Kohinoor Mills Limited

Annual Report 2017

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Kohinoor Mills Limited

COMPANY INFORMATION

Board of Directors

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Mr. Kamran Shahid

Head of Internal Audit

Mr. Jamal Asif

Legal Advisors

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

Company Secretary

Mr. Muhammad Rizwan Khan

Auditors

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

Bankers

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

Registered Office & Mills

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

Shares Registrar

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

Other Corporate Information

Kohinoor Mills Limited is registered in Pakistan 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 30 years Kohinoor Mills has evolved into one of Pakistan's largest vertically integrated textile operations with approximately 1700 employees and an annual turnover of PKR 10.6 Billion. Spread on a 100-acre state of the art facility near Lahore, we supply over 90 million meters of world-class grey, white and dyed fabrics to leading fashion brands in 20 countries around the globe.

The company is involved in three major businesses; Dyeing & Finishing, Weaving, and Energy.

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

Our Vision

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

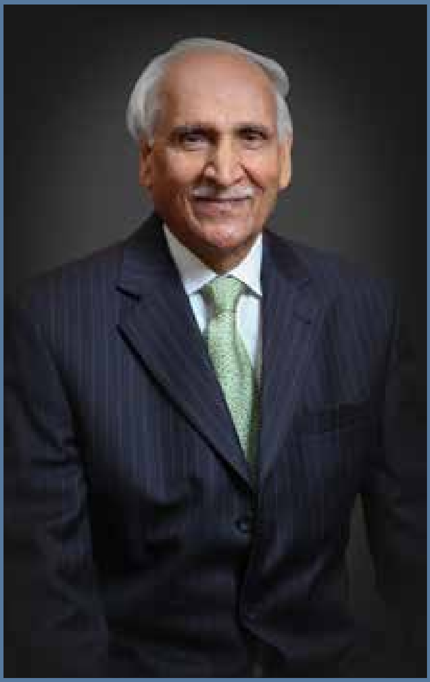
Our Mission

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; Dyeing & Finishing, Weaving and Energy. The company exports grey, white and dyed fabrics to leading fashion brands and trading companies in over 20 countries around the world. The company also operates an independent power plant to supply uninterrupted energy to its textile operations.

BOARD OF DIRECTORS



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 has served Boards of Directors of large corporate sector companies including telecommunication, fertilizer, cement, textile etc., and investment banks, leasing companies and modarabas.

He is currently serving as Chairman of the Board of Directors and Chairman of Human Resource and Remuneration Committee, and a member of Audit Committee. He also served as the Chairman of Audit Committee of the Company.

He is a member of Board of Governors of Lahore University of Management Sciences (LUMS). He has taught as a visiting faculty at Quaid e Azam University, Islamabad, University of The Punjab and University of Engineering and Technology, Lahore.

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

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 it's 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 30 years under his stewardship the company has grown from a small 48-loom weaving mill to one of Pakistan's largest vertically 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 is currently serving as the Chairman of the 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.

ASAD FAYYAZ SHEIKH
Director

Mr. Asad Fayyaz Sheikh is brother of Mr. Aamir Fayyaz Sheikh, and has been serving as a Managing Director of the Company since 1990. After studying Economics at the University of Dallas he joined the family business and has been leading the Weaving division for over a decade now.

Mr. Asad Fayyaz Sheikh has headed and been a member of various committees of the Board, and at present he is an active member of the Human Resource and Remuneration Committee. He travels extensively to represent the company at global fairs, and is involved in many of the management social responsibility initiatives.

BOARD OF DIRECTORS

ALI FAYYAZ SHEIKH
Director

Mr. Ali Fayyaz Sheikh is the youngest brother of Mr. Aamir Fayyaz Sheikh and Mr. Asad Fayyaz Sheikh, and has been serving as a Director of the Company since 1997. After completing his studies at the Wharton Business School, University of Pennsylvania he also joined the family business, and has been involved in the Weaving and Energy divisions.

Mr. Ali Fayyaz Sheikh has been a member of various committees of the Board, and at present he is an active member of the Audit Committee focusing specifically on matters of internal audit. He also takes a keen interest in the management social responsibility initiatives.

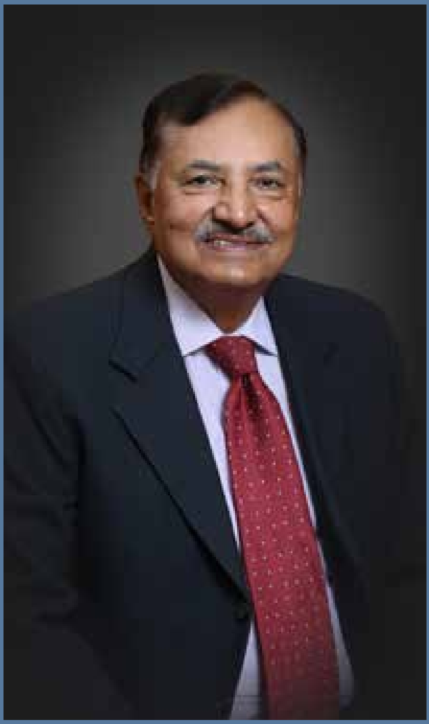
RIAZ AHMED
Director

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 as an Independent Director and Chairman of the Audit Committee and his advice plays an instrumental role in business decisions. He also serves as a Director and a Chairman of the Human Resource and Remuneration Committee of the Board of SIL. He is a certified Director by completing the Director's Training Program from ICAP.

Mr. Aamir Amin is a fellow member of the Institute of Chartered Accountants of Pakistan and is a certified Director by completing the Director's Training Program from Pakistan Institute of Corporate Governance. He is presently serving as Chief Financial Officer of National Investment Trust Limited (NITL) - one of the largest and oldest Asset Management Company in Pakistan. He brings over fifteen years of professional experience and his rich work life at NITL is complemented by extensive Board Room exposure in diversified listed Companies as nominee Director. He has worked on Strategy & Policy formulations, implementing good Corporate Governance practices, financial management of the Companies in diversified sector, restructuring of ailing Companies and Enterprise risk management etc.

AAMIR AMIN
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.

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 Non-Executive Director of the Company. He is also a member of the Human Resource & Remuneration and Audit Committees of the Board. His professional advice and guidance is always considered valuable by the Management.

Mr. Shahbaz has 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.

SHAHBAZ MUNIR
Director

MANAGEMENT TEAM

Ismail Aamir Fayyaz
Director Business Development

Kamran Shahid
Chief Financial Officer

M. Aamir Alam Qureshi
General Manager
Marketing-Dyeing

Adnan Shahid
General Manager
Marketing-Weaving

Asad-ullah
General Manager
Production-Dyeing

Arif Shafique
General Manager
Production-Weaving

Mazhar Noor
Deputy General Manager
Power

STRATEGIC BUSINESS OBJECTIVES

- INNOVATION for consistent development of specialized product competencies.
- Consistent improvement in QUALITY through combined commitment and focused monitoring.
- To build competency & transparency, in the system to reduce customer CLAIMS & COMPLAINTS.
- Retention & Addition of CORE customers.
- To develop CHANNELS into new and existing markets
- REDUCED LEAD TIMES through additional capacity to gain higher contribution margin fast businesses.
- Build Work-wear business competencies.
- Develop and retain good HR
- Development of business with LEADING LOCAL BRANDS with optimum utilization of looms width resulting in better per loom inflow.
- To focus on business development with NEW LOOMS with better quality.
- To concentrate and achieve EXPORT TARGETS
- To make efforts for generation of electricity and steam generation from the available cheapest source to avoid high ENERGY GENERATION COST.
- To carry on benchmark performance as per acclaimed ENVIRONMENTAL practices;
- To develop and promote the reputation and image of the Company for its STAKEHOLDERS in specific and NON-STAKEHOLDERS in general;
- Full compliance with all the APPLICABLE LAWS and REGULATIONS;
- Commitment towards team work to achieve common goals whilst fairly recognizing and REWARDING individuals contribution on merit;
- To conduct uncompromising ETHICS and HONESTY at all times.
- To adopt a distinct CORPORATE AND SOCIAL RESPONSIBILITY policy in order to contribute and securing the community within which it operates;
- Avoidance of conflict of interest and JUSTICE to all irrespective of gender, ethnicity, beliefs, cultures and religion


High Street

Fast Fashion

Workwear

Mass Market

Casualwear

Activewear

Kohinoor Weaving (KW) is the flagship division of the Company. Set up of a small 48-loom project on a green field site in 1988, it has now grown into a state of the art facility with 260 high-speed power looms from Toyota in Japan, and Picanol in Belgium.

The division produces 4 million meter of grey fabric every month, which is partially consumed upstream by the Dyeing division, while the rest is exported to clients in Southern Europe and Asia. KW has also diversified its operations into Jacquard fabrics for the local fashion industry and luxury clients in the US and Europe.



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 15 years of operations, KD is now a market leader in cotton stretch bottom wear 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, Ralf Lauren, American Eagle and Next.

The division produces 4 million meters of dyed, white and print fabric every month using cutting edge machinery from Bennenger in Switzerland, and Brugman in Belgium.





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

The division has an installed capacity of 30 Mega-Watts, which can be produced on a variety of fuel such as gas, oil, coal and biomass depending on seasonal availability. The division can also sell surplus energy to surrounding companies.



CORPORATE SOCIAL RESPONSIBILITIES AND TRAINING

CODE OF CONDUCT

Introduction to the Code

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

Contents

This code identifies the acceptable standards under following headings:

- Core values
- Business culture
- Responsibilities

Core values

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

Business culture

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

Insider Trading	No employees or his/her spouse will transact in the shares of the Company during the closed period prior to the announcement of financial results. Employees categorized as executives according to the requirement of code of corporate governance should also inform the company secretary immediately about transactions performed by them and their spouse other than during the closed period
Whistle Blowing Policy	The Company is committed to high standards of ethical, moral and legal business conduct and open communication. In line with these commitments the company placed whistle blowing policy on its intranet namely KNET to provide an avenue for its employees to raise their concerns and get assurance that they will be protected from reprisals or 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 colour; 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.

Notice of the Meeting

30th
Annual
General Meeting

Notice is hereby given that the 30th Annual General Meeting (AGM) of the Company will be held at 8 Kilometer, Manga Raiwind Road, District Kasur on Thursday, October 26, 2017 at 3:00 p.m., to transact the following business:-

1. To confirm the minutes of AGM held on October 20, 2016.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2017, together with Directors' and Auditors' Reports thereon.
3. To approve final cash dividend for the year ended June 30, 2017 at Rs. 1.10 per ordinary share of Rs. 10/- each i.e., 11% as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2018 and fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By Order of the Board

(MUHAMMAD RIZWAN KHAN)
Company Secretary

Kasur:
Wednesday, October 4, 2017

NOTES

1. Closure of Share Transfer Books

The share transfer books of the Company for Ordinary Shares will remain closed from October 17, 2017 to October 26, 2017 (both days inclusive) for determination of above entitlement and to attend and vote at the AGM. Physical transfers and deposit requests under Central Depository System received at the close of business hours on Monday, October 16, 2017, 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. Participation in the AGM

Through Proxy

a) A member of the Company entitled to attend, speak and vote may appoint another member as his/her proxy to attend and vote instead of him/her. The instrument of proxy i.e., proxy form must be received at the Registered Office of the Company not less than 48 hours before the time of meeting.

b) The form of the proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, address and Computerized National Identification Card (CNIC) numbers must be mentioned on the form, alongwith attested copies of CNIC or Passport of the beneficial owner and the proxy.

c) In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature(s) shall be submitted with the proxy form.

d) Beneficial owners of the physical shares and the shares registered in the name of Central Depository Company of Pakistan Ltd (CDC) and/or their proxies are required to produce their original CNIC or Passport for identification purpose at the time of attending the meeting.

Through Video conference

e) Shareholders individually or collectively holding 10% or more shareholding can provide their consent to participate in the AGM 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 day before the date of AGM alongwith 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 holding of AGM.

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, 2017 are 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 and subsequent approval of the shareholders in the last AGM held on October 20, 2016, Annual Audit 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 from the entitlement date i.e., October 16, 2017, 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 dispatch of dividend warrant(s) till such time the CNIC/NTN copy is provided to the Shares Registrar of the Company.

b) Dividend Mandate: Under Section 242 of the Companies Act, 2017, every listed company is required to pay dividend, if any, to their shareholders only through electronic mode i.e., by transferring the same directly in to the bank account provided by the shareholder. However, SECP through its Circular No. 18 of 2017 dated August 1, 2017, has allowed extension in time till October 31, 2017. Please note that with effect from November 1, 2017 all dividend payments shall be paid only through electronic mode. It is, therefore, requested to all shareholders to provide their dividend mandate information i.e., name, folio number, bank account number (IBAN), title of account, complete mailing address of the bank and branch address, branch code, email and contact numbers to the Shares Registrar of the Company.

c) Deduction of Tax on Dividend: Shareholders are hereby informed that through Finance Act 2017, effective from July 1, 2017, the rate of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001, from dividend payment have been revised as follows:

a.	Rate of tax deduction for filer of income tax return	15%
b.	Rate of tax deduction for non-filer of income tax return	20%

All the shareholders whose names are not entered into Active Tax Payer List (ATL) available at FBR website www.fbr.gov.pk despite the fact that they are filers are advised to make sure that their names are entered into ATL.

d) Further, according to clarification received from FBR, each joint shareholder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding notified by each joint holder. Accordingly, such shareholders(s) may notify in writing within 10 days of this notice to the Shares Registrar of the Company as per format given below. If no notification is received by the Shares Registrar, then it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s):

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.

f) Shareholders are requested to notify immediately of any change in their address or particulars.

5. 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.

DIRECTORS' REPORT

The Directors of Kohinoor Mills Ltd ("The Company") are pleased to present the annual report of the Company for the year ended June 30, 2017, along with the audited financial statements and Auditors' report thereon.

Textile Industry Outlook

The textile exporters in Pakistan face the toughest playing field in the region when compared to exporters in other countries. The "cost of doing business" in the country is the highest on region-wide basis and includes high gas and power tariff, levy of GIDC, and artificially maintained over valued Pak rupee exchange rate. This coupled with downturn in the global Apparel and Retail Sales has resulted in gradual decline in Textile Exports over past three years, standing at US$ 12.5 Billion for FY2016-17.

Taking cognizance of these facts, the Federal Government announced Textile Package 2017 to boost textile exports and introduced several relief measures, including widening of the scope of Duty Drawbacks, zero rating of sales tax on machinery imports, raw-materials and fuels and prompt payment of sales tax refunds for textile industry. While, on paper, these steps were quite promising, their patchy implementation and escalating political uncertainty raises concerns regarding their effectiveness in boosting textile exports.

Operating & Financial Results

During the financial year ended June 30, 2017, your company earned a gross profit of Rs. 1,445 million on sales of Rs. 10,656 million compared to gross profit of Rs. 1,393 million on sales of Rs. 8,551 million for the previous financial year 2015-16. During FY 2016-17, your company recorded a net profit of Rs. 134 million (EPS: Rs. 2.63 per share), compared to net profit of Rs. 119 million (EPS: Rs. 2.33 per share) in the previous financial year.

The Company was able to achieve 25% growth in the top-line. However, the margins remained under pressure due to escalating raw material costs, resultantly, the Company was only able to maintain its performance viz a viz last financial year.

Dividend

The Board of Directors has proposed a final cash dividend for the year ended June 30, 2017 of Rupees 1.10 per share i.e. (11%).

Performance Overview

A brief overview of performance of your company for the year ended June 30, 2017 is discussed below. Please also refer page no. 33 of this Annual Report for six years' performance overview of your Company.

Weaving Division

Keeping in view increase in overseas competition and rising raw material prices, which dampened performance of this division during the year under review, the management has been taking earnest steps to improve performance, including focusing on new business avenues in local and export markets, in this division. Management expects that these steps would yield positive results in the future.

Further, in line with its BMR plans to keep in-step with improving production technologies, the management had decided to install an additional 84 high-speed state-of-the-art air jet looms in this division. This would result in 60% increase in weaving's existing production capacity. Out of these, 48 looms have been installed in the first quarter of FY 2017-18 and remaining 36 looms are expected to be installed during the second-quarter of the year. These will support this division's growing export business and rising greige demand of the company's dyeing division.

Dyeing Division

This division improved its performance and met the targets set for the year under review, attaining new levels of capacity utilization. However, rising greige prices and reduced margins due to dull overseas demand dampened the overall profitability of the division.

Currently, a BMR and slight modification programme is under process in this division, which will enhance its production capacity by 20%. These changes are expected to be operational in second-half of FY 2017-18 and would enable the company to better cater the demands of its customers and hence contribute to the overall performance of the company.

Genertek Division

Although, overall energy costs did not escalate during the period under review, however, recent rise in coal and HFO prices remain a cause of concern, going forward.

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

This company has been liquidated under members' voluntary winding up under section 358 of the repealed Companies Ordinance, 1984.

