 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is initially measured at fair value.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Company applies the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' to all investments, except investment in subsidiary company, which is tested for impairment in accordance with the provisions of IAS 36 'Impairment of Assets'.

a) Investments at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

c) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in statement of comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 'Financial Instruments: Recognition and Measurement'.

d) Equity investments in associated companies

The investments in associates in which the Company does not have significant influence are classified as "Available-for-Sale".

e) Investment in subsidiary company

Investment in subsidiary company is accounted for at cost less impairment loss, if any, in accordance with IAS 27 'Separate Financial Statements'.

2.8 Inventories

Inventories, except for stock in transit, waste stock and rejected goods are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools

Useable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores and spares are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade

Cost of raw material is based on weighted average cost.

Cost of work in process and finished goods comprises prime cost and appropriate production overheads determined on weighted average cost. Cost of goods purchased for resale are valued at their respective purchase price by using first-in-first-out method.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock and rejected goods are valued at net realizable value.

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

2.9 Non-current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use.

2.10 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of that asset.

2.11 Revenue recognition

Revenue from different sources is recognized as under.

(a) Revenue from sale of goods is recognized on dispatch of goods to customer.

(b) Dividend on equity investments is recognized as income when right to receive payment is established.

(c) Profit on bank deposits is recognized on a time proportion basis taking into account, the principal outstanding and rates of profits applicable thereon.

2.12 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 estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with 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 amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss account.

2.13 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.14 Financial instruments

Financial instruments are recognized at fair value when the Company becomes party to the contractual provisions of the instrument by following trade date accounting. Any gain or loss on the subsequent measurement is charged to the profit and loss account except for available for sale investments. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses the control over contractual right that comprises the financial asset or a portion of financial asset. While a financial liability or a part of financial liability is derecognized from the balance sheet when, and only when, it is extinguished, i.e., when the obligation specified in contract is discharged, cancelled or expired.

The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are investments, trade debts, deposits, advances, other receivables and cash and bank balances.

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term financing, short term borrowings, sponsor's loan, accrued markup and trade and other payables.

2.14.1 Trade debts and other receivables

Trade debts and other receivable are initially measured at fair value and subsequently at amortized cost using effective interest rate method less provision for impairment. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

2.14.2 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.14.3 Markup bearing borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost, any difference between the proceeds and the redemption value is recognized in the profit and loss account over the period of the borrowing using the effective interest rate method.

2.14.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current accounts, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.15 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as cash flow hedges.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in statement of comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account.

Amounts accumulated in equity are recognized in profit and loss account in the periods when the hedged item will affect profit or loss.

2.16 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable business segments. Weaving (Producing different quality of greige fabric using yarn), Dyeing (Converting greige into dyed fabric) and Power Generation (Generating and distributing power).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.17 Off setting of financial assets and liabilities

Financial assets and liabilities are set off and the net amount is reported in the financial statements when there is legally enforceable right to set off and the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.18 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. AUTHORIZED SHARE CAPITAL

2016 (NUMBER OF SHARES)	2015 (NUMBER OF SHARES)		2016 Rupees	2015 Rupees
80,000,000	80,000,000	Ordinary shares of Rupees 10 each	800,000,000	800,000,000
30,000,000	30,000,000	Preference shares of Rupees 10 each	300,000,000	300,000,000
110,000,000	110,000,000		1,100,000,000	1,100,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2016 (NUMBER OF SHARES)	2015 (NUMBER OF SHARES)		2016 Rupees	2015 Rupees
28,546,003	28,546,003	Ordinary shares of Rupees 10 each fully paid in cash	285,460,030	285,460,030
18,780,031	18,780,031	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	187,800,310	187,800,310
3,584,977	3,584,977	Ordinary shares of Rupees 10 each issued due to merger with Kohinoor Genertek Limited as per scheme of arrangement	35,849,770	35,849,770
50,911,011	50,911,011		509,110,110	509,110,110

5. RESERVES

	2016 Rupees	2015 Rupees
Composition of reserves is as follows:		
Capital reserves		
Share premium reserve (Note 5.1)	213,406,310	213,406,310
Fair value reserve - net of deferred income tax (Note 5.2)	39,523,592	118,792,195
	252,929,902	332,198,505
Revenue reserves		
General reserve	1,058,027,640	1,058,027,640
Accumulated loss	(952,717,428)	(1,093,483,518)
	105,310,212	(35,455,878)
Equity portion of sponsor's loan (Note 8)	-	75,144,631
	358,240,114	371,887,258

5.1 This reserve can be utilized by the Company only for the purposes specified in section 83(2) of the Companies Ordinance, 1984.

	2016 Rupees	2015 Rupees
5.2 Fair value reserve - net of deferred income tax		
Balance as at 01 July	156,305,520	176,175,521
Fair value adjustment on investment during the year	(104,808,983)	(19,870,001)
Balance as at 30 June	51,496,537	156,305,520
Less: Related deferred income tax liability	11,972,945	37,513,325
Balance as at 30 June - net of deferred income tax	39,523,592	118,792,195

5.2.1 This represents unrealized gain on re-measurement of available for sale investment at fair value and is not available for distribution. This will be transferred to profit and loss account on realization.

	2016 Rupees	2015 Rupees
6. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
Balance as at 01 July	1,132,487,096	792,199,267
Add: Surplus on revaluation incorporated during the year	-	358,075,962
Less: Incremental depreciation	23,433,455	17,788,133
Balance as at 30 June	1,109,053,641	1,132,487,096
Less: Related deferred income tax liability	27,604,610	29,994,823
Balance as at 30 June - net of deferred income tax	1,081,449,031	1,102,492,273

7. LONG TERM FINANCING - SECURED

	2016 Rupees	2015 Rupees
Financing from banking companies (Note 7.1 and 7.2)	898,610,110	1,811,907,803
Less: Current portion shown under current liabilities	163,323,416	279,032,044
	735,286,694	1,532,875,759

7.1

Lender	2016	2015	Terms	Security
	-------- Rupees	--------		
National Bank of Pakistan	464,245,511	512,468,070	This loan is repayable in 36 stepped up quarterly instalments commenced from 31 March 2015 and ending on 31 December 2023. This loan carries mark-up at the rate of 7.70% per annum based on the average cost of funds of the bank which will be reviewed annually. Mark-up will be accrued over nine years during which the principal will be repaid. The accrued mark-up will be repaid in twelve equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2026.	First pari passu charge of Rupees 1,438.550 million by way of hypothecation and mortgage charge over present and future fixed assets of the Company, pari passu charge of Rupees 667 million and ranking charge of Rupees 100 million over current assets of the Company as margin and personal guarantees of Sponsor directors.
United Bank Limited	11,586,079	171,233,629	This loan is repayable in 28 equal quarterly instalments of Rupees 13.540 million each commenced from 09 February 2012 and ending on 09 November 2018. Mark-up is payable quarterly at the rate of 5.00% per annum.	First pari passu charge of Rupees 606.000 million (with 25% margin) over all present and future current assets and Rupees 200.000 million over fixed assets of the Company and personal guarantees of two directors.
The Bank of Punjab	-	348,856,629	As per the revised terms of restructuring, this loan was repayable in 31 stepped up quarterly instalments from 30 June 2011 to 31 December 2018. However, this loan has been fully repaid during the year. This loan carried mark-up at the rate of 9.55% per annum based on the cost of funds of the bank approved by SBP upto 31 March 2013 and thereafter 5.00% per annum. Mark-up accrued upto 31 March 2013 will be repaid by the end of 30 June 2017, therefore, presented in accrued mark-up (Note 11).	Joint pari passu charge of Rupees 752.300 million over fixed assets, pari passu charge of Rupees 534.000 million and ranking charge of Rupees 268.000 million on all present and future current assets of the Company.
Faysal Bank Limited	161,894,049	177,161,865	This loan is repayable in 31 stepped up quarterly instalments commenced from 31 March 2013 and ending on 30 September 2020. Mark-up is payable quarterly at the rate of 5.00% per annum. Mark-up upto 30 September 2011 is recalculated at the rate of 8.5% per annum and will be repaid on 30 September 2020.	First pari passu charge of Rupees 266.800 million over current assets, ranking charge of Rupees 240.000 million over current assets and exclusive charge of Rupees 94.000 million on power generators of the Company.

Lender	2016	2015	Terms	Security
	-------- Rupees --------			
NIB Bank Limited - I	-	232,632,637	As per the revised terms of restructuring, this loan was repayable in 36 stepped up quarterly instalments from 30 September 2011 to 30 June 2020. However, this loan has been fully repaid during the year. This loan carried mark-up at the rate of 5.00% per annum payable quarterly.	First pari passu charge of Rupees 107.000 million over Company's machinery and joint pari passu charge of Rupees 800.000 million over current assets of the Company.
NIB Bank Limited - II	31,350,000	-	This loan is repayable in 20 quarterly instalments of Rupees 1.650 million each commenced from 31 March 2016 and ending on 31 December 2020. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	Joint pari passu charge of Rupees 800.000 million on current assets and Rupees 464.000 million on fixed assets of the Company. Specific charge of Rupees 50.000 million on coal boiler.
	3,135,000	-	This loan is repayable in 20 quarterly instalments of Rupees 0.165 million each commenced from 27 April 2016 and ending on 27 January 2021. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	
Askari Bank Limited	83,280,539	98,029,978	This loan is repayable in 32 quarterly instalments of Rupees 5.282 million each commenced from 30 June 2013 and ending on 31 March 2021. Mark-up is payable quarterly at the rate of 5.00% per annum.	First joint pari passu charge of Rupees 506.667 million over current assets by way of hypothecation and ranking charge of Rupees 169.000 million over fixed assets of the Company by way of hypothecation.
Bank Alfalah Limited	-	105,634,500	As per the revised terms of restructuring, this loan was repayable in 32 stepped up quarterly instalments from 01 July 2012 to 01 April 2020. However, this loan has been fully repaid during the year. This loan carried mark-up at the rate of 8.30% per annum based on the cost of funds of the bank. Mark-up accrued upto 03 May 2016 will be paid in thirty six equal monthly instalments commencing on 01 May 2020 and ending on 01 April 2023, therefore, presented in deferred accrued mark-up (Note 9.1).	First joint pari passu charge of Rupees 410.000 million over all present and future current assets of the Company.
Habib Bank Limited	143,118,932	165,890,495	This loan is repayable in 32 stepped up quarterly instalments commenced from 30 June 2012 and ending on 31 March 2020. Mark-up is payable quarterly at the rate of 5.00% per annum.	First joint pari passu charge of Rupees 1,160.000 million over current assets, joint pari passu charge of Rupees 146.600 million, ranking charge of Rupees 362.000 million over fixed assets of the Company and personal guarantees of two directors.
	898,610,110	1,811,907,803		

7.2 Fair value of long term financing was estimated at the present value of future cash flows discounted at the effective interest rates ranging from 9.31 % to 13.56 % per annum.

	2016 Rupees	2015 Rupees
8. SPONSOR'S LOAN		
Interest free loan (Note 8.1)	272,000,000	272,000,000
Equity portion of sponsor loan:		
Gain on recognition of sponsor's loan at fair value	(113,316,111)	(113,316,111)
Adjustment due to impact of IAS-39	38,171,480	38,171,480
Adjustment due to change in repayment terms (Note 8.1)	75,144,631	-
	-	(75,144,631)
Less: Transferred to current liabilities	272,000,000	-
	-	196,855,369

8.1 This represents unsecured interest free loan obtained from a director of the Company. Previously, this was repayable on 30 June 2018. Fair value of sponsor's loan was estimated at the present value of future cash flow discounted at the effective interest rate of 11.38% per annum. During the year ended 30 June 2015, initial gain and impact of IAS-39 'Financial Instruments: Recognition and Measurement' on sponsor's loan was corrected retrospectively and recognized directly in equity, previously these were recognized in profit and loss account. During the current year, terms of repayment of loan have been changed w.e.f. 01 July 2015. Now, this loan is repayable on demand. Consequently, the equity portion of loan amounting to Rupees 75.145 million (unwinded portion of difference between present value of loan at initial recognition and cash received) as on 30 June 2015 has been transferred to the carrying value of loan, which has now been presented in current liabilities.

	2016 Rupees	2015 Rupees
9. DEFERRED LIABILITIES		
Deferred accrued mark-up (Note 9.1)	155,022,111	300,789,834
Deferred income tax liability (Note 9.2)	39,577,555	55,857,624
	194,599,666	356,647,458
9.1 Deferred accrued mark-up		
National Bank of Pakistan	49,530,302	24,933,065
The Bank of Punjab	-	139,309,000
Bank Alfalah Limited	38,873,381	69,929,341
Faysal Bank Limited	66,618,428	66,618,428
	155,022,111	300,789,834

9.1.1 This represents accrued mark-up on long term financing deferred in accordance with the terms of long term financing disclosed in note 7.1 to these financial statements.

9.2 Deferred income tax liability

The net liability for deferred taxation originated due to temporary differences relating to:

	2016 Rupees	2015 Rupees
Taxable temporary differences on:		
Accelerated tax depreciation and amortization	-	90,114,650
Surplus on revaluation of operating fixed assets	27,604,610	29,994,823
Surplus on revaluation of investment - available for sale	11,972,945	37,513,325
	39,577,555	157,622,798
Deductible temporary difference on:		
Accumulated tax losses	-	(101,765,174)
Net deferred income tax liability recognized	39,577,555	55,857,624

10. TRADE AND OTHER PAYABLES

	2016 Rupees	2015 Rupees
Creditors	570,788,935	541,331,380
Advances from customers	33,638,439	31,376,386
Sales commission payable	87,378,208	97,314,086
Income tax deducted at source	11,436,822	7,801,040
Security deposits - interest free	602,278	602,278
Payable to employees' provident fund trust	1,563,635	1,266,662
Accrued and other liabilities (Note 10.1)	92,690,269	125,999,218
Workers' profit participation fund (Note 10.2)	50,918,962	38,521,994
Unclaimed dividend	4,731,536	4,731,536
	853,749,084	848,944,580

10.1 This includes an amount of Rupees 56.300 million (2015: Rupees 70.000 million) payable on demand to spouse of a director of the Company.

10.2 Workers' profit participation fund

	2016 Rupees	2015 Rupees
Balance as at 01 July	38,521,994	16,834,274
Add: Allocation for the year (Note 28)	23,773,023	19,920,121
Interest accrued for the year (Note 30)	2,845,679	1,767,599
Less: Paid during the year	14,221,734	-
Balance as at 30 June	50,918,962	38,521,994

10.2.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.

	2016 Rupees	2015 Rupees
11. ACCRUED MARK-UP		
Long term financing	167,897,839	212,434,850
Short term borrowings	26,586,062	37,943,213
	194,483,901	250,378,063
12. SHORT TERM BORROWINGS - SECURED		
From banking companies		
SBP refinance (Note 12.1 and 12.2)	1,394,770,000	369,009,000
Other short term finances (Note 12.1 and 12.3)	522,599,966	387,219,140
	1,917,369,966	756,228,140

12.1 These facilities are secured against hypothecation charge on current assets, lien on export contracts / letters of credit, first and second pari passu charge on fixed and current assets, personal guarantees of directors and ranking charge on current assets of the Company.

12.2 These carry mark-up range from 3.5% to 4.5% per annum (2015: 6% to 7.5% per annum) on outstanding balance.

12.3 These carry mark-up ranging from 6.24% to 9.26% per annum (2015: 5% to 13.73% per annum) on outstanding balance.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Deputy Collector (Refund – Gold) by order dated 19 June 2007 rejected the input tax claim of the Company, for the month of June 2005, amounting to Rupees 10.345 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. Consequently, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR has decided this appeal in favour of the Company subject to necessary verification. Pending the outcome of necessary verification, no provision for inadmissible input tax has been recognized in these financial statements, since the Company is confident of the favourable outcome of verification.

13.1.2 The Additional Collector, Sales Tax Department has raised sales tax demand amounting to Rupees 8.956 million along with additional tax and penalty, as a result of sales tax audit for the year 1999-2000 conducted by the Sales Tax Department. The Company is contesting the demand and management is confident that decision will be in favour of the Company, hence, no provision their against has been made in these financial statements.

13.1.3 As a result of sales tax audit for the year 2009-2010 conducted by Regional Tax Office, Lahore, Assistant Commissioner Inland Revenue, Sales Tax Department has raised sales tax demand amounting to Rupees 9.975 million along with additional tax and penalty. Currently, the case is pending for hearing at Appellate Tribunal Inland Revenue, Lahore and the management is confident that decision will be in favour of the Company, hence, no provision their against has been made in these financial statements.

13.1.4 Pursuant to the sale of assets agreement with M/s Interloop Limited, the Company is contingently liable for Rupees 31.958 million against payment of certain outstanding dues to Employees' Old-Age Benefits Institution (EOBI) and bifurcation of gas connections in favour of M/s Interloop Limited. To secure the performance of aforesaid conditions, the Company has pledged equity investment (note 15.3) and bank balance (note 23.4) with Allied Bank Limited. However, no provision has been recognized in these financial statements as the management is confident to fulfil the conditions in accordance with the sale of assets agreement.

13.1.5 Bank guarantees of Rupees 81.66 million (2015: Rupees 81.66 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

13.1.6 Bank guarantee of Rupees 6.5 million (2015: Rupees 6.5 million) is given by the bank of the Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

13.1.7 Bank guarantees of Rupees 8.164 million (2015: Rupees 8.164 million) are given by the bank of the Company in favour of Lahore Electric Supply Company Limited against electricity connections.

13.1.8 Lahore Electric Supply Company Limited (LESCO) served a notice to the Company in connection with violation of Power Purchase Agreement. According to the aforesaid notice, the Company was using gas along with Refined Furnace Oil (RFO) in the ratio of 50:50 as co-fuel in order to generate electric power for sale to LESCO whereas tariff was charged to LESCO on the basis of RFO. The matter is being resolved under the provisions of above said Power Purchase Agreement and referred to Mr. Justice (Retd.) Syed Jamshed Ali Shah for arbitration. The proceedings of arbitration are in process. An amount of Rupees 86.833 million receivable by the Company from LESCO is still unpaid. Full provision against this receivable has been made in books of account. However, the Company is confident that the said amount will be recovered.

13.1.9 Provision for gas infrastructure development cess and late payment charges thereon amounting to Rupees 24.812 million for the period from September 2014 to March 2015 has not been recognized in the books of account as the Company has obtained stay order from Honorable Lahore High Court, Lahore and is confident of favorable outcome of the matter.

13.2 Commitments

13.2.1 Aggregate commitments for capital expenditure and revenue expenditures are amounting to Rupees 19.554 million and Rupees 26.033 million (2015: Rupees Nil and Rupees 26.230 million) respectively.

13.2.2 Post dated cheques issued to suppliers are amounting to Rupees 168.214 million (2015: Rupees 127.752 million).

14. FIXED ASSETS

	2016 Rupees	2015 Rupees
Property, plant and equipment		
Operating fixed assets (Note 14.1)	3,585,296,846	3,663,368,205
Capital work-in-progress (Note 14.2)	28,490,007	30,995,367
	3,613,786,853	3,694,363,572
Intangible asset - computer software (Note 14.1 and 14.1.5)	-	-
	3,613,786,853	3,694,363,572

14.1 Reconciliations of carrying amounts of operating fixed assets and intangible asset at the beginning and end of the year are as follows:

Description	Operating fixed assets										Intangible asset
	Freehold land	Residential building	Factory building	Plant and machinery	Stand-by equipment	Electric Installations	Furniture, fixtures and equipment	Computers	Motor vehicles	Total	
	----- (RUPEES) -----										
As at 30 June 2014											
Cost / revalued amount	484,092,625	211,831,978	691,846,399	4,112,152,817	1,615,659	137,399,159	92,596,625	46,896,903	141,544,267	5,919,976,432	9,296,899
Accumulated depreciation / amortization	-	(62,429,399)	(239,526,965)	(2,007,065,878)	(197,273)	(70,539,581)	(57,747,240)	(36,545,368)	(40,023,941)	(2,514,075,645)	(9,296,899)
Net book value	484,092,625	149,402,579	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,405,900,787	-
Year ended 30 June 2015											
Opening net book value	484,092,625	149,402,579	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,405,900,787	-
Additions	-	-	19,415,778	84,831,542	-	8,717,937	4,870,324	2,524,124	21,701,307	142,061,012	-
Disposals:											
Cost	-	-	-	(19,856,444)	-	-	(932,400)	-	(11,431,117)	(32,219,961)	-
Accumulated depreciation	-	-	-	6,916,082	-	-	575,608	-	6,331,481	13,823,171	-
	-	-	-	(12,940,362)	-	-	(356,792)	-	(5,099,636)	(18,396,790)	-
Depreciation charge	-	(7,470,129)	(23,102,253)	(162,997,078)	(127,946)	(6,980,154)	(3,819,210)	(3,539,441)	(16,236,555)	(224,272,766)	-
Surplus on revaluation	227,381,374	19,054,548	111,640,040	-	-	-	-	-	-	358,075,962	-
Closing net book value	711,473,999	160,986,998	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,663,368,205	-
As at 30 June 2015											
Cost / revalued amount	711,473,999	230,886,526	822,902,217	4,177,127,915	1,615,659	146,117,096	96,534,549	49,421,027	151,814,457	6,387,893,445	9,296,899
Accumulated depreciation / amortization	-	(69,899,528)	(262,629,218)	(2,163,146,874)	(325,219)	(77,519,735)	(60,990,842)	(40,084,809)	(49,929,015)	(2,724,525,240)	(9,296,899)
Net book value	711,473,999	160,986,998	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,663,368,205	-
Year ended 30 June 2016											
Opening net book value	711,473,999	160,986,998	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,663,368,205	-
Additions	-	-	31,740,020	126,099,656	-	2,757,538	1,454,139	4,474,877	20,489,766	187,015,996	-
Disposals:											
Cost	-	-	-	(33,072,969)	-	-	(45,000)	(42,500)	(39,996,051)	(73,156,520)	-
Accumulated depreciation	-	-	-	11,083,928	-	-	8,185	23,211	15,110,719	26,226,043	-
	-	-	-	(21,989,041)	-	-	(36,815)	(19,289)	(24,885,332)	(46,930,477)	-
Depreciation	-	(8,049,350)	(28,094,547)	(152,555,730)	(115,143)	(6,981,405)	(3,653,398)	(3,346,909)	(15,360,396)	(218,156,878)	-
Closing net book value	711,473,999	152,937,648	563,918,472	1,965,535,926	1,175,297	64,373,494	33,307,633	10,444,897	82,129,480	3,585,296,846	-
As at 30 June 2016											
Cost / revalued amount	711,473,999	230,886,526	854,642,237	4,270,154,602	1,615,659	148,874,634	97,943,688	53,853,404	132,308,172	6,501,752,921	9,296,899
Accumulated depreciation / amortization	-	(77,948,878)	(290,723,765)	(2,304,618,676)	(440,362)	(84,501,140)	(64,636,055)	(43,408,507)	(50,178,692)	(2,916,456,075)	(9,296,899)
Net book value	711,473,999	152,937,648	563,918,472	1,965,535,926	1,175,297	64,373,494	33,307,633	10,444,897	82,129,480	3,585,296,846	-
Depreciation / amortization rate % per annum	-	5	5	10	10	10	10	30	20		20

14.1.1 Freehold land and buildings of the Company were revalued as at 30 June 2009 by an independent valuer. The latest revaluation as at 30 June 2015 was carried out by Messrs Hamid Mukhtar and Company (Private) Limited, the approved valuer. Previously these had been revalued as at 30 June 2012. Had there been no revaluation, the value of the assets would have been lower by Rupees 1,109.053 million (2015: Rupees 1,132.487 million).

