Kohinoor
Mills Limited

Annual Report 2019

CONTENTS

Kohinoor Mills Limited

COMPANY INFORMATION

Board of Directors

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Ismail Aamir Fayyaz	Director
Mrs. Safia Fayyaz	Director
Mr. Riaz Ahmed	Director
Mr. Shahbaz Munir	Director
Mr. Matiuddin Siddiqui	Director (NIT Nominee)

Audit Committee

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	Member
Mr. Shahbaz Munir	Member

Human Resource & Remuneration Committee

Mr. Shahbaz Munir	Chairman
Mr. Riaz Ahmed	Member
Mr. Rashid Ahmed	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
MCB Bank Limited
National Bank of Pakistan
Samba 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

M/s. Hameed Majeed Associates (Pvt.) Ltd, HM House, 7 Bank Square, Lahore.
LAND LINES: (92-42) 37235081 & 82, 37310466
FAX: (92-42) 37358817

Other Corporate Information

Kohinoor Mills Limited is registered in Pakistan with Securities and Exchange Commission of Pakistan. 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

COMPANY PROFILE

From its incorporation in 1987 as a small weaving mill, over the last 32 years Kohinoor Mills has evolved into one of Pakistan's largest vertically integrated textile operations with approximately 1,960 employees and an annual turnover of Rupees 13.952 Billion. Spread on a 90-acre state of the art facility near Lahore, we supply over 70 million meters of world-class grey, white and dyed fabrics to leading fashion brands and retailers around the globe. The company is involved in three major businesses; Weaving, Dyeing & Finishing and Energy.

The company's board and management aim to create superior value for Kohinoor's customers, shareholders and suppliers without compromising commitment towards the safety, health and environment of the communities in which it operates.

WEAVING
DIVISION

Kohinoor Weaving (KW) is the flagship division of the company. Set up as a small 48-loom project on a green field site in 1988, it has now grown into a state of the art facility with 258 high-speed air jet looms from Toyoda and Picanol.

The division produces over 40 million meters of grey fabric per annum, which is partially consumed upstream by the Dyeing division, while the rest is exported to clients in Europe, Asia and non traditional markets like Russia and Africa. KW has also diversified its operations into Jacquard and Dobby fabrics for the local fashion industry and fashion brands in the US and Europe.

DYEING & FINISHING DIVISION

Kohinoor Dyeing (KD) was set up in 2002 after a strategic decision by the company to move up the apparel value chain and compete with processing mills in Europe where manufacturing costs were becoming uncompetitive. After 16 years of operations KD is now a market leader in cotton stretch fabrics for the fashion industry.

Through our R&D facility we have developed innovative fabrics and hand-feel finishes which have enabled us to become key suppliers for leading global brands like Zara, Levi's, Ralph Lauren, American Eagle and Next.

The division has capacity to produce 4 million meters of dyed, white and print fabric every month using cutting edge European machinery from Bennenger and Monforts.

ENERGY
DIVISION

Pakistan is a developing country that faces energy shortages and outages; this is very detrimental to industrial production. In 2003 Kohinoor Genertek was set up as an independent power plant to supply un-interrupted electricity to the other divisions of the company.

The division has an installed capacity of about 30 Mega-Watts electricity and 30 ton per hour steam, which can be produced on a variety of fuels such as gas, furnance oil, coal and biomass depending on price and seasonal availability.

OUR VISION

To create sustainable growth and co-existence for our shareholders, customers, suppliers, the communities we operate in and the environment.

OUR MISSION

The company shall achieve its mission through a continuous process of sourcing, developing, implementing and managing cutting edge technologies along with industry best practices and top human resources to create innovative products and services for our customers while adding positive value for our stakeholders, suppliers and the communities we operate in.

BUSINESS ACTIVITIES

Kohinoor Mills is principally engaged in three major components of textile manufacturing; Weaving, Dyeing & Finishing and Energy. The company exports grey, white and dyed fabrics to leading fashion brands and trading companies around the world. The company also operates an independent power plant to supply uninterrupted energy to its textile operations.

32 YEARS

of experience
success
quality
precision and
trust

DIRECTORS' PROFILE

Mr. Rashid Ahmed
Chairman

Mr. Rashid Ahmed is a retired senior investment and development banker. He served the banking and financial services industry for over 40 years in senior positions like Group Chief and CEO. He served Board of Directors of large corporate sector companies including telecommunication, fertilizer, cement, textile etc., and investment banks, leasing companies and modarabas.

He is currently Chairman of the Board of Directors and Member of Human Resource & Remuneration and Audit Committees. He also served as the Chairman of Audit Committee of Kohinoor Mills Limited. Mr. Rashid Ahmed is a member of Board of Governors of Lahore University of Management Sciences (LUMS) and has taught as a visiting faculty at Quaid e Azam University, Islamabad, University of The Punjab and University of Engineering and Technology, Lahore. Envisaging the qualification and vast professional experience of Mr. Rashid Ahmed, the Securities and Exchange Commission of Pakistan awarded exemption to him from Director's Training Programme.

Mr. Rashid is an MBA from IBA, Karachi and holds a Master's degree in Economics from the University of Punjab.

Mr. Aamir Fayyaz Sheikh
Chief Executive

Mr. Aamir Fayyaz Sheikh is a Pakistani entrepreneur, philanthropist, economic advisor and a keen golfer. He has been on the board of directors and serving as CEO of the company since its inception in 1987. After studying Economics at the University of Texas, he returned to Pakistan in the early eighties and joined his family business; The Kohinoor Group. After 32 years under his stewardship the company has grown from a small 48-loom weaving mill to one of Pakistan's largest vertically integrated textile operations.

Mr. Aamir Fayyaz Sheikh is actively involved in promoting Pakistan's textile industry, and has represented the Pakistan business community at numerous shows and government trade missions. He served as the Chairman of All Pakistan Textiles Mills Association, and was instrumental in negotiating the export incentive package in 2017, Pakistan's GSP+ status with the EU in 2014, amongst other contributions. Mr. Aamir Fayyaz Sheikh is also serving as Chairman of Punjab Social Security Health Management Company with a vision to transform the medical facilities to the industrial workers to an excellent level. Visuaalizing the qualification and vast professional experience of Mr. Aamir Fayyaz Sheikh, the Securities and Exchange Commission of Pakistan awarded exemption to him from Director's Training Programme required under Listed Companies (Code of Corporate Governance) Regulations, 2017.

Mr. Ismail Aamir Fayyaz
Director

Mr. Ismail Aamir Fayyaz is the son of Mr. Aamir Fayyaz Sheikh. He joined the company in 2016 after studying Physics and Philosophy at McGill University, Canada. For the past 3 years he has been heavily involved in sales and marketing, travelling extensively to new markets in order to grow KML's customer base. After the new expansion in 2018, he has been heading the Weaving division as Chief Operating Officer. Mr. Ismail is also a CFA qualified, and enjoys learning new languages.

Mr. Riaz Ahmed
Director

Mr. Riaz Ahmed obtained his MBA degree in 1964 from IBA, Karachi. He joined Service Industries Ltd (SIL), a leading manufacturers of footwear, tyres and technical rubber products and served in senior positions in marketing and general management for 38 years in Pakistan, East Africa and Gulf countries. He also worked as CEO of Shalamar Hospital Lahore. He was a founding member of Marketing Association of Pakistan Lahore Chapter and subsequently elected as Vice President and Council Member.

Mr. Riaz Ahmed at present serving Kohinoor Mills Limited as an Independent Director and Chairman of the Audit Committee. He is also serving as a member of Human Resource & Remuneration Committee. His advice plays an instrumental role in business decisions. He also serves as a Director and a Member of the Committees of the Board of SIL. He is a certified Director by completing the Director's Training Program from ICAP in 2013.

Mr. Shahbaz Munir
Director

Mr. Shahbaz Munir holds Bachelor of Commerce (Honours) degree, Hailey College of Commerce and Masters in Administrative Science from University of the Punjab. He is a certified Director by completing the Director's Training Program from ICAP in 2014.

Mr. Shahbaz is a successful professional with impeccable credibility and vision. His substantial experience encompasses working in different environments on key management and HR positions in the business of Fertilizer, Dairy, Pharmaceutical and Textiles with leading multinationals and national companies. He is currently serving as an independent Director of the Company and as a Chairman of the Human Resource & Remuneration Committee. He is also a member of Audit Committee and his professional advice and guidance is always considered valuable by the Management.

Mr. Shahbaz also attended various ILO conferences at International Training Center at Turin, Italy and also represented employers at ILO Geneva. Away from his professional commitments, he maintains a visiting teaching faculty with special interest in the subjects of Competition and Business Strategy, Human Resource Management, Organizational Development, Industrial Relations and Training Development. He also enjoys reading, playing golf, travelling and experiencing new cultures.

Mrs. Safia Fayyaz
Director

Mrs Safia Fayyaz completed her Bachelors of Arts in Philosophy and Political Science at the prestigious Kinnard College for Women in 1957. Later, she finished her diploma in French Language at Punjab University in 1959. She is the oldest daughter of late Mian Sayyeed Saigol, one of the pioneers and most prominent industrialists in the history of Pakistan. Growing up in one of the premier business houses in Pakistan, she has had first hand exposure to the highest levels of business and politics. In 1972 she started her own bespoke fashion label 'Kundan', which she ran successfully for over three decades, designing high end clothes and jewelry for clients in Pakistan and abroad.

Mr. Matiuddin Siddiqui
Director

Mr. Matiuddin Siddiqui is serving the board of directors' of Kohinoor Mills Limited as a nominee director of National Investment Trust Limited (NITL) - the largest and oldest asset management company in Pakistan. Mr. Matiuddin holds Masters degree in commerce from University of Karachi and upholds over two decades of professional experience in the field of accountancy and finance. Currently he is serving NITL as Senior Vice President - Finance.

CODE OF CONDUCT
AND ETHICAL PRINCIPLES 2019

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 top raise their concerns and get assurance that they will be protected from reprisals or victimizations 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.

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.

32nd Annual General Meeting

NOTICE OF THE MEETING

Notice is hereby given that the 32nd Annual General Meeting of the Company will be held at 8 Kilometer, Manga Raiwind Road, District Kasur on Monday, October 28, 2019 at 2:00 p.m., to transact the following business:-

1. To confirm the minutes of Extra ordinary General Meeting held on April 01, 2019.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2019, together with Directors' and Auditors' Reports thereon.
3. To approve final cash dividend for the year ended June 30, 2019 at Rs. 3.00 per ordinary share of Rs. 10/- each i.e., 30.00% as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2020 and fix their remuneration.
5. To transact any other business of the Company with permission of the Chair.

By Order of the Board

(MUHAMMAD RIZWAN KHAN)
Company Secretary

Kasur:
Monday, October 7, 2019

NOTES

1. Closure of Share Transfer Books

The share transfer books of the Company for Ordinary Shares will remain closed from October 19, 2019 to October 28, 2019 (both days inclusive) for determination of above entitlement and to attend and vote at the Annual General Meeting. Physical transfers and deposit requests under Central Depository System received at the close of business hours on Saturday, October 18, 2018, by the Company's Shares Registrar M/s Hameed Majeed Associates (Pvt.) Ltd, HM House, 7 Bank Square, Lahore, will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. Shareholders are advised to follow the under mentioned guidelines for attending the meeting:

For Attending the Meeting

a. In case of individuals/joint-account holders, as per registration details available with the Company, shall authenticate his / her/their identity by presenting his / her/their original CNIC or original Passport at the time of attending the meeting.

b. In case of corporate entity, the board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

For Appointing Proxies

a. A shareholder entitled to attend and vote at this meeting may appoint any other shareholder as proxy to attend the meeting and a proxy so appointed shall have the same rights of attending, speaking and voting at the general meeting as are available to the shareholders. A proxy must be a shareholder of the Company.
b. If a shareholder appoints more than one proxy and more than one instruments of proxy are deposited by a shareholder with the Company, all such instruments of proxy shall be rendered invalid.
c. In case of individual/joint-holders, shareholders as per registration details available with the Company shall attach an attested copy of his/her/their Computerized National Identity Card (CNIC) / Passport with the Proxy Form. The proxy shall produce his/her/their original CNIC or original passport at the time of the meeting.
d. In case of corporate entity, as per registration details available with the Company the board of directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form. The nominee shall also produce his/her original CNIC or original passport at the time of the meeting.
e. The instrument of appointing a proxy must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
f. The form of proxy is attached with this notice and is also available on investor page of website of the Company i.e., www.kohinoormills.com

Through Video conference

Shareholders individually or collectively holding 10% or more shareholding can provide their consent to participate in the meeting through video conference at least seven days prior to date of the meeting. Considering the geographical dispersal of the shareholder, the Company shall arrange video conference facility subject to the availability of such facility in that city. The Company will intimate members regarding venue of the video-link facility at least five days before the date of the general meeting along with complete information necessary to enable them to access the facility.

In this regard, shareholders are requested to fill the following form and submit to the Registered Office of the Company seven days before the date of holding of the general meeting:

Consent Form for Video Conference facility

I/We ……………..of ……………….being a member of Kohinoor Mills Limited, holder of …………………………………….……. Ordinary shares as per Registered Folio number/CDC A/c # ……………………………………….…………………… hereby opt for video conference facility at ……………………………………………………………………………………….……………
…………………………..

Signature of Member

3. Audited Financial Statements and Notice of Meeting

a) The audited financial statements for the year ended June 30, 2019 have been made available on website of the Company (www.kohinoormills.com).

b) In light of SECP notification Number SRO No. 470(I)/2016 dated May 31, 2016 Annual Audited Accounts and Notice of AGM instead of hard copies are being sent to all shareholders through courier in soft form i.e., CD/DVD/USB.

c) Members', can also opt to obtain the Annual Audited Financial Statements and Notice of AGM through e-mail. In this regard, shareholders are requested to send a written consent by post/ courier on a standard request form available on the above mentioned website of the company to Company's Shares Registrar M/s. Hameed Majeed Associates (Pvt) Limited, HM House, 7 Bank Square, Lahore, or by sending a scanned copy of duly filled and signed form by email to Company Secretary at CSKML@kohinoormills.com

4. Shareholders are requested to notify/submit the undermentioned information and documents, if not earlier provided / notified within 10 days before the entitlement date i.e., October 18, 2019, in the following manner:

• CDC Investor Account Holders	to CDC Investor Account Services (IAS)
• CDC Sub-Account Holders	to their respective Participant (broker)
• Physical Shareholders	to Company's Shares Registrar (viz CDC)

a) Mandatory submission of CNIC / NTN: Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP), CNIC numbers of shareholders are mandatory required to be mentioned on dividend warrants. Shareholders are therefore requested to submit a copy of their valid CNIC (if not provided earlier) to Company's Shares Registrar M/s. Hameed Majeed Associates (Pvt) Limited, HM House, 7 Bank Square, Lahore. Corporate entities are required to send valid and legible copies of their National Tax number (NTN) or NTN certificate(s) and must quote the name of the company and respective folio numbers thereon while sending the copies.

In case of non-submission of valid and legible copy of CNIC/NTN, the Company will be constrained to withhold the disbursement of dividend till such time the CNIC/NTN copy is provided to the Shares Registrar of the Company.

b) Dividend Mandate: In terms of Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. In order to comply with this requirement, shareholders are therefore requested to immediately provide the dividend mandate i.e., name, folio number, bank account number (IBAN), title of account, complete mailing address of the bank, branch address, branch code, email and contact numbers to the Shares Registrar of the company in case of physical shares and to the CDC in case of shares are held electronically.

c) Deduction of Withholding Tax on Dividend: Government of Pakistan through Finance Act, 2019, has made certain amendments in withholding tax provision by substituting the definition of "Filers" with "Active Taxpayer List" (ATL) of Federal Board of Revenue (FBR), whereby the company is required to collect tax on dividend under Section 150 of the Income Tax Ordinance, 2001 from the person not appearing in the ATL at the rates specified in the Ordinance which has increased by 100%. These tax rates are as under:

a. Rate of tax deduction for persons appearing in FBR ATL	15%
b. Rate of tax deduction for persons not appearing in FBR ATL	30%

Shareholders who are filers, are advised to make sure that their names are entered into latest ATL provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as person not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

d) For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately as per status of their names appearing in the ATL for principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

Kohinoor Mills Limited						
Individual/ Company Name	Folio/CDC A/c No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
			Name & CNIC #	Shareholding proportion (No of Shares)	Name & CNIC #	Shareholding proportion (No of Shares)

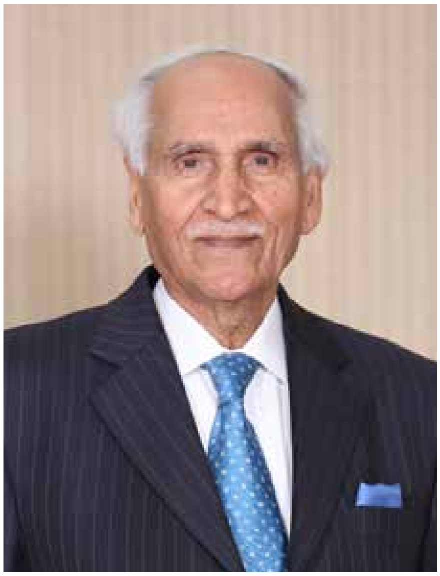
e) Exemptions - Deduction of Tax and Zakat on Dividend entitlement: Members who wants to avail the exemptions on their respective dividend entitlement are requested to furnish the following documents to the Company/Shares Registrar, if not provided earlier:

- Valid income tax exemption certificate issued by the concerned Commissioner of inland Revenue in order to avail tax exemption under Section 150 of the Income Tax Ordinance, 2001 (tax on dividend) where the statutory exemption under clause 47B of Part IV of Second Schedule is available and want to avail exemption under Section 150 of the Ordinance, otherwise tax will be deducted under the provisions of laws.

