Kohinoor Mills Limited

Annual Report 2015

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Kohinoor Mills Limited

Kohinoor Mills Limited and its subsidiary

COMPANY PROFILE

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

With an annual turnover of over Rs. 7 billion, today Kohinoor Mills Limited employs over 1,700 employees. It aims to create superior value for Kohinoor's customers and stakeholders without compromising its commitment to safety, environment and health for the communities in which it operates. Its products range is from greige fabric to processed fabric.

COMPANY INFORMATION

Board of Directors

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

Audit Committee

Mr. Riaz Ahmed	Chairman
Mr. Rashid Ahmed	Member
Mr. Ali Fayyaz Sheikh	Member
Mr. Shahbaz Munir	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 Islamic Bank B.S.C. (E.C)
- Askari Bank Limited
- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Bank Limited
- Habib Metropolitan Bank Limited
- National Bank of Pakistan
- NIB Bank Limited
- Silk Bank Limited
- Standard Chartered Bank (Pakistan) Ltd
- The Bank of Punjab
- United Bank Limited

Registered Office & Mills
8th K.M. Manga Raiwind Road,
District Kasur.
UAN: (92-42) 111-941-941
CELL LINES: (92-333) 4998801-10
LAND LINES: (92-42) 3639340
FAX: (92-42) 35395064 & 35395065
EMAIL: info@kohinoormills.com
WEBSITE: www.kohinoormills.com

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

Stock Exchange
Kohinoor Mills Limited is a public limited Company and its shares are traded under textile composite sector at all three Stock Exchanges of Pakistan. Financial statements are also available at above website of the Company

Our Vision

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

Our Mission

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

Business Activities

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

Strategic Business Objectives

- To enhance the profitability of the Company;
- To build the Company as a preferred and leading Regional Supplier;
- Innovation focus to develop further specialized product competencies;
- Stressing on consistent improvement in quality;
- Focus on retaining & adding core customers;
- Developing channels into new and existing markets to expand sales and to utilize complete market potential for casualwear;
- Focus on developing and retaining good Human Resource;
- To develop and promote the reputation and image of the Company for its stakeholders in specific and non-stakeholders in general;
- To promote awareness and best practices about environment and social responsibility;
- Avoidance of conflict of interest and justice to all;
- Compliance of all applicable laws.

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.

Responsibilities

Shareholders

The Company believes in maximizing shareholders value by providing consistent growth and fair return on their investment.

Customers

The Company considers it imperative to maintain cordial relationship with the customers as integral to its growth and development of business and is committed to provide high quality products and services that conform to highest international standards

Employees

The Company is an equal opportunity employer at all levels with respect to issues such as color; race, gender, age; ethnicity and religious beliefs and its promotional policies are free of any discrimination.

The Company ensures that employees work towards achievement of corporate objectives, individually and collectively as a team and conduct themselves at work and in society as respectable employees and good citizens.

The Company believes in continuous development and training of its employees.

The Company has set high standards of performance and recognizes employee's contribution towards its growth and reward them based on their performance. The Company believes development, growth and recognition result in motivated employees.

All employees of the Company are part of Kohinoor family and the families of all members are also part and parcel of Kohinoor family. The Company believes that the sense of belonging to Kohinoor fulfils an essential need of its employees and the organization and as such will always be nurtured.

Environment and Social Responsibility

Protecting the environment in which we live is an important element. The Company uses all means to ensure a clean, safe, and healthy and pollution free environment not only for its workers and employees but also for the well being of all people who live in and around any of the production and manufacturing facilities. The Company will always employ such technology as may be beneficial in maintaining a healthy and hygienic working environment. It also believes in community development without political affiliations with any person or group of persons and contributes part of its resources for a better environment with an unprejudiced approach.

NOTICE OF 28th ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the members of Kohinoor Mills Limited (the Company) will be held on Thursday, 29th day of October, 2015 at 2:30 p.m. at the Registered Office of the Company situated at 8th Kilometer, Manga Raiwind Road, District Kasur, to transact the following business:-

1. To confirm the minutes of Annual General Meeting held on October 30, 2014.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2015, together with Directors' and Auditors' Reports thereon.
3. To appoint auditors for the year ending June 30, 2016 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Kasur:
October 08, 2015

MUHAMMAD RIZWAN KHAN
Company Secretary

NOTES

1. The shares transfer books of the Company will remain closed from October 22, 2015 to October 29, 2015 (both days inclusive). Physical transfers/CDS Transaction IDs received in order at Shares Registrar of the Company i.e., M/s. Hameed Majeed Associates (Pvt.) Ltd, HM house, 7 Bank Square, Lahore, up to October 21, 2015, will be considered in time.