14.1.2 The book value of freehold land and buildings on cost basis is Rupees 47.656 million and Rupees 271.620 million (2015: Rupees 47.656 million and Rupees 252.591 million) respectively.

14.1.3 Detail of operating fixed assets exceeding book value of Rupees 50,000 disposed of during the year is as follows:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	------------------(RUPEES)---------------------						
Plant and machinery							
Mower Disco	2,222,222	544,637	1,677,585	1,677,585	-	Negotiation	Elahi Dad Noon - Bhalwal
Thresher Machine	300,000	42,370	257,630	70,000	(187,630)	Negotiation	Mr. Hafiz Nazim Rasool - Lahore
Rice Husk Boiler	25,602,861	8,808,360	16,794,501	5,500,000	(11,294,501)	Negotiation	Mr. Sajid Ali - Lahore
Pet Coke Boiler	2,092,742	591,260	1,501,482	1,344,538	(156,944)	Negotiation	Mr. Muhammad Naveed - Lahore
Button Machine	532,740	245,206	287,534	225,000	(62,534)	Negotiation	Mubashir Corporation (Private) Limited - Faisalabad
Feed of Arm Siruba	121,124	49,472	71,652	63,199	(8,453)	Negotiation	Combined Fabrics - Lahore
Hashima Fusing Machine	242,826	99,180	143,646	126,701	(16,945)	Negotiation	Combined Fabrics - Lahore
Pocket Creasing	412,464	168,466	243,998	210,100	(33,898)	Negotiation	Combined Fabrics - Lahore
Cornely Bratto	1,545,990	534,977	1,011,013	450,000	(561,013)	Negotiation	Mubashir Corporation (Private) Limited - Faisalabad
	33,072,969	11,083,928	21,989,041	9,667,123	(12,321,918)		
Motor vehicles							
Suzuki Cultus LEH-07-9894	559,387	371,728	187,659	475,000	287,341	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEF-08-9660	426,743	221,758	204,985	340,000	135,015	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED-09-1699	886,500	555,926	330,574	475,000	144,426	Negotiation	Mr. Muhammad Anwar - Lahore
Suzuki Cultus LE-10-3367	771,333	401,246	370,087	465,000	94,913	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEA-09-1609	806,500	525,490	281,010	391,720	110,710	Negotiation	Mr. Faisal Rasheed - Lahore
Fork Lifter	1,732,991	1,297,075	435,916	231,092	(204,824)	Negotiation	Mr. Muhammad Farooq - Lahore
Suzuki Cultus LEB-09-7266	650,631	420,322	230,309	416,000	185,691	Negotiation	Mr. Faisal Shareef - Lahore
Honda City LE-13- 9250	1,539,460	545,831	993,629	1,305,000	311,371	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEC-08-7934	670,720	435,051	235,669	290,000	54,331	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEF-08-3059	296,933	112,206	184,727	465,000	280,273	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEC-08-09676	674,220	442,788	231,432	550,000	318,568	Negotiation	Mr. Imran Kamal - Lahore
Honda Civic LEF-13- 8629	2,290,500	625,459	1,665,041	1,350,000	(315,041)	Negotiation	Mr. Amir Javaid Malik - Lahore
Suzuki Cultus LEC-10-4804	728,733	386,116	342,617	475,000	132,383	Negotiation	Mr. Umer Khattar - Lahore
Motor Cycle CD-70 LEM-14-2404	69,900	13,980	55,920	30,000	(25,920)	Negotiation	Mr. Muhammad Saleem - Lahore
Motor Cycle CG-125	102,500	20,500	82,000	45,000	(37,000)	Negotiation	Mr. Mujahid Ali - Lahore
Belarus Tractor 510 SGS-225	1,516,600	470,752	1,045,848	940,625	(105,223)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LET-493	1,528,000	474,291	1,053,709	940,625	(113,084)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 SGS-906	1,121,000	347,958	773,042	940,625	167,583	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LES-2124	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LES-2126	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LES-2127	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LES-2128	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 SGS-2567	981,000	304,502	676,498	940,625	264,127	Negotiation	Mr. Muhammad Qasim - Sargodha
Millat Tractor MF-360 LET-1411	880,700	281,824	598,876	511,117	(87,759)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 SGS-789	880,700	281,824	598,876	511,117	(87,759)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-292	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-293	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-294	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	-------------------(RUPEES)---------------------						
Millat Tractor MF-360 LET-295	906,000	298,618	607,382	475,000	(132,382)	Negotiation	Chopra Trading Company - Lahore
Millat Tractor MF-360 LET-296	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-297	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-298	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-300	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-301	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2503	931,000	289,644	641,356	511,118	(130,238)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2504	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2505	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2506	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2253	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2257	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2263	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
	39,890,051	15,076,799	24,813,252	23,992,812	(820,440)		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	193,500	65,316	128,184	72,797	(55,387)		
	73,156,520	26,226,043	46,930,477	33,732,732	(13,197,745)		

14.1.4 The depreciation charge for the year has been allocated as follows:

	2016 Rupees	2015 Rupees
Cost of sales (Note 25)	206,798,532	214,389,853
Distribution cost (Note 26)	2,449,324	1,576,261
Administrative expenses (Note 27)	8,909,022	8,306,652
	218,156,878	224,272,766

14.1.5 Intangible asset - computer software has been fully amortized but still in the use of the Company.

		2016 Rupees	2015 Rupees
14.2	**Capital work-in-progress**		
	Plant and machinery	20,345,577	-
	Civil works	-	23,478,029
	Advances for capital expenditures	8,144,430	7,517,338
		28,490,007	30,995,367
15.	**LONG TERM INVESTMENTS**		
	Investment in subsidiary company - at cost		
	Q Mart Corporation (Private) Limited - unquoted		
	30,000,000 (2015: 30,000,000) ordinary shares of Rupees 10 each	300,000,000	300,000,000
	Less: Impairment loss (Note 15.1)	225,843,663	221,316,618
		74,156,337	78,683,382
	Available for sale		
	Associated company (without significant influence)		
	K-2 Hosiery (Private) Limited - unquoted		
	1,194,000 (2015: 1,194,000) ordinary shares of Rupees 10 each (Note 15.2)	-	-
	Other		
	Security General Insurance Company Limited - unquoted (Note 15.3)		
	643,667 (2015: 643,667) fully paid ordinary shares of Rupees 10 each	704,171	704,171
	Add: Fair value adjustment	51,496,537	156,305,520
		52,200,708	157,009,691
		126,357,045	235,693,073
15.1	**Impairment loss**		
	Balance as at 01 July	221,316,618	218,986,005
	Add: Impairment loss recognized during the year (Note 28)	4,527,045	2,330,613
	Balance as at 30 June	225,843,663	221,316,618

15.2 Investment in K-2 Hosiery (Private) Limited has been impaired and written off against provision.

15.3 Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 81.09 (2015: Rupees 243.93 valued by the management) per share using present value technique (2015: net assets based valuation method). 640,000 ordinary shares of Security General Insurance Company Limited have been pledged in favour of Allied Bank Limited to serve the performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

		2016 Rupees	2015 Rupees
16.	**STORES, SPARES AND LOOSE TOOLS**		
	Stores and spares	431,259,251	379,540,096
	Loose tools	3,007,915	3,586,377
		434,267,166	383,126,473
	Less: Provision for slow moving, obsolete and damaged store items (Note 16.1)	17,491,037	16,629,008
		416,776,129	366,497,465
16.1	Provision for slow moving, obsolete and damaged store items		
	Balance as on 01 July	16,629,008	16,629,008
	Add: Provision for the year (Note 28)	2,955,416	-
	Less: Stores and spares written off against provision	(2,093,387)	-
	Balance as on 30 June	17,491,037	16,629,008
17.	**STOCK-IN-TRADE**		
	Raw material	197,119,225	139,659,658
	Work-in-process	136,625,320	143,336,567
	Finished goods (Note 17.1 and 17.2)	472,334,811	446,680,689
		806,079,356	729,676,914

17.1 This includes finished goods of Rupees 58.969 million (2015: Rupees 78.533 million) valued at net realizable value.

17.2 Finished goods include stock-in-transit amounting to Rupees 42.261 million (2015: Rupees 20.641 million).

		2016 Rupees	2015 Rupees
18.	**TRADE DEBTS**		
	Considered good:		
	Secured (against letters of credit)	317,938,696	365,851,374
	Unsecured	147,503,655	119,732,448
		465,442,351	485,583,822
	Considered doubtful:		
	Others - unsecured	88,480,269	88,480,269
	Less: Provision for doubtful trade debts		
	Balance as at 01 July	88,480,269	88,358,572
	Add: Provision for the year (Note 28)	-	121,697
	Balance as at 30 June	88,480,269	88,480,269
		-	-

18.1 As on 30 June 2016, trade debts of Rupees 33.160 million (2015: Rupees 30.205 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2016 Rupees	2015 Rupees
Upto 1 month	475,178	1,179,685
1 to 6 months	1,833,081	1,314,089
More than 6 months	30,851,467	27,711,601
	33,159,726	30,205,375

18.2 As at 30 June 2016, trade debts of Rupees 88.480 (2015: Rupees 88.480 million) were impaired. The aging of these trade debts was more than three years. These trade debts have been provided for in the books of account.

19. ADVANCES

	2016 Rupees	2015 Rupees
Considered good:		
Advances to:		
- staff (Note 19.1)	12,288,661	11,598,639
- suppliers	57,285,999	60,827,674
Letters of credit	5,237,568	6,062,614
	74,812,228	78,488,927

19.1 This includes interest free advances to executives amounting to Rupees 6.653 million (2015: Rupees 2.884 million).

20. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2016 Rupees	2015 Rupees
Security deposits	13,275,546	16,312,246
Short term prepayments	1,113,575	1,175,303
	14,389,121	17,487,549

21. OTHER RECEIVABLES

	2016 Rupees	2015 Rupees
Considered good:		
Advance income tax	258,020,167	240,314,882
Export rebate and claims (Note 21.1)	50,474,213	50,451,752
Miscellaneous (Note 21.2)	2,652,355	1,460,943
	311,146,735	292,227,577

	2016 Rupees	2015 Rupees
21.1 Export rebate and claims		
Considered good	50,474,213	50,451,752
Considered doubtful	35,493,049	39,481,490
Less: Provision for doubtful export rebate and claims (Note 21.1.1)	35,493,049	39,481,490
	-	-
	50,474,213	50,451,752

21.1.1 Provision for doubtful export rebate and claims

	2016 Rupees	2015 Rupees
Balance as at 01 July	39,481,490	30,514,452
Add : Provision for the year (Note 28)	-	8,967,038
Less: Export rebate receivable written off against provision	3,988,441	-
Balance as at 30 June	35,493,049	39,481,490

	2016 Rupees	2015 Rupees
21.2 Miscellaneous		
Considered good	2,652,355	1,460,943
Considered doubtful (Note 21.2.2)	1,608,032	-
Less: Provision for doubtful miscellaneous receivables (Note 21.2.1)	(1,608,032)	-
	-	-
	2,652,355	1,460,943

21.2.1 Provision for doubtful miscellaneous receivables

	2016 Rupees	2015 Rupees
Balance as at 01 July	-	-
Add: Provision for the year (Note 28)	1,608,032	-
Balance as at 30 June	1,608,032	-

21.2.2 This represents amount of Rupees 1.608 million (2015: Rupees 0.383 million) receivable from Q Mart Corporation (Private) Limited - subsidiary company against certain expenses paid on its behalf.

22. SALES TAX RECOVERABLE

	2016 Rupees	2015 Rupees
Sales tax recoverable	476,421,086	270,794,552
Less: Provision for doubtful sales tax recoverable (Note 22.1)	27,398,691	27,398,691
	449,022,395	243,395,861

22.1 Provision for doubtful sales tax recoverable

	2016 Rupees	2015 Rupees
Balance as at 01 July	27,398,691	25,157,276
Add: Provision for the year (Note 28)	-	2,241,415
Balance as at 30 June	27,398,691	27,398,691

23. CASH AND BANK BALANCES

	2016 Rupees	2015 Rupees
Cash in hand (Note 23.1)	3,225,554	2,985,777
Cash with banks:		
On current accounts (Note 23.2 and 23.4)	23,182,410	38,989,239
On deposit accounts (Note 23.3 and 23.5)	27,495,038	70,317,056
	50,677,448	109,306,295
	53,903,002	112,292,072

23.1 Cash in hand includes foreign currency of US$ 7,015 and Euro 160 (2015: US$ Nil and Euro Nil).

23.2 Cash with banks on current accounts includes foreign currency balance of US$ Nil (2015: US$ 788.72).

23.3 Rate of profit on bank deposits ranges from 4.25% to 5.8% (2015: 4.5% to 7%) per annum.

23.4 Cash with banks on current accounts includes an amount of Rupees 8.491 million (2015: Rupees 8.491 million) with Allied Bank Limited, in a non-checking account, to secure performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

23.5 This includes term deposit receipts of Rupees 18 million (2015: Rupees 55.560 million) which are under lien with the bank.

24. SALES

	2016 Rupees	2015 Rupees
Export	7,134,170,081	6,576,994,814
Local (Note 24.1)	1,387,911,328	1,302,063,344
Export rebate	29,010,426	26,962,683
	8,551,091,835	7,906,020,841

	2016 Rupees	2015 Rupees
24.1 Local sales		
Sales	1,182,614,822	1,056,648,140
Less: Sales tax	54,557,433	45,582,109
	1,128,057,389	1,011,066,031
Processing income	259,853,939	290,997,313
	1,387,911,328	1,302,063,344

25. COST OF SALES

	2016 Rupees	2015 Rupees
Raw material consumed (Note 25.1)	4,783,212,447	4,325,268,356
Chemicals consumed	744,850,309	698,391,221
Salaries, wages and other benefits	371,865,559	337,998,698
Employees' provident fund contributions	13,433,272	12,216,998
Cloth conversion and processing charges	48,631,535	21,111,495
Fuel, oil and power	649,704,430	708,672,422
Stores, spares and loose tools consumed	138,229,533	100,401,544
Packing materials consumed	56,164,295	57,948,288
Repair and maintenance	58,185,463	43,919,391
Insurance	9,186,181	9,798,729
Other manufacturing expenses	73,852,172	104,054,440
Depreciation on operating fixed assets (Note 14.1.4)	206,798,532	214,389,853
	7,154,113,728	6,634,171,435
Work-in-process inventory		
As on 01 July	143,336,567	128,250,466
As on 30 June	(136,625,320)	(143,336,567)
	6,711,247	(15,086,101)
Cost of goods manufactured	7,160,824,975	6,619,085,334
Cost of yarn and cloth purchased for resale	22,894,431	13,433,875
	7,183,719,406	6,632,519,209
Finished goods inventory		
As on 01 July	446,680,689	421,365,253
As on 30 June	(472,334,811)	(446,680,689)
	(25,654,122)	(25,315,436)
	7,158,065,284	6,607,203,773

25.1 Raw material consumed

	2016 Rupees	2015 Rupees
Opening stock	139,659,658	148,615,983
Purchased during the year	4,840,672,014	4,316,312,031
	4,980,331,672	4,464,928,014
Less: Closing stock	(197,119,225)	(139,659,658)
	4,783,212,447	4,325,268,356

	2016 Rupees	2015 Rupees
26. DISTRIBUTION COST		
Salaries and other benefits	65,763,690	54,052,094
Employees' provident fund contributions	2,434,891	2,192,149
Travelling, conveyance and entertainment	29,080,241	25,654,723
Printing and stationery	222,101	222,849
Communications	36,371,171	34,341,582
Vehicles' running	3,266,522	3,346,245
Insurance	3,080,251	1,939,004
Repair and maintenance	39,573	9,034
Commission to selling agents	190,241,713	138,665,162
Outward freight and handling	124,147,176	136,198,694
Clearing and forwarding	40,082,981	36,603,912
Sales promotion and advertising	286,160	3,504,355
Depreciation on operating fixed assets (Note 14.1.4)	2,449,324	1,576,261
Miscellaneous	87,137	575,107
	497,552,931	438,881,171
27. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	123,073,919	115,458,246
Employees' provident fund contributions	2,970,144	3,078,108
Travelling, conveyance and entertainment	35,316,888	31,833,757
Printing and stationery	2,878,908	4,368,114
Communications	5,007,960	4,428,574
Vehicles' running	9,170,596	8,671,354
Legal and professional	5,614,815	7,490,058
Insurance	5,736,831	5,321,803
Fee, subscription and taxes	3,126,428	2,157,842
Repair and maintenance	7,737,373	7,289,562
Electricity, gas and water	338,112	198,957
Auditors' remuneration (Note 27.1)	1,480,000	1,396,000
Depreciation on operating fixed assets (Note 14.1.4)	8,909,022	8,306,652
Miscellaneous	21,339,378	30,804,113
	232,700,374	230,803,140
27.1 Auditors' remuneration		
Audit fee	1,190,000	1,125,000
Half yearly review and other certifications	210,000	200,000
Reimbursable expenses	80,000	71,000
	1,480,000	1,396,000

28. OTHER EXPENSES

	2016 Rupees	2015 Rupees
Workers' profit participation fund (Note 10.2)	23,773,023	19,920,121
Donations (Note 28.1)	6,428,038	14,112,060
Loss on sale of operating fixed assets	13,197,745	-
Impairment loss on investment in subsidiary company (Note 15.1)	4,527,045	2,330,613
Provision for doubtful trade debts (Note 18)	-	121,697
Provision for slow moving, obsolete and damaged store items (Note 16.1)	2,955,416	-
Provision for doubtful export rebate and claims (Note 21.1.1)	-	8,967,038
Provision for doubtful sales tax recoverable (Note 22.1)	-	2,241,415
Provision for doubtful miscellaneous receivables (Note 21.2.1)	1,608,032	-
Miscellaneous	1,481,046	-
	53,970,345	47,692,944

28.1 This includes an amount of Rupees 5.000 million given to Friends of Punjab Institute of Cardiology in which chief executive of the Company is trustee.

29. OTHER INCOME

	2016 Rupees	2015 Rupees
Income from financial assets		
Dividend on equity investment	3,218,336	2,896,501
Exchange gain - net	11,452,878	3,011,586
Return on bank deposits	2,807,772	5,732,715
Accrued mark-up written back	-	2,172,628
Gain on recognition of long term financing at fair value	-	138,355,873
Income from non-financial assets		
Scrap sales	27,044,517	30,600,105
Gain on sale of operating fixed assets	-	3,234,336
Other	230,205	-
	44,753,708	186,003,744

	2016 Rupees	2015 Rupees
30. FINANCE COST		
Mark-up on long term financing	113,077,157	147,244,004
Mark-up on short term borrowings	33,514,787	65,927,704
Adjustment due to impact of IAS - 39	241,522,253	273,416,786
Bank commission and other financial charges	59,804,270	39,764,294
Interest on workers' profit participation fund (Note 10.2)	2,845,679	1,767,599
	450,764,146	528,120,387
31. TAXATION		
Current (Note 31.1)	73,303,245	72,208,980
Prior year adjustment	506,059	4,960,679
Deferred tax	10,150,783	39,176,419
	83,960,087	116,346,078

31.1 The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

31.2 Provision for deferred income tax is not required as the Company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future except for deferred tax liability as explained in note 9.2.

31.3 Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of presumptive taxation.

32. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share, which is based on:

		2016	2015
Profit attributable to ordinary shareholders	(Rupees)	118,832,376	122,977,092
Weighted average number of ordinary shares	(Numbers)	50,911,011	50,911,011
Earnings per share - Basic	(Rupees)	2.33	2.42

	2016 Rupees	2015 Rupees
33. CASH GENERATED FROM OPERATIONS		
Profit before taxation	202,792,463	239,323,170
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	218,156,878	224,272,766
Dividend income	(3,218,336)	(2,896,501)
Loss / (gain) on sale of operating fixed assets	13,197,745	(3,234,336)
Impairment loss on investment in subsidiary company	4,527,045	2,330,613
Gain on recognition of long term financing at fair value	-	(138,355,873)
Adjustment due to impact of IAS - 39	241,522,253	273,416,786
Provision for doubtful trade debts	-	121,697
Provision for slow moving, obsolete and damaged store items	2,955,416	-
Provision for doubtful export rebate and claims	-	8,967,038
Provision for doubtful sales tax recoverable	-	2,241,415
Provision for doubtful miscellaneous receivable	1,608,032	-
Accrued mark-up written back	-	(2,172,628)
Finance cost	209,241,893	254,703,601
Working capital changes (Note 33.1)	(306,363,859)	(31,542,487)
	584,419,530	827,175,261
33.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(53,234,080)	(48,731,299)
Stock-in-trade	(76,402,442)	(31,445,212)
Trade debts	20,141,471	47,778,828
Advances	3,676,699	9,154,208
Trade deposits and short term prepayments	3,098,428	1,925,737
Other receivables	(2,821,905)	(13,905,030)
Sales tax recoverable	(205,626,534)	(43,298,532)
	(311,168,363)	(78,521,300)
Increase in trade and other payables	4,804,504	46,978,813
	(306,363,859)	(31,542,487)

34. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

Aggregate amounts charged in these financial statements for remuneration, including all benefits to chief executive, director and other executives are as follows:

	2016			2015		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	(Rupees)					
Managerial remuneration	5,082,000	3,630,000	48,139,213	4,620,000	3,300,000	42,614,323
House rent	1,270,500	1,402,500	12,360,318	1,155,000	1,485,000	9,985,271
Utilities	508,200	362,979	4,810,058	462,000	330,000	4,248,776
Special allowance	1,016,400	231,000	8,796,155	924,000	-	7,845,484
Contribution to provident fund	423,331	302,385	4,016,998	384,846	274,896	3,531,580
Other allowances	854,700	973,521	10,517,885	777,000	885,000	10,177,457
	9,155,131	6,902,385	88,640,627	8,322,846	6,274,896	78,402,891
Number of persons	1	1	45	1	1	34

34.1 Chief executive, directors and executives of the Company are provided with free use of the Company's owned and maintained cars.

34.2 Meeting fee of Rupees 1,000,000 (2015: Rupees 1,000,000) was paid to the non-executive directors for attending meetings.

34.3 No remuneration was paid to non-executive directors of the Company.

35. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary company, other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties. Detail of transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements.

	2016 Rupees	2015 Rupees
Subsidiary company		
Expenses paid on behalf of Q Mart Corporation (Private) Limited	1,224,208	811,823

36. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund for the year ended 30 June 2016 and audited financial statements of the provident fund for the year ended 30 June 2015:

	2016 Rupees	2015 Rupees
Size of the fund - Total assets	118,390,478	126,301,897
Cost of investments	103,042,969	103,042,969
Percentage of investments made	94.61%	95.29%
Fair value of investments	112,013,208	120,351,088

36.1 The break-up of fair value of investments is as follows:

	2016	2015	2016	2015
	Percentage		Rupees	Rupees
Deposits	39.40	43.59	44,134,103	52,471,983
Mutual funds	38.55	35.88	43,180,542	43,180,542
Listed securities	22.05	20.53	24,698,563	24,698,563
	100.00	100.00	112,013,208	120,351,088

36.2 Investments, out of provident fund, have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

37. NUMBER OF EMPLOYEES

	2016	2015
Number of employees as on June 30		
Permanent	1635	1644
Contractual	55	14
Average number of employees during the year		
Permanent	1614	1619
Contractual	57	13

38. SEGMENT INFORMATION

38.1 The Company has three reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving	Production of different qualities of greige fabric using yarn
Dyeing	Processing of greige fabric for production of dyed fabric
Power Generation	Generation and distribution of power using gas, oil and steam

	Weaving		Dyeing		Power Generation		Elimination of inter-segment transactions		Total- Company	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(Rupees)									
Sales										
-External	2,165,586,734	2,051,042,015	6,385,505,101	5,854,978,826	-	-	-	-	8,551,091,835	7,906,020,841
-Intersegment	1,422,906,272	1,717,714,755	58,879,608	58,471,720	692,872,062	831,775,159	(2,174,657,942)	(2,607,961,634)	-	-
	3,588,493,006	3,768,756,770	6,444,384,709	5,913,450,546	692,872,062	831,775,159	(2,174,657,942)	(2,607,961,634)	8,551,091,835	7,906,020,841
Cost of sales	(3,285,914,052)	(3,441,427,982)	(5,329,554,741)	(4,958,914,057)	(717,254,433)	(814,823,368)	2,174,657,942	2,607,961,634	(7,158,065,284)	(6,607,203,773)
Gross profit	302,578,954	327,328,788	1,114,829,968	954,536,489	(24,382,371)	16,951,791	-	-	1,393,026,551	1,298,817,068
Distribution cost	(108,738,393)	(88,372,177)	(388,814,538)	(350,508,994)	-	-	-	-	(497,552,931)	(438,881,171)
Administrative expenses	(89,817,421)	(96,717,901)	(131,007,901)	(120,754,405)	(11,875,052)	(13,330,834)	-	-	(232,700,374)	(230,803,140)
	(198,555,814)	(185,090,078)	(519,822,439)	(471,263,399)	(11,875,052)	(13,330,834)	-	-	(730,253,305)	(669,684,311)
Profit before taxation and unallocated income / expenses	104,023,140	142,238,710	595,007,529	483,273,090	(36,257,423)	3,620,957	-	-	662,773,246	629,132,757
Unallocated income and expenses:										
Finance cost									(450,764,146)	(528,120,387)
Other expenses									(53,970,345)	(47,692,944)
Other income									44,753,708	186,003,744
Taxation									(83,960,087)	(116,346,078)
									(543,940,870)	(506,155,665)
Profit after taxation									118,832,376	122,977,092

38.2 Reconciliation of reportable segment assets and liabilities

	Weaving		Dyeing		Power Generation		Total - Company	
	2016	2015	2016	2015	2016	2015	2016	2015
	(Rupees)							
Segment assets	2,115,442,498	2,113,686,470	2,317,603,740	2,393,343,339	975,175,365	898,210,407	5,408,221,603	5,405,240,216
Long term investments							126,357,045	235,693,073
Unallocated assets							818,336,579	635,726,745
Total assets as per balance sheet							6,352,915,227	6,276,660,034
Segment liabilities	383,037,689	326,677,867	293,692,062	316,850,033	107,037,478	133,938,968	783,767,229	777,466,868
Long term financing - secured							898,610,110	1,811,907,803
Sponsor's loan							272,000,000	196,855,369
Accrued mark-up							194,483,901	250,378,063
Short term borrowings - secured							1,917,369,966	756,228,140
Deferred liabilities							194,599,666	356,647,458
Provision for taxation							73,303,245	72,208,980
Unallocated liabilities							69,981,855	71,477,712
Total liabilities as per balance sheet							4,404,115,972	4,293,170,393

38.3 Geographical information

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

	2016 Rupees	2015 Rupees
Australia	203,308,572	265,001,282
Asia	4,802,495,886	3,868,337,096
Europe	1,489,017,074	1,632,234,345
United States of America and Canada	194,810,736	357,512,292
Africa	473,548,239	480,872,482
Pakistan	1,387,911,328	1,302,063,344
	8,551,091,835	7,906,020,841

38.4 All non-current assets of the Company as at reporting date are located and operating in Pakistan.

38.5 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

39. PLANT CAPACITY AND PRODUCTION

	2016	2015
Weaving		
Number of looms in operation	174	174
Rated capacity of operative looms converted to 60 picks (square meter)	48,892,878	48,892,878
Actual production converted to 60 picks (square meter)	48,530,269	47,921,848
Number of days worked during the year (3 shifts per day)	365	365
Dyeing		
Rated capacity in 3 shifts (linear meter)	36,000,000	30,000,000
Actual production for three shifts (linear meter)	30,419,874	27,712,263
No. of days worked during the year (3 shifts per day)	360	353
Power generation		
Number of generators installed	9	9
Installed capacity (Mega Watt Hours)	300,381	300,381
Actual generation (Mega Watt Hours)	33,270	32,718

39.1 Under utilization of available capacity for weaving and dyeing divisions is due to normal maintenance.

39.2 Actual power generation in comparison to installed is low due to periodical scheduled and unscheduled maintenance of generators and low demand.

40. FINANCIAL RISK MANAGEMENT

40.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risk. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to foreign currency bank balances and the amounts receivable from / payable to the foreign entities. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2016	2015
Cash in hand - USD	7,015	-
Cash in hand - Euro	160	-
Cash at banks - USD	-	789
Trade debts - USD	4,895,432	9,704,733
Trade debts - Euro	158,226	205,485
Trade and other payable - USD	(1,080,919)	(200,543)
Trade and other payable - Euro	(1,501)	-
Net exposure - USD	3,821,528	9,504,979
Net exposure - Euro	156,885	205,485

The following significant exchange rates were applied during the year:

	2016	2015
Rupees per US Dollar		
Average rate	104.29	101.31
Reporting date rate	104.50	101.50
Rupees per Euro		
Average rate	115.31	120.86
Reporting date rate	116.08	113.57

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been higher / lower by Rupees 19.003 million (2015: Rupees 46.328 million) mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to other price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets except for bank balances on saving accounts. The Company's interest rate risk arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2016 Rupees	2015 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	399,879,599	1,193,805,233
Sponsor's loan	-	196,855,369
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	27,495,038	70,317,056
Financial liabilities		
Long term financing	498,730,511	618,102,570
Short term borrowings	1,917,369,966	756,228,140

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 or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit for the year would have been Rupees 25.080 million lower / higher (2015: Rupees 13.692 million), mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016 Rupees	2015 Rupees
Investment	52,200,708	157,009,691
Advances	12,288,661	11,598,639
Deposits	34,475,558	37,265,448
Trade debts	465,442,351	485,583,822
Other receivables	2,652,355	1,460,943
Bank balances	50,677,448	109,306,295
	617,737,081	802,224,838

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2016	2015
Banks	Short Term	Long Term	Agency	Rupees	Rupees
National Bank of Pakistan	A1+	AAA	PACRA	229,782	1,045,273
Allied Bank Limited	A1+	AA+	PACRA	10,299,862	12,683,624
Askari Bank Limited	A1+	AA+	PACRA	255,414	1,091,512
Bank Alfalah Limited	A1+	AA	PACRA	303,397	2,420,894
Faysal Bank Limited	A1+	AA	PACRA	402,242	749,691
Habib Bank Limited	A-1+	AAA	JCR-VIS	5,902,809	9,959,766
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	18,499,258	59,138,488
The Bank of Punjab	A1+	AA-	PACRA	754,664	4,704,808
NIB Bank Limited	A1+	AA -	PACRA	11,298,546	3,081,633
Silk Bank Limited	A-2	A -	JCR-VIS	31,112	353,778
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,041,776	4,704,699
United Bank Limited	A-1+	AAA	JCR-VIS	644,500	9,256,047
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	14,086	116,082
				50,677,448	109,306,295
Investment					
Security General Insurance Company Limited	AA-		JCR-VIS	52,200,708	157,009,691
				102,878,156	266,315,986

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in note 18.

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

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash. At 30 June 2016, the Company has Rupees 53.903 million (2015: Rupees 112.292 million) cash and bank balances. The management believes the liquidity risk to be manageable. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2016

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
Long term financing	898,610,110	1,089,741,205	77,496,745	32,559,948	69,655,501	910,029,011
Sponsor's loan	272,000,000	272,000,000	272,000,000	-	-	-
Trade and other payables	756,191,226	756,191,226	756,191,226	-	-	-
Accrued mark-up	349,506,012	349,506,012	194,483,901	-	-	155,022,111
Short term borrowings	1,917,369,966	1,961,624,931	1,961,624,931	-	-	-
	4,193,677,314	4,429,063,374	3,261,796,803	32,559,948	69,655,501	1,065,051,122

Contractual maturities of financial liabilities as at 30 June 2015

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
Long term financing	1,811,907,803	2,075,180,722	131,518,154	114,388,584	276,263,203	1,553,010,781
Sponsor's loan	196,855,369	272,000,000	-	22,402,141	24,951,505	224,646,354
Trade and other payables	769,978,498	769,978,498	769,978,498	-	-	-
Accrued mark-up	551,167,897	551,167,897	250,378,063	-	-	300,789,834
Short term borrowings	756,228,140	782,820,981	782,820,981	-	-	-
	4,086,137,707	4,451,148,098	1,934,695,696	136,790,725	301,214,708	2,078,446,969

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 7 and note 12 to these financial statements.

40.2 Financial instruments by categories

Assets as per balance sheet

	2016			2015		
	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	- -- - - - - - - - - (Rupees) - - - - - - - -- -			- - - - - - -- - - (Rupees) - - - - - - -- - -		
Investments	-	52,200,708	52,200,708	-	157,009,691	157,009,691
Advances	12,288,661	-	12,288,661	11,598,639	-	11,598,639
Deposits	34,475,558	-	34,475,558	37,265,448	-	37,265,448
Trade debts	465,442,351	-	465,442,351	485,583,822	-	485,583,822
Other receivables	2,652,355	-	2,652,355	1,460,943	-	1,460,943
Cash and bank balances	53,903,002	-	53,903,002	112,292,072	-	112,292,072
	568,761,927	52,200,708	620,962,635	648,200,924	157,009,691	805,210,615

Financial liabilities at amortized cost

	2016 Rupees	2015 Rupees
Sponsor's loan	272,000,000	196,855,369
Long term financing	898,610,110	1,811,907,803
Accrued mark-up	349,506,012	551,167,897
Short term borrowings	1,917,369,966	756,228,140
Trade and other payables	756,191,226	769,978,498
	4,193,677,314	4,086,137,707

40.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stake holders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to share holders, issue new shares or sell assets to reduce debt.

41. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Financial asset				
Available for sale financial asset	-	-	52,200,708	52,200,708
Total financial asset	-	-	52,200,708	52,200,708

Recurring fair value measurements At 30 June 2015	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Financial asset				
Available for sale financial asset	-	-	157,009,691	157,009,691
Total financial asset	-	-	157,009,691	157,009,691

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There was no transfer in and out of level 3 measurements.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instrument was discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 30 June 2016 and 30 June 2015:

	Unlisted equity security Rupees
Balance as on 01 July 2014	176,879,692
Less : Deficit recognized in other comprehensive income	19,870,001
Balance as on 30 June 2015	157,009,691
Less : Deficit recognized in other comprehensive income	104,808,983
Balance as on 30 June 2016	52,200,708

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2016	Fair value at 30 June 2015	Un observable inputs	Range of inputs (probability-weighted) average 30 June 2016	Relationship of unobservable inputs to fair value
	Rupees	Rupees			
Available for sale financial asset:					
Security General Insurance Company Limited	52,200,708	157,009,691	Net premium revenue growth factor Risk adjusted discount rate	2% 19.06%	Increase / decrease in net premium revenue growth factor by 0.5% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +3.077 million / - 2.768 million.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuer performs the valuation of non-property item required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the chief financial officer. Discussions of valuation processes and results are held between the chief financial officer and the valuation team at least once every six month, in line with the Company's half yearly reporting period.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rates for financial instruments are determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the half yearly valuation discussion between the chief financial officer and the independent valuer. As part of this discussion the independent valuer presents a report that explains the reason for the fair value movements.

42. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

As at 30 June 2016	Level 1	Level 2	Level 3	Total
	.... (Rupees)	....		
Property, plant and equipment:				
- Freehold land	-	711,473,999	-	711,473,999
- Buildings	-	716,856,120	-	716,856,120
Total non-financial assets	-	1,428,330,119	-	1,428,330,119

As at 30 June 2015	Level 1	Level 2	Level 3	Total
	.... (Rupees)	....		
Property, plant and equipment:				
- Freehold land	-	711,473,999	-	711,473,999
- Buildings	-	721,259,997	-	721,259,997
Total non-financial assets	-	1,432,733,996	-	1,432,733,996

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for the items of property, plant and equipment carried at revalued amounts every three years. The management updates the assessment of the fair value of each item of property, plant and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of items of property, plant and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's items of property, plant and equipment carried at revalued amounts at the end of every three years. As at 30 June 2015, the fair values of the items of property, plant and equipment were determined by Messers Hamid Mukhtar and Company (Private) Limited, the approved valuer.

Changes in fair values are analysed between the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

43. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

43.1

Description	Note	2016		2015	
		Carried under		Carried under	
		Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements
		------------------------ Rupees ------------------------			
Assets					
Loans and advances					
Loans to employees	19	-	12,288,661	-	11,598,639
Advances to supplier		-	57,285,999	-	60,827,674
Letters of credit		-	5,237,568	-	6,062,614
Other advance					
Receivable from subsidiary company	21.2	-	1,608,032	-	383,824
Deposits					
Long term deposits		-	21,200,012	-	20,953,202
Security deposits	20	-	13,275,546	-	16,312,246
Bank balances	23	50,663,496	13,952	109,190,213	116,082
Liabilities					
Loan and advances					
Long term financing	7	898,610,110	-	1,811,907,803	-
Short term borrowings	12	1,917,369,966	-	756,228,140	-
Sponsor's loan	8	-	272,000,000	-	196,855,369
Advances from customers	10	-	33,638,439	-	31,376,386
Deposits					
Security deposits - interest free	10	-	602,278	-	602,278
Income					
Profit on deposits with banks	29	2,807,772	-	5,732,715	-
Other comprehensive income					
Unrealized loss on investment	5.2	104,808,983	-	19,870,001	-

	Note	2016 Rupees	2015 Rupees
43.2 Dividend income earned from			
Security General Insurance Company Limited	29	3,218,336	2,896,501
43.3 Sources of other income	29		
Dividend on equity investment		3,218,336	2,896,501
Exchange gain - net		11,452,878	3,011,586
Return on bank deposits		2,807,772	5,732,715
Accrued mark-up written back		-	2,172,628
Gain on recognition of long term financing at fair value		-	138,355,873
Scrap sales		27,044,517	30,600,105
Gain on sale of operating fixed assets		-	3,234,336
Other			
Gain on sale of rice husk		230,205	-
		44,753,708	186,003,744
43.4 Exchange gain / (loss)			
Earned from actual currency		11,452,878	3,011,586
Earned from derivative financial instruments		-	-
43.5 Revenue (external) from different business segments	38		
Weaving		2,165,586,734	2,051,042,015
Dyeing		6,385,505,101	5,854,978,826
		8,551,091,835	7,906,020,841

43.6 Relationship with banks

Name	Relationship	
	Non Islamic window operations	With Islamic window operations
Allied Bank Limited	✔	–
Standard Chartered Bank (Pakistan) Limited	✔	–
NIB Bank Limited	✔	–
Habib Bank Limited	✔	–
Habib Metropolitan Bank Limited	✔	–
Askari Bank Limited	✔	–
Bank Alfalah Limited	✔	–
Faysal Bank Limited	✔	–
National Bank of Pakistan	✔	–
Silkbank Limited	✔	–
United Bank Limited	✔	–
Al-Baraka Bank (Pakistan) Limited	–	✔
The Bank of Punjab	✔	–

44. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on September 01, 2016.

45. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangements / regroupings have been made in these financial statements

46. GENERAL

Figures have been rounded off to nearest of Rupee.

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

Consolidated Financial Statements

For the year ended 30 June 2016

DIRECTORS' REPORT

The Directors are pleased to present the consolidated audited results of Kohinoor Mills Limited and its subsidiary Q-Mart Corporation (Private) Limited (the Group) for the year ended 30 June 2016. The group results are being presented as required by section 237 of the Companies Ordinance, 1984.

During the financial year ended 30 June 2016, the Group earned a net profit after tax of Rupees 120 million, compared to net profit of Rupees 120 million during the preceding financial year.

Better capacity utilization, continued savings in fuel and power costs resulted in some improvement in the overall operating performance of the company.

The current order book of the parent company is healthy and it has confirmed orders up to December 2016 at full capacity. Thus the management is confident that the parent company shall be able to improve its operational performance, going forward. Further, the group, in line with divestment plan, is in the process of disposing of the remaining fixed assets of the subsidiary company.

The Directors' Report giving a detailed analysis of the performance of the parent company for the year ended 30 June 2016, has also been presented separately.

On behalf of the Board

Aamir Fayyaz Sheikh
Chief Executive

Kasur:
01 September 2016

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Kohinoor Mills Limited (the Holding Company) and its Subsidiary Company, Q Mart Corporation (Private) Limited as at 30 June 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Kohinoor Mills Limited and its Subsidiary Company, Q Mart Corporation (Private) Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of Kohinoor Mills Limited and its Subsidiary Company, Q Mart Corporation (Private) Limited as at 30 June 2016 and the results of their operations for the year then ended.