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

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

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

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

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

Training & Development

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

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

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

Safety, Health & Environment

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

Corporate Social Responsibility

Your company has very distinct Corporate and Social Responsibility (CSR) policy in fulfilling its responsibilities of securing the community within which it operates. Its philanthropic activities include participation in health and education sector initiatives.

Compliance with the Code of Corporate Governance

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

Corporate & Financial Reporting Frame Work

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

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

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

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

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

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

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

g. There has been no material departure from the best practices of Corporate Governance as detailed in rule book of Pakistan Stock Exchange Limited.

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

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

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

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

June 30, 2017	Rs. 153.03 million
June 30, 2016	Rs. 119.88 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.

During the year under review, six (6) 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	6
2	Mr. Aamir Fayyaz Sheikh	6
3	Mr. Asad Fayyaz Sheikh	6
4	Mr. Ali Fayyaz Sheikh	6
5	Mr. Riaz Ahmed	6
6	Mr. Shahbaz Munir	6
7	Mr. Aamir Amin	5

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

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

Sr.	Name	Designation	Purchased	Sold
			No. of Shares	
1	Mr. Riaz Ahmed	Director	7,500	-
2	Mr. Shahbaz Munir	Director	9,500	-
3	Mrs. Muneeza Asad Fayyaz	Director's spouse	150,000	-

Annual Board Performance Evaluation

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

Changes in the Board

During the year under review no change was made in the board.

Directors' Training Programme

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

Audit Committee

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

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

During the year under review, 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	4
2	Mr. Rashid Ahmed	4
3	Mr. Ali Fayyaz Sheikh	4
4	Mr. Shahbaz Munir	4

Human Resource and Remuneration Committee

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

During the year under review 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. Rashid Ahmed	4
2	Mr. Asad Fayyaz Sheikh	3
3	Mr. Shahbaz Munir	4

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

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, 2017, as required under the Companies Act, 2017 and Code of Corporate Governance is annexed with this report.

Future Prospects

Keeping in view the consistently declining textile exports over past few years, the Government of Pakistan recently announced textile package for the industry. However, delays in implementing the promised relief package have become another cause of significant concern. Further, challenging macro-economic scenario emanating from uncertain security and political environment, increasing competition from regional players and sluggish overseas demand is exacerbating this situation.

However, the management has kept its resolve for performance improvement through better marketing by winning customer confidence, improved capacity utilization and better supply chain management to keep costs low. Additionally, the management has undertaken a BMR programme to enhance production capacity and improve efficiency and cost effectiveness of the company, hence maintaining its competitiveness. The current order book position of the company is healthy and the management is optimistic that it can improve on the company's performance, going forward.

Auditors

The external auditors of the company, M/s Riaz Ahmad & Company, Chartered Accountants shall retire on the conclusion of forthcoming Annual General Meeting. Being eligible for re-appointment under the Companies Act, 2017, they have offered their services as auditors of the company for the year ending June 30, 2018. The Board of Directors endorsed the recommendations of Audit Committee for their re-appointment.

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

Acknowledgment

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

For and on behalf of the Board

Kasur : 12 September 2017	(AAMIR FAYYAZ SHEIKH) Chief Executive	(RIAZ AHMED) 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	June 30, 2017

4.

Number of Shareholders	Shares held Range From		To	Total Shares held	Percentage
355	1	-	100	7,094	0.01
695	101	-	500	143,899	0.28
104	501	-	1000	81,505	0.16
173	1001	-	5000	431,736	0.85
31	5001	-	10000	228,135	0.45
20	10001	-	15000	263,627	0.52
14	15001	-	20000	241,312	0.47
8	20001	-	25000	180,029	0.35
2	25001	-	30000	57,500	0.11
3	30001	-	35000	93,000	0.18
1	35001	-	40000	38,500	0.08
4	40001	-	45000	175,500	0.34
1	45001	-	50000	45,003	0.09
2	60001	-	65000	124,829	0.25
1	65001	-	70000	65,826	0.13
2	80001	-	85000	161,867	0.32
1	95001	-	100000	100,000	0.20
1	105001	-	110000	107,000	0.21
2	110001	-	115000	227,500	0.45
1	140001	-	145000	141,000	0.28
2	155001	-	160000	320,000	0.63
1	160001	-	165000	164,000	0.32
1	195001	-	200000	198,000	0.39
1	205001	-	210000	210,000	0.41
1	220001	-	225000	222,467	0.44
1	240001	-	245000	245,000	0.48
1	245001	-	250000	250,000	0.49
1	255001	-	260000	256,350	0.50
1	445001	-	450000	450,000	0.88
1	765001	-	770000	768,500	1.51
1	1020001	-	1025000	1,023,661	2.01
1	1230001	-	1235000	1,232,257	2.42
1	2170001	-	2175000	2,175,000	4.27
1	2760001	-	2765000	2,762,357	5.43
1	3105001	-	3110000	3,108,059	6.10
1	10925001	-	10930000	10,925,564	21.46
1	10960001	-	10965000	10,961,678	21.53
1	12720001	-	12725000	12,723,256	24.99
1,440	Total			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	34,904,348	68.5595
5.2	Associated Companies, Undertakings and Related Parties	Nil	Nil	Nil
5.3	NIT and ICP	3	3,110,859	6.1104
5.4	Banks, Development Financial institutions, Non-Banking Financial Companies	7	470,404	0.9240
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 10% or more	3	34,610,498	67.9823
5.8	General Public			
	a. Local	1375	10,583,269	20.7878
	b. Foreign	4	82,636	0.1623
	c. Joint Stock Companies	31	469,828	0.9228
5.9	Others			
	Lahore Stock Exchange		680	0.0013
	Trustee-Kohinoor Mills Limited - Staff Provident Fund		909,500	1.7865
	Trustees Al-Mal Group Staff Provident Fund		1,695	0.0033
	Trustee Pakistan Mobile Communications Ltd - Provident Fund		12,000	0.0236
	Trustees of Pakistan Mobile Communication Ltd - Provident Fund		45,000	0.0884
	Trustee National Bank of Pakistan Employees Pension Fund		222,467	0.4370
	Trustee National Bank of Pakistan Employee Benevolent Fund		7,806	0.0153
	Trustees Moosa Lawai Foundation		9,015	0.0177
		8	1,208,163	2.3731
	TOTAL (by eliminating dual effect of figures at Sr# 5.7 obtained from Sr# 5.1)	1,440	50,911,011	100.00

AAMIR FAYYAZ SHEIKH
Chief Executive

Additional information under Code of Corporate Governance 2012 as at June 30, 2017

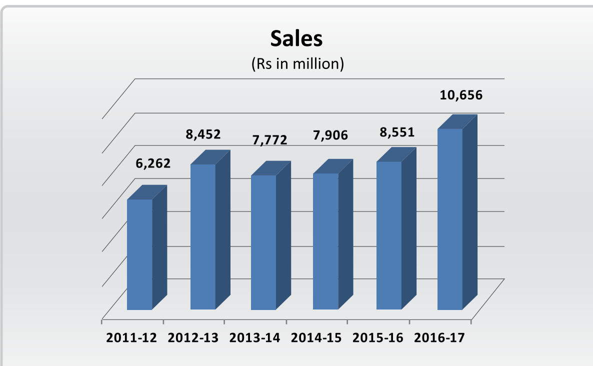
		Number of Shares held
I.	Associated Companies, Undertakings and Related Parties	
	Nil	-
II.	Mutual Funds	
	Nil	-
III.	Directors, CEO and their Spouse(s) and minor children	
	Mr. Rashid Ahmed (Chairman)	3,850
	Mr. Aamir Fayyaz Sheikh (Chief Executive)	12,723,256
	Mr. Asad Fayyaz Sheikh (Director)	10,961,678
	Mr. Ali Fayyaz Sheikh (Director)	10,925,564
	Mr. Riaz Ahmed (Director)	27,500
	Mr. Shahbaz Munir (Director)	12,000
	Mr. Aamir Amin (Director NIT Nominee)	-
	Mrs. Muneeza Asad Fayyaz (Director's Spouse)	250,000
		34,903,848
IV.	Executives	258,850
V.	Public Sector Companies and Corporations	17,532
VI.	Banks, Development Finance Institutions, Non-banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	4,771,894
VII.	Shareholders holding five percent or more voting Rights	
	Mr. Aamir Fayyaz Sheikh	12,723,256
	Mr. Asad Fayyaz Sheikh	10,961,678
	Mr. Ali Fayyaz Sheikh	10,925,564
	National Bank of Pakistan-Trustee Department NI(U)T Fund	3,108,059
		37,718,557

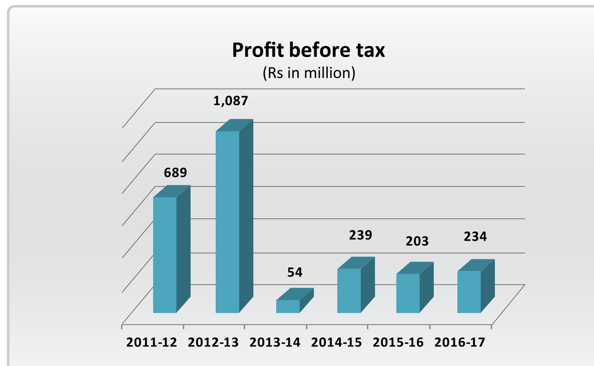
Information under clause 5.19.11 (xii) of Pakistan Stock Exchange Limited Rule Book relating to all trades in the share of the Company as at June 30, 2017 carried out by its Directors, Executives, and their spouses and minor children are disclosed on page no 27.

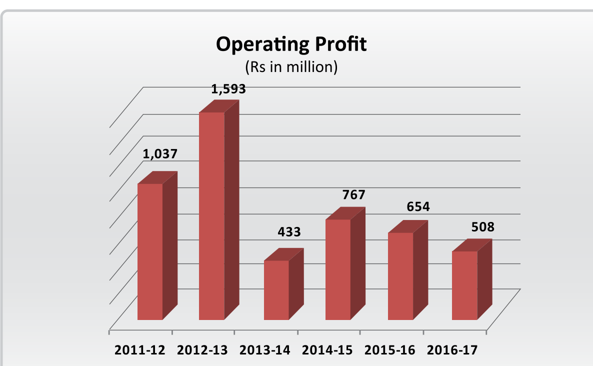
SIX YEARS' PERFORMANCE

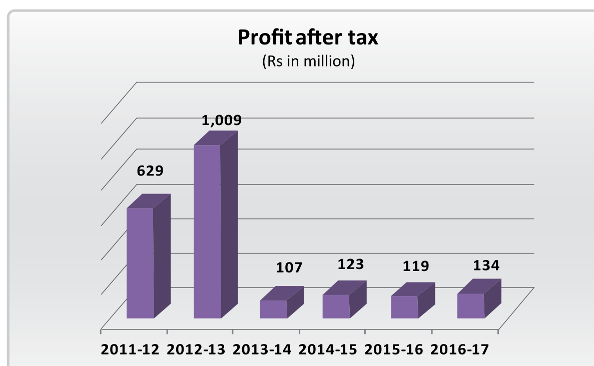
		2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
OPERATING							
Gross Margin	%	13.56	16.29	16.43	13.45	16.31	14.67
Pre Tax Margin	%	2.19	2.37	3.03	0.70	12.86	11.00
Net Margin	%	1.26	1.39	1.56	1.37	11.93	10.05
PERFORMANCE							
Return on Long Term Assets	%	3.63	3.16	3.11	3.01	29.17	17.58
Total Assets Turnover	x	1.63	1.35	1.26	1.30	1.44	1.08
Fixed Assets Turnover	x	2.96	2.37	2.14	2.26	2.52	1.83
Inventory Turnover	Days	50.25	59.13	58.34	52.80	45.36	53.41
Return on Equity	%	0.13	0.14	0.14	0.14	1.93	nm
Return on Capital Employed	%	27.76	36.36	25.86	13.65	48.03	36.36
Retention	%	58.22	100	100	100	100	100
LEVERAGE							
Debt:Equity		68:32	68:32	67:33	71:29	82:18	nm
LIQUIDITY							
Current		0.78	0.75	1.05	1.19	1.33	1.06
Quick		0.42	0.39	0.56	0.70	0.82	0.67
VALUATION							
Earning per share (pre tax)	Rs.	4.59	3.98	4.70	1.06	21.36	13.53
Earning per share (after tax)	Rs.	2.63	2.33	2.42	2.09	19.81	12.36
Breakup value	Rs.	20.04	17.04	17.30	15.23	10.24	(11.21)
Dividend payout - Cash	Rs.	1.10	-	-	-	-	-
Bonus issue	%	-	-	-	-	-	-
Payout ratio - Cash (after tax)	%	41.78	-	-	-	-	-
Price earning ratio	Rs.	18.16	8.65	7.16	5.96	0.82	0.19
Market price to breakup value	Rs.	2.39	1.19	1.00	0.82	1.58	(0.21)
Dividend yield	%	3.28	-	-	-	-	-
Market value per share	Rs.	47.81	20.20	17.30	12.49	16.20	2.36
Market capitalization	Rs. In million	2,434	1,028	881	636	825	120
HISTORICAL TRENDS							
Turnover	Rs. In million	10,656	8,551	7,906	7,772	8,452	6,262
Gross profit	Rs. In million	1,445	1,393	1,299	1,045	1,378	919
Profit/(Loss) before tax	Rs. In million	234	203	239	54	1,087	689
Profit/(Loss) after tax	Rs. In million	134	119	123	107	1,009	629
FINANCIAL POSITION							
Shareholder's funds	Rs. In million	1,020	867	881	775	521	(571)
Property Plant and Equipment	Rs. In million	3,603	3,614	3,694	3,441	3,355	3,413
Current assets	Rs. In million	2,842	2,592	2,326	2,445	2,403	2,243
Current liabilities	Rs. In million	3,648	3,474	2,207	2,047	1,804	2,116
Long term assets	Rs. In million	3,696	3,761	3,951	3,542	3,457	3,580
Long term liabilities	Rs. In million	808	930	2,086	2,396	2,794	3,423