2. A member entitled to attend and vote may appoint a person/representative as proxy to vote in place of member at the meeting. Proxies in order to be effective must be received at the Company's Registered Office duly stamped and signed not later than 48 hours before the time of holding meeting. A member may not appoint more than one proxy. A copy of shareholder's attested Computerized National Identity Card (CNIC) must be attached with the proxy form.

3. The CDC account holders / sub account holders are requested to bring with them their CNIC along with participant(s) ID numbers and their account numbers at the time of attending the meeting in order to facilitate identification of the respective shareholders. In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

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

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

DIRECTORS' REPORT

The Directors of the Company are pleased to present the audited financial statements for the year ended June 30, 2015. These financial statements are presented in accordance with the requirements of Companies Ordinance, 1984.

Textile Industry Outlook

With the grant of GSP+ status to Pakistan by the European Union, it was expected that Financial Year 2014-15 would bring in higher orders and better textile exports for the country. However, the overall expected growth in textile exports, especially in non-value added (yarn and cloth) sectors was not achieved due to increased competition from regional players, China and India, and by the general economic slump in the US and European Markets. Resultantly, the textile exports at US$ 13.54 billion during FY 2014-15, instead of growth, registered marginal decline of 1% over last year's figure of US$ 13.66 billion.

Further, energy crisis, security and political concerns continued to weigh in negatively on the overall economic environment of the country.

Operating & Financial Results

During the financial year ended June 30, 2015, your company earned a gross profit of Rs. 1,299 million on sales of Rs. 7,906 million compared to gross profit of Rs. 1,045 million on sales of Rs. 7,772 million for the previous financial year 2013-14. Gross margin was 16.4% compared to 13.4% in the previous year. During FY 2014-15, your company recorded a net profit of Rs. 123 million, compared to net profit of Rs. 107 million in the previous financial year. The Earning per share (EPS) was Rs. 2.42 per share compared to Rs. 2.09 for previous financial year.

Net profit for the FY 2014-15 includes net notional interest expense of Rs. 135 million as per IAS: 39, due to restructuring of financial liabilities of the company in an earlier period, compared to expense of Rs. 108 million recognized in FY 2013-14. Had there been no such notional adjustment, net profit for FY 2014-15 would have been Rs. 258 million with an EPS of Rs. 5.07 per share and net profit of Rs. 215 million for FY 2013-14 and EPS of 4.22 per share.

Reduction in fuel and power cost due to reduction in international oil prices and comparatively better capacity utilization resulted in improvement in gross margins of the company. Further, due to stable exchange rate during most of the current financial year, the company avoided major unfavourable currency losses compared to last financial year.

Dividend

In order to rebuild the working capital of the company, your directors have regrettably decided to omit dividend this year.

Performance Overview

A brief overview of performance of your company for the year ended June 30, 2015 is discussed below. Please also refer page no. 22 of this Annual Report for six years' performance overview of your company.

Weaving Division

Owing to higher international competition, especially in weaving sector, the profitability was comparatively lower in this division. The management is taking earnest steps to improve performance in this division of the company.

Dyeing Division

Better capacity utilization and improved margins resulted in significant improved performance in this division of the company. Being at the value-added end of the fabric business, the management is intensifying its product development and marketing efforts. This is expected to yield further positive results in the ensuing period thus driving up the overall performance.

Genertek Division

With the induction of bio-fuel based boiler, significant reduction in fuel costs in line with drop in international fuel prices and improved supplies of Natural Gas by SNGPL and electricity by LESCO resulted in savings in Fuel and energy costs during the year under review.

In view of the unreliable gas and electricity supply situation in the country in the long run, the management is earnestly considering various alternate-fuel based energy options. Accordingly, company has finalized deal to install 30 TPH coal-fired boiler to reduce its steam generation cost and to mitigate seasonality in availability of bio-fuels. The letter of credit arrangements have been finalized and the boiler is expected to be operational in the last quarter of FY 2015-16.

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

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

Information Technology

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

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

Human Resource & Training

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

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

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

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

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

Training & Development

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

Candidates are engaged through a Trainee Scheme and trained in-house over a period of 6 months through a career path. This has helped company in preparing a highly skilled workforce and also provides replacements to cover turnover.
In-house training sessions are regularly conducted in general management, fire fighting, first aid, health and safety, computer and technical disciplines.