- Zakat exemption certificate/undertaking as per Zakat & Ushr Ordinance, 1980.

5. Shareholders are requested to notify change in their mailing address to our Shares Registrar at the earliest.

6. For any query/problem/information, shareholders may contact the Company's Shares Registrar M/s. Hameed Majeed Associates (Pvt) Limited, HM House, 7 Bank Square, Lahore, Land Line: (00-92-42) 37235081 and 82.



CHAIRMAN'S REVIEW REPORT

I am pleased to present the report on the overall performance of the Board and effectiveness of its role in achieving the Company's objectives as well as ensuring overall compliance of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2017. The Board performed its duties with honesty and diligence in the best interest of the Company. I as Chairman of the Board, ensured that the board meetings are held in a congenial atmosphere focusing on achieving the goals.

Despite many operational challenges during the financial year 2018-19, mainly attributable to high cost of production as compared to that of our competitors, we have been able to show improvement in profitability through persistence and diligent efforts.

The composition of the Board of Directors reflects mix of varied backgrounds and rich experiences in the fields of business, finance, banking and human resource. It represents an excellent balance of executive and non-executive directors including independent directors, having strong financial and analytical abilities, core competencies and industry knowledge to lead the company.

During the year, Board of Directors focused on the future strategies and on setting the financial and operational targets. The Board regularly tracked the progress against the budgeted targets. The Subcommittees of the Board also performed their functions as per their terms of reference during the year under review. The Board carried out reviews of its effectiveness and performance during the year which have been satisfactory.

As stated above, Board considered all aspects of Company's activities including performance of individual Directors, Board Committees and I am happy to report that your Board of Directors continue to function effectively and is focused on priorities for the Company's business.

Kasur, October 7, 2019

RASHID AHMED
Chairman

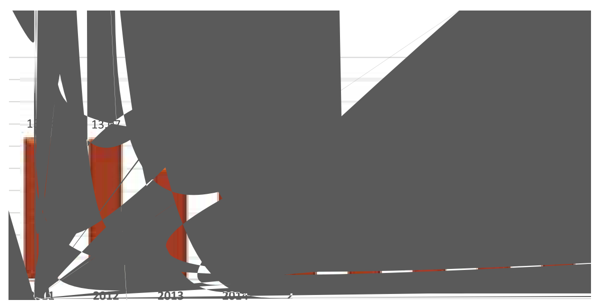
DIRECTORS' REPORT

The Directors of Kohinoor Mills Limited are pleased to present the Annual Report, together with the audited financial statements and Auditors' Report thereon for the year ended June 30, 2019.

Textile Industry Outlook

With the change in the political scenario of the country last year, there were high hopes that various issues faced by the economy as a whole and especially, the export based industry would be resolved expeditiously by the new Government. Many of the problems faced by the industry were addressed including reduction in utilities tariffs for the export sector, devaluation of Pak Rupee, release of funds under DLTL and DDT schemes and releasing sales tax refunds. However, a long term textile policy to generate export led growth is still being awaited.

Textile industry contributes 56% percent of total export of goods of Pakistan. During FY19, Pakistan's exports of goods stood at US$ 24.2 billion compared with US$ 24.7 billion during FY18. The textile exports for FY19 closed at US$ 13.64 billion, registering only 1.3% growth. The capacity constraint was one of the major issues which continued to restrain any substantial increase for textile exports.



The incumbent government has inherited the economy facing multiple challenges including unsustainable twin deficits that pose serious risks to the economy. Hence, to correct the imbalances in the economy, authorities have taken steps to curtail the current account deficits and tighten the monetary policy to contain demand. SBP has allowed greater flexibility in the exchange rate adjustments. Consequently, rupee devalued against USD from Rs. 121.51 at close of FY18 to Rs. 160.03 at 30th June 2019, representing devaluation of 31.7%.

Similarly, to curtail aggregate demand, State Bank of Pakistan has allowed policy rate to be increased by 575 bps from 6.5% to 12.25% since close of FY18. Subsequent to the year end, SBP further increased policy rate by 100 bps, taking the policy rate to 13.25%.

Operating & Financial Results

During the financial year ended 30 June 2019, your company earned a gross profit of Rs. 2,013 million on sales of Rs. 13,952 million compared to gross profit of Rs. 1,303 million on sales of Rs. 10,855 million for the previous financial year. During the financial year ended 30 June 2019, your company recorded a net profit of Rs. 728.7 million (EPS: Rs. 14.3 per share), compared to net profit of Rs. 239.1 million (EPS: Rs. 4.7 per share) in the previous financial year.

The company, despite many operational challenges attributable to high cost of production as compared to that of our regional players, has been able to deliver improvement in profitability through persistent and diligent efforts.

Dividend

The Board of Directors has proposed a final cash dividend for the year ended 30 June 2019 of Rupees 3.00 per share.

Performance Overview

A brief overview of performance of your company for the year ended 30 June 2019 is discussed below:

Weaving Division

The management was able to reap rewards of its BMR expansion plan in this division with installation of 84 state of the art high speed Air Jet Looms. This has witnessed a significant increase in turnover as well as bottom line of the division as compared to comparative period. The management is of the view that this will enable the company to cater for the increased market demand and will result in a positive impact on the bottom line in the coming period as well.

Further, during the current financial year, management is planning to replace existing 68 looms with high speed energy efficient looms under BMR project. This will result in increased production capacity along with optimized operating cost.

Dyeing Division

The production capacity of this division has increased by 20% due to installation of additional machinery in the period under review. Enhanced production capacity along with exchange gains realization on rupee devaluation not only resulted in increased turnover but also enhanced profitability of this division. However part of this profit was knocked off by raw material price-hike. Management is optimistic to continue this trend in next financial year.

Genertek Division

The Government has announced the price for gas at US$ 6.5 per MMBTU (effective from 27th September 2018) and electricity at 7.5 US cents per KWH (effective from 1st January 2019) for export oriented sectors, this has helped in reducing the cost of energy of the company in current financial year.

In order to reduce the cost of steam and to get benefit from low cost alternatives, we keep on shifting our boilers either on seasonal bio-mass fuels or on coal which helps us in minimizing the steam cost.

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 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 approximately 1,960 employees, the company believes that employees are indispensable in shaping company's future where each individual contributes directly to 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. Its philanthropic activities include participation in health and education sector initiatives.

Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017

Your Company is committed to maintain high standards of corporate governance. The Board and its Subcommittees acknowledges its responsibilities in this respect and a statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 and Auditors' review report on the same is annexed to this report.

Statement of Value Addition and its Distribution and Risk Management

The ‘Statement of Value Addition and its Distribution’ is annexed to this report.

Financial Reporting and Corporate Compliance

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 Act, 2017. 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. Proper books of account have been maintained by the Company.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements except for changes in accounting policies stated in note 2.9 and note 2.16 to the financial statments. 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.

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

f. There are no 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 listed companies (Code of Corporate Governance) Regulations,2017.

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

i. The operating and financial data of past six years is annexed to this report.

j. 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.

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

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

30-Jun-19	Rs. 149.085 million
30-Jun-18	Rs. 136.105 million

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. 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.

The total number of directors are seven as per the following:

a. Male

i. Mr. Rashid Ahmed
ii. Mr. Aamir Fayyaz Sheikh
iii. Mr. Ismail Aamir Fayyaz
iv. Mr. Riaz Ahmed
v. Mr. Shahbaz Munir
vi. Mr. Matiuddin Siddiqui (NIT Nominee)

b. Female

vii. Mrs. Safia Fayyaz

Changes in the Board

During the year under review the election of directors of your company was held on April 01, 2019 and seven directors were elected for a term of three years. However, due to sad demise of Mr.Asad Fayyaz Sheikh on April 23, 2019, Mr. Ismail Aamir Fayyaz was appointed in place of the deceased directors for the remainder of the term of three years.

The composition of the present board members is as follows:

a.	Independent Director	Mr. Riaz Ahmed Mr. Shahbaz Munir
b.	Other Non-Executive Directors	Mr. Rashid Ahmed Mr. Matiuddin Siddiqui Mrs. Safia Fayyaz
c.	Executive Directors	Mr. Aamir Fayyaz Sheikh Mr. Ismail Aamir Fayyaz

During the year under review four (4) 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 - Chairman	4
2	Mr. Aamir Fayyaz Sheikh - Chief Executive	4
** 3	Mr. Ismail Aamir Fayyaz - Director	-
4	Mr. Asad Fayyaz Sheikh - Director	3
* 5	Mr. Ali Fayyaz Sheikh - Director	2
* 6	Mrs. Safia Fayyaz - Director	-
7	Mr. Riaz Ahmed - Director	4
8	Mr. Shahbaz Munir - Director	4
9	Mr. Matiuddin Siddiqui - Director NIT Nominee	3

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

* Mrs. Safia Fayyaz was elected in place of Mr. Ali Fayyaz Sheikh as on March 31, 2019

** Mr. Ismail Aamir Fayyaz was appointed as director as on June 25, 2019, in place of the deceased Director, Mr. Asad Fayyaz Sheikh.

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:

S.No.	Name	Nature of Transaction	Number of Shares	From/To
1	Mr. Aamir Fayyaz Sheikh Chief Executive	Gift in	11,616,027	From relative
		By Succession	2,557,359	From relative
		Gift out	(15,273,300)	To relative
2	Mr. Asad Fayyaz Sheikh Director (died on April 23, 2019)	By Succession	(10,961,678)	To legal heirs
3	Mr. Ali Fayyaz Sheikh Director (retired on March 31, 2019)	Gift out	(3,204,542)	To relative
		By Succession	2,557,359	From relative
		Gift out	(1,312,833)	To relative
4	Mr. Ismail Aamir Fayyaz Director	Gift in	5,091,100	From relative
5	Mrs. Safia Fayyaz Director	Gift out	(1,229,757)	To relative
		By Succession	1,827,311	From relative
		Gift out	(1,827,311)	To relative
6	Mr. Ehsan Aamir Fayyaz S/o. Mr. Aamir Fayyaz Sheikh became substantial shareholder as on June 25, 2019	Gift in	5,091,100	From relative
7	Ms. Imrat Aamir Fayyaz D/o. Mr. Aamir Fayyaz Sheikh became substantial shareholder as on June 25, 2019	Gift in	5,091,100	From relative
8	Mrs. Muneeza Asad Fayyaz Widow of Mr. Asad Fayyaz Sheikh	By Succession	2,740,422	From deceased husband

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' Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and CEO in 2018-19, please refer notes to the Financial Statements.

Directors' Training Programme

Securities and Exchange Commission of Pakistan granted exemption to the Chairman and Chief Executive of your company from Directors' Training Programme (DTP) on February 7, 2019. Two independent directors, Mr. Riaz Ahmed and Mr. Shahbaz Munir had already completed their DTP from ICAP in the financial year 2013 and 2014. However, the remaining three directors will undergo for training within the time frame as mentioned in the Listed Companies (Code of Corporate Governance) Regulations, 2017.

Audit Committee

The Board has formed an Audit committee comprising of following members:

1	Mr. Riaz Ahmed	Chairman
2	Mr. Rashid Ahmed	Member
3	Mr. Shahbaz Munir	Member

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 four (4) 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 - Chairman	4
2	Mr. Rashid Ahmed - Member	4
3	Mr. Shahbaz Munir - Member	3
* 4	Mr. Ali Fayyaz Sheikh - Member	2

Leave of absence was granted to the members unable to attend the meeting.
* Mr. Ali Fayyaz Sheikh retired from the Board and the Committee as on March 31, 2019.

Human Resource and Remuneration Committee

The Board has formed a Human Resource and Remuneration Committees comprising of following members:

1	Mr. Shahbaz Munir	Chairman
2	Mr. Rashid Ahmed	Member
3	Mr. Riaz Ahmed	Member

The Human Resource and Remuneration Committee (HR & R) operates according to terms of reference approved by the Board of Directors in line with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017.

During the year under review four (4) 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. Shahbaz Munir – Chairman	4
2	Mr. Rashid Ahmed – Member	4
3	Mr. Riaz Ahmed – Member	4

Remuneration to Non-Executive / Independent Directors:

The Board of Directors ratified the policy relating to Directors' Remuneration. The significant features of which are as under:

- No single member of the Board of Directors can determine his/her own remuneration.
- Remuneration of Non-Executive Directors including independent Directors is determined with regard to the Company's need to maintain appropriately experienced and qualified Board members and shall be aligned with market practice. The Human Resource & Remuneration Committee makes recommendations to the Board on survey of comparable remuneration levels in the external market on or before the end of each financial year.

- The Directors shall be entitled to be paid all reasonable expenses, including travelling, hotel charges and other expenses incurred by them for attending meetings and for other business conducted as per relevant policy of the Company.

- Tax obligation against the remuneration shall be borne by the Company.

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, 2019, as required under the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2017, is annexed with this report.

Future Prospects

The government has taken number of initiatives like supply of gas and electricity to export industry at regional competitive rates, continuation of prime minister's export package of 2017, expeditious sales tax refunds and duty drawbacks, low rates for export refinancing schemes. All these measures are likely to pay dividend with lag effect. However, the zero-rating removal will pose some serious liquidity concerns for the textile sector. To cater for the liquidity problem, the Government has assured exporters that a reliable and prompt refund mechanism is soon to be set up.

Factors such as monetary policy tightening, exchange rate adjustments, regulatory measures, and uncertainty among certain quarters of the business community regarding the future path of economic policies, which set the tone for the broader economic slowdown will likely affect the textile industry as well.

While on the other hand, our company invested in BMR projects which results in installation of additional capacity in both Dyeing and Weaning Division in previous financial year, management is confident to take advantage of capacity utilization and to operate at a capacity level which will bring down the cost of production. Order book position for FY20 is quite promising and supportive to operate at high capacity levels. Keeping in view the aforesaid measures taken by the management and Government's positive action towards textile reforms, we are very positive to maintain our market share in FY20.

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 Act, 2017, they have offered their services as auditors of the company for the year ending June 30, 2020. 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 registered with the Audit Oversight Board of Pakistan. 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 and that no partner of the firm or person involved in the audit are close relative i.e, spouse, parents, dependents and non-dependents children of the CEO, the CFO, the head of internal audit, the company secretary or a director 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 employees of the company.

For and on behalf of the Board

Kasur :	(AAMIR FAYYAZ SHEIKH)	(SHAHBAZ MUNIR)
October 02, 2019	Chief Executive	Director

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	30 June 2019

4.

Number of Shareholders	Shares held Range From		To	Total Shares held	Percentage
347	1	-	100	6,834	0.01
689	101	-	500	145,387	0.29
105	501	-	1000	83,379	0.16
190	1001	-	5000	467,909	0.92
34	5001	-	10000	246,586	0.48
18	10001	-	15000	240,627	0.47
13	15001	-	20000	232,191	0.46
6	20001	-	25000	138,382	0.27
4	25001	-	30000	113,647	0.22
5	30001	-	35000	158,000	0.31
1	40001	-	45000	45,000	0.09
3	45001	-	50000	142,503	0.28
1	50001	-	55000	51,000	0.10
2	55001	-	60000	116,500	0.23
2	65001	-	70000	134,049	0.26
2	80001	-	85000	161,867	0.32
1	105001	-	110000	107,000	0.21
1	110001	-	115000	112,500	0.22
1	140001	-	145000	141,000	0.28
1	170001	-	175000	172,000	0.34
2	175001	-	180000	355,500	0.70
1	190001	-	195000	193,500	0.38
2	195001	-	200000	400,000	0.79
1	215001	-	220000	220,000	0.43
1	220001	-	225000	222,467	0.44
1	240001	-	245000	242,500	0.48
1	255001	-	260000	256,350	0.50
1	765001	-	770000	768,500	1.51
1	1020001	-	1025000	1,023,661	2.01
1	2270001	-	2275000	2,273,001	4.46
1	2990001	-	2995000	2,990,422	5.87
1	3085001	-	3090000	3,086,559	6.06
3	5090001	-	5095000	15,273,300	30.00
1	8965001	-	8970000	8,965,548	17.61
1	11620001	-	11625000	11,623,342	22.83
1,445	**T o t a l**			**50,911,011**	**100.00**

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

5	Categories of Shareholders	Number of Shareholders	Shares held	Percentage of holding
5.1	Directors, Chief Executive Officer, their Spouse(s) and Minor Children	8	19,760,714	38.8142
5.2	Associated Companies, Undertakings and Related Parties	Nil	Nil	Nil
5.3	NIT and ICP	3	3,088,659	6.0668
5.4	Banks, Development Financial institutions, Non-Banking Financial Companies	6	220,104	0.4323
5.5	Insurance Companies	1	125	0.0002
5.6	Takaful, Modarabas, Pension Funds & Mutual Funds	3	81,379	0.1598
5.7	Share holders holding 5% or more	7	41,939,171	82.3774
5.8	General Public			
	a. Local	1381	23,856,188	46.8586
	b. Foreign	4	82,636	0.1623
	c. Joint Stock Companies	29	2,613,043	5.1326
5.9	Others			
	Lahore Stock Exchange		680	0.0013
	Trustee-Kohinoor Mills Limited - Staff Provident Fund		141,000	0.2770
	Trustee-Kohinoor Mills Limited - Staff Provident Fund		768,500	1.5095
	Trustees Al-Mal Group Staff Provident Fund		1,694	0.0033
	Trustees Al-Mal Group Staff Provident Fund		1	0.0000
	Trustees of Pakistan Mobile Communication Ltd - Provident Fund		57,000	0.1120
	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		1	0.0000
	Trustees Moosa Lawai Foundation		9,014	0.0177
		10	1,208,163	2.3731
	TOTAL (by eliminating dual effect of figures at Sr# 5.7 obtained from Sr# 5.1)	**1,445**	**50,911,011**	**100.00**