We draw attention to Note 1.2.2 to these consolidated financial statements, which states that the Subsidiary Company, Q Mart Corporation (Private) Limited is no longer a going concern for the reasons stated in the aforesaid note. Our opinion is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 01 September 2016

LAHORE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	3	1,100,000,000	1,100,000,000
Issued, subscribed and paid-up share capital	4	509,110,110	509,110,110
Reserves	5	359,848,146	371,887,258
Total equity		868,958,256	880,997,368
Surplus on revaluation of operating fixed assets - net of deferred income tax	6	1,110,540,847	1,132,159,543
LIABILITIES			
Non-current liabilities			
Long term financing - secured	7	735,286,694	1,532,875,759
Sponsor's loan	8	-	196,855,369
Deferred liabilities	9	194,599,666	356,647,458
		929,886,360	2,086,378,586
Current liabilities			
Trade and other payables	10	854,276,002	849,840,971
Loan from director	11	11,000,000	11,000,000
Sponsor's loan	8	272,000,000	-
Accrued mark-up	12	194,483,901	250,378,063
Short term borrowings - secured	13	1,917,369,966	756,228,140
Current portion of long term financing	7	163,323,416	279,032,044
Provision for taxation		73,303,245	72,208,980
		3,485,756,530	2,218,688,198
Total liabilities		4,415,642,890	4,305,066,784
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		6,395,141,993	6,318,223,695

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

AAMIR FAYYAZ SHEIKH
Chief Executive

	Note	2016 Rupees	2015 Rupees
ASSETS			
Non-current assets			
Fixed assets	15	3,728,919,899	3,813,798,093
Long term investments	16	52,200,708	157,009,691
Long term security deposits		21,200,012	20,953,202
		3,802,320,619	3,991,760,986
Current assets			
Stores, spares and loose tools	17	416,776,129	366,497,465
Stock-in-trade	18	806,079,356	729,676,914
Trade debts	19	465,442,351	485,583,822
Advances	20	74,812,228	78,488,927
Trade deposits and short term prepayments	21	14,447,911	17,487,549
Other receivables	22	312,257,942	292,954,960
Sales tax recoverable	23	449,022,395	243,395,861
Cash and bank balances	24	53,983,062	112,377,211
		2,592,821,374	2,326,462,709
TOTAL ASSETS		6,395,141,993	6,318,223,695

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
SALES	25	8,551,091,835	7,906,020,841
COST OF SALES	26	(7,158,065,284)	(6,607,203,773)
GROSS PROFIT		1,393,026,551	1,298,817,068
DISTRIBUTION COST	27	(497,552,931)	(438,881,171)
ADMINISTRATIVE EXPENSES	28	(237,669,121)	(236,119,162)
OTHER EXPENSES	29	(47,840,347)	(45,555,352)
		(783,062,399)	(720,555,685)
		609,964,152	578,261,383
OTHER INCOME	30	45,133,528	186,540,398
PROFIT FROM OPERATIONS		655,097,680	764,801,781
FINANCE COST	31	(450,764,146)	(528,178,217)
PROFIT BEFORE TAXATION		204,333,534	236,623,564
TAXATION	32	(84,691,715)	(116,347,865)
PROFIT AFTER TAXATION		119,641,819	120,275,699
EARNINGS PER SHARE - BASIC AND DILUTED	33	2.35	2.36

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	2016 Rupees	2015 Rupees
PROFIT AFTER TAXATION	119,641,819	120,275,699
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Deficit arising on re-measurement of available for sale investment to fair value	(104,808,983)	(19,870,001)
Deferred income tax relating to re-measurement of available for sale investment to fair value	25,540,380	6,090,116
Other comprehensive loss for the year - net of tax	(79,268,603)	(13,779,885)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	40,373,216	106,495,814

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	34	584,922,944	827,175,261
Income tax paid		(90,928,817)	(87,684,048)
Net increase in long term security deposits		(246,810)	(365,462)
Finance cost paid		(410,903,778)	(326,407,574)
NET CASH GENERATED FROM OPERATING ACTIVITIES		82,843,539	412,718,177
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(184,510,636)	(138,303,040)
Proceeds from disposal of operating fixed assets		33,732,732	21,631,126
Dividend received		3,218,336	2,896,501
NET CASH USED IN INVESTING ACTIVITIES		(147,559,568)	(113,775,413)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		36,300,000	-
Repayment of long term financing		(1,191,119,946)	(284,216,064)
Short term borrowings - net		1,161,141,826	(57,966,859)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		6,321,880	(342,182,923)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(58,394,149)	(43,240,159)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		112,377,211	155,617,370
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		53,983,062	112,377,211

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	SHARE CAPITAL	RESERVES								TOTAL EQUITY
		CAPITAL RESERVES			REVENUE RESERVES			Equity portion of sponsor's loan	Total reserves	
		Share premium reserves	Fair value reserves	Sub-Total	General reserve	Accumulated loss	Sub-Total			
	RUPEES									
Balance as at 30 June 2014	509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,231,218,916)	(173,191,276)	95,257,884	268,044,998	777,155,108
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	17,459,699	17,459,699	-	17,459,699	17,459,699
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(20,113,253)	(20,113,253)	(20,113,253)
Profit for the year	-	-	-	-	-	120,275,699	120,275,699	-	120,275,699	120,275,699
Other comprehensive loss for the year	-	-	(13,779,885)	(13,779,885)	-	-	-	-	(13,779,885)	(13,779,885)
Total comprehensive income for the year ended 30 June 2015	-	-	(13,779,885)	(13,779,885)	-	120,275,699	120,275,699	-	106,495,814	106,495,814
Balance as at 30 June 2015	509,110,110	213,406,310	118,792,195	332,198,505	1,058,027,640	(1,093,483,518)	(35,455,878)	75,144,631	371,887,258	880,997,368
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	22,732,303	22,732,303	-	22,732,303	22,732,303
Adjustment due to change in repayment term of sponsor's loan (Note 8.1)	-	-	-	-	-	-	-	(75,144,631)	(75,144,631)	(75,144,631)
Profit for the year	-	-	-	-	-	119,641,819	119,641,819	-	119,641,819	119,641,819
Other comprehensive loss for the year	-	-	(79,268,603)	(79,268,603)	-	-	-	-	(79,268,603)	(79,268,603)
Total comprehensive income for the year ended 30 June 2016	-	-	(79,268,603)	(79,268,603)	-	119,641,819	119,641,819	-	40,373,216	40,373,216
Balance as at 30 June 2016	509,110,110	213,406,310	39,523,592	252,929,902	1,058,027,640	(951,109,396)	106,918,244	-	359,848,146	868,958,256

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. LEGAL STATUS AND NATURE OF BUSINESS

THE GROUP

The Group consists of:

Holding Company

- Kohinoor Mills Limited

Subsidiary Company (wholly owned)

- Q Mart Corporation (Private) Limited

1.1 Kohinoor Mills Limited

Kohinoor Mills Limited ("the Holding Company") is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. The Holding Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate and supply electricity.

1.2 Q Mart Corporation (Private) Limited

1.2.1 Q Mart Corporation (Private) Limited ("the Subsidiary Company"), a wholly owned subsidiary of Kohinoor Mills Limited was incorporated in Pakistan on 18 July 2005 as a private limited company under the Companies Ordinance, 1984. The registered office of the Subsidiary Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. The principal activity of the Subsidiary Company was to carry on business as a retailer in all types of general merchandise.

1.2.2 During the year ended 30 June 2013, the Holding Company, in line with its decision to focus on its core fabric business, has decided to pull out of retail business and has accordingly shut-down all Q-Mart retail stores. The Subsidiary Company has disposed of all assets except for freehold land and building on freehold land. A large number of receivables and payables have been settled. As the Subsidiary Company has ceased trading and disposed of majority of its assets, hence, the Subsidiary Company is not considered a going concern. All assets and liabilities of the Subsidiary Company reported in its financial statements are based on estimated realizable / settlement values.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with 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 under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except for lands and buildings which are carried at revalued amounts and certain financial instruments which are carried at their fair value.

c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to these consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the balance sheet date.

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management. Further, the values of assets are reviewed for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effect on the depreciation charge and impairment.

Taxation

In making the estimates for income tax liability, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Provision for doubtful debts

Receivables are reviewed against any provision required for any doubtful balances on an ongoing basis. The provision is made while taking into consideration expected recoveries, if any.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Provision for obsolescence of stores, spares and loose tools

Provision for obsolescence of items of stores, spares and loose tools is made on the basis of management's estimate of net realizable value and ageing analysis prepared on an item-by-item basis.

d) Standards that are effective in current year and are relevant to the Group

The following standards are mandatory for the Group's accounting periods beginning on or after 01 July 2015:

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. This standard does not have significant impact on these consolidated financial statements, except for certain additional disclosures.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard does not have significant impact on these consolidated financial statements, except for certain additional disclosures.

IFRS 13 'Fair value Measurement' (effective for annual periods beginning on or after 01 January 2015). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This standard does not have significant impact on these consolidated financial statements, except for certain additional disclosures.

e) Amendments to published standards that are effective in current year but not relevant to the Group

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2015 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these financial statements.

f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2016 or later periods:

IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 01 January 2018). A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner as under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized. It introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The aforesaid standard is not expected to have a material impact on the Group's consolidated financial statements.

IFRS 15 (Amendments), 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). Amendments clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts. The aforesaid amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 7 (Amendments), 'Statement of Cash Flows' (effective for annual periods beginning on or after 01 January 2017). Amendments have been made to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The aforesaid amendments will result in certain additional disclosures in the Group's consolidated financial statements.

IAS 16 (Amendments) 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2016). The amendments clarify that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate for property, plant and equipment; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset. However, the amendments are not expected to have a material impact on the Group's consolidated financial statements.

IAS 27 (Amendments) 'Separate Financial Statements' (effective for annual periods beginning on or after 01 January 2016). The amendments have been made to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

On 25 September 2014, IASB issued Annual Improvements to IFRSs: 2012 – 2014 Cycle, incorporating amendments to four IFRSs more specifically in IAS 34 'Interim Financial Reporting', which is considered relevant to the Group's consolidated financial statements. These amendments are effective for annual periods beginning on or after 01 January 2016. This amendment is unlikely to have a significant impact on the Group's consolidated financial statements and has therefore not been analyzed in detail.

g) Standard and amendments to published standards that are not yet effective and not considered relevant to the Group

There are other standard and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2016 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements

2.2 Consolidation

Subsidiary

Subsidiaries are those entities in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the Subsidiary Company are included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of Subsidiary Company have been consolidated on a line by line basis and the carrying value of investment held by the Holding Company is eliminated against Holding Company's share in paid up capital of the Subsidiary Company.

Inter Group balances and transactions have been eliminated.

Non-controlling interests are that part of net results of the operations and of net assets of the Subsidiary Company attributable to interest which are not owned by the Holding Company. Non-controlling interests are presented as a separate item in the consolidated financial statements.

2.3 Employee benefit

The Holding Company operates a funded contributory provident fund scheme for its permanent employees. The Holding Company and employees make equal monthly contributions of 8.33 percent of the basic salary, towards the fund. The Holding Company's contribution is charged to the profit and loss account.

2.4 Provisions

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

2.5 Taxation

Current

Provision for current tax is based on the 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 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 the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets 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 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 or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in statement comprehensive income or directly in equity, respectively.

2.6 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at the spot rate. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined. Exchange gains and losses, where applicable, are recognized in the profit and loss account.

2.7 Fixed assets

2.7.1 Property, plant and equipment and depreciation

Owned

a) Cost

Property, plant and equipment except freehold land and buildings are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss, buildings are stated at revalued amount less accumulated depreciation and any identified impairment loss, while capital work-in-progress is stated at cost less any identified impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Increases in the carrying amount arising on revaluation of operating fixed assets are credited to surplus on revaluation of operating fixed assets. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of operating fixed assets to accumulated loss. All transfers to / from surplus on revaluation of operating fixed assets are net of applicable deferred income tax.

b) Depreciation

Depreciation on all operating fixed assets is charged to income on a reducing balance method so as to write off cost / depreciable amount of an asset over its estimated useful life at the rates as disclosed in note 15.1. Depreciation on additions is charged from the month in which the asset is put to use and on disposal up to the month of disposal. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

c) Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated profit and loss account in the year the asset is derecognized.

Leased

a) Finance leases

Leases where the Group has substantially all the risk and rewards of ownership are classified as finance lease. Assets subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost, is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to income.

b) Operating leases

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

2.7.2 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Group. The useful life and amortization method are reviewed and adjusted, if appropriate, at each balance sheet date.

2.8 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis.

Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for “Investment at fair value through profit or loss” which is initially measured at fair value.

a) Investments at fair value through profit or loss

Investments classified as held-for-trading and those designated as such are included in this category. Investments are classified as held-for-trading if they are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognized in the consolidated profit and loss account.

b) Held-to-maturity

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held to maturity are subsequently measured at amortized cost. This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are derecognized or impaired, as well as through the amortization process.

c) Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to need for liquidity, or changes to interest rates or equity prices are classified as available-for-sale. After initial recognition, investments which are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized directly in consolidated statement of comprehensive income until the investment is sold, de-recognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in the consolidated statement of comprehensive income is included in the consolidated profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organized capital markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the balance sheet date.

Unquoted

Fair value of unquoted investments is determined on the basis of appropriate valuation techniques as allowed by IAS 39 ‘Financial Instruments: Recognition and Measurement’.

d) Equity investments in associated companies

The investments in associates in which the Group does not have significant influence are classified as “Available-for-Sale”.

2.9 Inventories

Inventories, except for stock in transit, waste stock and rejected goods are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools

Useable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. In transit stores and spares are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw material is based on weighted average cost.

Cost of work in process and finished goods comprises prime cost and appropriate production overheads determined on weighted average cost. Cost of goods purchased for resale are valued at their respective purchase price by using first-in-first-out method.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock and rejected goods are valued at net realizable value.

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

2.10 Non-current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use.

2.11 Borrowing costs

Borrowing costs are recognized as expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of that asset.

2.12 Revenue recognition

Revenue from different sources is recognized as under.

(a) Revenue is recognized when the Group has transferred significant risks and rewards associated with ownership of the goods to the buyers. Export sales and local sales are recognized on shipment and dispatch of goods to the customers respectively.

(b) Dividend on equity investments is recognized as income when right to receive payment is established.

(c) Profit on bank deposits is recognized on a time proportion basis taking into account, the principal outstanding and rates of profits applicable thereon.

2.13 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 estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with 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 amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognized in consolidated profit and loss account. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had non impairment loss been recognized for the assets in prior years. Such reversal is recognized in consolidated profit and loss account.

2.14 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.15 Financial instruments

Financial instruments are recognized at fair value when the Group becomes party to the contractual provisions of the instrument by following trade date accounting. Any gain or loss on the subsequent measurement is charged to the consolidated profit and loss account except for available for sale investments. The Group derecognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses the control over contractual right that comprises the financial asset or a portion of financial asset. While a financial liability or a part of financial liability is derecognized from the consolidated balance sheet when, and only when, it is extinguished, i.e., when the obligation specified in contract is discharged, cancelled or expired.

The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are investments, trade debts, deposits, advances, other receivables and cash and bank balances.

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term financing, short term borrowings, accrued markup, sponsors' loan, loan from director and trade and other payables.

2.15.1 Trade debts and other receivables

Trade debts and other receivable are initially measured at fair value and subsequently at amortized cost using effective interest rate method less provision for impairment. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

2.15.2 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value which is normally the transaction cost.

2.15.3 Markup bearing borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost, any difference between the proceeds and the redemption value is recognized in the consolidated profit and loss account over the period of the borrowing using the effective interest rate method.

2.15.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current accounts, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.16 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as cash flow hedges.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in the consolidated statement of comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated profit and loss account.

Amounts accumulated in equity are recognized in the consolidated profit and loss account in the periods when the hedged item will affect profit or loss.

2.17 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's Chief Operating Decision Maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which can not be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Group has four reportable business segments. Weaving (Producing different quality of greige fabric using yarn), Dyeing (Converting greige into dyed fabric), Power Generation (Generating and distributing power) and Retail (The segment was engaged in selling all type of general merchandise).

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.18 Off setting of financial assets and liabilities

Financial assets and liabilities are set off and the net amount is reported in the consolidated financial statements when there is legally enforceable right to set off and the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.19 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.20 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment is recognized immediately through the consolidated profit and loss account and is not subsequently reversed.

3. AUTHORIZED SHARE CAPITAL

2016 (NUMBER OF SHARES)	2015 (NUMBER OF SHARES)		2016 Rupees	2015 Rupees
80,000,000	80,000,000	Ordinary shares of Rupees 10 each	800,000,000	800,000,000
30,000,000	30,000,000	Preference shares of Rupees 10 each	300,000,000	300,000,000
110,000,000	110,000,000		1,100,000,000	1,100,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2016 (NUMBER OF SHARES)	2015 (NUMBER OF SHARES)		2016 Rupees	2015 Rupees
28,546,003	28,546,003	Ordinary shares of Rupees 10 each fully paid in cash	285,460,030	285,460,030
18,780,031	18,780,031	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	187,800,310	187,800,310
3,584,977	3,584,977	Ordinary shares of Rupees 10 each issued due to merger with Kohinoor Genertek Limited as per scheme of arrangement	35,849,770	35,849,770
50,911,011	50,911,011		509,110,110	509,110,110

5. RESERVES

Composition of reserves is as follows:

	2016 Rupees	2015 Rupees
Capital reserves		
Share premium reserve (Note 5.1)	213,406,310	213,406,310
Fair value reserve - net of deferred income tax (Note 5.2)	39,523,592	118,792,195
	252,929,902	332,198,505
Revenue reserves		
General reserve	1,058,027,640	1,058,027,640
Accumulated loss	(951,109,396)	(1,093,483,518)
	106,918,244	(35,455,878)
Equity portion of sponsor's loan (Note 8)	-	75,144,631
	359,848,146	371,887,258

5.1 This reserve can be utilized by the purposes specified in section 83(2) of the Companies Ordinance, 1984.

	2016 Rupees	2015 Rupees

5.2 Fair value reserve - net of deferred income tax

	2016 Rupees	2015 Rupees
Balance as at 01 July	156,305,520	176,175,521
Fair value adjustment on investment during the year	(104,808,983)	(19,870,001)
Balance as at 30 June	51,496,537	156,305,520
Less: Related deferred income tax liability	11,972,945	37,513,325
Balance as at 30 June - net of deferred income tax	39,523,592	118,792,195

5.2.1 This represents unrealized gain on re-measurement of available for sale investment at fair value and is not available for distribution. This will be transferred to profit and loss account on realization.

6. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX

	2016 Rupees	2015 Rupees
Balance as at 01 July	1,169,670,496	826,901,350
Add: Surplus on revaluation incorporated during the year	-	361,748,466
Less: Incremental depreciation	24,607,850	18,979,320
Balance as at 30 June	1,145,062,646	1,169,670,496
Less: Related deferred income tax liability	34,521,799	37,510,953
Balance as at 30 June - net of deferred income tax	1,110,540,847	1,132,159,543

7. LONG TERM FINANCING - SECURED

	2016 Rupees	2015 Rupees
Financing from banking companies (Note 7.1 and 7.2)	898,610,110	1,811,907,803
Less: Current portion shown under current liabilities	163,323,416	279,032,044
	735,286,694	1,532,875,759

7.1

Lender	2016	2015	Terms	Security
	-------- Rupees --------			
National Bank of Pakistan	464,245,511	512,468,070	This loan is repayable in 36 stepped up quarterly instalments commenced from 31 March 2015 and ending on 31 December 2023. This loan carries mark-up at the rate of 7.70% per annum based on the average cost of funds of the bank which will be reviewed annually. Mark-up will be accrued over nine years during which the principal will be repaid. The accrued mark-up will be repaid in twelve equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2026.	First pari passu charge of Rupees 1,438.550 million by way of hypothecation and mortgage charge over present and future fixed assets of the Holding Company, pari passu charge of Rupees 667 million and ranking charge of Rupees 100 million over current assets of the Holding Company as margin and personal guarantees of Sponsor directors.
United Bank Limited	11,586,079	171,233,629	This loan is repayable in 28 equal quarterly instalments of Rupees 13.540 million each commenced from 09 February 2012 and ending on 09 November 2018. Mark-up is payable quarterly at the rate of 5.00% per annum.	First pari passu charge of Rupees 606.000 million (with 25% margin) over all present and future current assets and Rupees 200.000 million over fixed assets of the Holding Company and personal guarantees of two directors.
The Bank of Punjab	-	348,856,629	As per the revised terms of restructuring, this loan was repayable in 31 stepped up quarterly instalments from 30 June 2011 to 31 December 2018. However, this loan has been fully repaid during the year. This loan carried mark-up at the rate of 9.55% per annum based on the cost of funds of the bank approved by SBP upto 31 March 2013 and thereafter 5.00% per annum. Mark-up accrued upto 31 March 2013 will be repaid by the end of 30 June 2017, therefore, presented in accrued mark-up (Note 11).	Joint pari passu charge of Rupees 752.300 million over fixed assets, pari passu charge of Rupees 534.000 million and ranking charge of Rupees 268.000 million on all present and future current assets of the Holding Company.
Faysal Bank Limited	161,894,049	177,161,865	This loan is repayable in 31 stepped up quarterly instalments commenced from 31 March 2013 and ending on 30 September 2020. Mark-up is payable quarterly at the rate of 5.00% per annum. Mark-up upto 30 September 2011 is recalculated at the rate of 8.5% per annum and will be repaid on 30 September 2020.	First pari passu charge of Rupees 266.800 million over current assets, ranking charge of Rupees 240.000 million over current assets and exclusive charge of Rupees 94.000 million on power generators of the Holding Company.

Lender	2016	2015	Terms	Security
	-------- Rupees --------			
NIB Bank Limited - I	-	232,632,637	As per the revised terms of restructuring, this loan was repayable in 36 stepped up quarterly instalments from 30 September 2011 to 30 June 2020. However, this loan has been fully repaid during the year. This loan carried mark-up at the rate of 5.00% per annum payable quarterly.	First pari passu charge of Rupees 107.000 million over Company's machinery and joint pari passu charge of Rupees 800.000 million over current assets of the Holding Company.
NIB Bank Limited - II	31,350,000	-	This loan is repayable in 20 quarterly instalments of Rupees 1.650 million each commenced from 31 March 2016 and ending on 31 December 2020. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	Joint pari passu charge of Rupees 800.000 million on current assets and Rupees 464.000 million on fixed assets of the Holding Company. Specific charge of Rupees 50.000 million on coal boiler.
	3,135,000	-	This loan is repayable in 20 quarterly instalments of Rupees 0.165 million each commenced from 27 April 2016 and ending on 27 January 2021. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	
Askari Bank Limited	83,280,539	98,029,978	This loan is repayable in 32 quarterly instalments of Rupees 5.282 million each commenced from 30 June 2013 and ending on 31 March 2021. Mark-up is payable quarterly at the rate of 5.00% per annum.	First joint pari passu charge of Rupees 506.667 million over current assets by way of hypothecation and ranking charge of Rupees 169.000 million over fixed assets of the Holding Company by way of hypothecation.
Bank Alfalah Limited	-	105,634,500	As per the revised terms of restructuring, this loan was repayable in 32 stepped up quarterly instalments from 01 July 2012 to 01 April 2020. However, this loan has been fully repaid during the year. This loan carried mark-up at the rate of 8.30% per annum based on the cost of funds of the bank. Mark-up accrued upto 03 May 2016 will be paid in thirty six equal monthly instalments commencing on 01 May 2020 and ending on 01 April 2023, therefore, presented in deferred accrued mark-up (Note 9.1).	First joint pari passu charge of Rupees 410.000 million over all present and future current assets of the Holding Company.
Habib Bank Limited	143,118,932	165,890,495	This loan is repayable in 32 stepped up quarterly instalments commenced from 30 June 2012 and ending on 31 March 2020. Mark-up is payable quarterly at the rate of 5.00% per annum.	First joint pari passu charge of Rupees 1,160.000 million over current assets, joint pari passu charge of Rupees 146.600 million, ranking charge of Rupees 362.000 million over fixed assets of the Holding Company and personal guarantees of two directors.
	898,610,110	1,811,907,803		

7.2 Fair value of long term financing was estimated at the present value of future cash flows discounted at the effective interest rates ranging from 9.31 % to 13.56 % per annum.