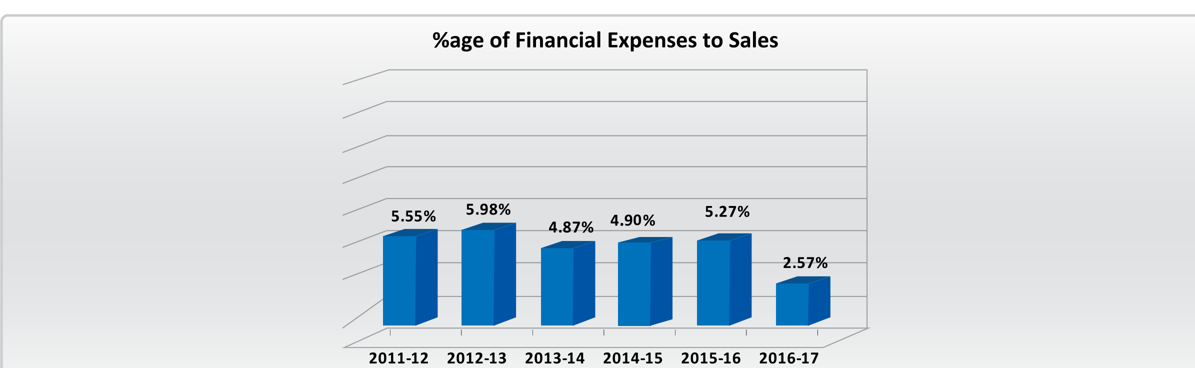
PERFORMANCE OVERVIEW

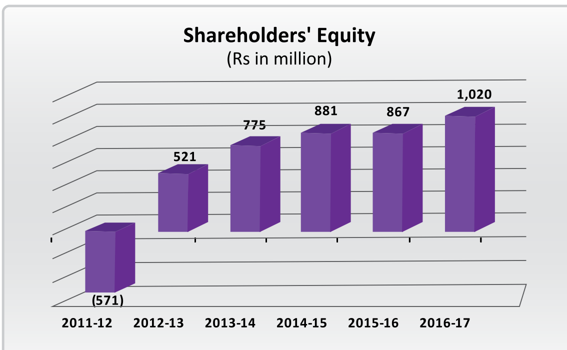


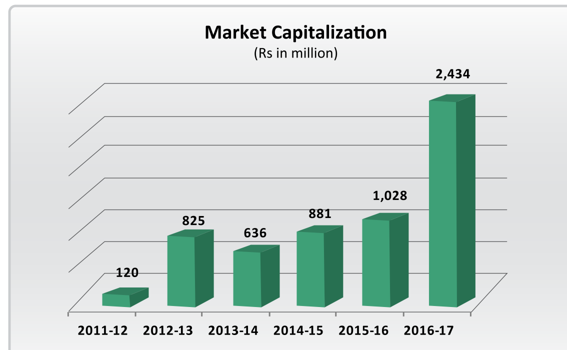


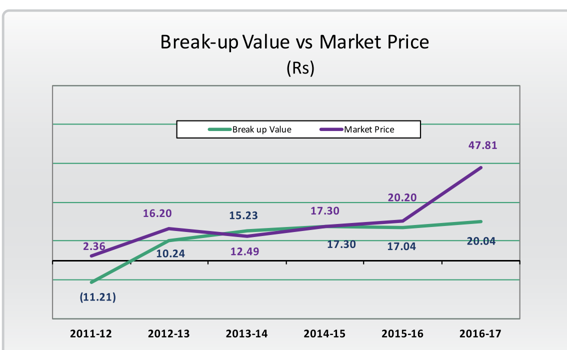


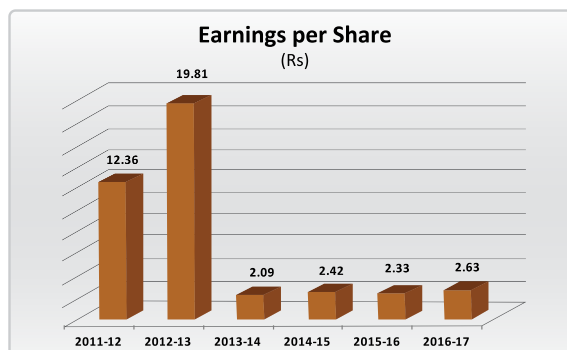


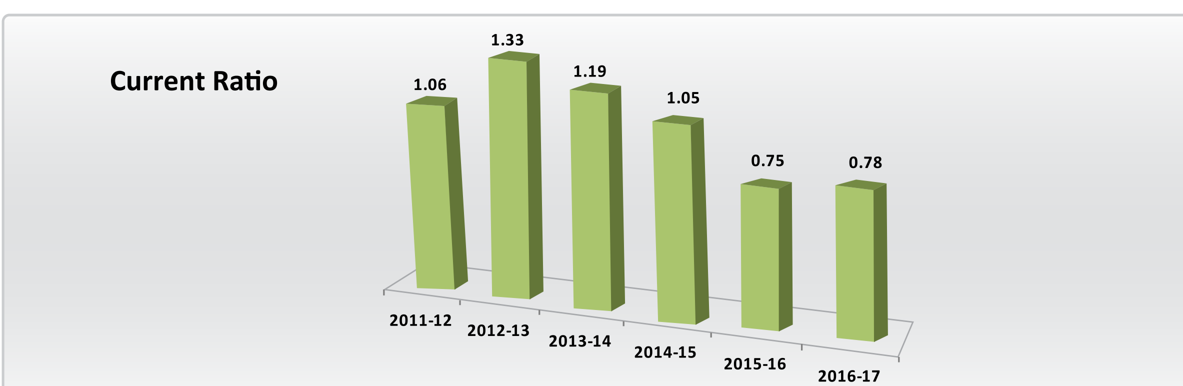



Shareholders' Equity
(Rs in million)
(571)
521
775
881
867
1,020
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17


Market Capitalization
(Rs in million)
120
825
636
881
1,028
2,434
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17

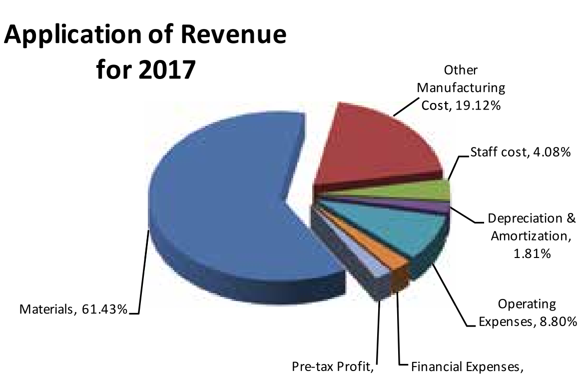

Break-up Value vs Market Price
(Rs)
Break up Value
Market Price
2.36
16.20
15.23
17.30
20.20
47.81
(11.21)
10.24
12.49
17.30
17.04
20.04
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17

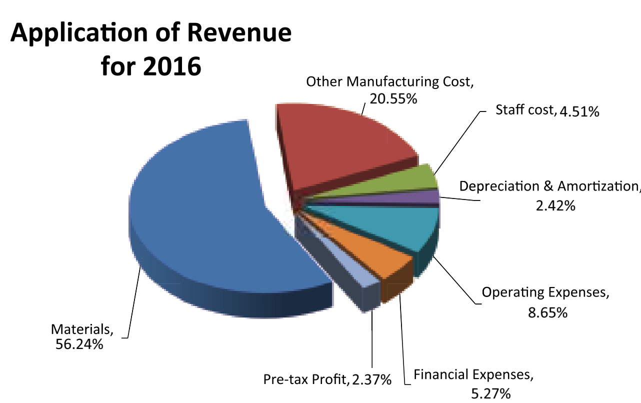

Earnings per Share
(Rs)
12.36
19.81
2.09
2.42
2.33
2.63
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17


Current Ratio
1.06
1.33
1.19
1.05
0.75
0.78
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17

STATEMENT OF VALUE ADDITION

	2017		2016	
	%age	Amount (000)	%age	Amount (000)
Value Added				
Local Sales	19.47%	2,074,704	16.23%	1,387,911
Export Sales	80.53%	8,581,740	83.77%	7,163,181
Total Sales	100%	10,656,445	100%	8,551,092
Value Allocated				
Materials	61.43%	6,546,033	56.24%	4,808,762
Other Manufacturing Cost	19.12%	2,037,710	20.55%	1,756,879
Staff cost	4.08%	434,712	4.51%	385,512
Depreciation & Amortization	1.81%	192,705	2.42%	206,913
Operating Expenses	8.80%	937,677	8.65%	739,470
Financial Expenses	2.57%	273,786	5.27%	450,764
Pre-tax Profit	2.19%	233,822	2.37%	202,792
	100%	10,656,445	100%	8,551,092





Statement of Compliance with the Code of Corporate Governance for the Year Ended June 30, 2017

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

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

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

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

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

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

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

4. No casual vacancy occurred on the board during the year.

5. 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.

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

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

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

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

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

was ratified as per company policy approved by the Board.

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

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

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

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

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

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

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

18. The Board has 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.

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

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

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

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

23. The Company has complied with the requirements relating to the maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis of inclusion or exclusion of names of persons from the said list.

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

Kasur :	(AAMIR FAYYAZ SHEIKH)	(RIAZ AHMED)
12 September 2017	Chief Executive	Director

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of KOHINOOR MILLS LIMITED ("the Company") for the year ended 30 June 2017 to comply with the Code contained in the Regulations of Pakistan Stock Exchange Limited, where the company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

DATE: 12 September 2017
LAHORE

Financial Statments

For the year ended 30 June 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of KOHINOOR MILLS LIMITED as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the repealed Companies Ordinance, 1984;

(b) in our opinion:

  i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  ii) the expenditure incurred during the year was for the purpose of the company's business; and

  iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 June 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

DATE: 12 September 2017

LAHORE

BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	3	1,100,000,000	1,100,000,000
Issued, subscribed and paid-up share capital	4	509,110,110	509,110,110
Reserves	5	511,178,774	358,240,114
Total equity		1,020,288,884	867,350,224
Surplus on revaluation of operating fixed assets - net of deferred income tax	6	1,061,413,426	1,081,449,031
LIABILITIES			
Non-current liabilities			
Long term financing - secured	7	566,531,348	735,286,694
Deferred liabilities	8	241,726,596	194,599,666
		808,257,944	929,886,360
Current liabilities			
Trade and other payables	9	947,933,906	853,749,084
Accrued mark-up	10	35,603,152	194,483,901
Sponsor's loan	11	272,000,000	272,000,000
Short term borrowings - secured	12	2,132,770,001	1,917,369,966
Current portion of long term financing	7	160,576,164	163,323,416
Provision for taxation		99,325,921	73,303,245
		3,648,209,144	3,474,229,612
Total liabilities		4,456,467,088	4,404,115,972
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		6,538,169,398	6,352,915,227

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

AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

	Note	2017 Rupees	2016 Rupees
ASSETS			
Non-current assets			
Fixed assets	14	3,602,681,364	3,613,786,853
Investment properties	15	22,163,203	-
Long term investments	16	49,118,229	126,357,045
Long term security deposits		21,818,487	21,200,012
		3,695,781,283	3,761,343,910
Current assets			
Stores, spares and loose tools	17	404,107,841	416,776,129
Stock-in-trade	18	909,069,104	806,079,356
Trade debts	19	642,491,874	465,442,351
Advances	20	58,529,249	74,812,228
Trade deposits and short term prepayments	21	15,408,976	14,389,121
Other receivables	22	486,589,317	311,146,735
Sales tax recoverable	23	256,826,002	449,022,395
Cash and bank balances	24	69,365,752	53,903,002
		2,842,388,115	2,591,571,317
TOTAL ASSETS		6,538,169,398	6,352,915,227

RIAZ AHMED
DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
REVENUE	25	10,656,444,857	8,551,091,835
COST OF SALES	26	(9,211,160,073)	(7,158,065,284)
GROSS PROFIT		1,445,284,784	1,393,026,551
DISTRIBUTION COST	27	(604,602,184)	(497,552,931)
ADMINISTRATIVE EXPENSES	28	(244,244,276)	(232,700,374)
OTHER EXPENSES	29	(154,918,537)	(53,970,345)
		(1,003,764,997)	(784,223,650)
		441,519,787	608,802,901
OTHER INCOME	30	66,088,246	44,753,708
PROFIT FROM OPERATIONS		507,608,033	653,556,609
FINANCE COST	31	(273,785,683)	(450,764,146)
PROFIT BEFORE TAXATION		233,822,350	202,792,463
TAXATION	32	(99,807,069)	(83,960,087)
PROFIT AFTER TAXATION		134,015,281	118,832,376
EARNINGS PER SHARE - BASIC AND DILUTED	33	2.63	2.33

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

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	RIAZ AHMED
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	2017 Rupees	2016 Rupees
PROFIT AFTER TAXATION	134,015,281	118,832,376
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Deficit arising on re-measurement of available for sale investment to fair value	(3,082,479)	(104,808,983)
Deferred income tax relating to re-measurement of available for sale investment to fair value	1,079,782	25,540,380
Other comprehensive loss for the year - net of tax	(2,002,697)	(79,268,603)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	132,012,584	39,563,773

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

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	RIAZ AHMED
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	34	657,393,992	584,419,530
Income tax paid		(108,171,490)	(90,420,324)
Net increase in long term security deposits		(618,475)	(246,810)
Finance cost paid		(333,449,641)	(410,903,778)
NET CASH GENERATED FROM OPERATING ACTIVITIES		215,154,386	82,848,618
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(267,249,991)	(184,510,636)
Proceeds from disposal of operating fixed assets		22,764,287	33,732,732
Proceeds on winding up of subsidiary company		46,462,198	-
Dividend received		3,218,334	3,218,336
NET CASH USED IN INVESTING ACTIVITIES		(194,805,172)	(147,559,568)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		29,100,000	36,300,000
Repayment of long term financing		(249,386,499)	(1,191,119,946)
Short term borrowings - net		215,400,035	1,161,141,826
NET CASH (USED IN) / FROM FINANCING ACTIVITIES		(4,886,464)	6,321,880
NET INECREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		15,462,750	(58,389,070)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		53,903,002	112,292,072
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		69,365,752	53,903,002

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

AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

RIAZ AHMED
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	SHARE CAPITAL	RESERVES								TOTAL EQUITY
		CAPITAL RESERVES			REVENUE RESERVES			Equity portion of sponsor's loan	Total reserves	
		Share premium reserves	Fair value reserves	Sub-Total	General reserve	Accumulated loss	Sub-Total			
	RUPEES									
Balance as at 30 June 2015	509,110,110	213,406,310	118,792,195	332,198,505	1,058,027,640	(1,093,483,518)	(35,455,878)	75,144,631	371,887,258	880,997,368
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	21,933,714	21,933,714	-	21,933,714	21,933,714
Adjustment due to change in repayment term of sponsor's loan	-	-	-	-	-	-	-	(75,144,631)	(75,144,631)	(75,144,631)
Profit for the year	-	-	-	-	-	118,832,376	118,832,376	-	118,832,376	118,832,376
Other comprehensive loss for the year	-	-	(79,268,603)	(79,268,603)	-	-	-	-	(79,268,603)	(79,268,603)
Total comprehensive income for the year ended 30 June 2016	-	-	(79,268,603)	(79,268,603)	-	118,832,376	118,832,376	-	39,563,773	39,563,773
Balance as at 30 June 2016	509,110,110	213,406,310	39,523,592	252,929,902	1,058,027,640	(952,717,428)	105,310,212	-	358,240,114	867,350,224
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	20,926,076	20,926,076	-	20,926,076	20,926,076
Profit for the year	-	-	-	-	-	134,015,281	134,015,281	-	134,015,281	134,015,281
Other comprehensive loss for the year	-	-	(2,002,697)	(2,002,697)	-	-	-	-	(2,002,697)	(2,002,697)
Total comprehensive income for the year ended 30 June 2017	-	-	(2,002,697)	(2,002,697)	-	134,015,281	134,015,281	-	132,012,584	132,012,584
Balance as at 30 June 2017	509,110,110	213,406,310	37,520,895	250,927,205	1,058,027,640	(797,776,071)	260,251,569	-	511,178,774	1,020,288,884

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

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	RIAZ AHMED
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

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. The registered office of the Company is situated at 8-K.M., Manga Raiwind Road, District Kasur. The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate, and supply electricity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017 on 30 May 2017. SECP vide its Circular 17 of 2017 and its press release dated 20 July 2017 has clarified that the companies whose financial year, including quarterly and other interim period, closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. The Companies Act, 2017 requires enhanced disclosures about Company's operations and has also enhanced the definition of related parties.

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Financial instruments

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

Useful lives, patterns of economic benefits and impairments

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

Taxation

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

Provision for doubtful debts

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

Inventories

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

Provision for obsolescence of stores, spares and loose tools

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

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

The following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2016:

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

IAS 1 (Amendments) 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2016). Amendments have been made to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes: clarification that information should not be obscured by aggregating or by providing immaterial information, materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality consideration do apply; clarification that the list of the line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1.

IAS 34 (Amendments) 'Interim Financial Reporting' (effective for annual periods beginning on or after 01 January 2016). This amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'. The amendment also amends IAS 34 to require a cross-reference from the interim financial statements to the location of that information.

The application of the above amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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

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

f) 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 2017 or later periods:

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

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2018). IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are: identify the contract with the customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 replaces IAS 11 'Construction Contracts', IAS 18 'Revenue', IFRIC 13 'Customer Loyalty Programmes', IFRIC 15 'Agreements for Construction of Real Estate', IFRIC 18 'Transfer of Assets from Customers' and SIC 31' Revenue-Barter Transactions Involving Advertising Services. The aforesaid standard is not expected to have a material impact on the Company's financial statements.

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 'Leases', 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.

IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018). IFRIC 22 clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. The interpretation is not expected to have a material 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.

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

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

IAS 12 (Amendments), 'Income Taxes' (effective for annual periods beginning on or after 01 January 2017). The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have significant impact on Company's financial statements.

IAS 40 (Amendments), 'Investment Property' (effective for annual periods beginning on or after 01 January 2018). Amendments have been made to state that that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list. The amendment is not likely to have a significant impact on the Company's financial statements.

g) 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 2017 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee benefit

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

2.3 Provisions

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

2.4 Taxation

Current

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in statement of comprehensive income or directly in equity, respectively.

2.5 Foreign currencies

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

2.6 Fixed assets

2.6.1 Property, plant and equipment and depreciation

Owned

a) Cost

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

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

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

b) Depreciation

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

c) Derecognition

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

Leased

a) Finance leases

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

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

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

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

b) Operating leases

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

2.6.2 Intangible assets

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

2.7 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 profit and loss account 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.

2.8 Investments

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

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

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

a) Investments at fair value through profit or loss

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

b) Held-to-maturity

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

c) Available-for-sale

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

Quoted

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

Unquoted

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

d) Equity investments in associated companies

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

e) Investment in subsidiary company

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

2.9 Inventories

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

Stores, spares and loose tools

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

Stock-in-trade

Cost of raw material is based on weighted average cost.

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

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

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

2.10 Non-current assets held for sale

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

2.11 Borrowing costs

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

2.12 Revenue recognition

Revenue from different sources is recognized as under:

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

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

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

2.13 Impairment

a) Financial assets

A financial asset is considered to be impaired if objective evidence indicate that one or more events had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of available for sale financial asset is calculated with reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

b) Non-financial assets

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

2.14 Share capital

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

2.15 Financial instruments

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

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

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

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

2.15.1 Trade debts and other receivables

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

2.15.2 Trade and other payables

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

2.15.3 Markup bearing borrowings

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

2.15.4 Cash and cash equivalents

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

2.16 Derivative financial instruments

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

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

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

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

2.17 Segment reporting

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

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

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

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

2.18 Off setting of financial assets and liabilities

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

2.19 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.