Safety, Health & Environment

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

Corporate Social Responsibility

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

Your company through its directors is actively involved in the various social responsibility initiatives in the field of primary education and health care. During the year under review, your company donated Rs. 8 million to The Citizens Foundation Schools for construction of schools for under-privileged children in remote areas. Further, the company donated Rs. 5 million to Friends of Punjab Institute of Cardiology (PIC) for building a new emergency block and state-of-the-art Cath Lab at PIC, Lahore. In addition the company is taking an active part through APTMA initiatives for Clean Water for remote areas.

Compliance with the Code of Corporate Governance

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

Corporate & Financial Reporting Frame Work

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

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

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

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

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

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

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

g. There has been no material departure from the best practices of Corporate Governance as detailed in the Listing Regulations of the stock exchanges where the company is listed.

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

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

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

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

June 30, 2015	Rs. 120.40 million	Un-audited
June 30, 2014	Rs. 108.94 million	Audited

Board of Directors

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

During the year under review four (4) meetings of the Board of Directors were held. The attendance by each Director is as follows:

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

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

Other than those set out below, there has been no trading during the year under review by the Directors, Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary, their spouses and minor children:

Sr.	Name	Designation	Purchased	Sold
			No. of Shares	
1	Mr. Aamir Fayyaz Sheikh	CEO	282,166	-
2	Mr. Asad Fayyaz Sheikh	Director	55,000	-
3	Mr. Ali Fayyaz Sheikh	Director	55,000	-
4	Mr. Riaz Ahmed	Director	5,000	-
5	Mrs. Muneeza Asad Fayyaz	Director's spouse	19,000	-

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.

Audit Committee

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

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

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

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

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee (HR & R) operates according to terms of reference approved by the Board of Director 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 three (3) meetings of the HR & R Committee was held, the attendance by its members was as follows:

Sr.	Name of the members	Attendance
1	Mr. Rashid Ahmed	3
2	Mr. Asad Fayyaz Sheikh	3
3	Mr. Shahbaz Munir	3

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, 2015, as required under section 236 of Companies Ordinance, 1984 and Code of Corporate Governance is annexed with this report.

Future Prospects

Pakistani economy for the first time in recent history recorded decline in its overall annual textile exports. Despite benefits accruing from GSP+ status granted by the EU and significant reduction in international oil prices, the political turmoil in the country, security situation and power crisis, especially for units relying on National Grid, resulted in lower exports in non-valued added sector. This decline raises serious concerns over the global competitiveness of Pakistani textile industry. It is essential that the Federal Government stands by its commitments of financial incentives to the Textile Industry to keep the highest export-earner of the country at par with the regional players.

Despite the challenging economic environment, your company is striving to improve its performance by pursuing two-pronged strategy of improving revenues by better selling and improving margins by driving down costs. The increased revenues and better margins shall be ensured by better capacity utilization through intensive marketing efforts focusing on market development and penetration, product development, especially niche products for famous brands and technical textiles. On cost side, better supply-chain management for raw materials and innovation in production processes shall remain pivotal parts of the strategy. The current order book of the company is healthy and it has confirmed orders up to December 2015 at full capacity. Therefore, the management is confident that the company shall be able to improve its operational performance, going forward.

Auditors

The external auditors of the company, M/s Riaz Ahmad & Company, Chartered Accountants shall retire on the conclusion of forthcoming Annual General Meeting. Being eligible for re-appointment under the Companies Ordinance, 1984, they have offered their services as auditors of the company for the year ending June 30, 2016. The Board of Directors endorsed its recommendations of Audit Committee for their re-appointment.

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

Acknowledgment

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

For and on behalf of the Board

AAMIR FAYYAZ SHEIKH
Chief Executive

Kasur:
29 September 2015

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

PATTERN OF SHAREHOLDING

1. CUI Number — **17194**

2. Name of Company — **KOHINOOR MILLS LIMITED**

3. Pattern of holding of shares held by the shareholders as at — **June 30, 2015**

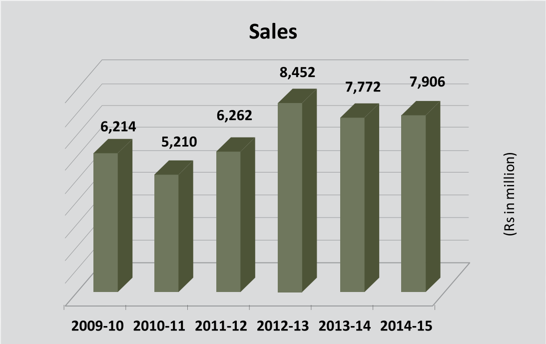
4.