	2016 Rupees	2015 Rupees
8. SPONSOR'S LOAN		
Interest free loan (Note 8.1)	272,000,000	272,000,000
Equity portion of sponsor loan:		
Gain on recognition of sponsor's loan at fair value	(113,316,111)	(113,316,111)
Adjustment due to impact of IAS-39	38,171,480	38,171,480
Adjustment due to change in repayment terms (Note 8.1)	75,144,631	-
	-	(75,144,631)
Less: Transferred to current liabilities	272,000,000	-
	-	196,855,369

8.1 This represents unsecured interest free loan obtained from a director of the Holding Company. Previously, this was repayable on 30 June 2018. Fair value of sponsor's loan was estimated at the present value of future cash flow discounted at the effective interest rate of 11.38% per annum. During the year ended 30 June 2015, initial gain and impact of IAS-39 'Financial Instruments: Recognition and Measurement' on sponsor's loan was corrected retrospectively and recognized directly in equity, previously these were recognized in profit and loss account. During the current year, terms of repayment of loan have been changed w.e.f. 01 July 2015. Now, this loan is repayable on demand. Consequently, the equity portion of loan amounting to Rupees 75.145 million (unwinded portion of difference between present value of loan at initial recognition and cash received) as on 30 June 2015 has been transferred to the carrying value of loan, which has now been presented in current liabilities.

	2016 Rupees	2015 Rupees
9. DEFERRED LIABILITIES		
Deferred accrued mark-up (Note 9.1)	155,022,111	300,789,834
Deferred income tax liability (Note 9.2)	39,577,555	55,857,624
	194,599,666	356,647,458
9.1 Deferred accrued mark-up		
National Bank of Pakistan	49,530,302	24,933,065
The Bank of Punjab	-	139,309,000
Bank Alfalah Limited	38,873,381	69,929,341
Faysal Bank Limited	66,618,428	66,618,428
	155,022,111	300,789,834

9.1.1 This represents accrued mark-up on long term financing deferred in accordance with the terms of long term financing disclosed in note 7.1 to these consolidated financial statements.

9.2 Deferred income tax liability

The liability / (asset) for deferred taxation originated due to temporary differences relating to:

	2016 Rupees	2015 Rupees
Taxable temporary differences on:		
Accelerated tax depreciation and amortization	12,112,397	104,269,388
Surplus on revaluation of operating fixed assets	34,521,799	37,510,953
Surplus on revaluation of investment - available for sale	11,972,945	37,513,325
	58,607,141	179,293,666
Deductible temporary difference on:		
Accumulated tax losses	(59,578,962)	(169,623,981)
Net deferred income tax liability / (asset)	(971,821)	9,669,685
Deferred income tax asset not recognized - Subsidiary Company	40,549,376	46,187,939
Deferred income tax liability recognized - Holding Company	39,577,555	55,857,624

10. TRADE AND OTHER PAYABLES

	2016 Rupees	2015 Rupees
Creditors	570,788,935	541,331,380
Advances from customers	33,638,439	31,376,386
Sales commission payable	87,378,208	97,314,086
Income tax deducted at source	11,536,654	7,900,872
Security deposits - interest free	602,278	602,278
Payable to employees' provident fund trust	1,563,635	1,266,662
Accrued and other liabilities (Note 10.1)	93,117,355	126,795,777
Workers' profit participation fund (Note 10.2)	50,918,962	38,521,994
Unclaimed dividend	4,731,536	4,731,536
	854,276,002	849,840,971

10.1 This includes an amount of Rupees 56.300 million (2015: Rupees 70.000 million) payable on demand to spouse of a director of the Holding Company.

	2016 Rupees	2015 Rupees
10.2 Workers' profit participation fund		
Balance as at 01 July	38,521,994	16,834,274
Add: Allocation for the year (Note 29)	23,773,023	19,920,121
Interest accrued for the year (Note 31)	2,845,679	1,767,599
Less: Paid during the year	14,221,734	-
Balance as at 30 June	50,918,962	38,521,994

10.2.1 The Holding Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Holding Company till the date of allocation to workers.

11. LOAN FROM DIRECTOR

This represents unsecured and interest free loan obtained by the Subsidiary Company from its director. This loan is repayable on demand.

	2016 Rupees	2015 Rupees
12. ACCRUED MARK-UP		
Long term financing	167,897,839	212,434,850
Short term borrowings	26,586,062	37,943,213
	194,483,901	250,378,063
13. SHORT TERM BORROWINGS - SECURED		
The Holding Company		
From banking companies		
SBP refinance (Note 13.1 and 13.2)	1,394,770,000	369,009,000
Other short term finances (Note 13.1 and 13.3)	522,599,966	387,219,140
	1,917,369,966	756,228,140

13.1 These facilities are secured against hypothecation charge on current assets, lien on export contracts / letters of credit, first and second pari passu charge on fixed and current assets of Holding Company, personal guarantees of directors of Holding Company and ranking charge on current assets of the Holding Company.

13.2 These carry mark-up range from 3.5% to 4.5% per annum (2015: 6% to 7.5% per annum) on outstanding balance.

13.3 These carry mark-up ranging from 6.24% to 9.26% per annum (2015: 5% to 13.73% per annum) on outstanding balance.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

Holding Company

14.1.1 The Deputy Collector (Refund – Gold) by order dated 19 June 2007 rejected the input tax claim of the Holding Company, for the month of June 2005, amounting to Rupees 10.345 million incurred in zero rated local supplies of textile and articles thereof on the grounds that the input tax claim is in contravention of SRO 992(I)/2005 which states that no registered person engaged in the export of specified goods (including textile and articles thereof) shall, either through zero-rating or otherwise, be entitled to deduct or reclaim input tax paid in respect of stocks of such goods acquired up to 05 June 2005, if not used for the purpose of exports made up to the 31 December 2005. Consequently, the Holding Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR). ATIR has decided this appeal in favour of the Holding Company subject to necessary verification. Pending the outcome of necessary verification, no provision for inadmissible input tax has been recognized in these consolidated financial statements, since the Holding Company is confident of the favourable outcome of verification.

14.1.2 The Additional Collector, Sales Tax Department has raised sales tax demand amounting to Rupees 8.956 million along with additional tax and penalty, as a result of sales tax audit for the year 1999-2000 conducted by the Sales Tax Department. The Holding Company is contesting the demand and management is confident that decision will be in favour of the Holding Company, hence, no provision their against has been made in these consolidated financial statements.

14.1.3 As a result of sales tax audit for the year 2009-2010 conducted by Regional Tax Office, Lahore, Assistant Commissioner Inland Revenue, Sales Tax Department has raised sales tax demand amounting to Rupees 9.975 million along with additional tax and penalty. Currently, the case is pending for hearing at Appellate Tribunal Inland Revenue, Lahore and the management is confident that decision will be in favour of the Holding Company, hence, no provision there against has been made in these consolidated financial statements.

14.1.4 Pursuant to the sale of assets agreement with M/s Interloop Limited, the Holding Company is contingently liable for Rupees 31.958 million against payment of certain outstanding dues to Employees' Old-Age Benefits Institution (EOBI) and bifurcation of gas connections in favour of M/s Interloop Limited. To secure the performance of aforesaid conditions, the Holding Company has pledged equity investment (note 16.2) and bank balance (note 24.4) with Allied Bank Limited. However, no provision has been recognized in these consolidated financial statements as the management is confident to fulfil the conditions in accordance with the sale of assets agreement.

14.1.5 Bank guarantees of Rupees 81.66 million (2015: Rupees 81.66 million) are given by the banks of the Holding Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

14.1.6 Bank guarantee of Rupees 6.5 million (2015: Rupees 6.5 million) is given by the bank of the Holding Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

14.1.7 Bank guarantees of Rupees 8.164 million (2015: Rupees 8.164 million) are given by the bank of the Holding Company in favour of Lahore Electric Supply Company Limited against electricity connections.

14.1.8 Lahore Electric Supply Company Limited (LESCO) served a notice to the Holding Company in connection with violation of Power Purchase Agreement. According to the aforesaid notice, the Holding Company was using gas along with Refined Furnace Oil (RFO) in the ratio of 50:50 as co-fuel in order to generate electric power for sale to LESCO whereas tariff was charged to LESCO on the basis of RFO. The matter is being resolved under the provisions of above said Power Purchase Agreement and referred to Mr. Justice (Retd.) Syed Jamshed Ali Shah for arbitration. The proceedings of arbitration are in process. An amount of Rupees 86.833 million receivable by the Holding Company from LESCO is still unpaid. Full provision has been made in these consolidated financial statements against this receivable. However, the Holding Company is confident that the said amount will be recovered.

14.1.9 Provision for gas infrastructure development cess and late payment charges thereon amounting to Rupees 24.812 million for the period from September 2014 to March 2015 has not been recognized in the books of account of the Holding Company as the Holding Company has obtained stay order from Honorable Lahore High Court, Lahore and is confident of favorable outcome of the matter.

	2016	2015
Subsidiary Company	Nil	Nil

14.2 Commitments

Holding Company

14.2.1 Aggregate commitments for capital expenditure and revenue expenditures are amounting to Rupees 19.554 million and Rupees 26.033 million (2015: Rupees Nil and Rupees 26.230 million) respectively.

14.2.2 Post dated cheques issued to suppliers are amounting to Rupees 168.214 million (2015: Rupees 127.752 million).

	2016	2015
Subsidiary Company	Nil	Nil

15. FIXED ASSETS

	2016 Rupees	2015 Rupees
Property, plant and equipment		
Operating fixed assets (Note 15.1)	3,700,429,892	3,782,802,726
Capital work-in-progress (Note 15.2)	28,490,007	30,995,367
	3,728,919,899	3,813,798,093
Intangible asset - computer software (Note 15.1 and 15.1.6)	-	-
	3,728,919,899	3,813,798,093

15.1 Reconciliations of carrying amounts of operating fixed assets and intangible asset at the beginning and end of the year are as follows:

Description	Operating fixed assets										Intangible asset
	Freehold land	Residential building	Factory building	Plant and machinery	Stand-by equipment	Electric Installations	Furniture, fixtures and equipment	Computers	Motor vehicles	Total	
	----------	----------	----------	----------	----------	(RUPEES)	----------	----------	----------	----------	----------
As at 30 June 2014											
Cost / revalued amount	514,680,475	337,564,045	691,846,399	4,112,152,817	1,615,659	137,399,159	92,596,625	46,896,903	141,544,267	6,076,296,349	16,645,923
Accumulated depreciation / amortization	-	(98,504,447)	(239,526,965)	(2,007,065,878)	(197,273)	(70,539,581)	(57,747,240)	(36,545,368)	(40,023,941)	(2,550,150,693)	(16,645,923)
Net book value	514,680,475	239,059,598	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,526,145,656	-
Year ended 30 June 2015											
Opening net book value	514,680,475	239,059,598	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,526,145,656	-
Additions	-	-	19,415,778	84,831,542	-	8,717,937	4,870,324	2,524,124	21,701,307	142,061,012	-
Disposals:											
Cost	-	-	-	(19,856,444)	-	-	(932,400)	-	(11,431,117)	(32,219,961)	-
Accumulated depreciation	-	-	-	6,916,082	-	-	575,608	-	6,331,481	13,823,171	-
	-	-	-	(12,940,362)	-	-	(356,792)	-	(5,099,636)	(18,396,790)	-
Depreciation charge	-	(11,952,981)	(23,102,253)	(162,997,078)	(127,946)	(6,980,154)	(3,819,210)	(3,539,441)	(16,236,555)	(228,755,618)	-
Surplus on revaluation	230,198,524	19,909,902	111,640,040	-	-	-	-	-	-	361,748,466	-
Closing net book value	744,878,999	247,016,519	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,782,802,726	-
As at 30 June 2015											
Cost / revalued amount	744,878,999	357,473,947	822,902,217	4,177,127,915	1,615,659	146,117,096	96,534,549	49,421,027	151,814,457	6,547,885,866	16,645,923
Accumulated depreciation / amortization	-	(110,457,428)	(262,629,218)	(2,163,146,874)	(325,219)	(77,519,735)	(60,990,842)	(40,084,809)	(49,929,015)	(2,765,083,140)	(16,645,923)
Net book value	744,878,999	247,016,519	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,782,802,726	-
Year ended 30 June 2016											
Opening net book value	744,878,999	247,016,519	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,782,802,726	-
Additions	-	-	31,740,020	126,099,656	-	2,757,538	1,454,139	4,474,877	20,489,766	187,015,996	-
Disposals:											
Cost	-	-	-	(33,072,969)	-	-	(45,000)	(42,500)	(39,996,051)	(73,156,520)	-
Accumulated depreciation	-	-	-	11,083,928	-	-	8,185	23,211	15,110,719	26,226,043	-
	-	-	-	(21,989,041)	-	-	(36,815)	(19,289)	(24,885,332)	(46,930,477)	-
Depreciation	-	(12,350,825)	(28,094,547)	(152,555,730)	(115,143)	(6,981,405)	(3,653,398)	(3,346,909)	(15,360,396)	(222,458,353)	-
Closing net book value	744,878,999	234,665,694	563,918,472	1,965,535,926	1,175,297	64,373,494	33,307,633	10,444,897	82,129,480	3,700,429,892	-
As at 30 June 2016											
Cost / revalued amount	744,878,999	357,473,947	854,642,237	4,270,154,602	1,615,659	148,874,634	97,943,688	53,853,404	132,308,172	6,661,745,342	16,645,923
Accumulated depreciation / amortization	-	(122,808,253)	(290,723,765)	(2,304,618,676)	(440,362)	(84,501,140)	(64,636,055)	(43,408,507)	(50,178,692)	(2,961,315,450)	(16,645,923)
Net book value	744,878,999	234,665,694	563,918,472	1,965,535,926	1,175,297	64,373,494	33,307,633	10,444,897	82,129,480	3,700,429,892	-
Depreciation / amortization rate % per annum	-	5	5	10	10	10	10	30	20		20

15.1.1 Freehold land and buildings of the Holding Company and its Subsidiary Company were revalued as at 30 June 2015 by an independent approved valuer (Messrs Hamid Mukhtar and Company (Private) Limited). Had there been no revaluation, the value of the assets would have been lower by Rupees 1,145.063 million (2015: Rupees 1,169.670 million).

15.1.2 The book value of freehold land and buildings on cost basis is Rupees 67.366 million and Rupees 331.035 million (2015: Rupees 67.366 million and Rupees 315.133 million) respectively.

15.1.3 Freehold land includes two pieces of land having carrying value of Rupees 25.275 million (2015: Rupees 25.275 million) and Rupees 5.390 million (2015: Rupees 5.390 million) which are in the name of Mr. Amir Fayyaz Sheikh (director) and Mrs. Amir Fayyaz Shiekh respectively. The management is in the process of selling these pieces of land. Previously, titles of these pieces of land were not transferred in the name of the Subsidiary Company to save Subsidiary Company's expenses on transfer duties.

15.1.4 Detail of operating fixed assets exceeding book value of Rupees 50,000 disposed of during the year is as follows:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	-------------------(RUPEES)				----------------------		
Plant and machinery							
Mower Disco	2,222,222	544,637	1,677,585	1,677,585	-	Negotiation	Elahi Dad Noon - Bhalwal
Thresher Machine	300,000	42,370	257,630	70,000	(187,630)	Negotiation	Mr. Hafiz Nazim Rasool - Lahore
Rice Husk Boiler	25,602,861	8,808,360	16,794,501	5,500,000	(11,294,501)	Negotiation	Mr. Sajid Ali - Lahore
Pet Coke Boiler	2,092,742	591,260	1,501,482	1,344,538	(156,944)	Negotiation	Mr. Muhammad Naveed - Lahore
Button Machine	532,740	245,206	287,534	225,000	(62,534)	Negotiation	Mubashir Corporation (Private) Limited - Faisalabad
Feed of Arm Siruba	121,124	49,472	71,652	63,199	(8,453)	Negotiation	Combined Fabrics - Lahore
Hashima Fusing Machine	242,826	99,180	143,646	126,701	(16,945)	Negotiation	Combined Fabrics - Lahore
Pocket Creasing	412,464	168,466	243,998	210,100	(33,898)	Negotiation	Combined Fabrics - Lahore
Cornely Bratto	1,545,990	534,977	1,011,013	450,000	(561,013)	Negotiation	Mubashir Corporation (Private) Limited - Faisalabad
	33,072,969	11,083,928	21,989,041	9,667,123	(12,321,918)		
Motor vehicles							
Suzuki Cultus LEH-07-9894	559,387	371,728	187,659	475,000	287,341	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEF-08-9660	426,743	221,758	204,985	340,000	135,015	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED-09-1699	886,500	555,926	330,574	475,000	144,426	Negotiation	Mr. Muhammad Anwar - Lahore
Suzuki Cultus LE-10-3367	771,333	401,246	370,087	465,000	94,913	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEA-09-1609	806,500	525,490	281,010	391,720	110,710	Negotiation	Mr. Faisal Rasheed - Lahore
Fork Lifter	1,732,991	1,297,075	435,916	231,092	(204,824)	Negotiation	Mr. Muhammad Farooq - Lahore
Suzuki Cultus LEB-09-7266	650,631	420,322	230,309	416,000	185,691	Negotiation	Mr. Faisal Shareef - Lahore
Honda City LE-13- 9250	1,539,460	545,831	993,629	1,305,000	311,371	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEC-08-7934	670,720	435,051	235,669	290,000	54,331	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEF-08-3059	296,933	112,206	184,727	465,000	280,273	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEC-08-09676	674,220	442,788	231,432	550,000	318,568	Negotiation	Mr. Imran Kamal - Lahore
Honda Civic LEF-13- 8629	2,290,500	625,459	1,665,041	1,350,000	(315,041)	Negotiation	Mr. Amir Javaid Malik - Lahore
Suzuki Cultus LEC-10-4804	728,733	386,116	342,617	475,000	132,383	Negotiation	Mr. Umer Khattar - Lahore
Motor Cycle CD-70 LEM-14-2404	69,900	13,980	55,920	30,000	(25,920)	Negotiation	Mr. Muhammad Saleem - Lahore
Motor Cycle CG-125	102,500	20,500	82,000	45,000	(37,000)	Negotiation	Mr. Mujahid Ali - Lahore
Belarus Tractor 510 SGS-225	1,516,600	470,752	1,045,848	940,625	(105,223)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LET-493	1,528,000	474,291	1,053,709	940,625	(113,084)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 SGS-906	1,121,000	347,958	773,042	940,625	167,583	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LES-2124	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LES-2126	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 LES-2127	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	--------------------(RUPEES)--------------------						
Belarus Tractor 510 LES-2128	1,526,000	473,670	1,052,330	940,625	(111,705)	Negotiation	Mr. Muhammad Qasim - Sargodha
Belarus Tractor 510 SGS-2567	981,000	304,502	676,498	940,625	264,127	Negotiation	Mr. Muhammad Qasim - Sargodha
Millat Tractor MF-360 LET-1411	880,700	281,824	598,876	511,117	(87,759)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 SGS-789	880,700	281,824	598,876	511,117	(87,759)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-292	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-293	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-294	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-295	906,000	298,618	607,382	475,000	(132,382)	Negotiation	Chopra Trading Company - Lahore
Millat Tractor MF-360 LET-296	906,000	289,920	616,080	511,117	(104,963)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-297	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-298	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-300	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LET-301	906,000	289,920	616,080	511,118	(104,962)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2503	931,000	289,644	641,356	511,118	(130,238)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2504	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2505	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2506	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2253	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2257	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
Millat Tractor MF-360 LES-2263	931,000	289,645	641,355	511,118	(130,237)	Negotiation	Sabbir Malik & Company - Lahore
	39,890,051	15,076,799	24,813,252	23,992,812	(820,440)		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	193,500	65,316	128,184	72,797	(55,387)		
	73,156,520	26,226,043	46,930,477	33,732,732	(13,197,745)		

	2016 Rupees	2015 Rupees
15.1.5 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 26)	206,798,532	214,389,853
Distribution cost (Note 27)	2,449,324	1,576,261
Administrative expenses (Note 28)	13,210,497	12,789,504
	222,458,353	228,755,618

15.1.6 Intangible asset - computer software has been fully amortized but still in the use of the Company.

	2016 Rupees	2015 Rupees
15.2 Capital work-in-progress		
Plant and machinery	20,345,577	-
Civil works	-	23,478,029
Advances for capital expenditures	8,144,430	7,517,338
	28,490,007	30,995,367
16. LONG TERM INVESTMENTS		
Available for sale		
Associated company (without significant influence)		
K-2 Hosiery (Private) Limited - unquoted 1,194,000 (2015: 1,194,000) ordinary shares of Rupees 10 each (Note 16.2)	-	-
Other		
Security General Insurance Company Limited - unquoted (Note 16.3) 643,667 (2015: 643,667) fully paid ordinary shares of Rupees 10 each	704,171	704,171
Add: Fair value adjustment	51,496,537	156,305,520
	52,200,708	157,009,691
	52,200,708	157,009,691

16.1 Investment in K-2 Hosiery (Private) Limited has been impaired and written off against provision.

16.2 Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 81.09 (2015: Rupees 243.93 valued by the management) per share using present value technique (2015: net assets based valuation method). 640,000 ordinary shares of Security General Insurance Company Limited have been pledged in favour of Allied Bank Limited to serve the performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

	2016 Rupees	2015 Rupees
17. STORES, SPARES AND LOOSE TOOLS		
Stores and spares	431,259,251	379,540,096
Loose tools	3,007,915	3,586,377
	434,267,166	383,126,473
Less: Provision for slow moving, obsolete and damaged store items (Note 17.1)	17,491,037	16,629,008
	416,776,129	366,497,465

17.1 Provision for slow moving, obsolete and damaged store items

	2016 Rupees	2015 Rupees
Balance as on 01 July	16,629,008	16,629,008
Add: Provision for the year (Note 29)	2,955,416	-
Less: Stores and spares written off against provision	(2,093,387)	-
Balance as on 30 June	17,491,037	16,629,008

18. STOCK-IN-TRADE

	2016 Rupees	2015 Rupees
Raw material	197,119,225	139,659,658
Work-in-process	136,625,320	143,336,567
Finished goods (Note 18.1 and 18.2)	472,334,811	446,680,689
	806,079,356	729,676,914

18.1 This includes finished goods of Rupees 58.969 million (2015: Rupees 78.533 million) valued at net realizable value.

18.2 Finished goods include stock-in-transit amounting to Rupees 42.261 million (2015: Rupees 20.641 million).

	2016 Rupees	2015 Rupees
19. TRADE DEBTS		
Considered good:		
Secured (against letters of credit)	317,938,696	365,851,374
Unsecured	147,503,655	119,732,448
	465,442,351	485,583,822
Considered doubtful:		
Others - unsecured	88,480,269	88,480,269
Less: Provision for doubtful trade debts		
Balance as at 01 July	88,480,269	88,358,572
Add: Provision for the year (Note 29)	-	121,697
Balance as at 30 June	88,480,269	88,480,269
	-	-

19.1 As on 30 June 2016, trade debts of Rupees 33.160 million (2015: Rupees 30.205 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The age analysis of these trade debts is as follows:

	2016 Rupees	2015 Rupees
Upto 1 month	475,178	1,179,685
1 to 6 months	1,833,081	1,314,089
More than 6 months	30,851,467	27,711,601
	33,159,726	30,205,375

19.2 As at 30 June 2016, trade debts of Rupees 88.480 (2015: Rupees 88.480 million) were impaired. The aging of these trade debts was more than three years. These trade debts have been provided for in the books of account of the Holding Company.