2.20 Dividend and other appropriations

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

3. AUTHORIZED SHARE CAPITAL

2017 (NUMBER OF SHARES)	2016 (NUMBER OF SHARES)		2017 Rupees	2016 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

2017 (NUMBER OF SHARES)	2016 (NUMBER OF SHARES)		2017 Rupees	2016 Rupees
28,546,003	28,546,003	Ordinary shares of Rupees 10 each fully paid in cash	285,460,030	285,460,030
18,780,031	18,780,031	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	187,800,310	187,800,310
3,584,977	3,584,977	Ordinary shares of Rupees 10 each issued due to merger with Kohinoor Genertek Limited as per scheme of arrangement	35,849,770	35,849,770
50,911,011	50,911,011		509,110,110	509,110,110

5. RESERVES

Composition of reserves is as follows:

	2017 Rupees	2016 Rupees
Capital reserves		
Share premium reserve (Note 5.1)	213,406,310	213,406,310
Fair value reserve - net of deferred income tax (Note 5.2)	37,520,895	39,523,592
	250,927,205	252,929,902
Revenue reserves		
General reserve	1,058,027,640	1,058,027,640
Accumulated loss	(797,776,071)	(952,717,428)
	260,251,569	105,310,212
	511,178,774	358,240,114

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

	2017 Rupees	2016 Rupees
5.2 Fair value reserve - net of deferred income tax		
Balance as at 01 July	51,496,537	156,305,520
Fair value adjustment on investment during the year	(3,082,479)	(104,808,983)
Balance as at 30 June	48,414,058	51,496,537
Less: Related deferred income tax liability	10,893,163	11,972,945
Balance as at 30 June - net of deferred income tax	37,520,895	39,523,592

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

	2017 Rupees	2016 Rupees
6. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
Balance as at 01 July	1,109,053,641	1,132,487,096
Less: Incremental depreciation	22,261,783	23,433,455
Balance as at 30 June	1,086,791,858	1,109,053,641
Less: Related deferred income tax liability	25,378,432	27,604,610
Balance as at 30 June - net of deferred income tax	1,061,413,426	1,081,449,031

7. LONG TERM FINANCING - SECURED

	2017 Rupees	2016 Rupees
Financing from banking companies (Note 7.1 and 7.2)	727,107,512	898,610,110
Less: Current portion shown under current liabilities	160,576,164	163,323,416
	566,531,348	735,286,694

7.1

Lender	2017	2016	Terms	Security
	-------- Rupees --------			
National Bank of Pakistan (Note 7.2)	421,477,512	464,245,511	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.
United Bank Limited (Note 7.2)	-	11,586,079	As per the revised terms of restructuring, this loan was repayable in 28 equal quarterly instalments of Rupees 13.540 million each commenced from 09 February 2012 and ending on 09 November 2018. However, this loan has been fully repaid during the year. This loan carried mark-up at the rate of 5.00% per annum payable quarterly.	First pari passu charge of Rupees 606.000 million (with 25% margin) over all present and future current assets and Rupees 200.000 million over fixed assets of the Company and personal guarantees of two directors.
The Bank of Punjab	23,900,000	-	This loan is repayable in 20 quarterly instalments of Rupees 1.195 million each commencing from 28 July 2017 and ending on 28 April 2022. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	Specific charge of Rupees 260 million on machinery imported. Joint pari passu charge of Rupees 752.30 million and ranking charge of Rupees 268 million over present and future fixed and current assets of the Company.
	5,200,000	-	This loan is repayable in 20 quarterly instalments of Rupees 0.26 million each commencing from 25 August 2017 and ending on 25 May 2022. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	
	29,100,000	-		

Lender	2017	2016	Terms	Security
	-------- Rupees --------			
Faysal Bank Limited (Note 7.2)	139,073,161	161,894,049	This loan is repayable in 31 stepped up quarterly instalments commenced from 31 March 2013 and ending on 30 September 2020. Mark-up is payable quarterly at the rate of 5.00% per annum. Mark-up upto 30 September 2011 is recalculated at the rate of 8.5% per annum and will be repaid on 30 September 2020.	First pari passu charge of Rupees 266.800 million over current assets, ranking charge of Rupees 240.80 million over current assets and exclusive charge of Rupees 94.000 million on power generators of the Company.
MCB Bank Limited (formerly NIB Bank Limited)	24,750,000	31,350,000	This loan is repayable in 20 quarterly instalments of Rupees 1.650 million each commenced from 31 March 2016 and ending on 31 December 2020. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	Joint pari passu charge of Rupees 800.000 million on current assets and Rupees 464.000 million on fixed assets of the Company. Specific charge of Rupees 50.000 million on coal boiler.
	2,475,000	3,135,000	This loan is repayable in 20 quarterly instalments of Rupees 0.165 million each commenced from 27 April 2016 and ending on 27 January 2021. Mark-up is payable quarterly at the rate of SBP rate + 2.5% per annum.	
	27,225,000	34,485,000		
Askari Bank Limited (Note 7.2)	-	83,280,539	As per revised term of restructuring this loan was repayable in 32 quarterly instalments of Rupees 5.282 million each commenced from 30 June 2013 and ending on 31 March 2021. However , this loan has been fully repaid during the year. This loan carried mark-up at the rate of 5.00% per annum payable quarterly.	First joint pari passu charge of Rupees 506.667 million over current assets by way of hypothecation and ranking charge of Rupees 169.000 million over fixed assets of the Company by way of hypothecation.
Habib Bank Limited (Note 7.2)	110,231,839	143,118,932	This loan is repayable in 32 stepped up quarterly instalments commenced from 30 June 2012 and ending on 31 March 2020. Mark-up is payable quarterly at the rate of 5.00% per annum.	First joint pari passu charge of Rupees 1,160.000 million over current assets, joint pari passu charge of Rupees 146.600 million, ranking charge of Rupees 362.000 million over fixed assets of the Company and personal guarantees of two directors.
	727,107,512	898,610,110		

7.2 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.

	2017 Rupees	2016 Rupees
8. DEFERRED LIABILITIES		
Deferred accrued mark-up (Note 8.1)	205,455,001	155,022,111
Deferred income tax liability (Note 8.2)	36,271,595	39,577,555
	241,726,596	194,599,666
8.1 Deferred accrued mark-up		
National Bank of Pakistan (Note 8.1.1)	94,691,961	49,530,302
Faysal Bank Limited (Note 8.1.1)	66,618,428	66,618,428
Bank Alfalah Limited (Note 8.1.2)	44,144,612	38,873,381
	205,455,001	155,022,111

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

8.1.2 Long term finance obtained from Bank Alfalah Limited has been fully repaid. However, mark-up accrued on this finance upto 03 May 2016 will be paid in thirty six equal monthly instalments commencing on 01 May 2020 and ending on 01 April 2023.

8.2 Deferred income tax liability

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

	2017 Rupees	2016 Rupees
Surplus on revaluation of operating fixed assets	25,378,432	27,604,610
Surplus on revaluation of investment - available for sale	10,893,163	11,972,945
	36,271,595	39,577,555
9. TRADE AND OTHER PAYABLES		
Creditors	694,325,146	570,788,935
Advances from customers	32,944,156	33,638,439
Sales commission payable	92,317,302	87,378,208
Income tax deducted at source	7,034,356	11,436,822
Security deposits - interest free	210,500	602,278
Payable to employees' provident fund trust	-	1,563,635
Accrued and other liabilities	46,287,435	92,690,269
Workers' profit participation fund (Note 9.1)	70,083,475	50,918,962
Unclaimed dividend	4,731,536	4,731,536
	947,933,906	853,749,084

	2017 Rupees	2016 Rupees
9.1 Workers' profit participation fund		
Balance as at 01 July	50,918,962	38,521,994
Add: Allocation for the year (Note 29)	15,362,705	23,773,023
Interest accrued for the year (Note 31)	3,818,922	2,845,679
Less: Paid during the year	17,114	14,221,734
Balance as at 30 June	70,083,475	50,918,962

9.1.1 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.

10. ACCRUED MARK-UP

	2017 Rupees	2016 Rupees
Long term financing	13,529,227	167,897,839
Short term borrowings	22,073,925	26,586,062
	35,603,152	194,483,901

11. SPONSOR'S LOAN

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

12. SHORT TERM BORROWINGS - SECURED

	2017 Rupees	2016 Rupees
From banking companies		
SBP refinance (Note 12.1 and 12.2)	1,493,970,000	1,394,770,000
Other short term finances (Note 12.1 and 12.3)	638,800,001	522,599,966
	2,132,770,001	1,917,369,966

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

12.2 These carry mark-up at the rate of 3% per annum (2016: ranging from 3.5% to 4.5% per annum) on outstanding balance.

12.3 These carry mark-up ranging from 6.98% to 9.77% per annum (2016: 6.24% to 9.26% per annum) on outstanding balance.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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

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

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

13.1.4 Pursuant to the sale of assets agreement with M/s Interloop Limited, the Company is contingently liable for Rupees 31.958 million against payment of certain outstanding dues to Employees' Old-Age Benefits Institution (EOBI) and bifurcation of gas connections in favour of M/s Interloop Limited. To secure the performance of aforesaid conditions, the Company has pledged equity investment (note 16.4) and bank balance (note 24.4) with Allied Bank Limited. However, no provision has been recognized in these financial statements as the management is confident to fulfil the conditions in accordance with the sale of assets agreement.

13.1.5 Bank guarantees of Rupees 84.95 million (2016: Rupees 81.66 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

13.1.6 Bank guarantee of Rupees 6.5 million (2016: Rupees 6.5 million) is given by the bank of the Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

13.1.7 Bank guarantees of Rupees 8.164 million (2016: Rupees 8.164 million) are given by the bank of the Company in favour of Lahore Electric Supply Company Limited against electricity connections.

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

13.1.9 Provision for gas infrastructure development cess and late payment charges thereon amounting to Rupees 71.597 (2016: Rupees 63.296 million) for the period from August 2014 to March 2015 has not been recognized in the books of account as the Company has obtained stay order from Honorable Lahore High Court, Lahore and Honorable Sindh High Court, Karachi and is confident of favorable outcome of the matter.

13.2 Commitments

13.2.1 Aggregate commitments for capital expenditure and revenue expenditures are amounting to Rupees 223.947 million and Rupees 56.075 million (2016: Rupees 19.554 million and Rupees 26.230 million) respectively.

13.2.2 Post dated cheques issued to suppliers are amounting to Rupees 128.590 million (2016: Rupees 168.214 million).

14. FIXED ASSETS

	2017 Rupees	2016 Rupees
Property, plant and equipment		
Operating fixed assets (Note 14.1)	3,384,933,889	3,585,296,846
Capital work-in-progress (Note 14.2)	217,747,475	28,490,007
	3,602,681,364	3,613,786,853
Intangible asset - computer software (Note 14.1 and 14.1.5)	-	-
	3,602,681,364	3,613,786,853

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

Description	Operating fixed assets										Intangible asset
	Freehold land	Residential building	Factory building	Plant and machinery	Stand-by equipment	Electric Installations	Furniture, fixtures and equipment	Computers	Motor vehicles	Total	
	----- (RUPEES) -----										
As at 30 June 2015											
Cost / revalued amount	711,473,999	230,886,526	822,902,217	4,177,127,915	1,615,659	146,117,096	96,534,549	49,421,027	151,814,457	6,387,893,445	9,296,899
Accumulated depreciation / amortization	-	(69,899,528)	(262,629,218)	(2,163,146,874)	(325,219)	(77,519,735)	(60,990,842)	(40,084,809)	(49,929,015)	(2,724,525,240)	(9,296,899)
Net book value	711,473,999	160,986,998	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,663,368,205	-
Year ended 30 June 2016											
Opening net book value	711,473,999	160,986,998	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,663,368,205	-
Additions	-	-	31,740,020	126,099,656	-	2,757,538	1,454,139	4,474,877	20,489,766	187,015,996	-
Disposals:											
Cost	-	-	-	(33,072,969)	-	-	(45,000)	(42,500)	(39,996,051)	(73,156,520)	-
Accumulated depreciation	-	-	-	11,083,928	-	-	8,185	23,211	15,110,719	26,226,043	-
	-	-	-	(21,989,041)	-	-	(36,815)	(19,289)	(24,885,332)	(46,930,477)	-
Depreciation charge	-	(8,049,350)	(28,094,547)	(152,555,730)	(115,143)	(6,981,405)	(3,653,398)	(3,346,909)	(15,360,396)	(218,156,878)	-
Closing net book value	711,473,999	152,937,648	563,918,472	1,965,535,926	1,175,297	64,373,494	33,307,633	10,444,897	82,129,480	3,585,296,846	-
As at 30 June 2016											
Cost / revalued amount	711,473,999	230,886,526	854,642,237	4,270,154,602	1,615,659	148,874,634	97,943,688	53,853,404	132,308,172	6,501,752,921	9,296,899
Accumulated depreciation / amortization	-	(77,948,878)	(290,723,765)	(2,304,618,676)	(440,362)	(84,501,140)	(64,636,055)	(43,408,507)	(50,178,692)	(2,916,456,075)	(9,296,899)
Net book value	711,473,999	152,937,648	563,918,472	1,965,535,926	1,175,297	64,373,494	33,307,633	10,444,897	82,129,480	3,585,296,846	-
Year ended 30 June 2017											
Opening net book value	711,473,999	152,937,648	563,918,472	1,965,535,926	1,175,297	64,373,494	33,307,633	10,444,897	82,129,480	3,585,296,846	-
Additions	-	397,803	7,108,925	47,384,874	-	5,647,758	399,175	578,146	16,475,842	77,992,523	-
Disposals:											
Cost	-	-	-	(24,522,964)	-	-	(557,800)	-	(30,523,435)	(55,604,199)	-
Accumulated depreciation	-	-	-	13,328,356	-	-	389,927	-	12,975,848	26,694,131	-
	-	-	-	(11,194,608)	-	-	(167,873)	-	(17,547,587)	(28,910,068)	-
Depreciation	-	(7,655,169)	(28,395,532)	(145,697,523)	(103,630)	(6,577,932)	(3,354,476)	(3,205,625)	(11,783,254)	(206,773,141)	-
Impairment loss (Note 29)	-	-	-	(42,672,271)	-	-	-	-	-	(42,672,271)	
Closing net book value	711,473,999	145,680,282	542,631,865	1,813,356,398	1,071,667	63,443,320	30,184,459	7,817,418	69,274,481	3,384,933,889	-
As at 30 June 2017											
Cost / revalued amount	711,473,999	231,284,329	861,751,162	4,293,016,512	1,615,659	154,522,392	97,785,063	54,431,550	118,260,579	6,524,141,245	9,296,899
Accumulated depreciation / amortization	-	(85,604,047)	(319,119,297)	(2,436,987,843)	(543,992)	(91,079,072)	(67,600,604)	(46,614,132)	(48,986,098)	(3,096,535,085)	(9,296,899)
Accumulated impairment loss	-	-	-	(42,672,271)	-	-	-	-	-	(42,672,271)	
Net book value	711,473,999	145,680,282	542,631,865	1,813,356,398	1,071,667	63,443,320	30,184,459	7,817,418	69,274,481	3,384,933,889	-
Depreciation / amortization rate % per annum	-	5	5	10	10	10	10	30	20		20

14.1.1 Freehold land and buildings of the Company were revalued as at 30 June 2015 by an independent valuer, Messrs Hamid Mukhtar and Company (Private) Limited. Previously these had been revalued as at 30 June 2012 and 30 June 2009. Had there been no revaluation, the value of the assets would have been lower by Rupees 1,086.792 million (2016: Rupees 1,109.053 million).

14.1.2 The book value of freehold land and buildings on cost basis is Rupees 47.656 million and Rupees 265.338 million (2016: Rupees 47.656 million and Rupees 271.620 million) respectively.