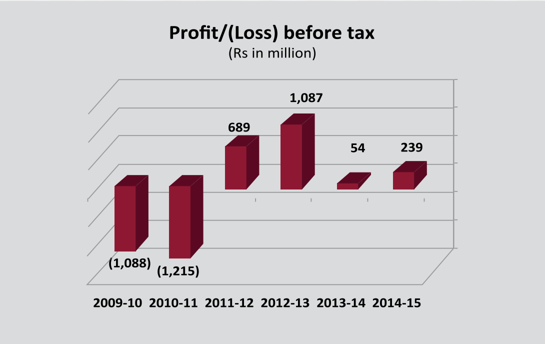
Number of Shareholders	Shares held Range From		To	Total Shares held	Percentage
350	1	-	100	6,837	0.01
748	101	-	500	162,723	0.32
152	501	-	1000	124,641	0.24
236	1001	-	5000	628,733	1.23
56	5001	-	10000	446,085	0.88
19	10001	-	15000	244,785	0.48
16	15001	-	20000	286,592	0.56
8	20001	-	25000	185,925	0.37
5	25001	-	30000	138,905	0.27
1	30001	-	35000	32,000	0.06
2	40001	-	45000	84,500	0.17
3	45001	-	50000	139,104	0.27
1	50001	-	55000	54,000	0.11
1	65001	-	70000	70,000	0.14
1	70001	-	75000	70,500	0.14
1	75001	-	80000	78,000	0.15
2	80001	-	85000	161,867	0.32
1	85001	-	90000	88,000	0.17
1	90001	-	95000	92,000	0.18
1	100001	-	105000	101,326	0.20
1	110001	-	115000	112,000	0.22
1	125001	-	130000	128,500	0.25
2	140001	-	145000	283,501	0.56
1	150001	-	155000	150,500	0.30
1	175001	-	180000	176,500	0.35
1	190001	-	195000	193,500	0.38
1	220001	-	225000	222,467	0.44
1	230001	-	235000	231,000	0.45
1	415001	-	420000	417,155	0.82
1	510001	-	515000	511,350	1.00
1	545001	-	550000	545,683	1.08
1	765001	-	770000	768,500	1.51
1	1020001	-	1025000	1,023,661	2.01
1	1230001	-	1235000	1,232,257	2.42
1	2760001	-	2765000	2,762,357	5.43
1	4345001	-	4350000	4,345,059	8.53
1	10925001	-	10930000	10,925,564	21.46
1	10960001	-	10965000	10,961,678	21.53
1	12720001		12725000	12,723,256	24.99
1,625		**Total**		**50,911,011**	**100.00**

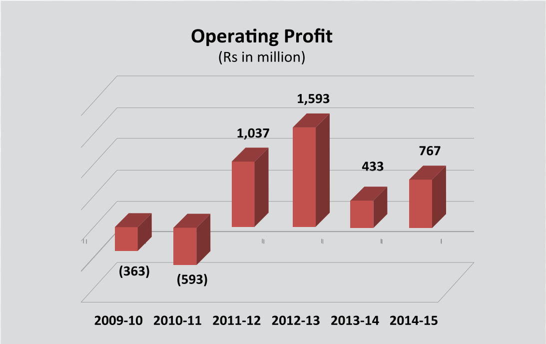
Note: The slabs not applicable, have not been shown.