Additional Information

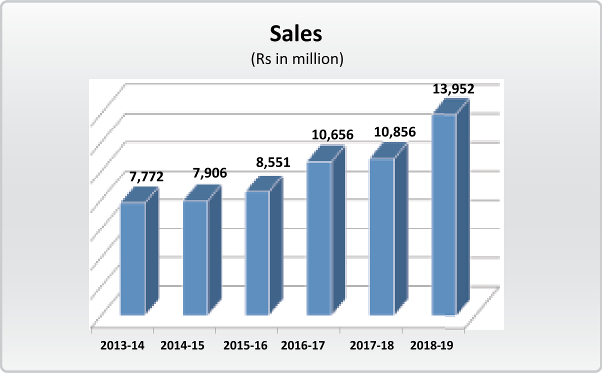
		Number of Shares held
I.	Associated Companies, Undertakings and Related Parties	
	Nil	-
II.	Mutual Funds	80,500
III.	Directors, CEO and their Spouse(s) and minor children	
	Mr. Rashid Ahmed (Chairman)	3,850
	Mr. Aamir Fayyaz Sheikh (Chief Executive)	11,623,342
	Mrs. Safia Fayyaz (Director)	2,500
	Mr. Ismail Aamir Fayyaz (Director)	5,091,100
	Mr. Riaz Ahmed (Director)	30,500
	Mr. Shahbaz Munir (Director)	19,000
	Mr. Matiuddin Siddiqui (Director NIT Nominee)	-
	Mrs. Muneeza Asad Fayyaz (Director's Spouse of Late. Mr. Asad Fayyaz Sheikh)	2,990,422
		19,760,714
IV.	Executives	258,850
V.	Public Sector Companies and Corporations	16,832
VI.	Banks, Development Finance Institutions, Non-banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	6,003,310
VII.	Shareholders holding five percent or more voting Rights	
	Mr. Aamir Fayyaz Sheikh	11,623,342
	Mr. Ali Fayyaz Sheikh	8,965,548
	Mr. Ismail Aamir Fayyaz	5,091,100
	Mrs. Imrat Aamir Fayyaz	5,091,100
	Mr. Ehsan Aamir Fayyaz	5,091,100
	Mrs. Muneeza Asad Fayyaz	2,990,422
	CDC- Trustee National Investment (Unit) Trust	3,086,559
		41,939,171

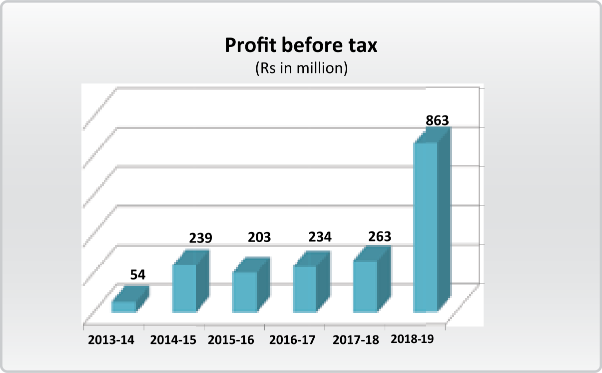
Information relating to all trades in the share of the Company as at June 30, 2019 carried out by its Directors, Executives, their spouses and minor children are disclosed in the Directors' Report of The Company.

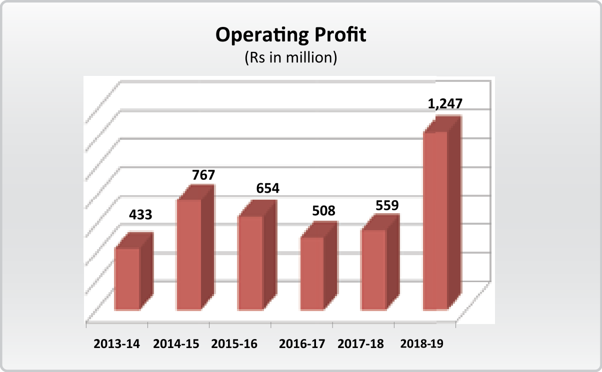
SIX YEARS' PERFORMANCE

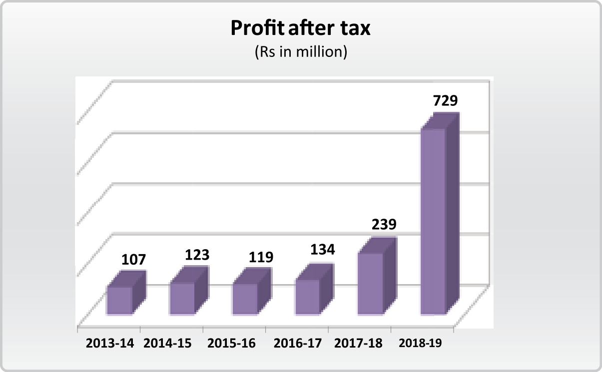
		2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
OPERATING							
Gross Margin	%	14.43	12.00	13.56	16.29	16.43	13.45
Pre Tax Margin	%	6.19	2.42	2.19	2.37	3.03	0.70
Net Margin	%	5.22	2.20	1.26	1.39	1.56	1.37
PERFORMANCE							
Return on Long Term Assets	%	14.68	4.75	3.63	3.16	3.11	3.01
Total Assets Turnover	x	1.28	1.22	1.63	1.35	1.26	1.30
Fixed Assets Turnover	x	2.86	2.20	2.96	2.37	2.14	2.26
Inventory Turnover	Days	57.39	54.14	50.25	59.13	58.34	52.80
Return on Equity	%	19.43	7.69	6.44	6.10	6.20	6.91
Return on Capital Employed	%	27.23	13.71	17.56	22.70	18.86	10.98
Retention	%	79.04	74.44	58.22	100	100	100
LEVERAGE							
Debt:Equity		54:46	55:45	57:43	35:65	56:44	64:35
LIQUIDITY							
Current	Times	0.94	0.80	0.78	0.75	1.05	1.19
Quick	Times	0.58	0.48	0.42	0.39	0.56	0.70
VALUATION							
Earning per share (pre tax)	Rs.	16.96	5.16	4.59	3.98	4.70	1.06
Earning per share (after tax)	Rs.	14.31	4.70	2.63	2.33	2.42	2.09
Breakup value	Rs.	73.68	61.03	40.89	38.28	38.96	30.33
Dividend payout - Cash	Rs.	3.00	1.20	1.10	-	-	-
Bonus issue	%	-	-	-	-	-	-
Payout ratio - Cash (after tax)	%	20.96	25.56	41.78	-	-	-
Price earning ratio	Times	1.57	6.30	18.16	8.65	7.16	5.96
Market price to breakup value	Times	0.31	0.48	1.17	0.53	0.44	0.41
Dividend yield	%	7.79	3.62	3.28	-	-	-
Market value per share	Rs.	22.49	29.58	47.81	20.20	17.30	12.49
Market capitalization	Rs. In million	1,145	1,506	2,434	1,028	881	636
HISTORICAL TRENDS							
Turnover	Rs. In million	13,952	10,856	10,656	8,551	7,906	7,772
Gross profit	Rs. In million	2,014	1,303	1,445	1,393	1,299	1,045
Profit before tax	Rs. In million	863	263	234	203	239	54
Profit after tax	Rs. In million	729	239	134	119	123	107
FINANCIAL POSITION							
Shareholder's funds	Rs. In million	3,751	3,107	2,082	1,949	1,983	1,544
Property Plant and Equipment	Rs. In million	4,884	4,930	3,603	3,614	3,694	3,441
Current assets	Rs. In million	5,904	3,833	2,842	2,592	2,326	2,445
Current liabilities	Rs. In million	6,288	4,784	3,648	3,474	2,207	2,047
Long term assets	Rs. In million	4,964	5,032	3,696	3,761	3,951	3,542
Long term liabilities	Rs. In million	829	974	808	930	2,086	2,396

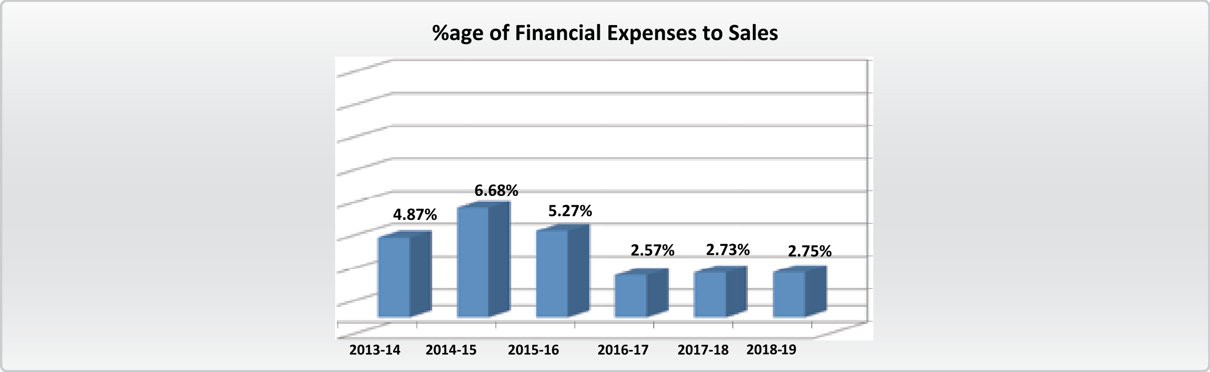
PERFORMANCE OVERVIEW

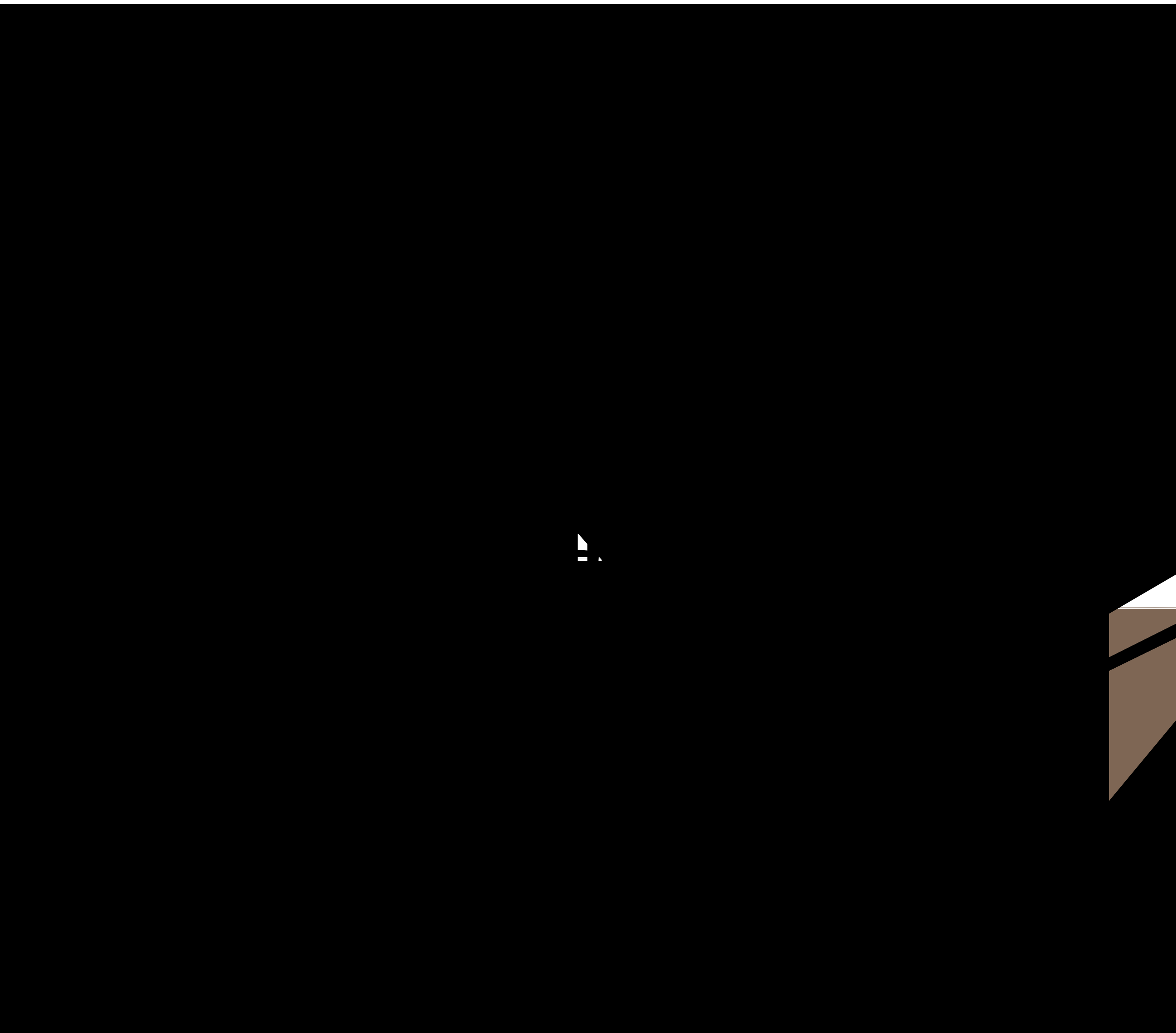








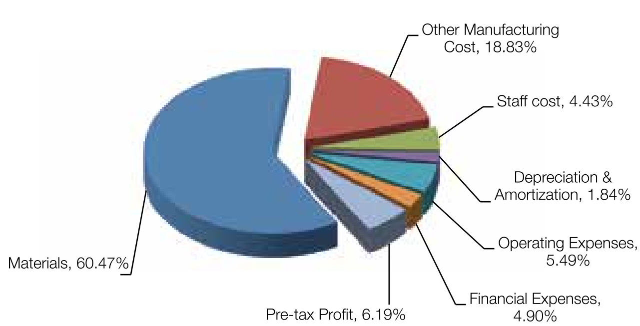




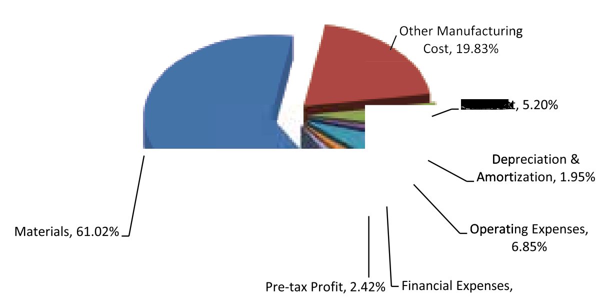
STATEMENT OF VALUE ADDITION

	2019		2018	
	%age	Amount (000)	%age	Amount (000)
Value Added				
Local Sales	21.42%	2,988,230	20.33%	2,206,669
Export Sales	78.58%	10,963,947	79.67%	8,649,078
Total Sales	100%	13,952,176	100%	10,855,746
Value Allocated				
Materials	60.47%	8,437,310	61.02%	6,624,709
Other Manufacturing Cost	18.83%	2,627,057	19.83%	2,152,450
Staff cost	4.43%	617,709	5.20%	564,304
Depreciation & Amortization	1.84%	256,538	1.95%	211,272
Operating Expenses	5.49%	766,414	6.85%	743,620
Financial Expenses	2.75%	383,946	2.73%	296,844
Pre-tax Profit	6.19%	863,202	2.42%	262,548
	100%	13,952,176	100%	10,855,747

Application of Revenue for 2019



Application of Revenue for 2018



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017 FOR THE YEAR ENDED JUNE 30, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

a. Male

i. ii. iii.	Mr. Rashid Ahmed Mr. Aamir Fayyaz Sheikh Mr. Ismail Aamir Fayyaz	iv. v. vi.	Mr. Riaz Ahmed Mr. Shahbaz Munir Mr. Matiuddin Siddiqui (NIT Nominee)

b. Female

vii. Mrs. Safia Fayyaz

2. The composition of the board is as follows:

a.	Independent Director	Mr. Riaz Ahmed Mr. Shahbaz Munir
b.	Other Non-Executive Directors	Mr. Rashid Ahmed Mr. Matiuddin Siddiqui Mrs. Safia Fayyaz
c.	Executive Directors	Mr. Aamir Fayyaz Sheikh Mr. Ismail Aamir Fayyaz

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.

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

5. 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.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Security and Exchange Commission of Pakistan granted exemption to the Chairman and the Chief Executive of the Company due to relevancy of the qualification and experience as required under Sub-regulation (2) of Regulation 20 of the Listed Companies (Code of Corporate Governance) Regulations, 2017. Two directors have already completed directors' training programme. However, remaining three directors will undergo directors' training programme within the time allowed by CCG.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

    Audit Committee

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	Member
Mr. Shahbaz Munir	Member

    HR and Remuneration Committee

Mr. Shahbaz Munir	Chairman
Mr. Riaz Ahmed	Member
Mr. Rashid Ahmed	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings (quarterlty/half yearly/yearly) of the committees were as per following:

    i) Audit Committee – Four quarterly meetings held during the year end 30 June 2019.
    ii) HR and Remuneration Committee – Four quarter meetings were held during the year ended 30 June 2019.

15. The Board has setup an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. 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) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other Regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

Kasur :
02 October 2019

Chairman

Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kohinoor Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Kohinoor Mills Limited (the Company) for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

RIAZ AHMAD & COMPANY
Chartered Accountants

LAHORE

DATE: 02 October 2019

Financial Statements
For the year ended 30 June 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Kohinoor Mills Limited ('the Company'), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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 2019 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	Inventory existence and valuation Inventory as at 30 June 2019 amounted to Rupees 2,233.391 million and represented a material position in the statement of financial position, break up of which is as follows: - Stores, spares and loose tools Rupees 417.861 million, - Stock-in-trade Rupees 1,815.530 million The business is characterized by high volume serial production and the valuation and existence of inventories are significant to the business. Therefore, considered as one of the key audit matters. Inventories are stated at lower of cost and net realizable value. Cost is determined as per accounting policy disclosed in note 2.12 to the financial statements. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost. Useable stores, spares and loose tools are valued at weighted average cost, raw materials are valued at weighted average cost whereas, costing of work-in-process and finished goods is considered to carry more significant risk as the cost of material, labor and manufacturing overheads is allocated on the basis of complex formulas and involves management judgment. The determination of whether inventory will be realised for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required: • Use inventory ageing reports together with historical trends to estimate the likely future saleability of slow moving and older inventory items.	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory. • In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs. • We also made enquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.