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

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	------------------(RUPEES)---------------------						
Plant and machinery							
Thresher Machine	600,000	97,549	502,451	160,000	(342,451)	Negotiation	Mr. Muhammad Arif - Lahore
Biomass Cutter	125,000	18,387	106,613	25,000	(81,613)	Negotiation	Mr. Tariq Mahoood - Lahore
Forage Chopper	245,000	38,613	206,387	60,000	(146,387)	Negotiation	Mr. Tariq Mahoood - Lahore
Chopping Machines	629,748	251,836	377,912	170,000	(207,912)	Negotiation	Mr. Qasim Jutt - Lahore
Mobile Bailing Press	385,000	153,961	231,039	110,000	(121,039)	Negotiation	Mr. Qasim Jutt - Lahore
Bartak Machine	209,835	89,205	120,630	120,000	(630)	Negotiation	Combined Fabrics - Lahore
Bartak Machine	209,835	89,205	120,630	120,000	(630)	Negotiation	Combined Fabrics - Lahore
Zig Zag Machine	477,025	274,023	203,002	166,667	(36,335)	Negotiation	Combined Fabrics - Lahore
Zig Zag Machine	477,025	274,023	203,002	166,667	(36,335)	Negotiation	Pakistan Traders - Faisalabad
Zig Zag Machine	391,635	188,634	203,001	166,666	(36,335)	Negotiation	Pakistan Traders - Faisalabad
Rotary Dryer Machine	5,337,405	3,293,120	2,044,285	2,300,487	256,202	Negotiation	Taiga Apparel - Lahore
Tonello Washer Machine	12,186,644	7,041,025	5,145,619	5,415,307	269,688	Negotiation	Taiga Apparel - Lahore
Bartak Machine	209,835	90,641	119,194	100,000	(19,194)	Negotiation	Mubashir Corporation - Faisalabad
Bartak Machine	209,835	90,641	119,194	100,000	(19,194)	Negotiation	Taiga Apparel - Lahore
Pocket Welting Machine	1,849,920	803,301	1,046,619	810,000	(236,619)	Negotiation	Taiga Apparel - Lahore
Bartak Machine	209,835	91,119	118,716	100,000	(18,716)	Negotiation	Al Fazal Machinery - Faisalabad
	23,753,577	12,885,283	10,868,294	10,090,794	(777,500)		
Motor vehicles							
Suzuki Cultus VXR LEE-08-3326	616,230	418,431	197,799	500,000	302,201	Negotiation	Mr. Umer Farooq- Lahore
Toyota Altus LEB-850	1,926,408	1,244,862	681,546	1,050,000	368,454	Negotiation	Mr. Azhar Ali Butt - Lahore
Toyota Altus LEE-09-750	1,914,698	1,238,583	676,115	1,150,000	473,885	Negotiation	Mr. Niaz Ahmed - Lahore
Suzuki Cultus LE-12- 2845	1,010,500	565,578	444,922	560,000	115,078	Negotiation	Mr. Irfan Tahir - Lahore
Toyota Corolla LEF-4639	1,842,810	410,742	1,432,068	1,432,068	-	Negotiation	Mr. Moeen Akram - Lahore
Suzuki Bolan LZQ-1731	385,285	287,622	97,663	250,000	152,337	Negotiation	Mr. Imran Kamal - Lahore
Honda City LEC-07-6095	801,303	557,601	243,702	800,000	556,298	Negotiation	Mr. Arif Shafiq - Lahore
Trolley	818,157	321,503	496,654	233,926	(262,728)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	818,157	321,503	496,654	233,926	(262,728)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	818,157	321,503	496,654	233,926	(262,728)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	818,157	321,503	496,654	233,926	(262,728)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	818,157	321,503	496,654	233,926	(262,728)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	313,382	(349,840)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,079,150	415,928	663,222	312,380	(350,842)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,334,892	494,386	840,506	395,388	(445,118)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,334,892	494,373	840,519	395,388	(445,131)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,407,892	510,796	897,096	422,536	(474,560)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,407,892	510,796	897,096	422,536	(474,560)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,220,000	389,750	830,250	391,051	(439,199)	Negotiation	Mr. Muhammad Waqar - Lahore
Trolley	1,220,000	389,750	830,250	391,051	(439,199)	Negotiation	Mr. Muhammad Waqar - Lahore
	30,225,937	12,864,137	17,361,800	12,142,070	(5,219,730)		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	1,624,685	944,711	679,974	531,423	(148,551)		
	55,604,199	26,694,131	28,910,068	22,764,287	(6,145,781)		

		2017 Rupees	2016 Rupees
14.1.4	The depreciation charge for the year has been allocated as follows:		
	Cost of sales (Note 26)	194,736,188	206,798,532
	Distribution cost (Note 27)	2,927,298	2,449,324
	Administrative expenses (Note 28)	9,109,655	8,909,022
		206,773,141	218,156,878

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

		2017 Rupees	2016 Rupees
14.2	Capital work-in-progress		
	Plant and machinery	88,507,834	20,345,577
	Civil works	6,743,813	-
	Advances for capital expenditures	22,861,952	8,144,430
	Stores held for capital expenditures	99,633,876	-
		217,747,475	28,490,007

15. INVESTMENT PROPERTIES

	Land Rupees	Building Rupees	Total Rupees
Year ended 30 June 2017			
Opening net book value	-	-	-
Additions	14,463,122	7,764,788	22,227,910
Depreciation charge (Note 29)	-	64,707	64,707
Closing net book value	14,463,122	7,700,081	22,163,203
At 30 June 2017			
Cost	14,463,122	7,764,788	22,227,910
Accumulated depreciation	-	64,707	64,707
	14,463,122	7,700,081	22,163,203

15.1 These represent properties transferred on members' voluntary winding up of subsidiary company.

15.2 Depreciation at the rate of 5 percent per annum on building amounting to Rupees 64,707 (2016: Nil) 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 and building is estimated at Rupees 50.400 million. The valuation has been carried out by an independent valuer.

15.3 Land includes piece of land having carrying value of Rupees 9.985 million which is in the name of Mr. Aamir Fayyaz Sheikh (Chief executive officer). Building having carrying value of Rupees 7.700 million is constructed on this piece of land. The management is in the process to transfer title of this investment property in the name of Company.

16. LONG TERM INVESTMENTS

	2017 Rupees	2016 Rupees
Investment in subsidiary company - at cost		
Q Mart Corporation (Private) Limited - unquoted	300,000,000	300,000,000
Less: Impairment loss (Note 16.1)	231,309,892	225,843,663
	68,690,108	74,156,337
Less: Realized during the year (Note 16.2)	68,690,108	-
	-	74,156,337
Available for sale		
Associated company (without significant influence)		
K-2 Hosiery (Private) Limited - unquoted		
1,194,000 (2016: 1,194,000) ordinary shares of Rupees 10 each (Note 16.3)	-	-
Other		
Security General Insurance Company Limited - unquoted (Note 16.4)		
643,667 (2016: 643,667) fully paid ordinary shares of Rupees 10 each	704,171	704,171
Add: Fair value adjustment	48,414,058	51,496,537
	49,118,229	52,200,708
	49,118,229	126,357,045

16.1 Impairment loss

	2017 Rupees	2016 Rupees
Balance as at 01 July	225,843,663	221,316,618
Add: Impairment loss recognized during the year (Note 29)	5,466,229	4,527,045
Balance as at 30 June	231,309,892	225,843,663

16.2 During the year, Q Mart Corporation (Private) Limited (wholly owned subsidiary company) was wound up on 18 April 2017 after complying with all regulatory and procedural requirements. The Company held 99.99% of paid up capital of Q Mart Corporation (Private) Limited (subsidiary company). Consideration received on members' voluntary winding up of subsidiary company amounting to Rupees 68.690 million includes cash and investment properties of Rupees 46.462 million and Rupees 22.228 million respectively.

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

16.4 Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 76.31 (2016: Rupees 81.09) 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.

	2017 Rupees	2016 Rupees
17. STORES, SPARES AND LOOSE TOOLS		
Stores and spares	446,331,074	431,259,251
Loose tools	3,118,637	3,007,915
	449,449,711	434,267,166
Less: Provision for slow moving, obsolete and damaged store items (Note 17.1)	45,341,870	17,491,037
	404,107,841	416,776,129

17.1 Provision for slow moving, obsolete and damaged store items

	2017 Rupees	2016 Rupees
Balance as on 01 July	17,491,037	16,629,008
Add: Provision made during the year (Note 29)	31,223,937	2,955,416
Less: Provision reversed during the year (Note 30)	(1,034,944)	-
Less: Stores and spares written off against provision	(2,338,160)	(2,093,387)
Balance as on 30 June	45,341,870	17,491,037

18. STOCK-IN-TRADE

	2017 Rupees	2016 Rupees
Raw material	188,006,627	197,119,225
Work-in-process	185,313,571	136,625,320
Finished goods (Note 18.1 and 18.2)	535,748,906	472,334,811
	909,069,104	806,079,356

18.1 This includes finished goods of Rupees 178.074 million (2016: Rupees 58.969 million) valued at net realizable value.

18.2 Finished goods include stock-in-transit amounting to Rupees 42.174 million (2016: Rupees 42.261 million).

18.3 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 31.509 million (2016: Rupees 5.907 million).

	2017 Rupees	2016 Rupees
19. TRADE DEBTS		
Considered good:		
Secured (against letters of credit)	485,127,468	317,938,696
Unsecured	157,364,406	147,503,655
	642,491,874	465,442,351
Considered doubtful:		
Others - unsecured	91,001,601	88,480,269
Less: Provision for doubtful trade debts		
Balance as at 01 July	88,480,269	88,480,269
Add: Provision for the year (Note 29)	2,521,332	-
Balance as at 30 June	91,001,601	88,480,269
	-	-

19.1 As on 30 June 2017, trade debts of Rupees 50.172 million (2016: Rupees 33.160 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:

	2017 Rupees	2016 Rupees
Upto 1 month	32,132,339	475,178
1 to 6 months	13,247,569	1,833,081
More than 6 months	4,792,398	30,851,467
	50,172,306	33,159,726

19.2 As at 30 June 2017, trade debts of Rupees 91.002 million (2016: Rupees 88.480 million) were impaired. The aging of these trade debts was more than three years. These trade debts have been provided for in the books of account.

20. ADVANCES

	2017 Rupees	2016 Rupees
Considered good:		
Advances to:		
- staff (Note 20.1)	12,534,389	12,288,661
- suppliers	42,474,158	57,285,999
Letters of credit	3,520,702	5,237,568
	58,529,249	74,812,228

20.1 This includes interest free advances to executives amounting to Rupees 6.767 million (2016: Rupees 6.653 million).

21. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2017 Rupees	2016 Rupees
Security deposits	14,309,851	13,275,546
Short term prepayments	1,099,125	1,113,575
	15,408,976	14,389,121

22. OTHER RECEIVABLES

	2017 Rupees	2016 Rupees
Considered good:		
Advance income tax	291,071,557	258,020,167
Export rebate and claims (Note 22.1)	31,007,550	50,474,213
Duty draw back	162,518,550	-
Receivable from employees' provident fund trust	490,361	-
Miscellaneous (Note 22.2)	1,501,299	2,652,355
	486,589,317	311,146,735

		2017 Rupees	2016 Rupees
22.1	Export rebate and claims		
	Considered good	31,007,550	50,474,213
	Considered doubtful	43,238,046	35,493,049
	Less: Provision for doubtful export rebate and claims (Note 22.1.1)	43,238,046	35,493,049
		-	-
		31,007,550	50,474,213
22.1.1	Provision for doubtful export rebate and claims		
	Balance as at 01 July	35,493,049	39,481,490
	Add: Provision for the year (Note 29)	7,744,997	-
	Less: Export rebate receivable written off against provision	-	3,988,441
	Balance as at 30 June	43,238,046	35,493,049
22.2	Miscellaneous		
	Considered good	1,501,299	2,652,355
	Considered doubtful (Note 22.2.2)	-	1,608,032
	Less: Provision for doubtful miscellaneous receivables (Note 22.2.1)	-	(1,608,032)
		-	-
		1,501,299	2,652,355
22.2.1	Provision for doubtful miscellaneous receivables		
	Balance as at 01 July	1,608,032	-
	Add: Provision for the year (Note 29)	-	1,608,032
	Less: Provision reversed during the year (Note 30)	(1,608,032)	-
	Balance as at 30 June	-	1,608,032

22.2.2 This amount was receivable from Q Mart Corporation (Private) Limited (subsidiary company) against certain expenses paid on its behalf. Q Mart Corporation (Private) Limited (subsidiary company) has wound up during the year. This amount has been fully repaid by the Q Mart Corporation (Private) Limited (subsidiary company), therefore, provision made against this has been reversed.

		2017 Rupees	2016 Rupees
23.	**SALES TAX RECOVERABLE**		
	Sales tax recoverable	308,970,997	476,421,086
	Less: Provision for doubtful sales tax recoverable (Note 23.1)	52,144,995	27,398,691
		256,826,002	449,022,395
23.1	**Provision for doubtful sales tax recoverable**		
	Balance as at 01 July	27,398,691	27,398,691
	Add: Provision for the year (Note 29)	24,746,304	-
	Balance as at 30 June	52,144,995	27,398,691
24.	**CASH AND BANK BALANCES**		
	Cash in hand (Note 24.1)	3,443,540	3,225,554
	Cash with banks:		
	On current accounts (Note 24.3)	33,757,100	23,182,410
	On deposit accounts (Note 24.2 and 24.4)	32,165,112	27,495,038
		65,922,212	50,677,448
		69,365,752	53,903,002

24.1 Cash in hand includes foreign currency of US$ 5,377 Euro 8,380 and GBP 1,300.

24.2 Rate of profit on bank deposits ranges from 3.75% to 3.90% (2016: 4.25% to 5.8%) per annum.

24.3 Cash with banks on current accounts includes an amount of Rupees 8.491 million (2016: Rupees 8.491 million) with Allied Bank Limited, in a non-checking account, to secure performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

24.4 This includes term deposit receipts of Rupees 18 million (2016: Rupees 18 million) which are under lien with the bank.

		2017 Rupees	2016 Rupees
25.	**REVENUE**		
	Export sales	8,383,329,866	7,134,170,081
	Local sales (Note 25.1)	1,951,829,462	1,128,057,389
	Export rebate	33,340,033	29,010,426
	Duty draw back	165,070,492	-
	Processing income	122,875,004	259,853,939
		10,656,444,857	8,551,091,835

	2017 Rupees	2016 Rupees
25.1 Local sales		
Sales (Note 25.1.1)	1,974,291,879	1,182,614,822
Less: Sales tax	22,462,417	54,557,433
	1,951,829,462	1,128,057,389

25.1.1 This includes sale of Rupees 487.737 million (2016: Rupees 418.505 million) made to direct exporters against standard purchase orders (SPOs). Further, local sales includes waste sales of Rupees 29.023 million (2016: Rupees 23.973 million).

	2017 Rupees	2016 Rupees
26. COST OF SALES		
Raw material consumed (Note 26.1)	6,600,026,822	4,783,212,447
Chemicals consumed	882,673,831	744,850,309
Salaries, wages and other benefits	424,218,325	371,865,559
Employees' provident fund contributions	15,076,195	13,433,272
Cloth conversion and processing charges	68,849,402	48,631,535
Fuel, oil and power	779,131,687	649,704,430
Stores, spares and loose tools consumed	173,100,085	138,229,533
Packing materials consumed	72,877,605	56,164,295
Repair and maintenance	38,978,457	58,185,463
Insurance	8,103,552	9,186,181
Other manufacturing expenses	50,482,761	73,852,172
Depreciation on operating fixed assets (Note 14.1.4)	194,736,188	206,798,532
	9,308,254,910	7,154,113,728
Work-in-process inventory		
As on 01 July	136,625,320	143,336,567
As on 30 June	(185,313,571)	(136,625,320)
	(48,688,251)	6,711,247
Cost of goods manufactured	9,259,566,659	7,160,824,975
Cost of yarn and cloth purchased for resale	15,007,509	22,894,431
	9,274,574,168	7,183,719,406
Finished goods inventory		
As on 01 July	472,334,811	446,680,689
As on 30 June	(535,748,906)	(472,334,811)
	(63,414,095)	(25,654,122)
	9,211,160,073	7,158,065,284

	2017 Rupees	2016 Rupees
26.1 Raw material consumed		
Opening stock	197,119,225	139,659,658
Purchased during the year	6,590,914,224	4,840,672,014
	6,788,033,449	4,980,331,672
Less: Closing stock	(188,006,627)	(197,119,225)
	6,600,026,822	4,783,212,447

	2017 Rupees	2016 Rupees
27. DISTRIBUTION COST		
Salaries and other benefits	78,403,198	65,763,690
Employees' provident fund contributions	2,985,277	2,434,891
Travelling, conveyance and entertainment	33,888,777	29,080,241
Printing and stationery	232,636	222,101
Communications	35,455,401	36,371,171
Vehicles' running	3,348,916	3,266,522
Insurance	2,979,778	3,080,251
Repair and maintenance	7,856	39,573
Commission to selling agents	232,684,094	190,241,713
Outward freight and handling	164,313,646	124,147,176
Clearing and forwarding	45,833,902	40,082,981
Sales promotion and advertising	1,242,597	286,160
Depreciation on operating fixed assets (Note 14.1.4)	2,927,298	2,449,324
Miscellaneous	298,808	87,137
	604,602,184	497,552,931
28. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	137,237,753	123,073,919
Employees' provident fund contributions	3,097,730	2,970,144
Travelling, conveyance and entertainment	26,335,602	35,316,888
Printing and stationery	4,174,517	2,878,908
Communications	4,747,751	5,007,960
Vehicles' running	10,212,758	9,170,596
Legal and professional	3,660,818	5,614,815
Insurance	6,652,359	5,736,831
Fee, subscription and taxes	4,953,733	3,126,428
Repair and maintenance	7,672,034	7,737,373
Electricity, gas and water	192,967	338,112
Auditors' remuneration (Note 28.1)	1,665,000	1,480,000
Depreciation on operating fixed assets (Note 14.1.4)	9,109,655	8,909,022
Miscellaneous	24,531,599	21,339,378
	244,244,276	232,700,374
28.1 Auditors' remuneration		
Audit fee	1,350,000	1,190,000
Half yearly review and other certifications	230,000	210,000
Reimbursable expenses	85,000	80,000
	1,665,000	1,480,000