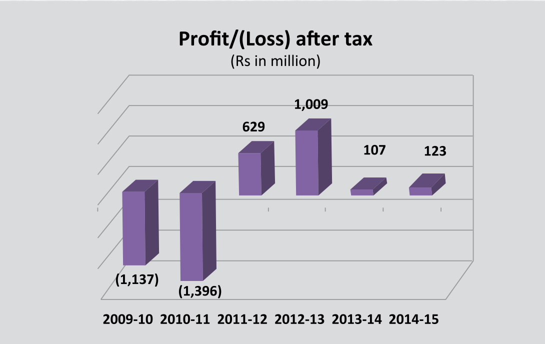
5.	**Categories of Shareholders**		**Shares held**	**G.Total**	**Percentage**
5.1	**Directors, Chief Executive Officer, their Spouse(s) and Minor Children**				
	Mr. Rashid Ahmed (Chairman)		142,501		0.2799
	Mr. Aamir Fayyaz Sheikh (Chief Executive)		12,723,256		24.9912
	Mr. Asad Fayyaz Sheikh (Director)		10,961,678		21.5311
	Mr. Ali Fayyaz Sheikh (Director)		10,925,564		21.4601
	Mr. Riaz Ahmed (Director)		20,000		0.0393
	Mr. Shahbaz Munir (Director)		3,000		0.0059
	Mr. Aamir Amin (Director NIT Nominee)		-		
	Mrs. Muneeza Asad Fayyaz (Director Spouse)		25,000		0.0491
		8		34,800,999	
5.2.	**Associated Companies, Undertakings and Related Parties**				-
5.3	**NIT and ICP**				
	National Bank of Pakistan-Trustee Department NI(U)T Fund		4,345,059		8.5346
	National Bank of Pakistan		600		0.0012
	Investment Corporation of Pakistan		2,200		0.0043
		3		4,347,859	
5.4	**Banks, Development Finance institutions, Non-Banking Finance Companies**	8	566,364	566,364	1.1125
5.5	**Insurance Companies**	1	125	125	0.0002
5.6	**Takaful, Modarabas, Pension Funds & Mutual Funds**	3	81,379	81,379	0.1598
5.7	**Share holders holding 5% or more**				
	Refer 5.1, 5.3				
5.8	**General Public**				
a.	Local	1,558	9,593,299		18.8433
b.	Foreign	4	82,636		0.1623
c.	Joint Stock Companies	32	252,716		0.4964
				9,928,651	
5.9	**Others**				
	Lahore Stock Exchange		680		0.0013
	Trustee-Kohinoor Mills Limited - Staff Provident Fund		909,500		1.7865
	Trustees Al-Mal Group Staff Provident Fund		1,695		0.0033
	Trustee National Bank of Pakistan Employees Pension Fund		222,467		0.4370
	Trustee Nationa Bank of Pakistan Employee Benevolent Fund		7,806		0.0153
	Trustees Moosa Lawai Foundation		9,015		0.0177
	Trustees Saeeda Amin Wakf		11,180		0.0220
	Trustees Mohamad Amin Wakf Estate		23,291		0.0457
		8		1,185,634	
	Total :	**1,625**		**50,911,011**	**100.00**