20. ADVANCES

	2016 Rupees	2015 Rupees
Considered good:		
Advances to:		
- staff (Note 20.1)	12,288,661	11,598,639
- suppliers	57,285,999	60,827,674
Letters of credit	5,237,568	6,062,614
	74,812,228	78,488,927

20.1 This includes interest free advances to executives of the Holding Company amounting to Rupees 6.653 million (2015: Rupees 2.884 million).

21. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2016 Rupees	2015 Rupees
Security deposits	13,275,546	16,312,246
Short term prepayments	1,172,365	1,175,303
	14,447,911	17,487,549

22. OTHER RECEIVABLES

Considered good:		
Advance income tax	259,131,374	241,426,089
Export rebate and claims (Note 22.1)	50,474,213	50,451,752
Miscellaneous	2,652,355	1,077,119
	312,257,942	292,954,960

	2016 Rupees	2015 Rupees
22.1 Export rebate and claims		
Considered good	50,474,213	50,451,752
Considered doubtful	35,493,049	39,481,490
Less: Provision for doubtful export rebate and claims (Note 21.1.1)	35,493,049	39,481,490
	-	-
	50,474,213	50,451,752
22.1.1 Provision for doubtful export rebate and claims		
Balance as at 01 July	39,481,490	30,514,452
Add : Provision for the year (Note 29)	-	8,967,038
Less: Export rebate receivable written off against provision	3,988,441	-
Balance as at 30 June	35,493,049	39,481,490

23. SALES TAX RECOVERABLE

	2016 Rupees	2015 Rupees
Sales tax recoverable	476,421,086	270,794,552
Less: Provision for doubtful sales tax recoverable (Note 23.1)	27,398,691	27,398,691
	449,022,395	243,395,861

23.1 Provision for doubtful sales tax recoverable

	2016 Rupees	2015 Rupees
Balance as at 01 July	27,398,691	25,157,276
Add: Provision for the year (Note 28)	-	2,241,415
Balance as at 30 June	27,398,691	27,398,691

24. CASH AND BANK BALANCES

	2016 Rupees	2015 Rupees
Cash in hand (Note 24.1)	3,225,554	2,985,777
Cash with banks:		
On current accounts (Note 24.2 and 24.4)	23,262,470	39,074,378
On deposit accounts (Note 24.3 and 24.5)	27,495,038	70,317,056
	50,757,508	109,391,434
	53,983,062	112,377,211

24.1 Cash in hand includes foreign currency of US$ 7,015 and Euro 160 (2015: US$ Nil and Euro Nil).

24.2 Cash with banks on current accounts includes foreign currency balance of US$ Nil (2015: US$ 788.72).

24.3 Rate of profit on bank deposits ranges from 4.25% to 5.8% (2015: 4.5% to 7%) per annum.

24.4 Cash with banks on current accounts includes an amount of Rupees 8.491 million (2015: Rupees 8.491 million) with Allied Bank Limited, in a non-checking account, to secure performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

24.5 This includes term deposit receipts of Rupees 18 million (2015: Rupees 55.560 million) which are under lien with the bank of the Holding Company.

	2016 Rupees	2015 Rupees
25. SALES		
Export	7,134,170,081	6,576,994,814
Local (Note 25.1)	1,387,911,328	1,302,063,344
Export rebate	29,010,426	26,962,683
	8,551,091,835	7,906,020,841
25.1 Local sales		
Sales	1,182,614,822	1,056,648,140
Less: Sales tax	54,557,433	45,582,109
	1,128,057,389	1,011,066,031
Processing income	259,853,939	290,997,313
	1,387,911,328	1,302,063,344

	2016 Rupees	2015 Rupees
26. COST OF SALES		
Raw material consumed (Note 26.1)	4,783,212,447	4,325,268,356
Chemicals consumed	744,850,309	698,391,221
Salaries, wages and other benefits	371,865,559	337,998,698
Employees' provident fund contributions	13,433,272	12,216,998
Cloth conversion and processing charges	48,631,535	21,111,495
Fuel, oil and power	649,704,430	708,672,422
Stores, spares and loose tools consumed	138,229,533	100,401,544
Packing materials consumed	56,164,295	57,948,288
Repair and maintenance	58,185,463	43,919,391
Insurance	9,186,181	9,798,729
Other manufacturing expenses	73,852,172	104,054,440
Depreciation on operating fixed assets (Note 15.1.5)	206,798,532	214,389,853
	7,154,113,728	6,634,171,435
Work-in-process inventory		
As on 01 July	143,336,567	128,250,466
As on 30 June	(136,625,320)	(143,336,567)
	6,711,247	(15,086,101)
Cost of goods manufactured	7,160,824,975	6,619,085,334
Cost of yarn and cloth purchased for resale	22,894,431	13,433,875
	7,183,719,406	6,632,519,209
Finished goods inventory		
As on 01 July	446,680,689	421,365,253
As on 30 June	(472,334,811)	(446,680,689)
	(25,654,122)	(25,315,436)
	7,158,065,284	6,607,203,773

26.1 Raw material consumed

	2016 Rupees	2015 Rupees
Opening stock	139,659,658	148,615,983
Purchased during the year	4,840,672,014	4,316,312,031
	4,980,331,672	4,464,928,014
Less: Closing stock	(197,119,225)	(139,659,658)
	4,783,212,447	4,325,268,356

	2016 Rupees	2015 Rupees
27. DISTRIBUTION COST		
Salaries and other benefits	65,763,690	54,052,094
Employees' provident fund contributions	2,434,891	2,192,149
Travelling, conveyance and entertainment	29,080,241	25,654,723
Printing and stationery	222,101	222,849
Communications	36,371,171	34,341,582
Vehicles' running	3,266,522	3,346,245
Insurance	3,080,251	1,939,004
Repair and maintenance	39,573	9,034
Commission to selling agents	190,241,713	138,665,162
Outward freight and handling	124,147,176	136,198,694
Clearing and forwarding	40,082,981	36,603,912
Sales promotion and advertising	286,160	3,504,355
Depreciation on operating fixed assets (Note 15.1.5)	2,449,324	1,576,261
Miscellaneous	87,137	575,107
	497,552,931	438,881,171
28. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	123,333,919	115,686,246
Employees' provident fund contributions	2,970,144	3,078,108
Travelling, conveyance and entertainment	35,316,888	31,833,757
Printing and stationery	2,878,908	4,368,114
Communications	5,007,960	4,430,594
Vehicles' running	9,170,596	8,671,354
Legal and professional	5,677,405	7,714,208
Insurance	5,786,167	5,321,803
Fee, subscription and taxes	3,126,428	2,157,842
Repair and maintenance	7,737,373	7,406,562
Electricity, gas and water	371,458	198,957
Auditors' remuneration (Note 28.1)	1,742,000	1,658,000
Depreciation on operating fixed assets (Note 15.1.5)	13,210,497	12,789,504
Miscellaneous	21,339,378	30,804,113
	237,669,121	236,119,162
28.1 Auditors' remuneration		
Audit fee	1,440,000	1,375,000
Half yearly review and other certifications	210,000	200,000
Reimbursable expenses	92,000	83,000
	1,742,000	1,658,000

29. OTHER EXPENSES

	2016 Rupees	2015 Rupees
Workers' profit participation fund (Note 10.2)	23,773,023	19,920,121
Donations (Note 29.1)	6,428,038	14,112,060
Loss on sale of operating fixed assets	13,197,745	-
Provision for doubtful trade debts (Note 19)	-	121,697
Debit balances written off	5,079	193,021
Provision for slow moving, obsolete and damaged store items (Note 17.1)	2,955,416	-
Provision for doubtful export rebate and claims (Note 22.1.1)	-	8,967,038
Provision for doubtful sales tax recoverable (Note 23.1)	-	2,241,415
Miscellaneous	1,481,046	-
	47,840,347	45,555,352

29.1 This includes an amount of Rupees 5.000 million given to Friends of Punjab Institute of Cardiology in which chief executive of the Holding Company is trustee.

30. OTHER INCOME

	2016 Rupees	2015 Rupees
Income from financial assets		
Dividend on equity investment	3,218,336	2,896,501
Exchange gain - net	11,452,878	3,011,586
Return on bank deposits	2,807,772	5,732,715
Accrued mark-up written back	-	2,172,628
Gain on recognition of long term financing at fair value	-	138,355,873
Credit balances written back	379,820	536,654
Income from non-financial assets		
Scrap sales	27,044,517	30,600,105
Gain on sale of operating fixed assets	-	3,234,336
Other	230,205	-
	45,133,528	186,540,398

	2016 Rupees	2015 Rupees
31. FINANCE COST		
Mark-up on long term financing	113,077,157	147,244,004
Mark up on short term borrowings	33,514,787	65,927,704
Adjustment due to impact of IAS - 39	241,522,253	273,416,786
Bank commission and other financial charges	59,804,270	39,822,124
Interest on workers' profit participation fund (Note 10.2)	2,845,679	1,767,599
	450,764,146	528,178,217
32. TAXATION		
Current (Note 32.1)	73,303,245	72,208,980
Prior year adjustment	1,014,552	4,997,942
Deferred tax	10,373,918	39,140,943
	84,691,715	116,347,865

32.1 The Holding Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001. The Subsidiary Company has discontinued its operations and served a notice of discontinuation of business under section 117 of the Income Tax Ordinance, 2001 to the concerned tax authorities.

32.2 Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of presumptive taxation.

33. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share, which is based on:

		2016	2015
Profit attributable to ordinary shareholders	(Rupees)	119,641,819	120,275,699
Weighted average number of ordinary shares	(Numbers)	50,911,011	50,911,011
Earnings per share - Basic	(Rupees)	2.35	2.36

	2016 Rupees	2015 Rupees
34. CASH GENERATED FROM OPERATIONS		
Profit before taxation	204,333,534	236,623,564
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	222,458,353	228,755,618
Dividend income	(3,218,336)	(2,896,501)
Loss / (gain) on sale of operating fixed assets	13,197,745	(3,234,336)
Gain on recognition of long term financing at fair value	-	(138,355,873)
Adjustment due to impact of IAS - 39	241,522,253	273,416,786
Provision for doubtful trade debts	-	121,697
Debit balances written off	5,079	193,021
Credit balances written back	(379,820)	(536,654)
Provision for slow moving, obsolete and damaged store items	2,955,416	-
Provision for doubtful export rebate and claims	-	8,967,038
Provision for doubtful sales tax recoverable	-	2,241,415
Accrued mark-up written back	-	(2,172,628)
Finance cost	209,241,893	254,761,431
Working capital changes (Note 34.1)	(305,193,173)	(30,709,317)
	584,922,944	827,175,261

34.1 Working capital changes

	2016 Rupees	2015 Rupees
(Increase) / decrease in current assets		
Stores, spares and loose tools	(53,234,080)	(48,731,299)
Stock-in-trade	(76,402,442)	(31,445,212)
Trade debts	20,141,471	47,778,828
Advances	3,671,620	8,961,187
Trade deposits and short term prepayments	3,039,638	1,925,737
Other receivables	(1,597,697)	(13,328,185)
Sales tax recoverable	(205,626,534)	(43,298,532)
	(310,008,024)	(78,137,476)
Increase in trade and other payables	4,814,851	47,428,159
	(305,193,173)	(30,709,317)

35. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

Aggregate amounts charged in these consolidated financial statements for remuneration, including all benefits to chief executive, director and other executives of the Holding Company are as follows:

	2016			2015		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	(Rupees)					
Managerial remuneration	5,082,000	3,630,000	48,139,213	4,620,000	3,300,000	42,614,323
House rent	1,270,500	1,402,500	12,360,318	1,155,000	1,485,000	9,985,271
Utilities	508,200	362,979	4,810,058	462,000	330,000	4,248,776
Special allowance	1,016,400	231,000	8,796,155	924,000	-	7,845,484
Contribution to provident fund	423,331	302,385	4,016,998	384,846	274,896	3,531,580
Other allowances	854,700	973,521	10,517,885	777,000	885,000	10,177,457
	9,155,131	6,902,385	88,640,627	8,322,846	6,274,896	78,402,891
Number of persons	1	1	45	1	1	34

35.1 Chief executive, directors and executives of the Holding Company are provided with free use of Holding Company's owned and maintained cars.

35.2 Meeting fee of Rupees 1,000,000 (2015: Rupees 1,000,000) was paid to the non-executive directors of the Holding Company for attending meetings.

35.3 No remuneration was paid to non-executive directors of the Holding Company.

35.4 No remuneration was paid by Subsidiary Company to its chief executive or any director.

36. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of other related parties, key management personnel and provident fund trust. The Group in the normal course of business carries out transactions with related parties. There are no other transaction with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements.

37. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund of the Holding Company for the year ended 30 June 2016 and audited financial statements of the provident fund of the Holding Company for the year ended 30 June 2015:

	2016 Rupees	2015 Rupees
Size of the fund - Total assets	118,390,478	126,301,897
Cost of investments	103,042,969	103,042,969
Percentage of investments made	94.61%	95.29%
Fair value of investments	112,013,208	120,351,088

37.1 The break-up of fair value of investments is as follows:

	2016 Percentage	2015 Percentage	2016 Rupees	2015 Rupees
Deposits	39.40	43.59	44,134,103	52,471,983
Mutual funds	38.55	35.88	43,180,542	43,180,542
Listed securities	22.05	20.53	24,698,563	24,698,563
	100.00	100.00	112,013,208	120,351,088

37.2 Investments, out of provident fund of the Holding Company, have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

38. NUMBER OF EMPLOYEES

	2016	2015
Number of employees as on June 30		
Permanent	1637	1646
Contractual	55	14
Average number of employees during the year		
Permanent	1616	1621
Contractual	57	13

39. SEGMENT INFORMATION

39.1 The Group has four reportable segments. The following summary describes the operation in each of the Group's reportable segments:

Weaving	Production of different qualities of greige fabric using yarn
Dyeing	Processing of greige fabric for production of dyed fabric
Power Generation	Generation and distribution of power using gas, oil and steam
Retail	This segment was engaged in the business of selling all types of general merchandise

	Weaving		Dyeing		Power Generation		Retail		Elimination of inter-segment transactions		Total- Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(R u p e e s)											
Sales												
-External	2,165,586,734	2,051,042,015	6,385,505,101	5,854,978,826	-	-	-	-	-	-	8,551,091,835	7,906,020,841
-Intersegment	1,422,906,272	1,717,714,755	58,879,608	58,471,720	692,872,062	831,775,159	-	-	(2,174,657,942)	(2,607,961,634)	-	-
	3,588,493,006	3,768,756,770	6,444,384,709	5,913,450,546	692,872,062	831,775,159	-	-	(2,174,657,942)	(2,607,961,634)	8,551,091,835	7,906,020,841
Cost of sales	(3,285,914,052)	(3,441,427,982)	(5,329,554,741)	(4,958,914,057)	(717,254,433)	(814,823,368)	-	-	2,174,657,942	2,607,961,634	(7,158,065,284)	(6,607,203,773)
Gross profit	302,578,954	327,328,788	1,114,829,968	954,536,489	(24,382,371)	16,951,791	-	-	-	-	1,393,026,551	1,298,817,068
Distribution cost	(108,738,393)	(88,372,177)	(388,814,538)	(350,508,994)	-	-	-	-	-	-	(497,552,931)	(438,881,171)
Administrative expenses	(89,817,421)	(96,717,901)	(131,007,901)	(120,754,405)	(11,875,052)	(13,330,834)	(4,968,747)	(5,316,022)	-	-	(237,669,121)	(236,119,162)
	(198,555,814)	(185,090,078)	(519,822,439)	(471,263,399)	(11,875,052)	(13,330,834)	(4,968,747)	(5,316,022)	-	-	(735,222,052)	(675,000,333)
Profit before taxation and unallocated income / expenses	104,023,140	142,238,710	595,007,529	483,273,090	(36,257,423)	3,620,957	(4,968,747)	(5,316,022)	-	-	657,804,499	623,816,735
Unallocated income and expenses:												
Finance cost											(450,764,146)	(528,178,217)
Other expenses											(47,840,347)	(45,555,352)
Other income											45,133,528	186,540,398
Taxation											(84,691,715)	(116,347,865)
											(538,162,680)	(503,541,036)
Profit after taxation											119,641,819	120,275,699

39.2 Reconciliation of reportable segment assets and liabilities

	Weaving		Dyeing		Power Generation		Retail		Total- Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(R u p e e s)									
Segment assets	2,115,442,498	2,113,686,470	2,317,603,740	2,393,343,339	975,175,365	898,210,407	116,383,103	120,630,867	5,524,604,706	5,525,871,083
Long term investments									52,200,708	157,009,691
Unallocated assets									818,336,579	635,342,921
Total assets as per balance sheet									6,395,141,993	6,318,223,695
Segment liabilities	383,037,689	326,677,867	293,692,062	316,850,033	107,037,478	133,938,968	526,918	896,391	784,294,147	778,363,259
Unallocated liabilities:										
Long term financing - secured									898,610,110	1,811,907,803
Sponsor's loan									272,000,000	196,855,369
Loan from director									11,000,000	11,000,000
Accrued mark-up									194,483,901	250,378,063
Short term borrowings - secured									1,917,369,966	756,228,140
Deferred liabilities									194,599,666	356,647,458
Provision for taxation									73,303,245	72,208,980
Unallocated liabilities									69,981,855	71,477,712
Total liabilities as per balance sheet									4,415,642,890	4,305,066,784

39.3 Geographical information

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

	2016 Rupees	2015 Rupees
Australia	203,308,572	265,001,282
Asia	4,802,495,886	3,868,337,096
Europe	1,489,017,074	1,632,234,345
United States of America and Canada	194,810,736	357,512,292
Africa	473,548,239	480,872,482
Pakistan	1,387,911,328	1,302,063,344
	8,551,091,835	7,906,020,841

39.4 All non-current assets of the Group as at reporting date are located and operating in Pakistan.

39.5 Revenue from major customers

The Group's revenue is earned from a large mix of customers.

40. PLANT CAPACITY AND PRODUCTION

	2016	2015
Weaving		
Number of looms in operation	174	174
Rated capacity of operative looms converted to 60 picks (square meter)	48,892,878	48,892,878
Actual production converted to 60 picks (square meter)	48,530,269	47,921,848
Number of days worked during the year (3 shifts per day)	365	365
Dyeing		
Rated capacity in 3 shifts (linear meter)	36,000,000	30,000,000
Actual production for three shifts (linear meter)	30,419,874	27,712,263
No. of days worked during the year (3 shifts per day)	360	353
Power generation		
Number of generators installed	9	9
Installed capacity (Mega Watt Hours)	300,381	300,381
Actual generation (Mega Watt Hours)	33,270	32,718

40.1 Under utilization of available capacity for weaving and dyeing divisions of the Holding Company is due to normal maintenance.

40.2 Actual power generation in comparison to installed is low due to periodical scheduled and unscheduled maintenance of generators and low demand.