Sr. No.	Key audit matters	How the matter was addressed in our audit
	• Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realisable value and a specific write down is recognized, if required. For further information on inventory, refer to the following: - Summary of significant accounting policies, Inventories note 2.12 to the financial statements. - Stores, spares and loose tools note 18 and Stock-in-trade note 19 to the financial statements.	
2	Revenue recognition The Company recognized net revenue of Rupees 13,952.176 million for the year ended 30 June 2019. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Summary of significant accounting policies, Revenue recognition note 2.16 to the financial statements. - Revenue note 26 to the financial statements.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We compared the details of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation. We also considered the appropriateness of disclosures in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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

The engagement partner on the audit resulting in this independent auditor's report is Syed Mustafa Ali.

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore

DATE: 02 October 2019

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 Rupees	2018 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
Capital reserves			
Share premium reserve	5	213,406,310	213,406,310
Fair value reserve	5	32,761,682	45,822,419
Surplus on revaluation of operating fixed assets - net of tax	5	1,831,887,993	1,875,429,430
Revenue reserves			
General reserve	5	940,932,315	1,002,025,528
Accumulated profit / (loss)	5	222,791,553	(538,840,013)
TOTAL EQUITY		3,750,889,963	3,106,953,784
LIABILITIES			
Non-current liabilities			
Long term financing - secured	6	535,964,554	714,981,736
Deferred liabilities	7	292,887,875	259,180,425
		828,852,429	974,162,161
Current liabilities			
Trade and other payables	8	1,927,441,680	1,431,614,471
Accrued mark-up	9	43,469,479	57,918,203
Loan from ex-sponsor	10	272,000,000	272,000,000
Short term borrowings - secured	11	3,644,020,840	2,766,332,000
Current portion of long term financing	6	251,375,586	230,251,470
Unclaimed dividend		5,715,206	5,214,080
Provision for taxation		144,307,184	20,488,000
		6,288,329,975	4,783,818,224
TOTAL LIABILITIES		7,117,182,404	5,757,980,385
Contingencies and commitments	12		
TOTAL EQUITY AND LIABILITIES		10,868,072,367	8,864,934,169

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

AAMIR FAYYAZ SHEIKH CHIEF EXECUTIVE	KAMRAN SHAHID CHIEF FINANCIAL OFFICER

	Note	2019 Rupees	2018 Rupees
ASSETS			
Non-current assets			
Fixed assets	13	4,884,225,565	4,929,718,807
Intangible asset	14	-	-
Investment properties	15	1,981,607	21,778,199
Long term investments	16	55,381,750	58,161,750
Long term deposits	17	22,698,957	22,032,757
		4,964,287,879	5,031,691,513
Current assets			
Stores, spares and loose tools	18	417,861,264	367,434,705
Stock-in-trade	19	1,815,530,274	1,153,505,319
Trade debts	20	2,133,325,884	1,359,170,774
Advances	21	320,536,283	120,569,457
Short term deposits and prepayments	22	18,368,252	20,555,648
Other receivables	23	582,550,551	563,715,816
Sales tax recoverable	24	188,735,078	153,300,707
Cash and bank balances	25	426,876,902	94,990,230
		5,903,784,488	3,833,242,656
TOTAL ASSETS		10,868,072,367	8,864,934,169

SHAHBAZ MUNIR
DIRECTOR

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees	2018 Rupees
Revenue	26	13,952,176,310	10,855,746,857
Cost of sales	27	(11,938,614,112)	(9,552,735,408)
Gross profit		2,013,562,198	1,303,011,449
Distribution cost	28	(729,464,578)	(581,102,619)
Administrative expenses	29	(324,354,712)	(267,135,807)
Other expenses	30	(142,529,962)	(38,705,008)
		(1,196,349,252)	(886,943,434)
		817,212,946	416,068,015
Other income	31	429,935,404	143,323,656
Profit from operations		1,247,148,350	559,391,671
Finance cost	32	(383,946,174)	(296,844,112)
Profit before taxation		863,202,176	262,547,559
Taxation	33	(134,450,989)	(23,491,272)
Profit after taxation		728,751,187	239,056,287
Earnings per share - basic and diluted	34	14.31	4.70

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

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	SHAHBAZ MUNIR
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	2019 Rupees	2018 Rupees
PROFIT AFTER TAXATION	728,751,187	239,056,287
OTHER COMPREHENSIVE (LOSS) / INCOME		
Items that will not be re-classified to profit or loss:		
Deficit arising on re-measurement of investment at fair value through other comprehensive income	(15,589,615)	-
Gain on revaluation of operating fixed assets	-	855,798,743
Deferred income tax relating to this item	2,528,878	(24,313,918)
	(13,060,737)	831,484,825
Items that may be re-classified subsequently to profit or loss:		
Surplus arising on re-measurement of available for sale investment to fair value	-	9,043,521
Deferred income tax relating to this item	-	(741,997)
	-	8,301,524
Other comprehensive (loss) / income for the year - net of tax	(13,060,737)	839,786,349
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	715,690,450	1,078,842,636

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

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	SHAHBAZ MUNIR
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	35	356,368,988	309,477,627
Income tax paid		(143,097,562)	(94,086,703)
Net increase in long term deposits		(666,200)	(214,270)
Finance cost paid		(347,176,241)	(263,186,815)
NET CASH USED IN OPERATING ACTIVITIES		(134,571,015)	(48,010,161)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(264,341,221)	(720,845,360)
Proceeds from disposal of operating fixed assets		34,537,889	11,966,680
Proceeds from disposal of investment property		50,000,000	-
Dividend received		2,976,953	1,609,653
NET CASH USED IN INVESTING ACTIVITIES		(176,826,379)	(707,269,027)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		88,640,000	415,700,000
Repayment of long term financing		(262,452,687)	(212,838,766)
Short term borrowings - net		877,688,840	633,562,000
Dividend paid		(60,592,087)	(55,519,568)
NET CASH FROM FINANCING ACTIVITIES		643,284,066	780,903,666
NET INCREASE IN CASH AND CASH EQUIVALENTS		331,886,672	25,624,478
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		94,990,230	69,365,752
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		426,876,902	94,990,230

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

AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

SHAHBAZ MUNIR
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	SHARE CAPITAL	RESERVES								TOTAL EQUITY
		CAPITAL RESERVES					REVENUE RESERVES			
		Share premium reserve	Fair value reserve AFS investments	Fair value reserve FVTOCI investments	Surplus on revaluation of operating fixed assets - net of tax	Sub Total	General reserve	Accumulated profit / (loss)	Sub Total	
	RUPEES									
Balance as at 30 June 2017	509,110,110	213,406,310	37,520,895	-	1,061,413,426	1,312,340,631	1,058,027,640	(797,776,071)	260,251,569	2,081,702,310
Transaction with owners - Final dividend for the year ended 30 June 2017 @ Rupee 1.10 per share of Rupees 10 each	-	-	-	-	-	-	(56,002,112)	-	(56,002,112)	(56,002,112)
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	-	(19,879,771)	(19,879,771)	-	19,879,771	19,879,771	-
Surplus on revaluation of operating fixed assets - adjustment due to change in tax rate	-	-	-	-	2,410,950	2,410,950	-	-	-	2,410,950
Profit for the year ended 30 June 2018	-	-	-	-	-	-	-	239,056,287	239,056,287	239,056,287
Other comprehensive income for the year ended 30 June 2018	-	-	8,301,524	-	831,484,825	839,786,349	-	-	-	839,786,349
Total comprehensive income for the year ended 30 June 2018	-	-	8,301,524	-	831,484,825	839,786,349	-	239,056,287	239,056,287	1,078,842,636
Balance as at 30 June 2018	509,110,110	213,406,310	45,822,419	-	1,875,429,430	2,134,658,159	1,002,025,528	(538,840,013)	463,185,515	3,106,953,784
Adjustment on adoption of IFRS 9	-	-	(45,822,419)	45,822,419	-	-	-	(5,685,007)	(5,685,007)	(5,685,007)
Adjustment on adoption of IFRS 15	-	-	-	-	-	-	-	(1,567,719)	(1,567,719)	(1,567,719)
Adjusted total equity as at 01 July 2018	509,110,110	213,406,310	-	45,822,419	1,875,429,430	2,134,658,159	1,002,025,528	(546,092,739)	455,932,789	3,099,701,058
Transaction with owners - Final dividend for the year ended 30 June 2018 @ Rupee 1.20 per share of Rupees 10 each	-	-	-	-	-	-	(61,093,213)	-	(61,093,213)	(61,093,213)
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	-	(40,133,105)	(40,133,105)	-	40,133,105	40,133,105	-
Surplus on revaluation of operating fixed assets - adjustment due to change in tax rate	-	-	-	-	(3,408,332)	(3,408,332)	-	-	-	(3,408,332)
Profit for the year ended 30 June 2019	-	-	-	-	-	-	-	728,751,187	728,751,187	728,751,187
Other comprehensive loss for the year ended 30 June 2019	-	-	-	(13,060,737)	-	(13,060,737)	-	-	-	(13,060,737)
Total comprehensive income for the year ended 30 June 2019	-	-	-	(13,060,737)	-	(13,060,737)	-	728,751,187	728,751,187	715,690,450
Balance as at 30 June 2019	509,110,110	213,406,310	-	32,761,682	1,831,887,993	2,078,055,985	940,932,315	222,791,553	1,163,723,868	3,750,889,963

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

AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

SHAHBAZ MUNIR
DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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 (Now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. All manufacturing units (dyeing, weaving, and power generation), registered office and other offices of the Company are 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 accounting and reporting standards as applicable in Pakistan. The Accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 – fair value

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 reporting 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.

Income tax

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.

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

d) Standards, interpretations and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standards, interpretations and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2018:

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from Contracts with Customers'
- IFRS 15 (Amendments), 'Revenue from Contracts with Customers'
- IAS 40 (Amendments), 'Investment Property'
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'
- Annual Improvements to IFRSs: 2014 – 2016 Cycle

The Company had to change its accounting policies and make certain adjustments without restating prior year results following the adoption of IFRS 9 and IFRS 15. These are disclosed in note 2.9 and note 2.16. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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

Following standards, interpretations and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2019 or later periods:

IFRS 16 'Lease' (effective for annual periods beginning on or after 01 January 2019). IFRS 16 specifies how an entity will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from its predecessor, IAS 17 'Leases'. IFRS 16 replaces IAS 17, IFRIC 4 'Determining Whether an Arrangement Contains a Lease', SIC-15 'Operating Leases–Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

Amendments to IFRS 9 (effective for annual periods beginning on or after 01 January 2019) clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest ('SPPI') condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments are not likely to have significant impact on the Company's financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019). The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'. It specifically considers: whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations; the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and the effect of changes in facts and circumstances. The interpretation is not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing general purpose financial statements in accordance with IFRS.

On 12 December 2017, IASB issued Annual Improvements to IFRSs: 2015 – 2017 Cycle, incorporating amendments to four IFRSs more specifically in IFRS 3 'Business Combinations', IFRS 11 'Joint Arrangements', IAS 12 'Income Taxes' and IAS 23 'Borrowing Costs'. The amendments are effective for annual periods beginning on or after 01 January 2019. The amendments have no significant impact on the Company's financial statements and have therefore not been analyzed in detail.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS standard and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRS. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 1 January 2020 for preparers that develop an accounting policy based on the Framework.

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

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2019 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 statement of profit or loss.

2.3 Provisions

Provisions are recognized 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 reporting 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 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 reporting date. Deferred tax is charged or credited in the statement of profit or loss, 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 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.6 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.7 Fixed assets

2.7.1 Property, plant and equipment and depreciation

Owned

a) Cost

Property, plant and equipment except freehold land, buildings and capital work-in-progress 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 the statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of operating fixed assets in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from surplus on revaluation of operating fixed assets to retained earnings.

b) Depreciation

Depreciation on all operating fixed assets is charged to the statement of profit or loss 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 13.1. 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 statement of profit or loss 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 the statement of profit or loss 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 the statement of profit or loss.

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 statement of profit or loss on a straight-line basis over the period of lease.

2.8 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 reporting date.

2.9 IFRS 9 “Financial instruments”

The Company has adopted IFRS 9 “Financial Instruments” from 01 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt instrument shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the Company makes an irrevocable election on initial recognition to present gains and losses on equity instruments in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the Company’s own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the Company. New impairment requirements use an ‘expected credit loss’ (‘ECL’) model to recognize an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has adopted IFRS 9 without restating the prior year results. Key changes in accounting policies resulting from application of IFRS 9 are as follows:

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 “Financial Instruments: Recognition and Measurement” for the classification and measurement of financial liabilities. However, it replaces the previous IAS 39 categories for financial assets i.e. loans and receivables, fair value through profit or loss (FVTPL), available for sale and held to maturity with the categories such as amortized cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI).

Investments and other financial assets

a) Classification

From 01 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

a) Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

iii) Impairment of financial assets

From 01 July 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) De-recognition

a) Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

v) Offsetting of financial instruments

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

vi) Hedge accounting

IFRS 9 requires that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

There is no impact of the said change on these financial statements as there is no hedge activity carried on by the Company during the year ended 30 June 2019.

vii) Impacts of adoption of IFRS 9 on these financial statements as on 01 July 2018

On 01 July 2018, the Company's management has assessed which business models apply to the financial assets held by the Company at the date of initial application of IFRS 9 (01 July 2018) and has classified its financial instruments into appropriate IFRS 9 categories. The main effects resulting from this re-classification are as follows:

Financial assets (01 July 2018)

	Available for sale (AFS)	FVTOCI	Trade debts categorized as	
			Loans and receivables	Amortised cost
	------------Rupees -----------			
Opening balance (before reclassification)	58,161,750	-	1,359,170,774	-
Adjustment on adoption of IFRS 9:				
Re-classification of equity investment from available for sale to FVTOCI	(58,161,750)	58,161,750	-	-
Re-classification of trade debts	-	-	(1,359,170,774)	1,359,170,774
Recognition of expected credit losses on trade debts	-	-	-	(5,685,007)
Opening balance (after reclassification)	-	58,161,750	-	1,353,485,767

The impact of these changes on the Company's reserves and equity is as follows:

Reserves and equity (01 July 2018)

	Effect on accumulated loss	Effect on fair value reserve of AFS investments	Effect on fair value reserve of FVTOCI investments
	------------Rupees -----------		
Opening balance (before reclassification)	(538,840,013)	45,822,419	-
Adjustment on adoption of IFRS 9 re-classification of fair value reserve of AFS investment to fair value reserve of FVTOCI investments	-	(45,822,419)	45,822,419
Adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts	(5,685,007)	-	-
Opening balance (after re-classification)	(544,525,020)	-	45,822,419

Effect on total equity as a result of adjustment on adoption of IFRS 9 due to recognition of expected life time credit losses on trade debts is Rupees 5,685,007 and there is no effect on total equity as a result of adjustment on adoption of IFRS 9 re-classification of fair value reserve of AFS investments to fair value reserve of FVTOCI investments.

Equity investments previously classified as available-for-sale

The Company elected to present in other comprehensive income changes in the fair value of all its equity investments previously classified as available-for-sale, as these investments are not held for trading. As a result, assets with a fair value of Rupees 58,161,750 were reclassified from available-for-sale financial assets to financial assets at fair value through other comprehensive income (FVTOCI) and fair value gains of Rupees 45,822,419 were reclassified from the available-for-sale financial assets reserve to the financial assets at fair value through other comprehensive income reserve on 01 July 2018.

Re-classifications of financial instruments on adoption of IFRS 9

As on 01 July 2018, the classification and measurement of financial instruments of the Company were as follows:

	Measurement category		Carrying amounts		
	Original	New	Original	New	Difference
	(IAS 39)	(IFRS 9)	----------------Rupees----------------		
Non-current financial assets					
Long term investments	Available for sale	FVTOCI	58,161,750	58,161,750	-
Long term deposits	Loans and receivables	Amortised cost	22,032,757	22,032,757	-
Current financial assets					
Trade debts	Loans and receivables	Amortised cost	1,359,170,774	1,353,485,767	(5,685,007)
Advances	Loans and receivables	Amortised cost	4,418,432	4,418,432	-
Security deposits	Loans and receivables	Amortised cost	20,001,540	20,001,540	-
Other receivables	Loans and receivables	Amortised cost	1,801,518	1,801,518	-
Cash and bank balances	Loans and receivables	Amortised cost	94,990,230	94,990,230	-
Non-current financial liabilities					
Long term financing	Amortised cost	Amortised cost	714,981,736	714,981,736	-
Deferred accrued mark-up	Amortised cost	Amortised cost	201,532,787	201,532,787	-
Current financial liabilities					
Trade and other payable	Amortised cost	Amortised cost	1,288,235,058	1,288,235,058	-
Loan from ex-sponsor	Amortised cost	Amortised cost	272,000,000	272,000,000	-
Accrued mark-up	Amortised cost	Amortised cost	57,918,203	57,918,203	-
Short term borrowings	Amortised cost	Amortised cost	2,766,332,000	2,766,332,000	-
Current portion of long term financing	Amortised cost	Amortised cost	230,251,470	230,251,470	-
Unclaimed dividend	Amortised cost	Amortised cost	5,214,080	5,214,080	-

2.10 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognized impairment loss. Land is stated at cost less any recognized impairment loss. Depreciation on buildings is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost of buildings over their estimated useful lives at a rate of 5% per annum.

2.11 Equity investments in associated companies

The investments in associates in which the Company does not have significant influence are classified as FVTOCI.