29. OTHER EXPENSES

	2017 Rupees	2016 Rupees
Workers' profit participation fund (Note 9.1)	15,362,705	23,773,023
Donations (Note 29.1)	9,134,580	6,428,038
Loss on sale of operating fixed assets	6,145,781	13,197,745
Depreciation on investment properties (Note 15)	64,707	-
Impairment loss on investment in subsidiary company (Note 16.1)	5,466,229	4,527,045
Provision for slow moving, obsolete and damaged store items (Note 17.1)	31,223,937	2,955,416
Provision for doubtful trade debts (Note 19)	2,521,332	-
Irrecoverable trade debts written off	855,404	-
Advances written off	8,821,985	-
Provision for doubtful export rebate and claims (Note 22.1.1)	7,744,997	-
Provision for doubtful miscellaneous receivables (Note 22.2.1)	-	1,608,032
Provision for doubtful sales tax recoverable (Note 23.1)	24,746,304	-
Impairment loss on operating fixed assets (Note 14.1)	42,672,271	-
Security deposits written off	158,305	-
Miscellaneous	-	1,481,046
	154,918,537	53,970,345

29.1 There is no interest of any director or his spouse in donees' fund.

30. OTHER INCOME

	2017 Rupees	2016 Rupees
Income from financial assets		
Dividend on equity investment	3,218,334	3,218,336
Exchange gain - net	18,359,748	11,452,878
Return on bank deposits	1,913,588	2,807,772
Credit balances written back	8,655,942	-
Reversal of provision for doubtful miscellaneous receivables (Note 22.2.1)	1,608,032	-
Income from non-financial assets		
Scrap sales	29,763,939	27,044,517
Reversal of provision for slow moving, obsolete and damaged store items (Note 17.1)	1,034,944	-
Other	1,533,719	230,205
	66,088,246	44,753,708

	2017 Rupees	2016 Rupees
31. FINANCE COST		
Mark-up on long term financing	61,200,771	113,077,157
Mark up on short term borrowings	76,458,175	33,514,787
Adjustment due to impact of IAS - 39	48,783,901	241,522,253
Bank commission and other financial charges	83,523,914	59,804,270
Interest on workers' profit participation fund (Note 9.1)	3,818,922	2,845,679
	273,785,683	450,764,146
32. TAXATION		
Current (Note 32.1)	99,325,921	73,303,245
Prior year adjustment	1,816,855	506,059
Deferred tax	(1,335,707)	10,150,783
	99,807,069	83,960,087

32.1 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.

32.2 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 8.2.

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

33. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2017	2016
Profit attributable to ordinary shareholders	(Rupees)	134,015,281	118,832,376
Weighted average number of ordinary shares	(Numbers)	50,911,011	50,911,011
Earnings per share - Basic	(Rupees)	2.63	2.33

	2017 Rupees	2016 Rupees
34. CASH GENERATED FROM OPERATIONS		
Profit before taxation	233,822,350	202,792,463
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	206,773,141	218,156,878
Depreciation on investment properties	64,707	-
Dividend income	(3,218,334)	(3,218,336)
Loss on sale of operating fixed assets	6,145,781	13,197,745
Impairment loss on investment in subsidiary company	5,466,229	4,527,045
Impairment loss on fixed assets	42,672,271	-
Adjustment due to impact of IAS - 39	48,783,901	241,522,253
Provision for doubtful trade debts	2,521,332	-
Provision for slow moving, obsolete and damaged store items	31,223,937	2,955,416
Provision for doubtful export rebate and claims	7,744,997	-
Provision for doubtful sales tax recoverable	24,746,304	-
Credit balances written back	(8,655,942)	-
Irrecoverable trade debts written off	855,404	-
Advances written off	8,821,985	-
Security deposits written off	158,305	-
Provision for doubtful miscellaneous receivable	-	1,608,032
Reversal of provision for doubtful miscellaneous receivables	(1,608,032)	-
Reversal of provision for slow moving, obsolete and damaged store items	(1,034,944)	-
Finance cost	225,001,782	209,241,893
Working capital changes (Note 34.1)	(172,891,182)	(306,363,859)
	657,393,992	584,419,530
34.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(17,520,705)	(53,234,080)
Stock-in-trade	(102,989,748)	(76,402,442)
Trade debts	(180,426,259)	20,141,471
Advances	7,460,994	3,676,699
Trade deposits and short term prepayments	(1,178,160)	3,098,428
Other receivables	(148,528,157)	(2,821,905)
Sales tax recoverable	167,450,089	(205,626,534)
	(275,731,946)	(311,168,363)
Increase in trade and other payables	102,840,764	4,804,504
	(172,891,182)	(306,363,859)

35. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2017 of Rupees 1.10 per share (2016: Nil) at their meeting held on 12 September 2017.

Under Section 5A of the Income Tax Ordinance, 2001, a tax shall be imposed at the rate of 7.5% of accounting profit before tax of the Company if it does not distribute at least 40% of its after tax profit for the year within six months of the end of the year ended 30 June 2017 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 12 September 2017 and will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

36. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	2017			2016		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	(Rupees)					
Managerial remuneration	6,468,000	4,620,000	60,892,452	5,082,000	3,630,000	48,139,213
House rent	1,617,000	1,155,000	14,506,592	1,270,500	1,402,500	12,360,318
Utilities	646,800	461,916	6,088,262	508,200	362,979	4,810,058
Special allowance	1,293,600	924,000	11,401,427	1,016,400	231,000	8,796,155
Contribution to provident fund	538,784	384,852	5,084,479	423,331	302,385	4,016,998
Other allowances	646,800	1,239,084	23,934,729	854,700	973,521	10,517,885
	11,210,984	8,784,852	121,907,941	9,155,131	6,902,385	88,640,627
Number of persons	1	1	54	1	1	45

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

36.2 Meeting fee of Rupees 1,000,000 (2016: Rupees 1,000,000) was paid to the non-executive directors for attending meetings.

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

37. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiary company (wound up on 18 April 2017), other related parties, key management personnel and provident fund trust. The Company in the normal course of business carries out 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. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund for the year ended 30 June 2017 and audited financial statements of the provident fund for the year ended 30 June 2016:

	2017 Rupees	2016 Rupees
Size of the fund - Total assets	158,852,179	126,967,145
Cost of investments	115,681,148	108,942,353
Percentage of investments made	96.34%	94.42%
Fair value of investments	153,032,400	119,882,618

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

	2017	2016	2017	2016
	Percentage		Rupees	Rupees
Deposits	29.08%	38.95%	44,505,474	46,690,622
Mutual funds	36.23%	38.81%	55,447,350	46,523,405
Listed securities	34.69%	22.24%	53,079,576	26,668,591
	100%	100%	153,032,400	119,882,618

38.2 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 rules formulated for this purpose in terms of SRO 770(1)/2016 issued by Securities and Exchange Commission of Pakistan on 17 August 2016 which allows transition period of two years for bringing the Employees Provident Fund Trust in conformity with the requirements of rules.

39. NUMBER OF EMPLOYEES

	2017	2016
Number of employees as on June 30		
Permanent	1649	1635
Contractual	55	55
Average number of employees during the year		
Permanent	1669	1614
Contractual	53	57

40. SEGMENT INFORMATION

40.1 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(R u p e e s)									
Sales										
-External	2,480,575,548	2,165,586,734	8,175,869,309	6,385,505,101	-	-	-	-	10,656,444,857	8,551,091,835
-Intersegment	1,274,668,235	1,422,906,272	53,125,332	58,879,608	718,350,978	692,872,062	(2,046,144,545)	(2,174,657,942)	-	-
	3,755,243,783	3,588,493,006	8,228,994,641	6,444,384,709	718,350,978	692,872,062	(2,046,144,545)	(2,174,657,942)	10,656,444,857	8,551,091,835
Cost of sales	(3,472,653,841)	(3,285,914,052)	(7,066,887,099)	(5,329,554,741)	(717,763,678)	(717,254,433)	2,046,144,545	2,174,657,942	(9,211,160,073)	(7,158,065,284)
Gross profit	282,589,942	302,578,954	1,162,107,542	1,114,829,968	587,300	(24,382,371)	-	-	1,445,284,784	1,393,026,551
Distribution cost	(130,099,961)	(108,738,393)	(474,502,223)	(388,814,538)	-	-	-	-	(604,602,184)	(497,552,931)
Administrative expenses	(90,847,427)	(89,817,421)	(144,032,580)	(131,007,901)	(9,364,269)	(11,875,052)	-	-	(244,244,276)	(232,700,374)
	(220,947,388)	(198,555,814)	(618,534,803)	(519,822,439)	(9,364,269)	(11,875,052)	-	-	(848,846,460)	(730,253,305)
Profit before taxation and unallocated income / expenses	61,642,554	104,023,140	543,572,739	595,007,529	(8,776,969)	(36,257,423)	-	-	596,438,324	662,773,246
Unallocated income and expenses:										
Finance cost									(273,785,683)	(450,764,146)
Other expenses									(154,918,537)	(53,970,345)
Other income									66,088,246	44,753,708
Taxation									(99,807,069)	(83,960,087)
									(462,423,043)	(543,940,870)
Profit after taxation									134,015,281	118,832,376

40.2 Reconciliation of reportable segment assets and liabilities

	Weaving		Dyeing		Power Generation		Total - Company	
	2017	2016	2017	2016	2017	2016	2017	2016
	(R u p e e s)							
Segment assets	2,373,379,028	2,115,442,498	2,593,740,878	2,317,603,740	928,806,374	975,175,365	5,895,926,280	5,408,221,603
Long term investments							49,118,229	126,357,045
Unallocated assets							593,124,889	818,336,579
Total assets as per balance sheet							6,538,169,398	6,352,915,227
Segment liabilities	425,764,578	383,037,689	331,963,213	293,692,062	120,938,118	107,037,478	878,665,909	783,767,229
Long term financing - secured							727,107,512	898,610,110
Sponsor's loan							272,000,000	272,000,000
Accrued mark-up							35,603,152	194,483,901
Short term borrowings - secured							2,132,770,001	1,917,369,966
Deferred liabilities							241,726,596	194,599,666
Provision for taxation							99,325,921	73,303,245
Unallocated liabilities							69,267,997	69,981,855
Total liabilities as per balance sheet							4,456,467,088	4,404,115,972

40.3 Geographical information

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

	2017 Rupees	2016 Rupees
Australia	164,379,501	203,308,572
Asia	6,385,335,410	4,802,495,886
Europe	1,716,248,577	1,489,017,074
United States of America and Canada	129,339,614	194,810,736
Africa	186,437,289	473,548,239
Pakistan	2,074,704,466	1,387,911,328
	10,656,444,857	8,551,091,835

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

40.5 Revenue from major customers

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

41. PLANT CAPACITY AND PRODUCTION

	2017	2016
Weaving		
Number of looms in operation	174	174
Rated capacity of operative looms converted to 60 picks (square meter)	48,892,878	48,892,878
Actual production converted to 60 picks (square meter)	48,846,118	48,530,269
Number of days worked during the year (3 shifts per day)	365	365
Dyeing		
Rated capacity in 3 shifts (linear meter)	36,000,000	36,000,000
Actual production for three shifts (linear meter)	35,817,180	30,419,874
No. of days worked during the year (3 shifts per day)	365	360
Power generation		
Number of generators installed	9	9
Installed capacity (Mega Watt Hours)	300,381	300,381
Actual generation (Mega Watt Hours)	38,894	33,270

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

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

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

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

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

(a) Market risk

(i) Currency risk

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

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

	2017	2016
Cash in hand - USD	5,377	7,015
Cash in hand - Euro	8,380	160
Cash in hand - GBP	1,300	-
Trade debts - USD	4,209,290	3,229,370
Trade debts - Euro	235,231	158,226
Trade and other payable - USD	(1,041,860)	(1,080,919)
Trade and other payable - Euro	(1,501)	(1,501)
Net exposure - USD	3,172,807	2,155,466
Net exposure - Euro	242,110	156,885
Net exposure - GBP	1,300	-

The following significant exchange rates were applied during the year:

	2017	2016
Rupees per US Dollar		
Average rate	104.55	104.29
Reporting date rate	104.80	104.50
Rupees per Euro		
Average rate	114.17	115.31
Reporting date rate	119.91	116.08
Rupees per GBP		
Reporting date rate	136.42	140.12

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro and GBP with all other variables held constant, the impact on profit after taxation for the year would have been higher / lower by Rupees 16.400 million (2016: Rupees 10.821 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:

	2017 Rupees	2016 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	249,305,000	399,879,599
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	32,165,112	27,495,038
Financial liabilities		
Long term financing	477,802,512	498,730,511
Short term borrowings	2,132,770,001	1,917,369,966

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit for the year would have been Rupees 27.073 million lower / higher (2016: Rupees 25.080 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:

	2017 Rupees	2016 Rupees
Investment	49,118,229	52,200,708
Advances	12,534,389	12,288,661
Deposits	36,128,338	34,475,558
Trade debts	642,491,874	465,442,351
Other receivables	1,501,299	2,652,355
Bank balances	65,922,212	50,677,448
	807,696,341	617,737,081

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			2017	2016
Banks	Short Term	Long Term	Agency	Rupees	Rupees
National Bank of Pakistan	A1+	AAA	PACRA	153,707	229,782
Allied Bank Limited	A1+	AA+	PACRA	10,838,655	10,299,862
Askari Bank Limited	A1+	AA+	PACRA	4,565,962	255,414
Bank Alfalah Limited	A1+	AA+	PACRA	2,823,926	303,397
Faysal Bank Limited	A1+	AA	PACRA	385,346	402,242
Habib Bank Limited	A-1+	AAA	JCR-VIS	1,992,733	5,902,809
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	18,079,936	18,499,258
The Bank of Punjab	A1+	AA-	PACRA	777,065	754,664
MCB Bank Limited (formerly NIB Bank Limited)	A1+	AA -	PACRA	2,478,831	11,298,546
Silk Bank Limited	A-2	A -	JCR-VIS	906,317	31,112
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	22,250,770	2,041,776
United Bank Limited	A-1+	AAA	JCR-VIS	540,240	644,500
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	128,724	14,086
				65,922,212	50,677,448
Investment					
Security General Insurance Company Limited	AA-		JCR-VIS	49,118,229	52,200,708
				115,040,441	102,878,156

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

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 counterparties 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 2017, the Company has Rupees 935.142 million (2016: Rupees 1,302.191 million) available borrowing limits from financial institutions and Rupees 69.366 million (2016: Rupees 53.903 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 2017

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----------	----------	---------- (Rupees)	----------	----------	----------
Long term financing	727,107,512	830,591,066	84,304,611	45,653,296	98,273,575	602,359,584
Sponsor's loan	272,000,000	272,000,000	272,000,000	-	-	-
Trade and other payables	837,871,919	837,871,919	837,871,919	-	-	-
Accrued mark-up	241,058,153	241,058,153	35,603,152	-	-	205,455,001
Short term borrowings	2,132,770,001	2,171,734,256	2,171,734,256	-	-	-
	4,210,807,585	4,353,255,394	3,401,513,938	45,653,296	98,273,575	807,814,585

Contractual maturities of financial liabilities as at 30 June 2016

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

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

42.2 Financial instruments by categories

Assets as per balance sheet

	2017			2016		
	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	(Rupees)			(Rupees)		
Investments	-	49,118,229	49,118,229	-	52,200,708	52,200,708
Advances	12,534,389	-	12,534,389	12,288,661	-	12,288,661
Deposits	36,128,338	-	36,128,338	34,475,558	-	34,475,558
Trade debts	642,491,874	-	642,491,874	465,442,351	-	465,442,351
Other receivables	1,501,299	-	1,501,299	2,652,355	-	2,652,355
Cash and bank balances	69,365,752	-	69,365,752	53,903,002	-	53,903,002
	762,021,652	49,118,229	811,139,881	568,761,927	52,200,708	620,962,635

	2017 Rupees	2016 Rupees
Financial liabilities at amortized cost		
Sponsor's loan	272,000,000	272,000,000
Long term financing	727,107,512	898,610,110
Accrued mark-up	241,058,153	349,506,012
Short term borrowings	2,132,770,001	1,917,369,966
Trade and other payables	837,871,919	756,191,226
	4,210,807,585	4,193,677,314

42.3 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.