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors of the Holding Company and the Subsidiary Company (the respective Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Group's foreign exchange risk exposure is restricted to foreign currency bank balances and the amounts receivable from / payable to the foreign entities. The Group uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Group's exposure to currency risk was as follows:

	2016	2015
Cash in hand - USD	7,015	-
Cash in hand - Euro	160	-
Cash at banks - USD	-	789
Trade debts - USD	4,895,432	9,704,733
Trade debts - Euro	158,226	205,485
Trade and other payable - USD	(1,080,919)	(200,543)
Trade and other payable - Euro	(1,501)	-
Net exposure - USD	3,821,528	9,504,979
Net exposure - Euro	156,885	205,485

The following significant exchange rates were applied during the year:

	2016	2015
Rupees per US Dollar		
Average rate	104.29	101.31
Reporting date rate	104.50	101.50
Rupees per Euro		
Average rate	115.31	120.86
Reporting date rate	116.08	113.57

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been higher / lower by Rupees 19.003 million (2015: Rupees 46.328 million) mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group is not exposed to commodity price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing assets except for bank balances on saving accounts. The Group's interest rate risk arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Group to fair value interest rate risk.

At the balance sheet date the interest rate profile of the Group's interest bearing financial instruments was:

	2016 Rupees	2015 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	399,879,599	1,193,805,233
Sponsor's loan	-	196,855,369
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	27,495,038	70,317,056
Financial liabilities		
Long term financing	498,730,511	618,102,570
Short term borrowings	1,917,369,966	756,228,140

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss for the period.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit for the year would have been Rupees 25.080 million lower / higher (2015: Rupees 13.692 million), mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016 Rupees	2015 Rupees
Investment	52,200,708	157,009,691
Advances	12,288,661	11,598,639
Deposits	34,475,558	37,265,448
Trade debts	465,442,351	485,583,822
Other receivables	2,652,355	1,077,119
Bank balances	50,757,508	109,391,434
	617,817,141	801,926,153

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2016	2015
Banks	Short Term	Long Term	Agency	Rupees	Rupees
National Bank of Pakistan	A1+	AAA	PACRA	229,782	1,045,273
Allied Bank Limited	A1+	AA+	PACRA	10,300,604	12,684,893
Askari Bank Limited	A1+	AA+	PACRA	255,414	1,091,512
Bank Alfalah Limited	A1+	AA	PACRA	304,240	2,423,309
Faysal Bank Limited	A1+	AA	PACRA	480,717	828,166
Habib Bank Limited	A-1+	AAA	JCR-VIS	5,902,809	9,959,766
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	18,499,258	59,138,488
The Bank of Punjab	A1+	AA-	PACRA	754,664	4,704,808
NIB Bank Limited	A1+	AA -	PACRA	11,298,546	3,081,633
Silk Bank Limited	A-2	A -	JCR-VIS	31,112	353,778
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2,041,776	4,707,679
United Bank Limited	A-1+	AAA	JCR-VIS	644,500	9,256,047
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	14,086	116,082
				50,757,508	109,391,434
Investment					
Security General Insurance Company Limited	AA-		JCR-VIS	52,200,708	157,009,691
				102,958,216	266,401,125

The Group's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 19.

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Group. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Group manages liquidity risk by maintaining sufficient cash. At 30 June 2016, the Group has Rupees 53.983 million (2015: Rupees 112.377 million) cash and bank balances. The management believes the liquidity risk to be manageable. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2016

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----	----	---- (Rupees) ----	----	----	----
Long term financing	898,610,110	1,089,741,205	77,496,745	32,559,948	69,655,501	910,029,011
Sponsor's loan	272,000,000	272,000,000	272,000,000	-	-	-
Trade and other payables	756,618,312	756,618,312	756,618,312	-	-	-
Loan from director	11,000,000	11,000,000	11,000,000	-	-	-
Accrued mark-up	349,506,012	349,506,012	194,483,901	-	-	155,022,111
Short term borrowings	1,917,369,966	1,961,624,931	1,961,624,931	-	-	-
	4,205,104,400	4,440,490,460	3,273,223,889	32,559,948	69,655,501	1,065,051,122

Contractual maturities of financial liabilities as at 30 June 2015

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----	----	---- (Rupees) ----	----	----	----
Long term financing	1,811,907,803	2,075,180,722	131,518,154	114,388,584	276,263,203	1,553,010,781
Sponsor's loan	196,855,369	272,000,000	-	22,402,141	24,951,505	224,646,354
Trade and other payables	770,775,057	770,775,057	770,775,057	-	-	-
Loan from director	11,000,000	11,000,000	11,000,000	-	-	-
Accrued mark-up	551,167,897	551,167,897	250,378,063	-	-	300,789,834
Short term borrowings	756,228,140	782,820,981	782,820,981	-	-	-
	4,097,934,266	4,462,944,657	1,946,492,255	136,790,725	301,214,708	2,078,446,969

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 7 and note 13 to these financial statements.

41.2 Financial instruments by categories

Assets as per balance sheet

	2016			2015		
	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	- -- - - - - - - - - (Rupees) - - - - - - - -- -			- - - - - - -- - - (Rupees) - - - - - - -- - -		
Investments	-	52,200,708	52,200,708	-	157,009,691	157,009,691
Advances	12,288,661	-	12,288,661	11,598,639	-	11,598,639
Deposits	34,475,558	-	34,475,558	37,265,448	-	37,265,448
Trade debts	465,442,351	-	465,442,351	485,583,822	-	485,583,822
Other receivables	2,652,355	-	2,652,355	1,077,119	-	1,077,119
Cash and bank balances	53,983,062	-	53,983,062	112,377,211	-	112,377,211
	568,841,987	52,200,708	621,042,695	647,902,239	157,009,691	804,911,930

Financial liabilities at amortized cost

	2016 Rupees	2015 Rupees
Sponsor's loan	272,000,000	196,855,369
Long term financing	898,610,110	1,811,907,803
Accrued mark-up	349,506,012	551,167,897
Loan from director	11,000,000	11,000,000
Short term borrowings	1,917,369,966	756,228,140
Trade and other payables	756,618,312	770,775,057
	4,205,104,400	4,097,934,266

41.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stake holders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to share holders, issue new shares or sell assets to reduce debt.

42. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2016	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Financial asset				
Available for sale financial asset	-	-	52,200,708	52,200,708
Total financial asset	-	-	52,200,708	52,200,708

Recurring fair value measurements At 30 June 2015	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Financial asset				
Available for sale financial asset	-	-	157,009,691	157,009,691
Total financial asset	-	-	157,009,691	157,009,691

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There was no transfer in and out of level 3 measurements.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair values

Specific valuation technique used to value financial instrument was using discounted cash flow analysis.

(iii) Fair values measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 30 June 2016 and 30 June 2015:

	Unlisted equity security Rupees
Balance as on 01 July 2014	176,879,692
Less : Deficit recognized in other comprehensive income	19,870,001
Balance as on 30 June 2015	157,009,691
Less : Deficit recognized in other comprehensive income	104,808,983
Balance as on 30 June 2016	52,200,708

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Description	Fair value at 30 June 2016	Fair value at 30 June 2015	Un observable inputs	Range of inputs (probability-weighted) average 30 June 2016	Relationship of unobservable inputs to fair value
	Rupees	Rupees			
Available for sale financial asset:					
Security General Insurance Company Limited	52,200,708	157,009,691	Net premium revenue growth factor Risk adjusted discount rate	2% 19.06%	Increase / decrease in net premium revenue growth factor by 0.5% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +3.077 million / - 2.768 million.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuer performs the valuation of non-property item required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the chief financial officer. Discussions of valuation processes and results are held between the chief financial officer and the valuation team at least once every six month, in line with the Group's half yearly reporting period.

The main level 3 inputs used are derived and evaluated as follows:

Discount rates for financial instruments are determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the half yearly valuation discussion between the chief financial officer and the independent valuer. As part of this discussion the independent valuer presents a report that explains the reason for the fair value movements.

43. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

As at 30 June 2016	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Property, plant and equipment:				
- Freehold land	-	744,878,999	-	744,878,999
- Buildings	-	798,584,166	-	798,584,166
Total non-financial assets	-	1,543,463,165	-	1,543,463,165

As at 30 June 2015	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Property, plant and equipment:				
- Freehold land	-	744,878,999	-	744,878,999
- Buildings	-	807,289,518	-	807,289,518
Total non-financial assets	-	1,552,168,517	-	1,552,168,517

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Group obtains independent valuations for the items of property, plant and equipment carried at revalued amounts every three years. The management updates the assessment of the fair value of each item of property, plant and equipment carried at revalued amount, taking into account the most recent independent valuations. The management determines the value of items of property, plant and equipment carried at revalued amounts within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands. The best evidence of fair value of buildings is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building.

Valuation processes

The Group engages external, independent and qualified valuer to determine the fair value of the Group's items of property, plant and equipment carried at revalued amounts at the end of every three years. As at 30 June 2015, the fair values of the items of property, plant and equipment were determined by Messers Hamid Mukhtar and Company (Private) Limited, the approved valuer.

Changes in fair values are analysed between the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

44. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING - HOLDING COMPANY

44.1

Description	Note	2016 Carried under Non-Shariah arrangements	2016 Carried under Shariah arrangements	2015 Carried under Non-Shariah arrangements	2015 Carried under Shariah arrangements
		------------------------ Rupees ------------------------			
Assets					
Loans and advances					
Loans to employees	19	-	12,288,661	-	11,598,639
Advances to supplier		-	57,285,999	-	60,827,674
Letters of credit		-	5,237,568	-	6,062,614
Deposits					
Long term deposits		-	21,200,012	-	20,953,202
Security deposits	21	-	13,275,546	-	16,312,246
Bank balances	23	50,663,496	13,952	109,190,213	116,082
Liabilities					
Loan and advances					
Long term financing	7	898,610,110	-	1,811,907,803	-
Short term borrowings	12	1,917,369,966	-	756,228,140	-
Sponsor's loan	8	-	272,000,000	-	196,855,369
Advances from customers	10	-	33,638,439	-	31,376,386
Deposits					
Security deposits - interest free	10	-	602,278	-	602,278
Income					
Profit on deposits with banks	30	2,807,772	-	5,732,715	-
Other comprehensive income					
Unrealized loss on investment	16	104,808,983	-	19,870,001	-

	Note	2016 Rupees	2015 Rupees
44.2 Dividend income earned from			
Security General Insurance Company Limited	30	3,218,336	2,896,501
44.3 Sources of other income	30		
Dividend on equity investment		3,218,336	2,896,501
Exchange gain - net		11,452,878	3,011,586
Return on bank deposits		2,807,772	5,732,715
Accrued mark-up written back		-	2,172,628
Gain on recognition of long term financing at fair value		-	138,355,873
Scrap sales		27,044,517	30,600,105
Gain on sale of operating fixed assets		-	3,234,336
Other			
Gain on sale of rice husk		230,205	-
		44,753,708	186,003,744
44.4 Exchange gain / (loss)			
Earned from actual currency		11,452,878	3,011,586
Earned from derivative financial instruments		-	-
44.5 Revenue (external) from different business segments	39		
Weaving		2,165,586,734	2,051,042,015
Dyeing		6,385,505,101	5,854,978,826
		8,551,091,835	7,906,020,841

44.6 Relationship with banks

Name	Relationship	
	Non Islamic window operations	With Islamic window operations
Allied Bank Limited	✔	–
Standard Chartered Bank (Pakistan) Limited	✔	–
NIB Bank Limited	✔	–
Habib Bank Limited	✔	–
Habib Metropolitan Bank Limited	✔	–
Askari Bank Limited	✔	–
Bank Alfalah Limited	✔	–
Faysal Bank Limited	✔	–
National Bank of Pakistan	✔	–
Silkbank Limited	✔	–
United Bank Limited	✔	–
Al-Baraka Bank (Pakistan) Limited	–	✔
The Bank of Punjab	✔	–

45. AUTHORIZATION OF FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue by the Board of Directors of the Holding Company on September 01, 2016.

46. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangements / regroupings have been made in these consolidated financial statements

47. GENERAL

Figures have been rounded off to nearest of Rupee.

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

PROXY FORM

29th Annual General Meeting 2016

I/We ____

of ____________________ in the district of ______________________________ being a member of

KOHINOOR MILLS LIMITED hereby appoint ____

___________________________ of ____________another member of the Company or failing him/her

appoint ____

of ____ another member of the Company as my / our proxy

to vote for me/us and on my/our behalf, at the 29th Annual General Meeting of the Company to be held on Thursday, October 20, 2016 at 02:30 p.m. and at any adjournment thereof.

As witness my/our hand seal this _____________________ day of ___________________, 2016

Folio No.	CDC Account Holders		No. of Ordinary Shares held
	Participant I.D. No.	Account / Sub-Account No.	

Signatures on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

Witness 1

Signature ________________________________

Name ________________________________

CNIC No.________________________________

Passport No. ________________________________

Address ________________________________

____

Witness 2

Signature ________________________________

Name ________________________________

CNIC No.________________________________

Passport No. ________________________________

Address ________________________________

____

Important Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office situated at 8th K.M. Manga Raiwind Road, District Kasur, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

3. No person can act as proxy unless he / she is member of the Company, except that a corporation may appoint a person who is not a member.

For CDC Account Holders / Corporate entities

In addition to the above, the following requirements have to be met.

a) The proxy form shall be witnessed by two persons whose name, address and Computerized National Identity Card (CNIC) number shall be mentioned on the form.
b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
c) The proxy shall produce original CNIC or passport at the time of attending the meeting.
d) In case of the Corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary

KOHINOOR MILLS LIMITED
8-Km, Manga Raiwind Road,
Distt. Kasur,
Pakistan.

پراکسی (مختارنامہ) فارم 2016

29واں سالانہ جنرل اجلاس

میں / ہم --

ساکن --ضلع ---------کا/کے رہائشی ہوں/ہیں۔کوہ نور ملز لمیٹڈ کا ممبر ہونے کے ناطے

میں / ہم ---ساکن------------------------

کے رہائشی کو جو کہ کمپنی کا ایک اور ممبر ہے اپنا/اپنے متبادل مقرر کرتا ہوں/ کرتے ہیں یا------------------------------------

ساکن ----------------------------------کے رہائشی کو جو کہ کمپنی کا ایک اور ممبر ہے اپنا/اپنے متبادل مقرر کرتا ہوں/ کرتے ہیں۔ جو میرے /ہمارے لئے اور میری /ہماری طرف سے 20 اکتوبر 2016 بروز جمعرات دوپہر 2:30 بجے ہونیوالے کمپنی کے 29ویں سالانہ جنرل اجلاس میں میری /ہمارے طرف سے بحیثیت پراکسی ووٹ دینے کا مجاز ہوگا۔

آج مورخہ--------------------2016

فولیو نمبر	سی ڈی سی اکاؤنٹ/ذیلی اکاؤنٹ نمبر	عام حصص کی تعداد

پانچ روپے کی ٹکٹ
پر دستخط کریں
دستخط کمپنی کے ساتھ رجسٹرڈ نمونہ کیساتھ اتفاق کرنا چاہیئے

گواہ شدگان 1

دستخط---------------------------------------

نام---------------------------------------

شناختی کارڈ نمبر---------------------------------

پاسپورٹ نمبر---------------------------------

پتہ---------------------------------------

گواہ شدگان 2

دستخط---------------------------------------

نام---------------------------------------

شناختی کارڈ نمبر---------------------------------

پاسپورٹ نمبر---------------------------------

پتہ---------------------------------------

نوٹ:

1۔ اجلاس شروع ہونے سے 48 گھنٹے پہلے 8 کلومیٹر مانگا رائیونڈ روڈ ضلع قصور میں واقع کمپنی کے رجسٹرڈ آفس میں پہنچنے والا دستخط شدہ اور مہر لگا ہوا پراکسی فارم (مختارنامہ) موثر تصور کیا جائے گا۔

2۔ اگر ایک ممبر نے کمپنی میں ایک سے زیادہ پراکسی (متبادل رکن) مقرر کئے یا فارم جمع کروائے تو اس کے وہ تمام فارم غلط قرار دیئے جائینگے۔

3۔ کوئی بھی فرد اس وقت تک متبادل رکن کے طور پر کام نہیں کر سکتا جب تک وہ کمپنی کا ممبر نہ ہو، سوائے کارپوریشن کے جو کسی بھی شخص کو رکن مقرر کر سکتی ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز اور کارپوریٹ اداروں کیلئے

مذکورہ بالا کے علاوہ مندرجہ ذیل ضروریات کو بھی مدنظر رکھا جائے

1۔ پراکسی فارم دو افراد سے دستخط شدہ ہو اور ان کے نام، پتہ اور شناختی کارڈ نمبر واضح لکھے ہوئے ہوں۔

2۔ اصل مالکان اور متبادل اراکین کے شناختی کارڈ یا پاسپورٹ کی نقول پراکسی فارم کیساتھ منسلک کی جائیں۔

3۔ متبادل رکن کو اجلاس کے وقت اصل شناختی کارڈ یا پاسپورٹ دکھانا ہوگا۔

4۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی دستخط شدہ قرارداد/پاور آف اٹارنی (مختار عام) پراکسی فارم کیساتھ کمپنی کو جمع کرانا ہوگا۔

مستقبل کے امکانات

گرتی ہوئی برآمدات، سیاسی اور سکیورٹی کی غیر یقینی صورت حال حکومت کیلئے بڑے چیلنجز ہیں۔ شرح سود میں کمی، سیلز ٹیکس ریفنڈز کی ادائیگی، ٹیکسٹائل کی صنعت سے سیلز ٹیکس کا خاتمہ جیسے کئی مثبت اقدامات کے معیشت پر اثرات نمایاں ہونے ابھی باقی ہیں۔ مختصر یہ کہ موجودہ میکرو اقتصادی صورتحال بہت مثبت نہیں ہے۔ اس کے علاوہ بیرونِ ممالک میں بڑھتا ہوا اقتصادی بحران بھی تشویش کا باعث ہے۔

اس مشکل اقتصادی صورتحال کے مقابلے کیلئے کاروباری لاگت میں کمی، مصنوعات میں بہتری اور نئے گاہکوں کی تلاش، قومی اور بین الاقوامی سطح پر مسابقت برقرار رکھنے کیلئے کمپنی کی حکمت عملی کا لازمی جزو ہیں مارکیٹنگ کی کوششیں خاص طور پر بین الاقوامی برانڈز اور تکنیکی ٹیکسٹائل پر توجہ مرکوز کرنا آمدنی میں اضافے اور بہتر مارجن کو یقینی بنائے گا۔

لاگت کے حوالے سے خام مال کیلئے بہتر سپلائی کی مینجمنٹ اور پیداوار کے عمل میں جدت طرازی حکمت عملی کا اہم حصہ رہیں گے۔ کمپنی کے موجودہ آرڈر بک تسلی بخش ہے اور اس کے پاس دسمبر 2016 تک کے کنفرم آرڈر ہیں لہٰذا انتظامیہ کو یقین ہے کہ کمپنی مستقبل میں اپنی آپریشنل کارکردگی کو بہتر بنانے کے قابل ہو جائیگی۔

آڈیٹرز

کمپنی کے بیرونی آڈیٹرز، میسرز ریاض احمد اینڈ کمپنی، (چارٹرڈ اکاؤنٹنٹس) آئندہ سالانہ عام اجلاس کے اختتام پر ریٹائر ہوں گے کمپنیز آرڈیننس 1984 کے تحت دوبارہ تعیناتی کے لئے اہل ہونے کے ناطے انہوں نے 30 جون 2017 کو ختم ہونے والے سال کیلئے کمپنی کے آڈیٹرز کے طور پر اپنی خدمات کی پیشکش کی ہے۔ بورڈ آف ڈائریکٹرز نے ان کی دوبارہ تقرری کے لئے آڈٹ کمیٹی کے سفارشات کی توثیق کی ہے۔ آڈیٹرز نے تصدیق کی ہے کہ انہیں انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول کے جائزے کے پروگرام کے تحت تسلی بخش درجہ بندی حاصل ہے اور فرم انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کی طرف سے جاری اخلاقیات کے ضابطہ اخلاق سے مکمل طور پر مطابقت رکھتی ہے۔ اس کے علاوہ یہ کہ وہ کمپنی کے لئے کوئی بھی متعلقہ خدمات سرانجام نہیں دے رہے ہیں۔

آڈیٹرز نے اس بات کی بھی تصدیق کی ہے کہ سال بھر میں فرم اور نہ ہی ان کے شراکت داروں اور انکی بیویوں یا چھوٹے بچوں میں سے کسی نے کمپنی کے حصص میں ٹریڈ کی ہے۔

اعتراف

بورڈ اپنے قابل قدر حصص یافتگان، بینکوں، مالیاتی اداروں اور گاہکوں کا شکرگزار ہے جن کے مسلسل تعاون اور نوازش نے کمپنی کو لگاتار بہتری کے قابل بنایا ہے۔ زیر جائزہ مدت کے دوران انتظامیہ اور ملازمین کے درمیان تعلقات خوشگوار رہے اور ہم اپنی کمپنی کے عملے اور کارکنوں کی لگن، ہمت اور ثابت قدمی کی تعریف کو آن ریکارڈ رکھنا چاہتے ہیں۔

عامر فیاض شیخ
چیف ایگزیکٹو

قصور
ستمبر 01، 2016

آڈٹ کمیٹی

آڈٹ کمیٹی کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ ریفرنسز کے مطابق کام کرتی ہے۔ یہ کارپوریٹ گورننس کے کوڈ اور متعلقہ قانونی ضروریات، اکاونٹنگ کی پالیسیوں اور طرزِ عمل میں تبدیلیوں، قابل اطلاق اکاؤنٹنگ معیار اور درج شدہ قواعد وضوابط کی نگرانی پر مرکوز ہے۔ یہ آڈٹ سے متعلق اس کی سفارشات کا جائزہ لیتی ہے۔ بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تقرری کی سفارش کرتی ہے۔ کمپنی کے اندرونی آڈٹ کی نگرانی، مالی اور آپریشنل کنٹرول سمیت مناسب اندرونی کنٹرول کے نظام کے ذریعے کمپنی کے اثاثوں کا تحفظ، اکاونٹنگ سسٹم، رپورٹنگ کے ڈھانچے، کاروبار کی منصوبہ بندی کا ابتدائی جائزہ لینا اور اس کے سہ ماہی، نصف سال اور سالانہ بنیادوں پر نتائج کا بورڈ کی منظوری اور اشاعت سے قبل جائزہ لینا اسکی دیگر ذمہ داریوں میں شامل ہے۔