2.12 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 weighted 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.

2.13 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.

2.14 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.15 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.16 Revenue from contracts with customers

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company has adopted IFRS 15 by applying the modified retrospective approach according to which the Company is not required to restate the prior year results. Key changes in accounting policies resulting from application of IFRS 15 are as follows:

i) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

iv) Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

v) Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

vi) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

vii) Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

viii) Impacts of adoption of IFRS 15 on these financial statements as on 01 July 2018

The following adjustments were made to the amounts recognized in the financial statements at 01 July 2018:

Statement of financial position

	30 June 2018 Reported	Adjustment	01 July 2018 Restated
	------------Rupees-----------		
Current assets			
Stock in trade	1,153,505,319	27,084,323	1,180,589,642
Trade debts	1,359,170,774	(28,734,553)	1,330,436,221
Current liabilities			
Trade and other payables	1,431,614,471	(82,511)	1,431,531,960
Equity			
Reserves	2,597,843,674	(1,567,719)	2,596,275,955

2.17 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.18 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.

2.19 Trade debts and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts over due by 365 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance, trade receivables have been grouped based on days overdue.

Other receivables are recognized at amortised cost, less any allowance for expected credit losses.

2.20 Trade and other payables

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

2.21 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.

2.22 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.23 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).

2.24 Government Grants

Government grants are recognized when there is reasonable assurance that entity will comply with the conditions attached to it and grant will be received.

2.25 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.26 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.27 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.28 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3. AUTHORIZED SHARE CAPITAL

2019 (NUMBER OF SHARES)	2018 (NUMBER OF SHARES)		2019 Rupees	2018 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

2019 (NUMBER OF SHARES)	2018 (NUMBER OF SHARES)			
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

	2019 Rupees	2018 Rupees
Composition of reserves is as follows:		
Capital reserves		
Share premium reserve (Note 5.1)	213,406,310	213,406,310
Fair value reserve available for sale investment - net of deferred income tax (Note 5.2)	-	45,822,419
Fair value reserve FVTOCI investment - net of deferred income tax (Note 5.2)	32,761,682	-
Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 5.3)	1,831,887,993	1,875,429,430
Balance as at 30 June	2,078,055,985	2,134,658,159
Revenue reserves		
General reserve	940,932,315	1,002,025,528
Accumulated profit / (loss)	222,791,553	(538,840,013)
	1,163,723,868	463,185,515
Balance as at 30 June	3,241,779,853	2,597,843,674

5.1 This reserve can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

5.2 This represents unrealized gain on re-measurement of investment at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

	2019	2018
	Fair value reserve FVTOCI investment	Fair value reserve AFS investment
	Rupees	Rupees
Balance as at 01 July	57,457,579	48,414,058
Fair value adjustment on investment during the year	(15,589,615)	9,043,521
Balance as at 30 June	41,867,964	57,457,579
Less: Related deferred income tax liability (Note 7.2)	9,106,282	11,635,160
Balance as at 30 June - net of deferred income tax	32,761,682	45,822,419

5.3 Surplus on revaluation of operating fixed assets - net of deferred income tax

Balance as at 01 July	1,921,441,908	1,086,791,858
Add: Surplus on revaluation incorporated during the year	-	855,798,743
Less: Incremental depreciation	42,604,145	21,148,693
Balance as at 30 June	1,878,837,763	1,921,441,908
Less: Related deferred income tax liability (Note 7.2)	46,949,770	46,012,478
Balance as at 30 June - net of deferred income tax	1,831,887,993	1,875,429,430

6. LONG TERM FINANCING - SECURED

	2019 Rupees	2018 Rupees
Financing from banking companies (Note 6.1)	787,340,140	945,233,206
Less: Current portion shown under current liabilities	251,375,586	230,251,470
	535,964,554	714,981,736

6.1

Lender	2019	2018	Terms	Security
	-------- Rupees --------			
National Bank of Pakistan (Note 6.2)	308,265,782	365,753,026	This loan is repayable in 36 stepped up quarterly instalments commenced from 31 March 2015 and ending on 31 March 2024. 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 30 September 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.
The Bank of Punjab	14,340,000	19,120,000	This loan is repayable in 20 quarterly instalments of Rupees 1.195 million each commenced from 28 July 2017 and ending on 28 April 2022. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	Specific charge of Rupees 581.040 million on machinery imported. Joint pari passu charge of Rupees 752.300 million and ranking charge of Rupees 686.670 million over present and future fixed and current assets of the Company.
	3,120,000	4,160,000	This loan is repayable in 20 quarterly instalments of Rupees 0.260 million each commenced from 25 August 2017 and ending on 25 May 2022. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	142,545,000	186,405,000	This loan is repayable in 20 quarterly instalments of Rupees 10.965 million each commenced from 23 November 2017 and ending on 23 August 2022. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	117,880,000	151,560,000	This loan is repayable in 20 quarterly instalments of Rupees 8.420 million each commenced from 19 March 2018 and ending on 19 December 2022. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	21,000,000	26,600,000	This loan is repayable in 20 quarterly instalments of Rupees 1.400 million each commenced from 19 April 2018 and ending on 19 January 2023. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	49,680,000	-	This loan is repayable in 20 quarterly instalments of Rupees 2.760 million each commenced from 01 February 2019 and ending on 01 November 2023. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	348,565,000	387,845,000		

Lender	2019	2018	Terms	Security
	-------- Rupees --------			
Faysal Bank Limited (Note 6.2)	84,374,358	115,659,358	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 re-calculated at the rate of 8.50% 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 240.800 million over current assets and exclusive charge of Rupees 94.000 million on power generators of the Company.
MCB Bank Limited	11,550,000	18,150,000	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 SBP rate + 2.50% 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.
	1,155,000	1,815,000	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 SBP rate + 2.50% per annum.	
	12,705,000	19,965,000		
Habib Bank Limited (Note 6.2)	-	56,010,822	This loan was repayable in 32 stepped up quarterly instalments commenced from 30 June 2012. This loan has been fully repaid during the year. Mark-up was 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.
Samba Bank Limited	33,430,000	-	This loan will be repaid in 16 equal quarterly instalments with one year grace period. Mark-up is payable quarterly at SBP rate + 2.5% per annum. This loan form part of total LTFF facility amount of Rupees 225.000 million. Up till the reporting date, the Company obtained loan amount of Rupees 33.430 million.	Ranking charge of Rupees 36.000 million over imported machinery of the Company with 25% margin.
	787,340,140	945,233,206		

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

	2019 Rupees	2018 Rupees
7. DEFERRED LIABILITIES		
Deferred accrued mark-up (Note 7.1)	236,831,823	201,532,787
Deferred income tax liability (Note 7.2)	56,056,052	57,647,638
	292,887,875	259,180,425
7.1 Deferred accrued mark-up		
National Bank of Pakistan (Note 7.1.1)	170,213,395	134,914,359
Faysal Bank Limited (Note 7.1.1)	66,618,428	66,618,428
Bank Alfalah Limited (Note 7.1.2)	-	18,043,354
	236,831,823	219,576,141
Less: Accrued mark-up transferred to current liabilities	-	18,043,354
	236,831,823	201,532,787

7.1.1 This represents accrued mark-up on long term financing deferred in accordance with the terms of long term financing disclosed in note 6.1 to these financial statements.

7.1.2 Deferred accrued mark up on long term finance obtained from Bank Alfalah Limited has been fully repaid during the year.

7.2 Deferred income tax liability

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

	2019 Rupees	2018 Rupees
Surplus on revaluation of operating fixed assets (Note 5.3)	46,949,770	46,012,478
Surplus on revaluation of investment - available for sale	-	11,635,160
Surplus on revaluation of investment - FVTOCI (Note 5.2)	9,106,282	-
	56,056,052	57,647,638

8. TRADE AND OTHER PAYABLES

	2019 Rupees	2018 Rupees
Creditors	1,463,100,530	1,054,780,478
Advances from customers	40,394,177	42,273,866
Sales commission payable	110,861,222	128,258,987
Income tax deducted at source	5,894,072	10,314,190
Security deposits - interest free (Note 8.1)	210,500	210,500
Accrued and other liabilities	154,115,521	104,985,093
Workers' profit participation fund (Note 8.2)	152,865,658	90,791,357
	1,927,441,680	1,431,614,471

8.1 These deposits are interest free and repayable on completion of contracts. These deposits have been utilized for the purpose of business in accordance with the terms of written agreements with contractors.

	2019 Rupees	2018 Rupees
8.2 Workers' profit participation fund		
Balance as at 01 July	90,791,357	70,083,475
Less: Adjustment on adoption of IFRS 15	(82,511)	-
	90,708,846	70,083,475
Add: Allocation for the year (Note 30)	47,512,166	14,925,995
Add: Interest accrued for the year (Note 32)	14,644,646	5,781,887
	152,865,658	90,791,357
Less: Paid during the year	-	-
Balance as at 30 June	152,865,658	90,791,357

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

9. ACCRUED MARK-UP

	2019 Rupees	2018 Rupees
Long term financing	6,291,479	9,812,954
Short term borrowings	37,178,000	30,061,895
Transferred from deferred mark-up (Note 7.1)	-	18,043,354
	43,469,479	57,918,203

10. LOAN FROM EX-SPONSOR

This represents unsecured interest free and repayable on demand loan obtained from the ex-director (deceased) of the Company for the repayment of long term financing.

11. SHORT TERM BORROWINGS - SECURED

	2019 Rupees	2018 Rupees
From banking companies		
SBP refinance (Note 11.1 and 11.2)	2,481,870,840	1,770,143,000
Other short term finances (Note 11.1 and 11.3)	1,162,150,000	996,189,000
	3,644,020,840	2,766,332,000

11.1 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.

11.2 These carry mark-up at the rate of 3.00% per annum (2018: 3.00% per annum) on outstanding balance.

11.3 These carry mark-up ranging from 7.48 % to 13.98 % per annum (2018: 7.12% to 10.47% per annum) on outstanding balance.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 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 there against has been made in these financial statements.

12.1.2 During the year ended 30 June 2011, 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 16.4) and bank balance (note 25.3) 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.

12.1.3 Bank guarantees of Rupees 92.759 million (2018: Rupees 84.950 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

12.1.4 Bank guarantee of Rupees 6.500 million (2018: Rupees 6.500 million) is given by the bank of the Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

12.1.5 Bank guarantees of Rupees 8.164 million (2018: Rupees 8.164 million) are given by the bank of the Company in favour of Lahore Electric Supply Company Limited against electricity connections.

12.1.6 During the year ended 30 June 2010, 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 has been referred for arbitration and is being resolved under the provisions of above said Power Purchase Agreement. The proceedings of arbitration is 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.

12.1.7 Provision for gas infrastructure development cess for the period from August 2014 to March 2015, provision for cost of supply for the period October 2017 to June 2018 alongwith late payment charges thereon amounting to Rupees 163.795 million (2018: Rupees 110.186 million) has not been recognized in the books of account as the Company has obtained stay order from Honorable Lahore High Court, Lahore and Honorable Sindh High Court, Karachi and is confident for the favorable outcome of the matter.

12.2 Commitments

12.2.1 Aggregate commitments for capital expenditure and revenue expenditures are amounting to Rupees 27.540 million and Rupees 80.331 million (2018: Rupees 2.027 million and Rupees 19.640 million) respectively.

12.2.2 Post dated cheques are amounting to Rupees 547.628 million (2018: 119.521 million).

13. FIXED ASSETS

	2019 Rupees	2018 Rupees
Property, plant and equipment		
Operating fixed assets (Note 13.1)	4,826,387,742	4,916,568,714
Capital work-in-progress (Note 13.2)	57,837,823	13,150,093
	4,884,225,565	4,929,718,807

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

Description	Operating fixed assets								
	Freehold land	Residential building	Factory building	Plant and machinery	Electric Installations	Furniture, fixtures and equipment	Computers	Motor vehicles	Total
	(RUPEES)								
As at 30 June 2017									
Cost / revalued amount	711,473,999	231,284,329	861,751,162	4,294,632,171	154,522,392	97,785,063	54,431,550	118,260,579	6,524,141,245
Accumulated depreciation	-	(85,604,047)	(319,119,297)	(2,437,531,835)	(91,079,072)	(67,600,604)	(46,614,132)	(48,986,098)	(3,096,535,085)
Accumulated impairment loss	-	-	-	(42,672,271)	-	-	-	-	(42,672,271)
Net book value	711,473,999	145,680,282	542,631,865	1,814,428,065	63,443,320	30,184,459	7,817,418	69,274,481	3,384,933,889
Year ended 30 June 2018									
Opening net book value	711,473,999	145,680,282	542,631,865	1,814,428,065	63,443,320	30,184,459	7,817,418	69,274,481	3,384,933,889
Additions	-	-	1,757,641	887,186,490	9,151,912	17,479,469	1,215,000	8,652,230	925,442,742
Disposals:									
Cost	-	-	-	(34,079,236)	-	-	-	(4,372,625)	(38,451,861)
Accumulated depreciation	-	-	-	22,532,345	-	-	-	2,235,428	24,767,773
	-	-	-	(11,546,891)	-	-	-	(2,137,197)	(13,684,088)
Depreciation charge	-	(7,284,014)	(27,205,516)	(166,360,668)	(6,954,508)	(3,931,986)	(2,587,229)	(10,188,603)	(224,512,524)
Impairment loss (Note 30)	-	-	-	(11,410,048)	-	-	-	-	(11,410,048)
Surplus on revaluation	405,541,001	56,201,732	394,056,010	-	-	-	-	-	855,798,743
Closing net book value	1,117,015,000	194,598,000	911,240,000	2,512,296,948	65,640,724	43,731,942	6,445,189	65,600,911	4,916,568,714
As at 30 June 2018									
Cost / revalued amount	1,117,015,000	287,486,061	1,257,564,813	5,147,739,425	163,674,304	115,264,532	55,646,550	122,540,184	8,266,930,869
Accumulated depreciation	-	(92,888,061)	(346,324,813)	(2,581,360,158)	(98,033,580)	(71,532,590)	(49,201,361)	(56,939,273)	(3,296,279,836)
Accumulated impairment loss	-	-	-	(54,082,319)	-	-	-	-	(54,082,319)
Net book value	1,117,015,000	194,598,000	911,240,000	2,512,296,948	65,640,724	43,731,942	6,445,189	65,600,911	4,916,568,714
Year ended 30 June 2019									
Opening net book value	1,117,015,000	194,598,000	911,240,000	2,512,296,948	65,640,724	43,731,942	6,445,189	65,600,911	4,916,568,714
Additions	-	-	5,845,871	173,703,598	442,427	602,385	166,140	38,893,070	219,653,491
Disposals:									
Cost	-	-	-	(98,823,283)	-	-	-	(21,196,708)	(120,019,991)
Accumulated depreciation	-	-	-	77,264,544	-	-	-	10,752,325	88,016,869
	-	-	-	(21,558,739)	-	-	-	(10,444,383)	(32,003,122)
Depreciation charge	-	(9,729,900)	(45,674,138)	(199,160,961)	(6,587,267)	(4,398,293)	(1,941,866)	(10,338,916)	(277,831,341)
Closing net book value	1,117,015,000	184,868,100	871,411,733	2,465,280,846	59,495,884	39,936,034	4,669,463	83,710,682	4,826,387,742
As at 30 June 2019									
Cost / revalued amount	1,117,015,000	287,486,061	1,263,410,684	5,222,619,740	164,116,731	115,866,917	55,812,690	140,236,546	8,366,564,369
Accumulated depreciation	-	(102,617,961)	(391,998,951)	(2,703,256,575)	(104,620,847)	(75,930,883)	(51,143,227)	(56,525,864)	(3,486,094,308)
Accumulated impairment loss	-	-	-	(54,082,319)	-	-	-	-	(54,082,319)
Net book value	1,117,015,000	184,868,100	871,411,733	2,465,280,846	59,495,884	39,936,034	4,669,463	83,710,682	4,826,387,742
Depreciation rate % per annum	-	5	5	10	10	10	30	20	-

13.1.1 Freehold land and buildings of the Company were revalued as at 30 June 2018 by an independent valuer, Messrs Hamid Mukhtar and Company (Private) Limited. Previously these had been revalued as at 30 June 2015 and 30 June 2012. Had there been no revaluation, the value of the assets would have been lower by Rupees 1,878.838 million (2018: Rupees 1,921.442 million). Forced sale value of freehold land and buildings as on the date of valuation was Rupees 893.612 million and Rupees 884.670 million respectively.

13.1.2 The book value of freehold land and buildings on cost basis is Rupees 47.656 million and Rupees 246.801 million (2018: Rupees 47.656 million and Rupees 253.755 million) respectively.