43. 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 2017	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
Financial asset				
Available for sale financial asset	-	-	49,118,229	49,118,229
Total financial asset	-	-	49,118,229	49,118,229

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

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

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

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

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

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

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

(ii) Valuation techniques used to determine fair values

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

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

The following table presents the changes in level 3 items for the year ended 30 June 2017 and 30 June 2016:

	Unlisted equity security Rupees
Balance as on 01 July 2015	157,009,691
Less : Deficit recognized in other comprehensive income	104,808,983
Balance as on 30 June 2016	52,200,708
Less : Deficit recognized in other comprehensive income	3,082,479
Balance as on 30 June 2017	49,118,229

(iv) Valuation inputs and relationships to fair value

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

Description	Fair value at 30 June 2017	Fair value at 30 June 2016	Un observable inputs	Range of inputs (probability-weighted average) 30 June 2017	Relationship of unobservable inputs to fair value
	Rupees	Rupees			
Available for sale financial asset:					
Security General Insurance Company Limited	49,118,229	52,200,708	Net premium revenue growth factor Risk adjusted discount rate	8% 17.49%	Increase / decrease in net premium revenue growth factor by 0.05% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +3.109 million / - 2.768 million.

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

Valuation processes

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

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

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

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

Changes in level 2 and 3 fair values are analysed at the end of each 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.

44. 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 2017	Level 1	Level 2	Level 3	Total
	.... (Rupees)			....
Property, plant and equipment:				
- Freehold land	-	711,473,999	-	711,473,999
- Buildings	-	688,312,147	-	688,312,147
Total non-financial assets	-	1,399,786,146	-	1,399,786,146

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

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

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

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

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

Valuation processes

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

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

45. 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 2017	Level 1	Level 2	Level 3	Total
	.... (Rupees)	....		
Investment properties				
- Land	-	28,015,000	-	28,015,000
- Building	-	22,385,600	-	22,385,600
Total non-financial assets	-	50,400,600	-	50,400,600

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 2017, the fair values of the investment properties have been determined by Messers Hamid Mukhtar and Company (Private) Limited.

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.

46. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

46.1

Description	Note	2017 Carried under Non-Shariah arrangements	2017 Carried under Shariah arrangements	2016 Carried under Non-Shariah arrangements	2016 Carried under Shariah arrangements
		------------------------ Rupees ------------------------			
Assets					
Loans and advances					
Loans to employees	20	-	12,534,389	-	12,288,661
Advances to supplier		-	42,474,158	-	57,285,999
Letters of credit		-	3,520,702	-	5,237,568
Other advance					
Receivable from subsidiary company		-	-	-	1,608,032
Deposits					
Long term deposits		-	21,818,487	-	21,200,012
Security deposits	21	-	14,309,851	-	13,275,546
Bank balances	24	65,793,488	128,724	50,663,496	13,952
Liabilities					
Loan and advances					
Long term financing	7	727,107,512	-	898,610,110	-
Short term borrowings	12	2,132,770,001	-	1,917,369,966	-
Sponsor's loan	11	-	272,000,000	-	272,000,000
Advances from customers	9	-	32,944,156	-	33,638,439
Deposits					
Security deposits - interest free	9	-	210,500	-	602,278
Income					
Profit on deposits with banks	30	1,913,588	-	2,807,772	-
Other comprehensive income / (loss)					
Unrealized loss on investment	5.2	(3,082,479)	-	(104,808,983)	-

		Note	2017 Rupees	2016 Rupees
46.2	Dividend income earned from			
	Security General Insurance Company Limited	30	3,218,334	3,218,336
46.3	Sources of other income	30		
	Dividend on equity investment		3,218,334	3,218,336
	Exchange gain - net		18,359,748	11,452,878
	Return on bank deposits		1,913,588	2,807,772
	Scrap sales		29,763,939	27,044,517
	Credit balances written back		8,655,942	-
	Reversal of provision for doubtful miscellaneous receivables		1,608,032	-
	Reversal of provision for slow moving, obsolete and damaged store items		1,034,944	-
	Other - sample sales		1,533,719	-
			66,088,246	44,523,503
46.4	Exchange gain / (loss)			
	Earned from actual currency		18,359,748	11,452,878
	Earned from derivative financial instruments		-	-
46.5	Revenue (external) from different business	40		
	Weaving		2,480,575,548	2,165,586,734
	Dyeing		8,175,869,309	6,385,505,101
			10,656,444,857	8,551,091,835

46.6 Relationship with banks

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

47. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on 12 September 2017.

48. CORRESPONDING FIGURES

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

49. GENERAL

Figures have been rounded off to nearest of Rupee.

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	RIAZ AHMED
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

PROXY FORM

30th Annual General Meeting 2017

I/We ____

of ____________________ in the district of ______________________________ being a member of

KOHINOOR MILLS LIMITED hereby appoint ____

___________________________ of ____________ another member of the Company or failing him/her

appoint ____

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

to vote for me/us and on my/our behalf, at the 30th Annual General Meeting of the Company to be held on Thursday, October 26, 2017 at 03:00 p.m. and at any adjournment thereof.

As witness my/our hand seal this ____________________ day of ___________________, 2017

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

Signatures on Five Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

Witness 1

Signature ______________________________

Name ______________________________

CNIC No. ______________________________

Passport No. ______________________________

Address ______________________________

____

Witness 2

Signature ______________________________

Name ______________________________

CNIC No. ______________________________

Passport No. ______________________________

Address ______________________________

____

Important Notes:

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

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

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

For CDC Account Holders / Corporate entities

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

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

AFFIX

CORRECT

POSTAGE

The Company Secretary

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

پراکسی (مختارنامہ) فارم 2017
30واں سالانہ جنرل اجلاس

میں / ہم --

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

میں / ہم --ساکن ------------------

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

ساکن -------------------------------- کے رہائشی کو جو کہ کمپنی کا ایک اور ممبر ہے اپنا/ اپنے متبادل مقرر کرتا ہوں/ کرتے ہیں۔ جو میرے / ہمارے لئے اور میری / ہماری طرف سے 26 اکتوبر 2017 بروز جمعرات دوپہر 3:00 بجے ہونیوالے کمپنی کے 30ویں سالانہ جنرل اجلاس میں میری / ہمارے طرف سے بحیثیت پراکسی ووٹ دینے کا مجاز ہوگا۔

آج مورخہ ------------------- 2017

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

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

گواہ شدگان 1

دستخط --

نام --

شناختی کارڈ نمبر --

پاسپورٹ نمبر --

پتہ --

گواہ شدگان 2

دستخط --

نام --

شناختی کارڈ نمبر --

پاسپورٹ نمبر --

پتہ --

نوٹ:

1۔ اجلاس شروع ہونے سے 48 گھنٹے پہلے 8 کلومیٹر مانگا رائیونڈ روڈ ضلع قصور میں واقع کمپنی کے رجسٹرڈ آفس میں پہنچنے والا دستخط شدہ اور مہر لگا ہوا پراکسی فارم (مختارنامہ) موثر تصور کیا جائے گا۔
2۔ اگر ایک ممبر نے کمپنی میں ایک سے زیادہ پراکسی (متبادل رکن) مقرر کئے یا فارم جمع کروائے تو اس کے وہ تمام فارم غلط قرار دیئے جائینگے۔
3۔ کوئی بھی فرد اس وقت تک متبادل رکن کے طور پر کام نہیں کرسکتا جب تک وہ کمپنی کا ممبر نہ ہو، سوائے کارپوریشن کے جو کسی بھی شخص کو متبادل رکن مقرر کرسکتی 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۔

ضابطہ اخلاق:

بورڈ، سینئر مینجمنٹ اور کمپنی کے دیگر ملازمین میں دیانتداری کی ترویج کے لیے بورڈ نے ضابطہ اخلاق بنا کر کمپنی کی ویب سائیٹ پر دے دیا ہے۔ تاکہ ہر شخص جو کمپنی سے منسلک ہے، اِن پروفیشنل سٹینڈرڈز اور کارپوریٹ اقدار کو سمجھ پائے۔

حصص داری کا اجمال:

30 جون 2017 کو حصص داری کا اجمال ہمراہ حصص یافتگان کی اقسام، جیسا کہ کمپنی ایکٹ 2017ء اور کوڈ آف کارپوریٹ گورننس میں کہا گیا ہے، اس رپورٹ کے ساتھ لف ہے۔

مستقبل کے امکانات:

پچھلے کچھ سالوں میں ٹیکسٹائل کی ایکسپورٹ میں مستقل تنزلی کے مدنظر حکومت پاکستان نے ٹیکسٹائل انڈسٹری کی بحالی کے لیے پیکیج کا اعلان کیا ہے۔ تاہم اس وعدہ کردہ ریلیف پیکیج کو نافذ کرنے میں تاخیر، تشویش کا ایک سبب بن گیا ہے۔ اس کے علاوہ مائیکرو معاشی منظر نامہ، غیر یقینی سکیورٹی اور سیاسی صورتحال، بڑھتا ہوا مقابلہ اور بیرونِ ملک طلب میں کمی نے اس صورتحال کو تشویش ناک بنا دیا ہے۔ تاہم انتظامیہ نے گاہک کا اعتماد جیتنے، پیداواری صلاحیت کو بڑھانے اور سپلائی چین کو بہتر کرنے، لاگت کو کم کرنے سے کارکردگی میں بہتری لانے کو کمپنی کا نصب العین قرار دیا ہے۔ اس کے علاوہ انتظامیہ نے (بی ایم آر) منصوبوں کے ذریعے پیداواری صلاحیت کو بڑھانے، کارکردگی کو بہتر کرنے اور لاگت کو کم کرنے کا منصوبہ شروع کیا ہے۔ تاکہ کمپنی کی اہلیت کو برقرار رکھا جا سکے۔ کمپنی کی موجودہ آرڈر بکنگ کی حالت اچھی ہے اور انتظامیہ پُر امید ہے کہ آگے چل کر اس کی کارکردگی اور بھی بہتر ہو سکے گی۔

آڈیٹرز:

کمپنی کے بیرونی آڈیٹرز میسرز ریاض اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آنے والے سالانہ عام اجلاس میں ریٹائر ہو جائیں گے۔ کمپنیز ایکٹ 2017ء کے تحت دوبارہ اپوائنٹ ہونے کے اہل ہونے کی بدولت، انہوں نے آئندہ مدت سال اختتام 30 جون 2018ء کے لیے پھر اپنی خدمات بطور آڈیٹر کے طور پر پیش کی ہیں۔ بورڈ نے آڈٹ کمیٹی کی سفارشات کی روشنی میں اِن آڈیٹر کی دوبارہ تقرر کی سفارش کی ہے۔

آڈیٹرز نے تصدیق کی ہے کہ انہیں انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوالٹی کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ بندی دی گئی ہے اور وہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے جاری کردہ ضابطہ اخلاق سے مکمل مطابقت رکھتے ہیں۔ اس کے علاوہ وہ کمپنی کو کوئی متعلقہ خدمات نہیں دے رہے ہیں۔ آڈیٹر نے اس بات کی بھی تصدیق کی ہے کہ اُن کے شراکت داروں، اُن کی بیویوں یا چھوٹے بچوں میں سے کسی نے بھی اس سال کے دوران کمپنی کے شیئرز میں تجارت نہیں کی ہے۔

اظہار تشکر:

بورڈ اپنے قیمتی اور قابل قدر حصص یافتگان، بینکوں، مالیاتی اداروں اور گاہکوں کا تہہ دل سے شکر گزار ہے جن کے تعاون، مسلسل حمایت اور دیکھ بھال نے کمپنی میں مسلسل بہتری لانے میں بھرپور مدد دی ہے۔ اس مدت کے دوران انتظامیہ اور ملازمین کے درمیان تعلقات خوشگوار رہے ہیں اور ہم اپنے کارکنوں کی لگن، محنت اور ثابت قدمی کے لئے ان کی خدمات کا اعتراف کرتے ہیں۔

قصور:	**عامر فیاض شیخ**	**ریاض احمد**
12 ستمبر 2017	**چیف ایگزیکٹو**	**ڈائریکٹر**

آڈٹ کمیٹی :

آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کے طے کردہ طریقہ کار کے مطابق کام کرتی ہے۔ یہ کوڈ آف کارپوریٹ گورننس کی بہترین پریکٹیسز اور متعلقہ قانونی ضروریات، اکاؤنٹنگ پالیسیز اور پریکٹیسز میں تبدیلی، لاگو اکاؤنٹنگ سٹینڈرز اورلسٹنگ کے قواعد کی نگرانی پر توجہ مرکوز رکھتی ہے۔ یہ بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تقرری سے متعلق سفارشات پیش کرتی ہے۔ دیگر ذمہ داریوں میں انٹرنل آڈٹ فنکشن، کمپنی کے اثاثوں کا انٹرنل کنٹرول سسٹم کے ذریعے تحفظ اور مالیاتی اور آپریشنل کنٹرول، اکاؤنٹنگ کا نظام اور رپورٹنگ کے طریقہ کار، کاروباری منصوبوں کا ابتدائی جائزہ اور بورڈ کی توثیق اور نتیجوں کی اشاعت سے پہلے سہ ماہی، ششماہی اور سالانہ کارکردگی کا جائزہ لیتی ہے۔ زیرغور سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے ان میں ہر ممبر کی حاضری ذیل میں درج ہے۔

نمبرشمار	ممبرز کے نام	شرکت کردہ اجلاس کی تعداد
1-	جناب ریاض احمد	4
2-	جناب رشید احمد	4
3-	جناب علی فیاض شیخ	4
4-	جناب شہباز منیر	4

انسانی وسائل اور معاوضہ کمیٹی:

انسانی وسائل اور معاوضہ کمیٹی بورڈ آف ڈائریکٹرز کے طے کردہ طریقہ کار کے مطابق کام کرتی ہے اور یہ بورڈ کو انسانی وسائل کا انتظام کرنے کی پالیسیز تجویز کرنے، انتخاب، جائزہ، معاوضہ (ریٹائرمنٹ فوائد سمیت) اور چیف ایگزیکیٹو آفیسر (سی ای او)، چیف فائنانشل آفیسر (سی ایف او)، کمپنی سیکرٹری، اور اندرونی پڑتال کے سربراہ وغیرہ کی جانشینیوں کی تعیناتی کی ذمہ دار ہے۔ مزید جو اہم انتظامی عہدے چیف ایگزیکیٹو آفیسر (سی ای او) کو براہ راست رپورٹ کرتے ہیں، یہ اُن کے معاملات پر چیف ایگزیکیٹو آفیسر (سی ای او) کی سفارشات کو منظور کرتی ہے۔

سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کی 4 میٹنگز ہوئی ہیں جن میں ممبرز کی شرکت مندرجہ ذیل ہے۔

نمبرشمار	ممبرز کے نام	شرکت کردہ اجلاس کی تعداد
1-	جناب رشید احمد	4
2-	جناب اسد فیاض شیخ	3
3-	جناب شہباز منیر	4

اجلاس میں شرکت نہ کر پانے والے ممبر کو رخصت دے دی گئی تھی۔

اس سال کے دوران بورڈ آف ڈائریکٹرز کی 6 میٹنگز ہوئیں جن میں ہر ڈائریکٹر کی حاضری درج ذیل دی گئی ہے۔

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

اجلاس میں شرکت نہ کر پانے والے ڈائریکٹر کو رخصت دی گئی تھی۔

نیچے دئی گئی حصص لین دین کے علاوہ کسی ڈائریکٹر، ایگزیکٹیو، ان کی بیویوں یا چھوٹے بچوں نے کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی۔

نمبرشمار	نام	عہدہ	حصص کی تعداد (خرید)	حصص کی تعداد (فروخت)
1-	جناب ریاض احمد	ڈائریکٹر	7,500/-	-
2-	جناب شہباز منیر	ڈائریکٹر	9,500/-	-
3-	مسز منیزہ اسد فیاض	ڈائریکٹر کی بیوی	150,000/-	-

بورڈ کی سالانہ کارکردگی کا جائزہ:

بورڈ اپنی کارکردگی جانچنے کے عمل کو گڈ گورننس کا اہم حصہ سمجھتا ہے۔ کیونکہ یہ عمل ڈائریکٹرز کو بورڈ کی حالیہ کارکردگی، اس کے کردار اور ذمہ داریوں کے متعلق رائے فراہم کرتا ہے۔ اس بات کا ادراک کرتے ہوئے بورڈ نے اپنی کمیٹیوں کی اور ارکان کی کارکردگی میں مدد فراہم کرنے کے لیے معروف طریقوں سے متعلق ایک سوالنامہ وضع کیا ہے۔ کمپنی سیکرٹری مشاورت اور بحث کے لیے بورڈ کو سالانہ خلاصہ رپورٹ پیش کرتا ہے۔

بورڈ میں تبدیلی:

اس سال کے دوران بورڈ میں کوئی تبدیلی نہیں ہوئی۔

ڈائریکٹرز تربیتی پروگرام:

مستثنٰی ڈائریکٹرز کے علاوہ تمام ڈائریکٹرز نے پہلے ہی ڈائریکٹرز تربیتی پروگرام مکمل کرلیا ہے۔

(1) مالیاتی گوشوارے بمعہ نوٹس منسوخ شدہ کمپنیز آرڈیننس 1984 کے مطابق تیار کیے گئے ہیں۔ یہ گوشوارے جو کہ کمپنی کی انتظامیہ نے تیار کئے ہیں کمپنی کے معاملات، نقدی بہاؤ اور اس میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔

(2) کمپنی نے اکاؤنٹس کی کتابوں کا صحیح ریکارڈ رکھا ہوا ہے۔

(3) مناسب اکاؤنٹنگ پالیسیز کو مالیاتی گوشواروں میں تسلسل سے لاگو کیا گیا ہے۔ اکاؤنٹنگ اندازے مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

(4) مالیاتی گوشوارے بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسے کہ پاکستان میں لاگو ہیں، کی روشنی میں بنائے گئے ہیں اور ان سے ہٹنے کی صورت میں مناسب وضاحت دی گئی ہے۔

(5) انٹرنل کنٹرول کا مضبوط نظام بنایا گیا ہے اور مؤثر طریقے سے اس کی نگرانی کی جاتی ہے۔

(6) کاروبار جاری رکھنے کے لیے کمپنی کی صلاحیت پر کوئی قابلِ ذکر شبہات نہیں ہیں۔

(7) پاکستان سٹاک ایکسچینج لمیٹڈ کی قواعد وضوابط کے کتابچے میں دیئے گئے اصولوں کے مطابق کارپوریٹ گورننس کے بیان کردہ بہترین طریقہ کار سے کوئی انحراف نہیں ہوا۔

(8) کمپنی کے کاروبار کے کسی بھی حصے میں تنظیم نو، کاروبار کی توسیع یا کاروبار کو بند کرنے کا کوئی اہم منصوبہ نہیں ہے۔

(9) بقایا ٹیکسز، ڈیوٹیز، لیویز اور دیگر اخراجات (اگر کوئی ہے) کے متعلق معلومات پڑتال شدہ اکاؤنٹس کے متعلقہ نوٹس میں دے دی گئی ہیں۔

(10) کمپنی سختی سے حفاظت کے قوانین اور قوائد وضوابط کے معیار پر عمل پیرا ہے۔ یہ ماحولیاتی دوستانہ پالیسیوں کی بھی پیروی کرتی ہے۔

(11) ملازمین کی ریٹائرمنٹ منافع فنڈ (پروویڈنٹ فنڈ) کی طرف سے کی جانے والی سرمایہ کاری کا تخمینہ، ان کے غیر پڑتال شدہ اکاؤنٹس پر مبنی ہے۔ جو کہ درج ذیل ہیں۔

30جون2017	153.03 ملین روپے
30جون2016	119.88 ملین روپے

بورڈ آف ڈائریکٹرز:

کمپنی کے مجموعی انتظام اور معاملات کے لیے بورڈ آف ڈائریکٹرز ذمہ دار ہیں۔ منسوخ شدہ کمپنیز آرڈیننس 1984ء، کوڈ آف کارپوریٹ گورننس اور کمپنی کے میمورنڈم اور آرٹیکلز کی روشنی میں تمام ڈائریکٹرز اپنے اختیارات اور فرائض سے آگاہ ہیں۔ تمام ڈائریکٹرز بورڈ کے ہر سہ ماہی میں منعقد ہونے والے اجلاس کے ذریعے اپنی قانونی ذمہ داریاں ادا کرتے ہیں۔ جن میں کمپنی کے مالیاتی گوشواروں پر نظر ثانی کرنے اور ان کی منظوری کے علاوہ کمپنی کے اہم منصوبے، فیصلے، اندازے، اور مالی تخمینہ وغیرہ پر ذیلی کمیٹی کی دی گئی سفارشات کی روشنی میں مشاورت اور ان پر عمل کروانا شامل ہے۔ اُن کے فرائض میں کمپنی کا سٹریٹجک مقاصد کو قائم کرنا، قیادت کی فراہمی، کاروبار کے انتظام کے نگرانی اور شیئر ہولڈرز کو رپورٹ کرنا شامل ہیں۔

کاروباری ٹیم بنانے میں ان کے ساتھ مل کر کام کرتے ہیں۔ کمپنی فرد کے احترام کو، سب کے لیے معیار کی بنیاد پر برابر موقع فراہم کرنے کو، بہترین رابطہ رکھنے کو اور اچھی کارکردگی کا ماحول پروان چڑھانے کو خصوصی اہمیت دیتی ہے۔ اس کے ساتھ ساتھ ملازمین کو ہر سطح پر آگے بڑھنے کے مواقع فراہم کرنا اور مختلف قسم کے تجربات سے گزارنا، جو ملازمین کو ان کے مستقبل میں بہتر بنا سکتے ہیں، بھی کمپنی کا ایک نصب العین ہے۔ آپ کی کمپنی سب کے لیے ملازمت کے برابر مواقع فراہم کرتی ہے اور اس بات کا کمپنی کے کاروباری سرگرمیوں کے تمام پہلوؤں بشمول نئی بھرتی اور ملازمت کے دوران خیال رکھا جاتا ہے۔ شاندار ٹیکنالوجی اور انسانی وسائل انفارمیشن سسٹم کا امتزاج ایک بہترین کارکردگی کے ماحول کی صورت میں نمایاں ہیں۔

تربیت اور ترقی:

کمپنی کا یقین ہے کہ تربیت اور ترقی کے ذریعے انسانی وسائل میں بہتری لاتے رہنا چاہیے۔ پیداوار کے تمام مراحل میں تربیت دینے کو خصوصی اہمیت دی جاتی ہے۔ اہم تکنیکی تبدیلیاں جیسا کہ ویورز ٹیکنالوجی اور کوالٹی کنٹرول معائنہ کاروں کی تربیت کے لیے موثر تربیتی پروگرام بنائے گئے ہیں۔ امیدواروں کو تربیتی سکیم کے ذریعے چھ ماہ تک کمپنی کے اندران کو مستقبل کے لیے تربیت دی جاتی ہے۔ اس سے کمپنی کو اچھے تربیت یافتہ افراد ڈھونڈنے میں مدد ملتی ہے اور کسی کے چھوڑ جانے کی صورت میں متبادل موجود رہتا ہے۔ باقاعدگی کے ساتھ کمپنی کے اندر عمومی انتظام، آگ بجھانا، ابتدائی طبی امداد، صحت اور حفاظت، کمپیوٹر اور تکنیکی شعبوں میں تربیتی کورس کروائے جاتے ہیں۔

حفاظت، صحت اور ماحول:

کمپنی نے اپنے تمام ملازمین کے لیے محفوظ اور صحت مند جگہ فراہم کی ہے اور یہ اپنے ماحول جس میں ہم کام کرتے ہیں کا خیال رکھنے کی ذمہ داری قبول کرتی ہے۔ یہ سب عملہ کی لگن اور کام کی جگہ پر اعلیٰ پیشہ ورانہ اصول اپنانے سے حاصل کیا جا سکتا ہے۔

کارپوریٹ سماجی ذمہ داری:

کمپنی کی نہایت منفرد کارپوریٹ سماجی ذمہ داری پالیسی ہے کہ جس معاشرے میں یہ اپنا کام کرتی ہے، اس کے تحفظ کے لیے اپنا کردار ادا کرے۔ اس میں ثقافتی سرگرمیاں اور صحت اور تعلیم کے شعبوں میں کیے گئے اقدامات شامل ہیں۔

کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل:

بورڈ باقاعدہ طور پر کمپنی کی اسٹریٹیجک سمت کا جائزہ لیتا ہے۔ بورڈ کی جانب سے سیٹ کیے گئے کاروباری منصوبوں اور بجٹ کے اہداف کا بھی باقاعدہ جائزہ لیا جاتا ہے۔ کارپوریٹ گورننس کے کوڈ کی مؤثر تعمیل کے لیے قائم کردہ ذیلی کمیٹی کو اختیارات دیئے جاتے ہیں۔ بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

کمپنی کے بورڈ آف ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ کوڈ آف کارپوریٹ گورننس کے متعلق اپنی ذمہ داریوں سے بخوبی آگاہ ہے۔ مندرجہ ذیل بیانات کوڈ آف کارپوریٹ گورننس کو بہترین طریقوں سے چلانے کے لیے کمپنی کے عزم کا اظہار کرتے ہیں۔

تسلی بخش نہیں رہی۔انتظامیہ اس کی کارکردگی میں بہتری کے لیے عملی اقدامات کر رہی ہے اور مقامی اور بیرونی مما لک میں نئی مارکیٹ ڈھونڈی جا رہی ہے۔انتظامیہ امید کرتی ہے کہ ان اقدامات سے مستقبل میں اچھے نتائج آئیں گے۔

مزید برآں پروڈکشن ٹیکنالوجی میں بہتری لانے کے لیے انتظامیہ نے (بی۔ایم۔آر) منصوبوں کے تحت 84 تیز رفتار جدید ترین ائیر جٹ لومز اس ڈویژن میں لگانے کا فیصلہ کیا ہے۔جس سے ویونگ کی موجودہ پروڈکشن صلاحیت ۲۰ فیصد بڑھ جائے گی۔ان میں سے 48 لومز مالی سال 2017-18 کی پہلی سہ ماہی میں نصب کر دی گئی ہیں۔جبکہ بقایا 36 لومز سال کی دوسری سہ ماہی تک نصب کرنے کی امید ہے جس سے اس ڈویژن کی بڑھتی ہوئی برآمد اور بڑھتی گریج (Greige) کی ڈیمانڈ کو پورا کرنے میں مدد ملے گی۔

ڈائنگ ڈویژن:

اس سال اس ڈویژن کی کارکردگی بہتر رہی، صلاحیت کے استعمال کو بڑھایا گیا اور زیر غور سال کے اہداف حاصل کئے گئے۔بہر حال بڑھتی گریج قیمتیں، کم بیرونی ڈیمانڈ، اور گھٹتے مارجنز کی وجہ سے منافع میں بہت اضافہ نہ حاصل ہو سکا۔ڈائنگ ڈویژن میں اس وقت ایک بی۔ایم۔آر اور کچھ ترمیمی پروگرام جاری ہے جس کی بدولت پروڈکشن کی صلاحیت 20 فیصد بڑھ جائے گی۔امید کی جاتی ہے کہ یہ تبدیلیاں سال 2017-18 کے دوسرے نصف میں عمل میں آجائیں گی اور کمپنی کو اس قابل کر دیں گی کہ وہ اپنے گاہکوں کی طلب کو بہتر انداز میں پورا کر سکے اور اس کی کارکردگی میں اپنا بہترین کردار ادا کرے۔

جنریٹک ڈویژن:

اگر چہ زیر غور عرصہ کے دوران توانائی کے اخراجات نہیں بڑھے مگر ایندھن اور کوئلے کی قیمتوں میں حالیہ اضافہ مستقبل میں تشویش کا باعث بن سکتا ہے۔

کیومارٹ کارپوریشن (پرائیوٹ) لمیٹڈ (ذیلی کمپنی)

کیومارٹ کارپوریشن (پرائیوٹ) لمیٹڈ (ذیلی کمپنی) کو رضا کارانہ طور پر منسوخ شدہ کمپنیز آرڈیننس 1984 کے سیکشن 358 کے تحت ختم کر دیا گیا ہے۔

انفارمیشن ٹیکنالوجی:

آپ کی کمپنی بروقت اور مؤثر فیصلوں میں مدد کرنے والے مؤثر آئی ٹی کے نظام کے حصول کے لیے مسلسل کوشش کر رہی ہے۔اس نے اپنے ملازمین کو، زیادہ سے زیادہ کارکردگی کی سطح کو حاصل کرنے کے لیے، جدید ترین سہولیات فراہم کی ہیں۔آپریشن میں استعمال ہونے والا زیادہ تر پیداواری سامان اور مشینری تکنیکی طور پر اعلی درجہ کی سافٹ ویئر کے ساتھ لیس ہیں جو پیداوار کے عمل کے لیے حقیقی وقت کی معلومات فراہم کرتی ہیں۔کمپنی کا اندرونی سسٹم کمپنی کی پالیسیز اور طریقہ کار اور ملازمین کے استعمال کے لیے مفید معلومات فراہم کرنے کا کارآمد ذریعہ ثابت ہو رہا ہے۔

انسانی وسائل اور تربیت:

تقریباً 1700 ملازمین کمپنی کا حصہ ہیں۔جو اس کا مستقبل سنوارنے میں نہایت اہم کردار ادا کر رہے ہیں۔یہاں ہر فرد کمپنی کی کامیابی میں اپنا کردار ادا کرتا ہے۔آپ کی کمپنی کی انسانی وسائل کی ٹیم بہت ماہر اور تجربہ کار اور پیشہ ورانہ افراد پر مشتمل ہے۔یہ محنتی لوگوں پر مشتمل ایک اچھی

ڈائریکٹروں کی رپورٹ

کوہ نور ملز لمیٹڈ کے ڈائریکٹرز کی جانب سے سال 30 جون 2017 کے اختتام پر سالانہ رپورٹ ہمراہ پڑتال شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرنا باعث مسرت ہے۔

ٹیکسٹائل صنعت کا جائزہ:

پاکستان میں ٹیکسٹائل صنعت کے برآمدکنندہ خطے میں موجود باقی ممالک کے برآمدکنندگان کی نسبت انتہائی مشکل حالات کا سامنا کر رہے ہیں۔ کاروباری اخراجات خطے میں سب سے زیادہ ہیں جس میں گیس اور بجلی کے بڑھتے ہوئے نرخ، جی آئی ڈی سی کی وصولی اور پاکستانی روپے کے مصنوعی زرمبادلہ کی شرح کی برقراری شامل ہیں۔ اس کے ساتھ ساتھ عالمی منڈی میں ملبوسات اور خوردہ فروشی (Retail sales) کی وجہ سے ٹیکسٹائل برآمدات میں پیچھے تین سال میں بتدریج کمی ہوئی ہے جو کہ مالی سال 17-2016 میں 12.5 ارب یو ایس ڈالر کی سطح پر آ گئی ہیں۔

اِن حقائق کے مدنظر وفاقی حکومت نے ٹیکسٹائل برآمدات بڑھانے کے لیے ٹیکسٹائل پیکیج 2017 کا اعلان کیا اور بہت سے امدادی اقدامات کئے۔ جس میں ڈیوٹی ڈرابیک کے دائرہ کار کو وسیع کرنا، درآمدی خام مال، مشینری اور ایندھن پر صفر سیلز ٹیکس اور ٹیکسٹائل صنعت کو سیلز ٹیکس بروقت واپس کرنا ہے۔ اگرچہ کاغذات پر یہ احکامات بہت اچھے ہیں مگر عملی پیچیدگیوں اور بڑھتی ہوئی غیر یقینی سیاسی صورت حال کی وجہ سے ٹیکسٹائل برآمدات کی بڑھوتری پر کچھ سوالیہ نشان ہیں۔

آپریٹنگ اور مالی نتائج:

اختتام مالی سال 30 جون 2017 کے دوران کمپنی کا خام منافع 1,445 ملین روپے اور فروخت 10,656 ملین روپے ہے۔ جب کہ پچھلے مالیاتی سال کے دوران خام منافع 1,393 ملین روپے اور فروخت 8,551 ملین روپے تھیں۔ مالیاتی سال 17-2016 کے دوران آپ کی کمپنی کا اصل منافع 134 ملین (فی حصص منافع 2.63) روپے رہا جبکہ پچھلے مالیاتی سال کے دوران اصل منافع 119 ملین (فی حصص منافع 2.33) روپے رہا اور کمپنی نے 25 فیصد شرح نمو حاصل کی۔ مگر بڑھتی ہوئی خام مال لاگت کی وجہ سے منافع کی شرح کم رہی۔ نتیجتاً اس سال کی کارکردگی پچھلے سال کے تقریباً برابر رہی۔

ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے اختتام سال 30 جون 2017 کے لیے حتمی کیش ڈیویڈنڈ ہر ایک -/10 روپے کے شیئر کے اوپر 1.10 روپے فی شیئر یعنی 11 فیصد کی تجویز دی ہے۔

کارکردگی کا جائزہ:

اختتام سال 30 جون 2017 کے دوران کمپنی کی کارکردگی کا مختصر جائزہ ذیل میں دیا گیا ہے۔ علاوہ ازیں پچھلے چھ سالوں کی کارکردگی کا مختصر خاکہ سالانہ رپورٹ کے صفحہ نمبر 33 پر ملاحظہ فرمائیں۔

ویونگ ڈویژن:

بیرونِ ممالک میں بڑھتے ہوئے مقابلے اور خام مال کی بڑھتی ہوئی قیمتوں کے باعث اس ڈویژن کی کارکردگی اس سال کے دوران زیادہ

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