سال کے دوران آڈٹ کمیٹی کے 5 اجلاس منعقد ہوئے۔ ہر ایک رکن کی حاضری درج ذیل ہے۔

نمبر شمار	ممبران کے نام	شرکت کردہ اجلاس کی تعداد
1	ریاض احمد	5
2	رشید احمد	5
3	علی فیاض شیخ	4
4	شہباز منیر	5

اجلاس میں شرکت نہ کرنیوالے ممبران کو رخصت دے دی گئی تھی۔

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ قواعد وضوابط کے مطابق چلتی ہے اور یہ بورڈ کی انسانی وسائل کے انتظام کی پالیسیوں کی سفارش، انتخاب، تشخیص، معاوضہ (ریٹائرمنٹ کی سہولت بھی شامل ہے) اور چیف ایگزیکٹو آفیسر (سی ای او)، چیف فنانشل آفیسر (سی ایف او)، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کی جانشینوں کی تعیناتی کی ذمہ دار ہے۔ مزید جو اہم انتظامی عہدے براہ راست چیف ایگزیکٹو آفیسر کو ہی رپورٹ دیتے ہیں یہ انکے معاملات پر چیف ایگزیکٹو آفیسر کی سفارشات کو منظور کرتی ہے۔

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کے 5 اجلاس منعقد ہوئے۔ ہر ایک رکن کی حاضری درج ذیل ہے۔

نمبر شمار	ممبران کے نام	شرکت کردہ اجلاس کی تعداد
1	رشید احمد	5
2	اسد فیاض شیخ	5
3	شہباز منیر	5

ضابطہ اخلاق

بورڈ، سینئر مینجمنٹ اور کمپنی کے دیگر ملازمین میں دیانت کے فروغ اور کمپنی سے منسلک ہر شخص کو پیشہ ورانہ معیار اور کارپوریٹ اقدار کی سمجھ بوجھ اور معلومات کیلئے ضابطہ اخلاق ادارے کی ویب سائٹ پر دیا ہے۔

حصص داری اجمال

30 جون 2016 تک کمپنیز آرڈیننس 1984 کی دفعہ 236 اور کارپوریٹ گورننس کے کوڈ کے تحت کمپنی کی حصص داری اجمال اور حصص یافتگان کی اقسام کی رپورٹ ساتھ لف ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کمپنی کی مکمل ایڈمنسٹریشن اور گورنس کا ذمہ دار ہے۔تمام ڈائریکٹرز کمپنیز آرڈیننس 1984،کوڈ آف کارپوریٹ گورنس، کمپنیز میمورنڈم اینڈ آرٹیکلز اف ایسوسی ایشن میں دیئے گئے اپنے فرائض اور اختیارات سے آگاہ ہیں۔ وہ اپنی ذمہ داریوں کو بورڈ کے اجلاسوں کے ذریعے ادا کرتے ہیں، بورڈ اجلاس کمپنی کی مالی گوشواروں پر نظر ثانی کرنے اور انکی منظوری کیساتھ ساتھ اہم منصوبوں ،فیصلوں ،اندازوں، پیشن گوئیوں اور ذیلی کمیٹی کی بجٹ سفارشات پر نظر ثانی کرنے اورانکی منظوری کیلئے ہر سہ ماہی کو منعقد کئے جاتے ہیں۔انکی ذمہ داریوں میں کمپنی کے سٹریٹیجک مقاصد کو قائم کرنا، قیادت کی فراہمی، کاروبار کے انتظام کی نگرانی اور شیئر ہولڈرز کو رپورٹ کرنا شامل ہیں۔

سال کے دوران بورڈ آف ڈائریکٹرز کے 5 جائزہ اجلاس منعقد کیے گئے تھے۔جس میں ہر ایک ڈائریکٹر کی حاضری درج ذیل ہے۔

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1	رشید احمد	5
2	عامر فیاض شیخ	5
3	اسد فیاض شیخ	5
4	علی فیاض شیخ	3
5	ریاض احمد	4
6	عامر امین	4
7	شہباز منیر	5

اجلاس میں شرکت نہ کرنیوالے ڈائریکٹروں کو رخصت دے دی گئی تھی۔

زیر جائزہ سال کے دوران ڈائریکٹروں، ایگزیکٹوز، ان کی بیویوں اور چھوٹے بچوں کی طرف سے حصص میں ٹریڈنگ کی تفصیل درج ذیل ہے۔

			حصص کی تعداد	حصص کی تعداد
نمبر شمار	نام	عہدہ	خریدے گئے	فروخت شدہ
1	مسز منیزہ اسد فیاض	ڈائریکٹر کی بیوی	75,000	-
2	رشید احمد	ڈائریکٹر	-	138,651
3	کامران شاہد	سی ایف او	-	255,000

بورڈ کی سالانہ کارکردگی کا جائزہ

بورڈ اپنی کارکردگی کے جائزے کو گڈ گورننس کیلئے ایک اہم نکتہ سمجھتا ہے کیونکہ فی الحال بورڈ کس طرح اپنی ذمہ داریاں انجام دے رہا ہے اس سے متعلق بورڈ کو اسکے ڈائریکٹرز اپنی اپنی رائے فراہم کرتے ہیں۔اس بات کا ادراک کرتے ہوئے بورڈ نے اپنی کمیٹیوں کی اور ارکان کی کارکردگی میں مدد فراہم کرنے کیلئے معروف طریقوں سے متعلق ایک سوالنامہ وضع کیا ہے۔کمپنی سیکریٹری خلاصہ رپورٹ کو بورڈ کی بحث اور جائزہ لینے کے لئے ہر سال پیش کرتا ہے۔

ڈائریکٹروں کی ٹریننگ کا پروگرام

تمام ڈائریکٹرز سوائے ان کے جنہیں مستثنی قرار دیا گیا ہے پہلے ہی ڈائریکٹرز ٹریننگ پروگرام مکمل کر چکے ہیں۔

کے اعلیٰ پیشہ وارانہ اصولوں کے باعث اہم حفاظتی اقدامات، صحت اور ماحول عملے کی کارکردگی میں مسلسل اضافہ کرتے رہیں گے۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی جس کمیونٹی میں چل رہی اسے محفوظ بنانے کی اپنی ذمہ داریوں کو پورا کرنے میں کارپوریٹ اور سماجی ذمہ داری (سی ایس آر) کی پالیسی بہت الگ مقام رکھتی ہے۔ آپ کی کمپنی اپنے ڈائریکٹروں کے ذریعے بنیادی تعلیم اور صحت کے میدان میں مختلف سماجی ذمہ داریوں کے اقدامات میں فعال ہے۔ آپ کی کمپنی نے پنجاب انسٹیٹیوٹ آف کارڈیالوجی لاہور کو نئے ایمرجنسی بلاک اور سٹیٹ آف دی آرٹ ''کیتھ'' لیب کی تعمیر کیلئے 5 کروڑ روپے عطیہ دیا ہے۔ اس کے علاوہ کمپنی APTMA کے ذریعے دور دراز علاقوں کیلئے صاف پانی کی فراہمی کیلئے فعال حصہ لے رہی ہے۔

کارپوریٹ گورننس کے کوڈ کیساتھ تعمیل

بورڈ مستقل بنیاد پر کمپنی کے سٹریٹجک سمت کا جائزہ لیتا ہے۔ بورڈ کی طرف سے مقرر کردہ بجٹ کے اہداف اور کاروبار کی منصوبہ بندی کا بھی باقاعدگی سے جائزہ لیا جاتا ہے۔ کارپوریٹ گورننس کے کوڈ کی مؤثر تعمیل کیلئے ذیلی کمیٹیوں کو اختیارات دیئے گئے ہیں۔ بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کیلئے مصروف عمل ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

کمپنی کا بورڈ آف ڈائریکٹرز، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ کارپوریٹ گورننس کے کوڈ میں مقرر کی گئی اپنی ذمہ داری سے پوری طرح آگاہ ہے۔ مندرجہ ذیل بیانات سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کوڈ آف کارپوریٹ گورننس کے کارپوریٹ اور فائننشل رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں۔

۱۔ نوٹس کے ساتھ کمپنی کے مالی گوشوارے کو کمپنیز آرڈیننس 1984 کے مطابق تیار کیا گیا ہے۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ گوشوارے اس کے موجودہ معاملات کی حالت، آپریشنز کے نتائج، نقدی بہاؤ اور تبدیلیوں کو منصفانہ بیان کرتی ہے۔

۲۔ کمپنیز آرڈیننس 1984 کے مطابق کمپنی کے اکاؤنٹ کی کتابوں کو برقرار رکھا جاتا ہے۔

۳۔ مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل سے لاگو کیا گیا ہے۔ اکاؤنٹنگ اندازے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

۴۔ مالی گوشواروں کی تیاری میں پاکستان میں قابل عمل بین الاقوامی مالیاتی رپورٹنگ معیار کا اطلاق کیا گیا ہے اور اس کے مطابق مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

۵۔ اندرونی کنٹرول کا نظام مضبوط ہے اور اسکی مؤثر طریقے سے نگرانی اور اس پر عملدرآمد کیا گیا ہے۔

۶۔ کاروبار جاری رکھنے کیلئے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔

۷۔ پاکستان سٹاک ایکسچینج لمیٹڈ کے اصولوں کے مطابق کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی مادی تجاوز نہیں ہوا۔

۸۔ کمپنی کے کاروبار کے کسی بھی حصے میں کارپوریٹ تنظیم نو، کاروبار کی توسیع یا خاتمے کا کوئی قابل ذکر منصوبہ نہیں ہے۔

۹۔ بقایا ٹیکس، ڈیوٹیز، لیویز اور دیگر چارجز (اگر کوئی ہیں) کی قانونی ادائیگیوں سے متعلق معلومات آڈٹڈ اکاؤنٹس کے نوٹس میں دی گئی ہیں۔

۱۰۔ کمپنی سختی سے حفاظت کے قواعد و ضوابط کے معیار پر عمل پیرا ہے۔ یہ ماحولیاتی دوستانہ پالیسیوں کی بھی پیروی کرتی ہے۔

۱۱۔ عملے کی ریٹائرمنٹ منافع فنڈ (پروویڈنٹ فنڈ) کی طرف سے کی جانیوالی سرمایہ کاری کا تخمینہ ان کے متعلقہ آڈٹ اکاؤنٹس پر مبنی ہے جو کہ درج ذیل ہے۔

30 جون 2016	112.01 ملین روپے
30 جون 2015	120.35 ملین روپے

ڈائینگ ڈویژن

اس سال کے دوران بین الاقوامی برانڈز کو فروخت اور ریکارڈ پیداوار کے حصول سے اس ڈویژن کی آپریٹنگ کارکردگی میں نمایاں بہتری ریکارڈ کی گئی۔ انتظامیہ نے اگلے سال کیلئے حجم اورمنافع کے مزید اونچے اہداف مقرر کیے ہیں۔کمپنی کی بڑی ڈویژن ہونے کی وجہ سے اس کی بہتر کارکردگی سے اگلے مالی سال کمپنی کو بہتر مجموعی نتائج کی توقع ہے۔

Genertek ڈویژن

عالمی مارکیٹ میں تیل کی قیمتوں میں مسلسل گراوٹ کے نتیجے میں بجلی اور بھاپ کیلئے توانائی کے اخراجات نسبتاً کم ہوئے ہیں۔مزید یہ کہ ری گیسیفائیڈ ایل این جی کی مستقل فراہمی بھی ہمارے آپریشن کی کارکردگی کیلئے فائدہ مند ہے۔اس کے علاوہ رواں مالی سال کی آخری سہ ماہی میں کوئلے سے چلنے والا TPH30 بوائلر بھی استعمال میں آ گیا ہے اس سے کمپنی کے توانائی کے اخراجات مزید کم ہونے کی توقع ہے۔

کیو مارٹ کارپوریشن (پرائیویٹ) لمیٹڈ (ذیلی کمپنی)

کمپنی نے اپنے ٹیکسٹائل کے کاروبار پر توجہ مرکوز کرنے کیلئے پرچون کے کاروبار کو ختم کرنے کیلئے اس سے قبل مالی سالوں میں کیے گئے اپنے فیصلے کے تحت تمام کیو مارٹ سٹورز بند کردیئے تھے۔انتظامیہ اس وقت اس کمپنی کے فکسڈ اثاثوں کے فروخت کے عمل میں ہے۔

انفارمیشن ٹیکنالوجی

آپکی کمپنی بروقت اور موثر فیصلوں میں مدد فراہم کرنے کیلئے ایک پائیدار آئی ٹی سسٹم کیلئے مسلسل کوشش کر رہی ہے۔کمپنی نے اعلیٰ کارکردگی کے حصول کیلئے اپنے ملازمین کو جدید ترین سہولیات فراہم کر رکھی ہیں۔پروڈکشن کے عمل کی آن لائن اور بروقت اطلاع کیلئے کمپنی کے زیادہ تر مینوفیکچرنگ کے ساز وسامان اور مشینری کے اندر جدید ترین سافٹ ویئر نصب ہے۔کمپنی کا انٹرنیٹ ملازمین کو کمپنی کی پالیسیوں،طور طریقوں اور دیگر اطلاعات (جو کہ ان کیلئے فائدہ مند ہیں) پہنچانے کیلئے ایک موثر ذریعہ ہے۔

انسانی وسائل اور تربیت

کمپنی کا ماننا ہے کہ اسکے تقریباً 17 سو ملازمین اسکا مستقبل ہیں اور ہر ملازم ادارے کی کامیابی میں اپنا ایک انفرادی کردار ادا کر رہا ہے۔آپکی کمپنی کی انسانی وسائل کی ٹیم انتہائی باصلاحیت اور تجربہ کار لوگوں پر مشتمل ہے۔وہ اپنے متعلقہ امور کو انتہائی ذمہ داری سے انجام دیتے ہیں تاکہ کاروباری اہداف کو پورا کرنے کیلئے عمدہ نتائج پیش کر سکیں۔

آپ کی کمپنی ہر کسی کی انفرادی عزت،مساوی مواقع،میرٹ پر ترقی،مؤثر رابطہ اور اعلیٰ کارکردگی کے کلچر کے فروغ کا ہدف رکھتی ہے۔کمپنی تمام ملازمین کو آگے بڑھنے اور اپنے کیریئر کیلئے مختلف تجربات کے حوالے سے مواقع یقینی بنانے کیلئے جاری کوششوں میں مسلسل بہتری پر فخر کرتی ہے۔آپکی کمپنی میں تمام ملازمین کو برابری حاصل ہے اور یہ مواقع ریکروٹمنٹ اور ملازمت سمیت کمپنی کے تمام شعبوں میں قابل عمل ہیں۔سٹیٹ آف دی آرٹ ٹیکنالوجی اور ہیومن ریسورس سسٹم کے اشتراک سے پیدا کردہ اعلیٰ کارکردگی والے ماحول میں ملازمین انفرادی طور پر اپنے پیشہ وارانہ اور ذاتی عزائم پورے کر سکتے ہیں۔

تربیت اور ترقی

آپ کی کمپنی تربیت اور ترقی کے ذریعے انسانی وسائل کی بہتری پر یقین رکھتی ہے اور اپنی پیداوار کے عمل کے تمام شعبوں میں تربیت کے عمل پر زور دیتی ہے۔آپکی کمپنی اہم تکنیکی شعبوں جیسے ویورز،ٹیکنالوجی کے ماہرین اور کوالٹی کنٹرول کے معائنہ کاروں کیلئے سارا سال مؤثر تربیتی پروگراموں کی کوشش کرتی رہی ہے۔

امیدواروں کو ٹریننگ سکیم کے تحت ایک کیریئر کے راستے 6 ماہ کے عرصے تک تربیت دی جاتی ہے۔جس نے ایک انتہائی ہنرمند افرادی قوت تیار کرنے میں کمپنی کی مدد کی ہے کمپنی میں جاری تربیتی سیشن میں عمومی انتظامی،آگ بجھانا،ابتدائی طبی امداد،صحت اور حفاظت،کمپیوٹر اور تکنیکی شعبے شامل ہیں۔

حفاظت،صحت اور ماحول

آپکی کمپنی تمام ملازمین کو کام کیلئے محفوظ اور صحت مند جگہ مہیا کرتی ہے اور جس کمیونٹی اور ماحول میں وہ کام کرتے ہیں اسکی ذمہ داری بھی لیتی ہے۔کام کی جگہوں

ڈائریکٹروں کی رپورٹ

کمپنی کے ڈائریکٹروں کیلئے 30 جون 2016 کوختم ہونیوالے مالی سال کیلئے آڈٹ شدہ مالی گوشوارے پیش کرنا باعث مسرت ہے۔ یہ مالی گوشوارے کمپنیز آرڈیننس 1984 کی ضروریات کے مطابق پیش کئے جارہے ہیں۔

ٹیکسٹائل انڈسٹری کے حالات

قیمت اور مقدار دونوں کے حوالے سے برآمدات میں مجموعی طور پر مسلسل گراوٹ پوری معیشت کے لئے ایک خطرناک علامت ہے۔اگرچہ تیل کی قیمتوں میں گراوٹ سے درآمدی بلوں میں ہونیوالی کمی نے جزوی طور پر تجارت کے مجموعی توازن کو بھاری منفی اثر سے بچالیا ہے لیکن حکومت اس کے میکرو اقتصادی صورتحال پر اثرات کو روکنے کے لئے سنجیدہ اقدامات لینے میں ناکام ہوچکی ہے۔مالی سال 16-2015 کی کل ٹیکسٹائل برآمدات 12.7 ارب ڈالر ہیں جو کہ مالی سال 10-2009 کے بعد سے سب سے کم سطح ہے۔

اس منفی رجحان کو روکنے کیلئے حکومت کی طرف سے سنجیدہ اقدامات کی ضرورت ہے۔ای آر ایف کی شرح میں کمی، ٹیکسٹائل پر سیلز ٹیکس کا خاتمہ اور ری گیسیفائیڈ ایل این جی کی یقینی فراہمی حالیہ حوصلہ افزا اقدامات ہیں۔بہرحال حکومت کی طرف سے ٹیکسٹائل اور کپڑے کے شعبے کی برآمدات کو بڑھانے کے لئے بہت زیادہ اقدامات اٹھانے کی ضرورت ہے۔

مالیاتی جائزہ

گزشتہ مالی سال 15-2014 کے دوران 7906 ملین کی فروخت پر 1299 ملین روپے کے مجموعی منافع کی نسبت رواں سال 30 جون 2016 کوختم ہونے والے مالی سال کے دوران آپ کی کمپنی نے 8551 ملین روپے کی فروخت پر 1393 ملین روپے کا مجموعی منافع کمایا۔گزشتہ مالی سال کے 123 ملین (2.42 روپے فی شیئر آمدن) کے خالص منافع کی مقابلے میں مالی سال 16-2015 کے دوران آپکی کمپنی نے 119 ملین روپے (2.33 روپے فی شیئر آمدن) خالص منافع کمایا۔

انٹرنیشنل اکاؤنٹنگ سٹینڈرڈ 39 کے مطابق مالی سال 16-2015 کے خالص منافع میں 242 ملین روپے کا خالص تخمینی سود اخراجات شامل ہیں۔اس کی وجہ کم مارک اپ کی شرح سے فائدہ حاصل کرنے کیلئے سٹیٹ بینک ای آر ایف سکیم کی سہولیات میں تبادلوں اور کمپنی کے قرضوں کی تنظیم نو ہے۔گزشتہ مالی سال 15-2014 میں یہ رقم 135 ملین روپے تھی۔اگر ایسی کوئی تخمینی ایڈجسٹمنٹ نہیں ہوتی تو مالی سال 16-2015 میں خالص منافع 360 ملین روپے (7.08 روپے فی شیئر آمدن) جبکہ گزشتہ مالی سال 15-2014 میں خالص منافع 258 ملین روپے (5.07 روپے فی شیئر آمدن) رہتا۔

پیداواری صلاحیت کے بہتر استعمال، ایندھن اور بجلی کے اخراجات میں جاری بچت سے کمپنی کی رواں مالی سال کی مجموعی آپریٹنگ کارکردگی میں کچھ بہتری آئی ہے۔

ڈیویڈنڈ

بینکوں کو اصل اور منافع کی بڑی ادائیگیوں کی وجہ سے آپ کے ڈائریکٹروں نے اس سال ڈیویڈنڈ نہ دینے کا فیصلہ کیا ہے۔

کارکردگی کا جائزہ

30 جون 2016 کوختم ہونے والے مالی سال کے لئے آپ کی کمپنی کی کارکردگی کا ایک مختصر جائزہ ذیل میں درج ہے۔مہربانی فرما کر کمپنی کی گزشتہ 6 سال کی کارکردگی کا جائزہ لینے کیلئے سالانہ رپورٹ کا صفحہ 27 ملاحظہ کیجیے۔

ویونگ ڈویژن

سمندر پار مسابقت اور خام مال کی قیمتوں میں اضافے کی وجہ سے اس سال کے دوران اس ڈویژن کی کارکردگی توقع کے مطابق نہیں رہی۔انتظامیہ اگلے سال میں اس ڈویژن کی برآمدات کی کارکردگی اور منافع کو بڑھانے کے لئے کوششیں کررہی ہے۔

Kohinoor Mills Limited

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