13.1.3 Detail of operating fixed assets exceeding book value of Rupees 500,000 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							
Turbo Air Compressor	84,236,541	65,914,352	18,322,189	12,591,090	(5,731,099)	Negotiation	Hi -Tech Textile, Alexandria, Egypt
Absorption Chiller	14,586,742	11,350,192	3,236,550	5,250,000	2,013,450	Negotiation	Bismillah Engineering Works, Sahiwal
	98,823,283	77,264,544	21,558,739	17,841,090	(3,717,649)		
Motor vehicles							
Honda Civic LEE-13-3039	2,142,685	1,246,071	896,614	1,340,000	443,386	Negotiation	Mr. Imran Ahmad Kamal, Lahore
Honda Civic LEE-13-3041	2,142,685	1,246,071	896,614	1,340,000	443,386	Negotiation	Mr. Imran Ahmad Kamal, Lahore
Honda Civic LEA-14-610	2,560,330	1,419,037	1,141,293	1,825,000	683,707	Negotiation	Mr. Imran Ahmad Kamal, Lahore
Honda Civic LEE-13-450	2,437,500	1,395,333	1,042,167	1,900,000	857,833	Negotiation	Mr. Imran Ahmad Kamal, Lahore
Honda City	2,083,000	222,187	1,860,813	2,100,000	239,187	Negotiation	Mr. Imran Ahmad Kamal, Lahore
Toyota Corolla LEA-15-7440	2,221,310	912,186	1,309,124	1,309,124	-	Company's Policy	Mr. Aamir Naveed Siddiqi, Company's ex-employee, Lahore
Suzuki Cultus LEC-14-5572	1,108,890	570,988	537,902	537,902	-	Company's Policy	Mr. Awais Chaudhry, Company's ex-employee, Lahore
Honda Civic LEB-13-4805	2,176,143	1,305,144	870,999	1,550,000	679,001	Negotiation	Mr. Muhammad Zahid, Company's ex-employee, Lahore
Honda City LEE-12-6897	1,553,135	954,114	599,021	1,100,000	500,979	Negotiation	Mr. Nouman Sabir Basra, Company's employee, Lahore
Suzuki Wagon R LEC-16-6674	1,101,240	443,550	657,690	657,690	-	Company's Policy	Mr. Syed Rashid Ashraf, Company's
	19,526,918	9,714,681	9,812,237	13,659,716	3,847,479		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 500,000	1,669,790	1,037,644	632,146	3,037,083	2,404,937	Negotiation	
	120,019,991	88,016,869	32,003,122	34,537,889	2,534,767		

	2019 Rupees	2018 Rupees
13.1.4 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 27)	262,115,341	212,249,851
Distribution cost (Note 28)	2,361,581	2,596,628
Administrative expenses (Note 29)	13,354,419	9,666,045
	277,831,341	224,512,524

13.1.5 Particulars of immovable properties (i.e. land and buildings) are as follows:

Manufacturing units and office	Address	Area of land	Covered area of buildings
		Acres	Square feet
Manufacturing units:			
Weaving	8-K.M., Manga Raiwind Road, District Kasur.	11.450	285,596
Dyeing	8-K.M., Manga Raiwind Road, District Kasur.	8.670	245,009
Power generation	8-K.M., Manga Raiwind Road, District Kasur.	4.320	71,560
Office	8-K.M., Manga Raiwind Road, District Kasur.	0.410	24,284
		24.850	626,449

	2019 Rupees	2018 Rupees
13.2 Capital work-in-progress		
Plant and machinery	8,621,187	4,398,724
Civil works	186,631	-
Advance against purchase of land	32,400,000	-
Advance against purchase of vehicle	3,519,200	-
Stores held for capital expenditures	13,110,805	7,251,369
Letter of credits against machinery	-	1,500,000
	57,837,823	13,150,093

14. INTANGIBLE ASSET

14.1 Intangible asset - computer software having cost of Rupees 9,296,899 has been fully amortized at the rate of 20.00% per annum. However, it is still in the use of the Company.

15. INVESTMENT PROPERTIES

	Land Rupees	Building Rupees	Total Rupees
At 30 June 2017			
Cost	14,463,122	7,764,788	22,227,910
Accumulated depreciation	-	64,707	64,707
Net book value	14,463,122	7,700,081	22,163,203
Year ended 30 June 2018			
Opening net book value	14,463,122	7,700,081	22,163,203
Depreciation charge (Note 30)	-	385,004	385,004
Closing net book value	14,463,122	7,315,077	21,778,199
At 30 June 2018			
Cost	14,463,122	7,764,788	22,227,910
Accumulated depreciation	-	449,711	449,711
Net book value	14,463,122	7,315,077	21,778,199
Year ended 30 June 2019			
Opening net book value	14,463,122	7,315,077	21,778,199
Disposal (Note 15.2)			
Cost	(12,481,515)	(7,764,788)	(20,246,303)
Accumulated depreciation	-	724,026	724,026
	(12,481,515)	(7,040,762)	(19,522,277)
Depreciation charge (Note 30)	-	274,315	274,315
Closing net book value	1,981,607	-	1,981,607
At 30 June 2019			
Cost	1,981,607	-	1,981,607
Accumulated depreciation	-	-	-
Net book value	1,981,607	-	1,981,607

15.1 Depreciation at the rate of 5 percent per annum on building amounting to Rupees 0.274 million (2018: 0.385 million) charged during the year is allocated to other expenses. No expenses directly related to investment properties were incurred during the year. The market value of land is estimated at Rupees 3.083 million (2018: Land and building Rupees 82.745 million). Forced sale value of investment property as on the reporting date is Rupees 2.466 million. The valuation has been carried out by an independent valuer.

15.2 Investment property having book value of Rupees 19.522 million has been disposed of during the year to Mr. Muhammad Qamar Shahzad and Mr. Waqas Ali through negotiation. Sale proceeds against this diposal was Rupees 50.000 million.

15.3 Particulars of investment property (i.e. land) are as follows:

Description	Address	Area of land
		Kanal
Commercial land	Shahwai - Farooqa Road, Sargodha	13.700
		13.700

16. LONG TERM INVESTMENTS

	2019 Rupees	2018 Rupees
Debt instruments (Note 16.1)	12,809,615	-
Equity instruments (Note 16.2)	42,572,135	58,161,750
	55,381,750	58,161,750

16.1 Debt instruments

At amortized cost

	2019 Rupees	2018 Rupees
Sales tax refund bonds (Note 16.1.1)		
128 (2018: Nil) bonds of Rupees 100,000 each	12,800,000	-
Add: Accrued interest (Note 31)	9,615	-
	12,809,615	-

16.1.1 These represent investment in sales tax refund bonds having maturity period of 3 years issued by FBR Refund Settlement Company Limited under Section 67A of Sales Tax Act, 1990 against sales tax refund payment order issued in favour of the Company. These bonds are carried at amortized cost using effective interest at the rate of 9.14% per annum.

	2019	2018
	FVTOCI	Available for sale
	Rupees	Rupees
16.2 Equity instruments		
Associated company (without significant influence)		
K-2 Hosiery (Private) Limited - unquoted 1,194,000 (2018: 1,194,000) ordinary shares of Rupees 10 each (Note 16.3)	-	-
Other		
Security General Insurance Company Limited - unquoted (Note 16.4) 643,667 (2018: 643,667) fully paid ordinary shares of Rupees 10 each	704,171	704,171
Add: Fair value adjustment	41,867,964	57,457,579
	42,572,135	58,161,750
	42,572,135	58,161,750

16.3 Investment in K-2 Hosiery (Private) Limited has been impaired and written off. This investment was made in accordance with requirements of the Companies Act, 2017.

16.4 Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 66.14 (2018: Rupees 90.360) per share using present value technique. 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.

	2019 Rupees	2018 Rupees
17. LONG TERM DEPOSITS		
Security deposits	22,698,957	22,032,757
18. STORES, SPARES AND LOOSE TOOLS		
Stores and spares	519,043,159	413,650,802
Loose tools	2,486,467	2,930,618
	521,529,626	416,581,420
Less: Provision for slow moving, obsolete and damaged store items (Note 18.1)	103,668,362	49,146,715
	417,861,264	367,434,705

		2019 Rupees	2018 Rupees
18.1	Provision for slow moving, obsolete and damaged store items		
	Balance as on 01 July	49,146,715	45,341,870
	Add: Provision made during the year (Note 30)	54,521,647	3,804,845
	Balance as on 30 June	103,668,362	49,146,715
19.	STOCK-IN-TRADE		
	Raw material (Note 19.1)	664,433,003	312,039,069
	Work-in-process	241,702,860	191,321,471
	Finished goods (Note 19.2 and19.3)	909,394,411	650,144,779
		1,815,530,274	1,153,505,319

19.1 This includes raw material of Rupees 13.015 million (2018: Rupees 9.742 million) valued at net realizable value.

19.2 These include finished goods of Rupees 70.804 million (2018: Rupees 195.110 million) valued at net realizable value.

19.3 Finished goods include stock-in-transit amounting to Rupees 195.461 million (2018: Rupees 42.120 million).

19.4 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year is Rupees 63.015 million (2018: Rupees 35.086 million).

19.5 Stock-in-trade of Rupees 27.705 million (2018: Rupees 33.184 million) is sent to outside parties for processing.

		2019 Rupees	2018 Rupees
20.	TRADE DEBTS		
	Considered good:		
	Secured (against letters of credit)	1,493,061,603	1,070,938,020
	Unsecured - other than related parties	746,479,699	379,234,355
	Less: Provision for doubtful trade debts (Note 20.1)	-	91,001,601
	Less: Allowance for expected credit loss (Note 20.3)	106,215,418	-
		2,133,325,884	1,359,170,774
20.1	Provision for doubtful trade debts		
	Balance as at 01 July	-	91,001,601
	Add: Provision for the year	-	-
	Balance as at 30 June	-	91,001,601

20.2 As on 30 June 2019, trade debts of Rupees 221.535 million (2018: Rupees 76.147 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:

	2019 Rupees	2018 Rupees
Upto 1 month	157,529,196	62,428,538
1 to 6 months	60,399,535	8,033,310
More than 6 months	3,606,024	5,685,007
	221,534,755	76,146,855

20.3 Allowance for expected credit losses

	2019 Rupees	2018 Rupees
Opening balance	91,001,601	-
Add: Recognized as on 01 July 2018	5,685,007	-
	96,686,608	
Add: Recognized during the year (Note 30)	9,528,810	-
Closing balance	106,215,418	-

20.4 Allowance for expected credit loss includes Rupees 93.124 million against trade debts which have been impaired.

21. ADVANCES

	2019 Rupees	2018 Rupees
Considered good:		
Advances to staff:		
-Against salary (Note 21.2)	9,185,188	4,418,432
-Against expenses (Note 21.1 and 21.3)	18,775,622	12,065,154
	27,960,810	16,483,586
Advances to suppliers	228,579,956	91,249,553
Letters of credit	63,995,517	12,836,318
	320,536,283	120,569,457

21.1 Advances to staff against expenses

	2019 Rupees	2018 Rupees
Considered good	18,775,622	12,065,154
Advances to staff against expenses - considered doubtful	5,837,029	3,412,824
Less: Provision for doubtful advances to staff against expenses (Note 21.1.1)	5,837,029	3,412,824
	-	-
	18,775,622	12,065,154

	2019 Rupees	2018 Rupees
21.1.1 Provision for doubtful advances to staff against expenses		
Balance as at 01 July	3,412,824	-
Add: Provision for the year (Note 30)	2,424,205	3,412,824
Balance as at 30 June	5,837,029	3,412,824

21.2 These include interest free advances to executives amounting to Rupees 7.089 million (2018: Rupees 11.050 million).

21.3 These include unsecured advance against expenses of Rupees 6.427 million (2018: 6.389 million) given to Mr. Aamir Alam Qureshi (General manager marketing).

	2019 Rupees	2018 Rupees
22. SHORT TERM DEPOSITS AND PREPAYMENTS		
Security deposits	17,641,602	20,001,540
Prepayments	726,650	554,108
	18,368,252	20,555,648
23. OTHER RECEIVABLES		
Considered good:		
Advance income tax	411,554,863	281,560,145
Export rebate and claims (Note 23.1)	51,529,844	48,442,932
Duty draw back (Note 23.2)	118,398,583	231,312,877
Receivable from employees' provident fund trust	494,801	598,344
Miscellaneous receivables (Note 23.3)	572,460	1,801,518
	582,550,551	563,715,816
23.1 Export rebate and claims		
Considered good	51,529,844	48,442,932
Considered doubtful	28,905,427	28,928,548
Less: Provision for doubtful export rebate and claims (Note 23.1.1)	28,905,427	28,928,548
	-	-
	51,529,844	48,442,932
23.1.1 Provision for doubtful export rebate and claims		
Balance as at 01 July	28,928,548	28,766,159
Add: Provision for the year (Note 30)	103,215	267,535
Less: Provision reversed during the year (Note 31)	126,336	105,146
Balance as at 30 June	28,905,427	28,928,548

		2019 Rupees	2018 Rupees
23.2	Duty draw back		
	Considered good	118,398,583	231,312,877
	Considered doubtful	14,471,887	14,471,887
	Less: Provision for doubtful duty draw back	14,471,887	14,471,887
		-	-
		118,398,583	231,312,877
23.3	Miscellaneous receivables		
	Considered good	572,460	1,801,518
	Considered doubtful	545,000	545,000
	Less: Provision for doubtful miscellaneous receivables	545,000	545,000
		-	-
		572,460	1,801,518
24.	SALES TAX RECOVERABLE		
	Sales tax recoverable	258,519,238	197,859,263
	Less: Provision for doubtful sales tax recoverable (Note 24.1)	69,784,160	44,558,556
		188,735,078	153,300,707
24.1	Provision for doubtful sales tax recoverable		
	Balance as at 01 July	44,558,556	52,144,995
	Add: Provision for the year (Note 30)	25,225,604	-
	Less: Provision reversed during the year (Note 31)	-	7,586,439
	Balance as at 30 June	69,784,160	44,558,556
25.	CASH AND BANK BALANCES		
	Cash in hand (Note 25.1)	8,429,837	2,793,399
	Cash with banks:		
	On current accounts (Note 25.3)	327,432,427	57,757,175
	On deposit accounts (Note 25.2 and 25.4)	91,014,638	34,439,656
		418,447,065	92,196,831
		426,876,902	94,990,230

25.1 Cash in hand includes foreign currency of US$ 19,415, Euro 3,880 and GBP 4,380 (2018: US$ 3,592 and Euro 6,800).

25.2 Rate of profit on bank deposits ranges from 4.5% to 11.25% (2018: 4.79% to 6.19%) per annum.

25.3 Cash with banks on current accounts includes an amount of Rupees 8.491 million (2018: 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.

25.4 This includes term deposit receipts of Rupees 18 million (2018: Rupees 18 million) which are under lien with the bank.

26. REVENUE

	2019 Rupees	2018 Rupees
Export sales	10,829,933,644	8,406,250,708
Local sales (Note 26.1)	2,698,751,352	2,104,721,289
Export rebate	43,349,087	32,408,781
Duty draw back	90,663,948	210,418,457
Processing income	289,478,279	101,947,622
	13,952,176,310	10,855,746,857

26.1 Local sales

	2019 Rupees	2018 Rupees
Sales (Note 26.1.1)	2,708,504,771	2,117,604,086
Less: Sales tax	9,753,419	12,882,797
	2,698,751,352	2,104,721,289

26.1.1 This includes sale of Rupees 1,136.574 million (2018: Rupees 736.843 million) made to direct exporters against standard purchase orders (SPOs). Further, local sales includes waste sales of Rupees 19.553 million (2018: Rupees 53.182 million).

	2019 Rupees	2018 Rupees
27. COST OF SALES		
Raw material consumed (Note 27.1)	8,597,787,660	6,579,149,279
Chemicals consumed	1,013,887,740	750,950,715
Salaries, wages and other benefits	610,018,417	548,118,233
Employees' provident fund contributions	21,121,581	18,796,073
Cloth conversion and processing charges	173,274,682	107,044,414
Fuel, oil and power	1,111,175,766	979,616,623
Stores, spares and loose tools consumed	196,551,694	181,766,616
Packing materials consumed	82,492,573	84,294,512
Repair and maintenance	61,879,063	71,027,978
Insurance	13,845,865	8,531,199
Other manufacturing expenses	54,039,714	55,385,131
Depreciation on operating fixed assets (Note 13.1.4)	262,115,341	212,249,851
	12,198,190,096	9,596,930,624
Work-in-process inventory		
As on 01 July	191,321,471	185,313,571
As on 30 June	(241,702,860)	(191,321,471)
	(50,381,389)	(6,007,900)
Cost of goods manufactured	12,147,808,707	9,590,922,724
Cost of yarn and cloth purchased for resale	22,970,715	76,208,557
	12,170,779,422	9,667,131,281
Finished goods inventory		
As on 01 July (Note 27.2)	677,229,101	535,748,906
As on 30 June	(909,394,411)	(650,144,779)
	(232,165,310)	(114,395,873)
	11,938,614,112	9,552,735,408
27.1 Raw material consumed		
Opening stock	312,039,069	188,006,627
Add: Purchased during the year	8,950,181,594	6,703,181,721
	9,262,220,663	6,891,188,348
Less: Closing stock	(664,433,003)	(312,039,069)
	8,597,787,660	6,579,149,279

27.2 This includes impact of adjustment on adoption of IFRS 15 amounting to Rupees 27.084 million.

	2019 Rupees	2018 Rupees
28. DISTRIBUTION COST		
Salaries and other benefits	106,102,653	85,742,949
Employees' provident fund contributions	3,765,317	3,438,124
Travelling, conveyance and entertainment	50,180,789	43,278,354
Printing and stationery	369,121	373,931
Communications	49,031,778	44,428,015
Vehicles' running	5,383,539	4,063,555
Insurance	4,138,754	3,200,628
Repair and maintenance	66,375	198,930
Commission to selling agents	202,532,974	145,984,301
Outward freight and handling	227,724,422	183,346,091
Clearing and forwarding	69,562,427	50,359,323
Sales promotion and advertising	1,942,678	1,023,490
Depreciation on operating fixed assets (Note 13.1.4)	2,361,581	2,596,628
Miscellaneous	6,302,170	13,068,300
	729,464,578	581,102,619
29. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	165,879,037	146,894,910
Employees' provident fund contributions	3,990,341	3,510,236
Travelling, conveyance and entertainment	44,388,828	29,900,155
Printing and stationery	5,589,053	4,484,037
Communications	4,733,108	5,614,197
Vehicles' running	14,195,533	10,982,442
Legal and professional	8,865,889	6,391,240
Insurance	9,432,742	9,251,083
Fee, subscription and taxes	8,113,243	8,527,799
Repair and maintenance	8,134,464	9,377,293
Electricity, gas and water	853,253	1,803,053
Auditors' remuneration (Note 29.1)	2,125,000	1,878,100
Depreciation on operating fixed assets (Note 13.1.4)	13,354,419	9,666,045
Miscellaneous	34,699,802	18,855,217
	324,354,712	267,135,807
29.1 Auditors' remuneration		
Audit fee	1,650,000	1,500,000
Half yearly review	270,000	220,000
Other certifications	80,000	60,000
Reimbursable expenses	125,000	98,100
	2,125,000	1,878,100

	2019 Rupees	2018 Rupees

30. OTHER EXPENSES

	2019 Rupees	2018 Rupees
Workers' profit participation fund (Note 8.2)	47,512,166	14,925,995
Donations (Note 30.1)	2,940,000	2,236,349
Loss on sale of operating fixed assets	-	1,717,408
Depreciation on investment properties (Note 15)	274,315	385,004
Provision for slow moving, obsolete and damaged store items (Note 18.1)	54,521,647	3,804,845
Provision for doubtful export rebate and claims (Note 23.1.1)	103,215	267,535
Allowance for expected credit loss (Note 20.3)	9,528,810	-
Provision for doubtful sales tax recoverable (Note 24.1)	25,225,604	-
Impairment loss on operating fixed assets (Note 13.1)	-	11,410,048
Provision for doubtful advances to staff against expenses (Note 21.1.1)	2,424,205	3,412,824
Provision for miscellaneous receivable	-	545,000
	142,529,962	38,705,008

30.1 There is no interest of any director or his spouse in donees' fund. Further, names of donees to whom donation amount is equivalent or exceeds Rupees 1.00 million are as follows:

	2019 Rupees	2018 Rupees
Qadir Foundation	-	500,000
Cancer Care Hospital & Research Center	1,000,000	552,070
Gulab Devi Chest Hospital	-	500,000
Friends of Punjab Institute of Cardialogy	1,200,000	-

31. OTHER INCOME

	2019 Rupees	2018 Rupees
Income from financial assets		
Dividend on equity investment	2,976,953	1,609,653
Exchange gain - net	350,088,570	92,138,047
Return on bank deposits	3,339,109	1,654,384
Interest income on sales tax refund bonds (Note 16.1)	9,615	-
Income from non-financial assets		
Scrap sales	40,220,486	39,768,899
Gain on sale of property, plant and equipment (Note 13.1.3)	2,534,767	-
Gain on disposal from investment property (Note 15.2)	30,477,723	-
Reversal of provision for doubtful export rebate and claims (Note 23.1.1)	126,336	105,146
Reversal of provision for doubtful sales tax recoverable (Note 24.1)	-	7,586,439
Others	161,845	461,088
	429,935,404	143,323,656

	2019 Rupees	2018 Rupees
32. FINANCE COST		
Mark-up on long term financing	58,168,379	89,312,293
Mark-up on short term borrowings	181,105,277	101,095,137
Adjustment due to impact of IAS - 39	24,884,332	15,264,460
Bank commission and other financial charges	105,143,540	85,390,335
Interest on workers' profit participation fund (Note 8.2)	14,644,646	5,781,887
	383,946,174	296,844,112
33. TAXATION		
Current (Note 33.1)	144,307,184	20,488,000
Prior year adjustment	(7,385,156)	4,272,194
Deferred tax	(2,471,039)	(1,268,922)
	134,450,989	23,491,272

33.1 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.

33.2 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 7.2.

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

34. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2019	2018
Profit attributable to ordinary shareholders	(Rupees)	728,751,187	239,056,287
Weighted average number of ordinary shares	(Numbers)	50,911,011	50,911,011
Earnings per share - Basic	(Rupees)	14.31	4.70

	2019 Rupees	2018 Rupees
35. CASH GENERATED FROM OPERATIONS		
Profit before taxation	863,202,176	262,547,559
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	277,831,341	224,512,524
Depreciation on investment properties	274,315	385,004
Dividend income	(2,976,953)	(1,609,653)
Loss on sale of operating fixed assets	-	1,717,408
Gain on sale of investment property	(30,477,723)	-
Gain on sale of operating fixed assets	(2,534,767)	-
Impairment loss on fixed assets	-	11,410,048
Allowance for expected credit loss	9,528,810	-
Adjustment due to impact of IAS - 39	24,884,332	15,264,460
Interest income on sales tax refund bonds	(9,615)	-
Provision for slow moving, obsolete and damaged store items	54,521,647	3,804,845
Provision for doubtful export rebate and claims	103,215	267,535
Provision for doubtful sales tax recoverable	25,225,604	-
Reversal of provision for doubtful export rebate and claims	(126,336)	(105,146)
Reversal of provision for sales tax recoverable	-	(7,586,439)
Finance cost	359,061,841	281,579,652
Working capital changes (Note 35.1)	(1,222,138,899)	(482,710,170)
	356,368,988	309,477,627
35.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(104,948,206)	32,868,291
Stock-in-trade	(634,940,632)	(244,436,215)
Trade debts	(818,103,480)	(716,678,900)
Advances	(199,966,826)	(62,040,208)
Short term deposits and prepayments	2,187,396	(5,146,672)
Other receivables	111,183,104	(86,800,301)
Sales tax recoverable	(73,459,975)	111,111,734
	(1,718,048,619)	(971,122,271)
Increase in trade and other payables	495,909,720	488,412,101
	(1,222,138,899)	(482,710,170)

35.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities from financing activities			Total
	Long term financing	Short term borrowings	Unclaimed dividend	
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2018	945,233,206	2,766,332,000	5,214,080	3,716,779,286
Short term borrowing obtained	-	7,027,265,000	-	7,027,265,000
Repayment of short term borrowings	-	(6,149,576,160)	-	(6,149,576,160)
Long term financing obtained	88,640,000	-	-	88,640,000
Repayment of long term financing	(262,452,687)	-	-	(262,452,687)
Impact of IAS-39	15,919,621	-	-	15,919,621
	(246,533,066)	-	-	(246,533,066)
Dividend declared	-	-	61,093,213	61,093,213
Dividend paid	-	-	(60,592,087)	(60,592,087)
Balance as at 30 June 2019	787,340,140	3,644,020,840	5,715,206	4,437,076,186

36. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2019 of Rupees 3.00 per share (2018: Rupees1.20 per share) at their meeting held on 02 October 2019.

Under Section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at the rate of 5% of accounting profit before tax of the Company if it does not distribute at least 20% of its after tax profit for the year within six months of the end of the year ended 30 June 2019 through cash or bonus shares. The requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on 02 October 2019 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

37. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2019			2018		
	Chief Executive	Directors	Executives	Chief Executive	Director	Executives
	Rupees					
Managerial remuneration	7,114,800	4,994,000	47,261,081	6,468,000	4,620,000	51,498,725
House rent	1,778,700	1,248,500	10,997,333	1,617,000	1,155,000	12,243,601
Utilities	711,438	499,309	4,725,272	646,800	461,916	5,149,035
Special allowance	1,422,960	998,800	9,452,217	1,293,600	924,000	10,238,690
Contribution to provident fund	592,665	416,005	3,936,867	538,784	384,852	4,289,858
Other allowances	711,480	923,386	7,176,967	646,800	1,239,084	9,061,434
	12,332,043	9,080,000	83,549,737	11,210,984	8,784,852	92,481,343
Number of persons	1	2	23	1	1	29

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

37.2 Meeting fee of Rupees 1.400 million (2018: Rupees 1.075 million) was paid to the non-executive directors for attending meetings.

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

38. TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties other than those which have been specifically disclosed elsewhere in these financial statements.

38.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 37

38.2 Following are the related parties with whom the Company have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year		Percentage of shareholding
		2019	2018	
Service Industries Limited	Common directorship	No	No	None
Punjab Social Security Health Management Company	Common directorship	No	No	None
Escorts Investment Bank Limited	Common directorship	No	No	None
Provident Fund Trust	Post-employment benefit plan	Yes	Yes	None

39. PROVIDENT FUND

As at the reporting date, the Kohinoor Mills Limited Staff Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan which allows transition period of 3 years for bringing the Employees Provident Fund Trust in conformity with the requirements of the regulations.

40. NUMBER OF EMPLOYEES

	2019	2018
Number of employees as on June 30	1,952	1,820
Average number of employees during the year	1,946	1,824

41. SEGMENT INFORMATION

41.1 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 and steam using gas, coal and oil.

	Weaving		Dyeing		Power Generation		Elimination of inter-segment transactions		Total- Company	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(Rupees)									
Sales										
-External	4,153,705,508	3,031,258,523	9,798,470,802	7,824,488,334	-	-	-	-	13,952,176,310	10,855,746,857
-Intersegment	2,292,427,668	2,530,688,132	115,429,544	76,208,557	873,067,188	933,416,910	(3,280,924,400)	(3,540,313,599)	-	-
	6,446,133,176	5,561,946,655	9,913,900,346	7,900,696,891	873,067,188	933,416,910	(3,280,924,400)	(3,540,313,599)	13,952,176,310	10,855,746,857
Cost of sales	(5,905,895,388)	(5,319,087,370)	(8,463,050,997)	(6,837,627,242)	(850,592,127)	(936,334,395)	3,280,924,400	3,540,313,599	(11,938,614,112)	(9,552,735,408)
Gross profit / (loss)	540,237,788	242,859,285	1,450,849,349	1,063,069,649	22,475,061	(2,917,485)	-	-	2,013,562,198	1,303,011,449
Distribution cost	(168,721,210)	(134,816,227)	(560,743,368)	(446,286,392)	-	-	-	-	(729,464,578)	(581,102,619)
Administrative expenses	(156,493,760)	(107,300,276)	(157,568,132)	(150,050,012)	(10,292,820)	(9,785,519)	-	-	(324,354,712)	(267,135,807)
	(325,214,970)	(242,116,503)	(718,311,500)	(596,336,404)	(10,292,820)	(9,785,519)	-	-	(1,053,819,290)	(848,238,426)
Profit / (loss) before taxation and unallocated income / (expenses)	215,022,818	742,782	732,537,849	466,733,245	12,182,241	(12,703,004)	-	-	959,742,908	454,773,023
Unallocated income and expenses:										
Finance cost									(383,946,174)	(296,844,112)
Other expenses									(142,529,962)	(38,705,008)
Other income									429,935,404	143,323,656
Taxation									(134,450,989)	(23,491,272)
									(230,991,721)	(215,716,736)
Profit after taxation									728,751,187	239,056,287

41.2 Reconciliation of reportable segment assets and liabilities:

	Weaving		Dyeing		Power Generation		Total - Company	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Rupees)							
Segment assets	4,752,222,408	3,327,496,885	4,509,929,333	3,286,788,822	955,677,513	829,725,575	10,217,829,254	7,444,011,282
Unallocated assets							650,243,113	1,420,922,887
Total assets as per the statement of financial position							10,868,072,367	8,864,934,169
Segment liabilities	1,192,116,354	740,333,314	527,193,189	448,646,544	115,617,089	139,878,614	1,834,926,632	1,328,858,472
Unallocated liabilities:								
Long term financing - secured							787,340,140	945,233,206
Loan from ex-sponsor							272,000,000	272,000,000
Accrued mark-up							43,469,479	57,918,203
Short term borrowings - secured							3,644,020,840	2,766,332,000
Deferred liabilities							292,887,875	259,180,425
Provision for taxation							144,307,184	20,488,000
Unclaimed dividend							5,715,206	5,214,080
Trade and other payables							92,515,048	102,755,999
Total liabilities as per the statement of financial position							7,117,182,404	5,757,980,385

41.3 Geographical information

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

	2019 Rupees	2018 Rupees
Australia	228,934,971	102,230,420
Asia	7,248,287,449	5,988,617,729
Europe	2,206,199,964	1,858,995,491
United States of America and Canada	658,324,180	433,311,711
Africa	618,322,432	219,816,753
Pakistan	2,992,107,314	2,252,774,753
	13,952,176,310	10,855,746,857

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

41.5 Revenue from major customers

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

42. PLANT CAPACITY AND PRODUCTION

	2019	2018
Weaving		
Number of looms in operation	258	258
Rated capacity of operative looms converted to 60 picks (square meter)	76,982,469	72,496,336
Actual production converted to 60 picks (square meter)	76,816,624	72,427,003
Number of days worked during the year (3 shifts per day)	365	365
Dyeing		
Rated capacity in 3 shifts (linear meter)	48,000,000	43,200,000
Actual production for three shifts (linear meter)	37,857,140	33,249,000
No. of days worked during the year (3 shifts per day)	341	355
Power generation		
Number of generators installed	9	9
Installed capacity (Mega Watt Hours)	291,445	291,445
Actual generation (Mega Watt Hours)	35,926	49,074

42.1 Under utilization of available capacity for weaving and dyeing divisions is due to routine maintenance and plant shut downs.

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

43. FINANCIAL RISK MANAGEMENT

43.1 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), GBP 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:

	2019	2018
Cash in hand - USD	19,415	3,592
Cash in hand - Euro	3,880	6,800
Cash in hand - GBP	4,380	-
Trade debts - USD	13,108,386	9,799,483
Trade debts - Euro	523,148	474,693
Trade and other payable - USD	(120,638)	(1,185,010)
Trade and other payable - Euro	(17,151)	(6,443)
Net exposure - USD	13,007,163	8,618,065
Net exposure - Euro	509,877	475,050
Net exposure - GBP	4,380	-

The following significant exchange rates were applied during the year:

Rupees per US Dollar

	2019	2018
Average rate	137.29	110.43
Reporting date rate	164.00	121.40

	2019	2018
Rupees per Euro		
Average rate	156.63	131.89
Reporting date rate	186.37	141.28
Rupees per GBP		
Average rate	177.37	-
Reporting date rate	207.79	-

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP and Euro with all other variables held constant, the impact on profit after taxation for the year would have been higher / lower by Rupees 104.644 million (2018: Rupees 52.254 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:

	2019 Rupees	2018 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	787,340,140	945,233,206
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	91,014,638	34,439,656
Financial liabilities		
Short term borrowings	3,644,020,840	2,766,332,000

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 reporting 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 1.00% higher / lower with all other variables held constant, profit for the year would have been Rupees 37.307 million lower / higher (2018: Rupees 25.953 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:

	2019 Rupees	2018 Rupees
Investment	55,381,750	58,161,750
Advances	9,185,188	4,418,432
Deposits	40,340,559	42,034,297
Trade debts	2,133,325,884	1,359,170,774
Other receivables	572,460	1,801,518
Bank balances	418,447,065	92,196,831
	2,657,252,906	1,557,783,602

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			2019	2018
Banks	Short Term	Long Term	Agency	Rupees	Rupees
National Bank of Pakistan	A1+	AAA	PACRA	193,405	790,778
Allied Bank Limited	A1+	AA+	PACRA	17,406,401	9,905,323
Askari Bank Limited	A1+	AA+	PACRA	70,825,491	2,589,049
Bank Alfalah Limited	A1+	AA+	PACRA	142,710,700	5,366,477
Faysal Bank Limited	A1+	AA	PACRA	2,151,503	455,539
Habib Bank Limited	A-1+	AAA	JCR-VIS	43,799,599	7,781,124
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	18,508,249	18,145,209
The Bank of Punjab	A1+	AA	PACRA	23,622,970	119,231
MCB Bank Limited	A1+	AAA	PACRA	61,397,539	8,173,322
Silk Bank Limited	A-2	A -	JCR-VIS	32,320,937	934,194
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	3,286,716	1,130,786
United Bank Limited	A-1+	AAA	JCR-VIS	1,989,616	34,538,448
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	95,263	2,267,351
Samba Bank Limited	A-1	AA	JCR-VIS	138,676	-
				418,447,065	92,196,831
Investment					
Security General Insurance Company Limited	-	AA	JCR-VIS	42,572,135	58,161,750
Sales tax refund bonds	Unknown	-	-	12,809,615	-
				473,828,815	150,358,581

The Company's exposure to credit risk and expected credit loss related to trade debts is disclosed in note 20.

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 and availability of funding through an adequate amount of committed credit facilities. At 30 June 2019, the Company has Rupees 1,863.002 million (2018: Rupees 1,076.891 million) available borrowing limits from financial institutions and Rupees 426.877 million (2018: Rupees 94.990 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 2019

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----------------	----------------	---------------- (Rupees)	----------------	----------------	----------------
Non-derivative financial liabilities						
Long term financing	787,340,140	925,302,720	113,457,912	108,744,025	251,255,528	451,845,255
Loan from ex-sponsor	272,000,000	272,000,000	272,000,000	-	-	-
Trade and other payables	1,728,287,773	1,728,287,773	1,728,287,773	-	-	-
Accrued mark-up	280,301,302	280,301,302	43,469,479	-	-	236,831,823
Short term borrowings	3,644,020,840	2,833,089,614	2,833,089,614	-	-	-
Unclaimed dividend	5,715,206	5,715,206	5,715,206	-	-	-
	6,717,665,261	6,044,696,615	4,996,019,984	108,744,025	251,255,528	688,677,078

Contractual maturities of financial liabilities as at 30 June 2018

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----------------	----------------	---------------- (Rupees)	----------------	----------------	----------------
Non-derivative financial liabilities						
Long term financing	945,233,206	1,083,324,109	156,187,051	92,178,833	370,508,907	464,449,318
Loan for Ex-Sponsor's	272,000,000	272,000,000	272,000,000	-	-	-
Trade and other payables	1,288,235,058	1,288,235,058	1,288,235,058	-	-	-
Accrued mark-up	259,450,990	259,450,990	57,918,203	-	-	201,532,787
Short term borrowings	2,766,332,000	2,833,089,614	2,833,089,614	-	-	-
Unclaimed dividend	5,214,080	5,214,080	5,214,080	-	-	-
	5,536,465,334	5,741,313,851	4,612,644,006	92,178,833	370,508,907	665,982,105

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 6 and note 11 to these financial statements.

43.2 Financial instruments by categories

Assets as per the statement of financial position

	2019			2018		
	Amortised cost	FVTOCI	Total	Loans and receivables	Available for sale	Total
	- -- - - - - - - - (Rupees) - - - - - - -- -			- - - - - -- - - (Rupees) - - - - - - -- - -		
Investments	12,809,615	42,572,135	55,381,750	-	58,161,750	58,161,750
Advances	9,185,188	-	9,185,188	4,418,432	-	4,418,432
Deposits	40,340,559	-	40,340,559	42,034,297	-	42,034,297
Trade debts	2,133,325,884	-	2,133,325,884	1,359,170,774	-	1,359,170,774
Other receivables	572,460	-	572,460	1,801,518	-	1,801,518
Cash and bank balances	426,876,902	-	426,876,902	94,990,230	-	94,990,230
	2,623,110,608	42,572,135	2,665,682,743	1,502,415,251	58,161,750	1,560,577,001

	2019 Rupees	2018 Rupees
Financial liabilities at amortized cost		
Loan from ex-sponsor	272,000,000	272,000,000
Long term financing	787,340,140	945,233,206
Accrued mark-up	280,301,302	259,450,990
Short term borrowings	3,644,020,840	2,766,332,000
Trade and other payables	1,728,287,773	1,288,235,058
Unclaimed dividend	5,715,206	5,214,080
	6,717,665,261	5,536,465,334

43.3 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.

44. 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 2019	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Financial asset				
Fair value through other comprehensive income	-	-	42,572,135	42,572,135
Total financial asset	-	-	42,572,135	42,572,135

Recurring fair value measurements At 30 June 2018	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Financial asset				
Available for sale financial asset	-	-	58,161,750	58,161,750
Total financial asset	-	-	58,161,750	58,161,750

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 equity 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 item for the year ended 30 June 2019 and 30 June 2018:

	Unlisted equity security Rupees
Balance as on 01 July 2017	49,118,229
Add : Surplus recognized in other comprehensive income	9,043,521
Balance as on 30 June 2018	58,161,750
Less : Deficit recognized in other comprehensive income	(15,589,615)
Balance as on 30 June 2019	42,572,135

(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	FVTOCI	Available for sale	Un-observable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	30 June 2019	30 June 2018		30 June 2019	
	Rupees	Rupees			
Investment					
Security General Insurance Company Limited	42,572,135	58,161,750	Net premium revenue growth factor	8.66%	Increase / (decrease) in net premium revenue growth factor by 0.05% and (decrease) / increase in discount rate by 1.00% would increase / (decrease) fair value by Rupees +2.046 million / - 1.867 million.
			Risk adjusted discount rate	22.08%	

There were no significant inter-relationships between un-observable 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 half yearly reporting period during the 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.

45. 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 2019	Level 1	Level 2	Level 3	Total
	.... (Rupees)		....	
Property, plant and equipment:				
- Freehold land	-	1,117,015,000	-	1,117,015,000
- Buildings	-	1,056,279,833	-	1,056,279,833
Total non-financial assets	-	2,173,294,833	-	2,173,294,833

As at 30 June 2018	Level 1	Level 2	Level 3	Total
	.... (Rupees)		....	
Property, plant and equipment:				
- Freehold land	-	1,117,015,000	-	1,117,015,000
- Buildings	-	1,105,838,000	-	1,105,838,000
Total non-financial assets	-	2,222,853,000	-	2,222,853,000

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 2018, 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.

46. FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described 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 2019	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Investment property				
- Land	-	3,083,000	-	3,083,000
Total non-financial assets	-	3,083,000	-	3,083,000

As at 30 June 2018	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Investment properties				
- Land	-	63,400,000	-	63,400,000
- Building	-	19,345,000	-	19,345,000
Total non-financial assets	-	82,745,000	-	82,745,000

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 its investment properties at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment properties at the end of every financial year. As at 30 June 2019, the fair values of the investment properties have been determined by Messers Hamid Mukhtar and Company (Private) Limited, the approved valuer.

Changes in fair values are analysed at the end of each year during the valuation discussion 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.

47. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on 02 October 2019.

48. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

49. GENERAL

Figures have been rounded off to nearest of Rupee.

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	SHAHBAZ MUNIR
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

AFFIX

CORRECT

POSTAGE

The Company Secretary

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

[redacted]

[redacted] صور میں واقع کمپنی کے رجسٹرڈ آفس میں پہنچنے والا دستخط شدہ اور مہر لگا ہوا پراکسی فارم (مختار نامہ) موثر تصور کیا جائے گا۔
[redacted] تبادل رکن) مقرر کئے یا فارم جمع کروائے تو اس کے وہ تمام فارم غلط قرار دیئے جائینگے۔
[redacted] تبادل رکن کے طور پر کام نہیں کرسکتا جب تک وہ کمپنی کا ممبر نہ ہو، سوائے کارپوریشن کے جو کسی بھی شخص کو متبادل 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۔

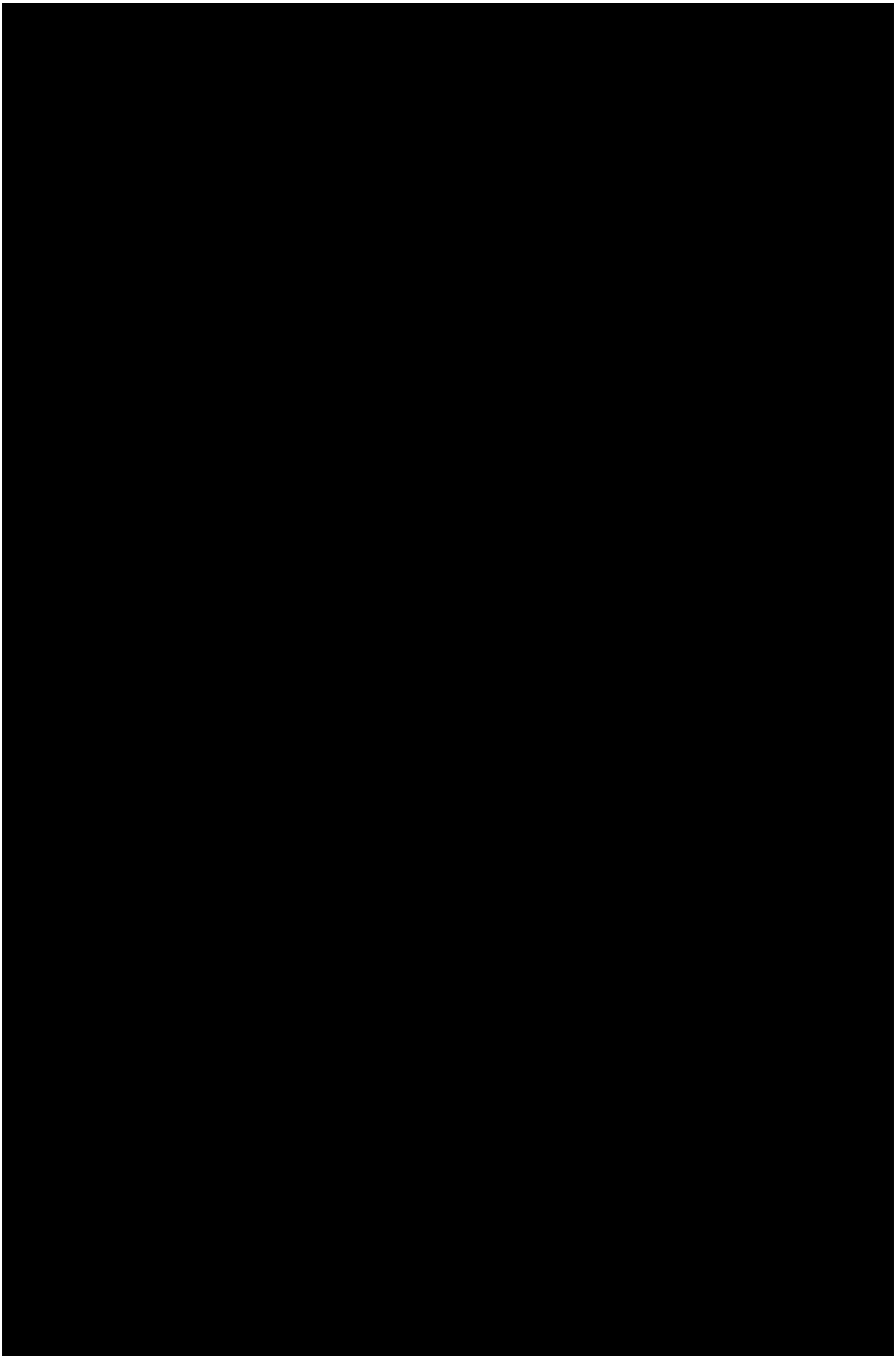
AFFIX
CORRECT
POSTAGE

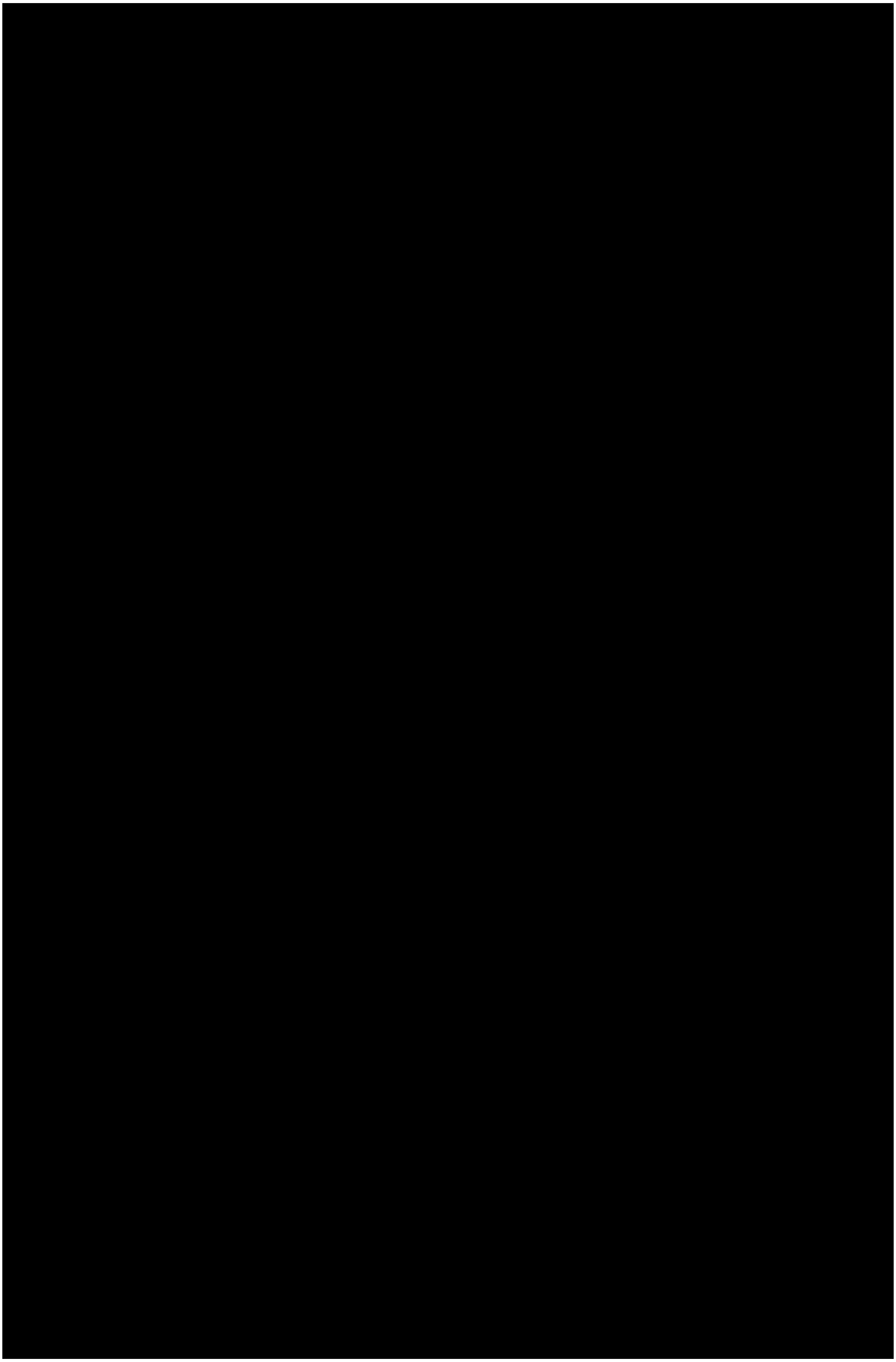
The Company Secretary

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

[redacted]

[redacted]





(Dividend)

[illegible] ڈائریکٹرز نے 30 جون 2019 کو ختم ہونے والے سال کے لیے 3 روپے فی شیئر یعنی (30%) حتمی کیش منافع حصص تجویز کیا ہے۔

[illegible] جائزہ

[illegible] 2019 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کی کارکردگی کا مختصر عمومی جائزہ مفصلہ ذیل ہے:

(Weaving Division) [illegible]

[illegible] ڈویژن میں 84 جدید ہائی سپیڈ ایئر جیٹ لومز کی تنصیب کے ذریعے اپنے بی ایم آر توسیعی منصوبہ سے منافع بخش نتائج حاصل کرنے میں کامیاب رہی۔ اس کے [illegible] کے مقابلے میں کُل فروخت حجم کے ساتھ ساتھ ڈویژن کے خالص منافع میں بھی خاطر خواہ اضافہ دیکھنے میں آیا۔ مینجمنٹ کا خیال ہے کہ اس کے ذریعے بڑھتی ہوئی [illegible] میں آسانی ہوگی اور یہ آئندہ مدت کے لیے بھی خالص منافع پر مثبت اثرات مرتب کرے گی۔

[illegible] رواں مالی سال میں مینجمنٹ بی ایم آر پراجیکٹ کے تحت موجودہ 68 لومز کی جگہ ہائی سپیڈ انرجی ایفیشنٹ لومز نصب کرنے پر غور کر رہی ہے۔ اس کے نتیجہ میں آپریشنل [illegible] ساتھ پیداواری صلاحیت میں بہتری آئے گی۔

(Dyeing Division) [illegible]

[illegible] ور مالی سال میں اضافی مشینری کی تنصیب کی وجہ سے اس ڈویژن کی پیداواری صلاحیت میں 20 فی صد اضافہ ہوا ہے۔ بہتر پیداواری صلاحیت مع روپے کی قدر میں [illegible] تی حاصلات (exchange gain realization) کی وجہ سے کُل فروخت کے حجم میں اضافہ ہوا بلکہ اس ڈویژن کا منافع بھی بڑھا۔ تاہم اس منافع کا کچھ [illegible]

[illegible] ڈویژن

حکومت نے درآمدات [illegible] متعلقہ شعبہ جات کے لیے 16.5 [illegible] (cents) [illegible] بجلی کی قیمت (مؤثر بہ یکم جنوری 2019) کا اعلان کیا ہے جس کی مدد سے موجودہ مالی سال میں کمپنی کی توانائی کی لاگت میں کمی واقع ہوئی ہے۔

بھاپ کی لاگت کم کرنے اور کم قیمت متبادل ذرائع سے مستفید ہونے کی غرض سے ہم اپنے بوائلروں کو موسمی بائیو ماس ایندھنوں یا کوئلہ پر منتقل کرتے رہتے ہیں جس سے ہمیں [illegible] کی لاگت کم کرنے میں مدد ملتی ہے۔

[illegible] شن ٹیکنالوجی

آپ کی کمپنی بروقت اور مؤثر فیصلوں میں معاون ثابت ہونے والے مؤثر آئی ٹی نظام کے حصول کے لیے مسلسل سرگرمِ عمل ہے۔ اس نے اپنے ملازمین کو بہترین کارکردگی کے [illegible] یدترین سہولیات فراہم کی ہیں۔ کارگزاری میں استعمال ہونے والا زیادہ تر پیداواری ساز وسامان اور مشینری تکنیکی طور پر اعلیٰ درجہ کے سوفٹ ویئر سے لیس ہے جو پیداواری عمل کے [illegible] وقت میں معلومات فراہم کرتا ہے۔

کمپنی کا انٹرانیٹ کمپنی کی پالیسیوں اور طریق ہائے کار سے متعلق کمپنی کے ملازمین کو تفصیلی معلومات کے علاوہ مفید استعمال کے لیے دیگر معلومات فراہم کرنے کے لیے بطور کارآمد ذریعہ کا کردار ادا کرتا ہے۔

[illegible] وسائل اور تربیت

تقریباً 1960 ملازمین کے انسانی سرمایہ کی حامل آپ کی کمپنی کا یہ ماننا ہے کہ ملازمین کمپنی کے مستقبل کی سمت کے تعین کے لیے نہایت ضروری ہیں اور ہر فرد براہِ راست ادارہ کی [illegible] میں اپنا حصہ ڈالتا ہے۔

آپ کی کمپنی کی HR ٹیم نہایت ماہر اور تجربہ کار لوگوں پر مشتمل ہے جو کاروباری اہداف کے حصول کے لیے مؤثر اقدامات کرنے کی غرض سے کاروباری ٹیموں کے ساتھ مل کر کام [illegible] ہیں۔

آپ کی کمپنی افراد کے احترام، یکساں مواقع، میرٹ کی بنیاد پر ترقی، مؤثر ابلاغ اور اعلیٰ کارکردگی کے ماحول کے فروغ کو خصوصی اہمیت دیتی ہے۔ کمپنی کے لیے ہر سطح پر مسلسل [illegible] کے لیے کوشاں رہنا باعثِ فخر ہے اور یہ اس امر کو یقینی بنانے کے لیے مصروفِ عمل رہتی ہے کہ تمام ملازمین کو ترقی اور ملازمت کے متنوع تجربات کے مواقع فراہم کیے جائیں۔

آپ

ڈائریکٹروں کی رپورٹ

To explore visit website: https://www.secp.gov.pk/

Kohinoor Mills Limited

8-Kilometer, Manga Raiwind Road,
District Kasur, Pakistan