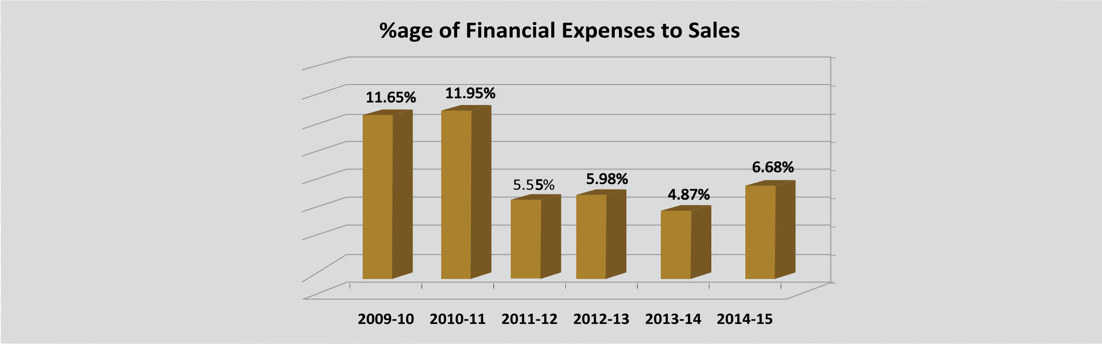
PERFORMANCE OVERVIEW

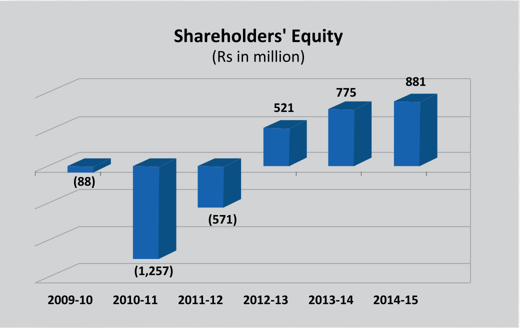


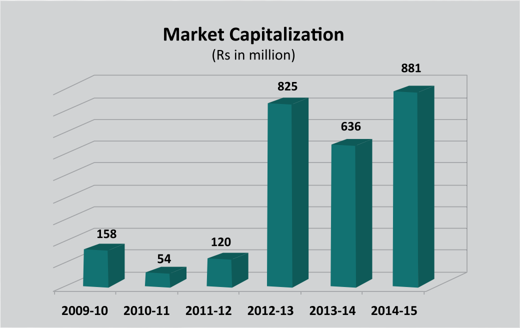


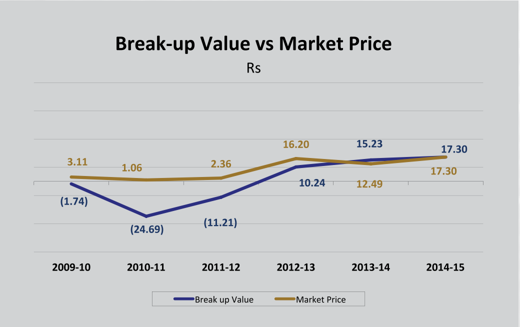


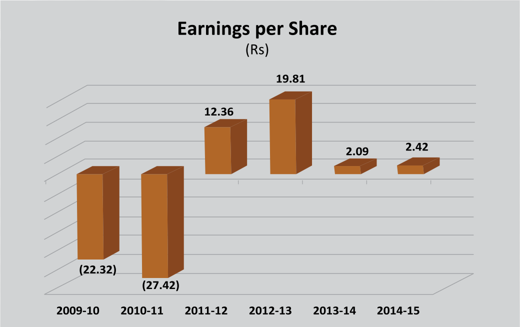


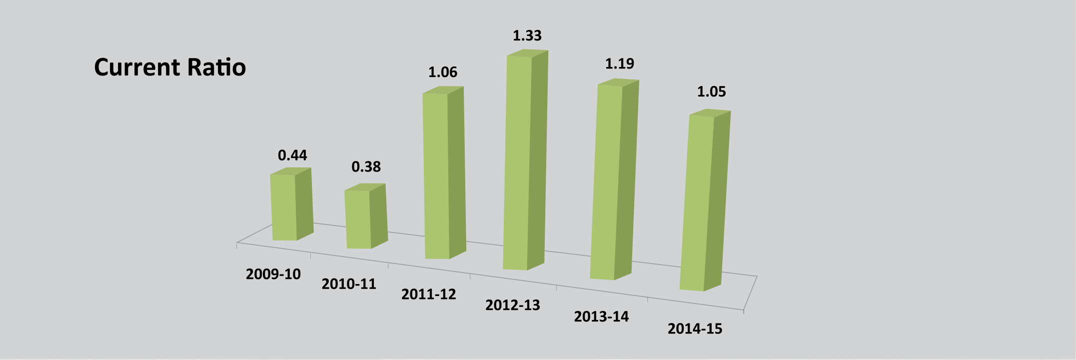



Shareholders' Equity
(Rs in million)
(88)
(1,257)
(571)
521
775
881
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15


Market Capitalization
(Rs in million)
158
54
120
825
636
881
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15


Break-up Value vs Market Price
Rs
3.11
1.06
2.36
16.20
15.23
17.30
(1.74)
(24.69)
(11.21)
10.24
12.49
17.30
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15
Break up Value
Market Price


Earnings per Share
(Rs)
(22.32)
(27.42)
12.36
19.81
2.09
2.42
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15


Current Ratio
0.44
0.38
1.06
1.33
1.19
1.05
2009-10
2010-11
2011-12
2012-13
2013-14
2014-15

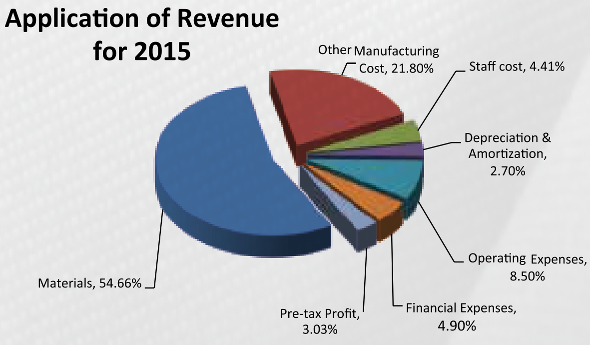
SIX YEARS' PERFORMANCE

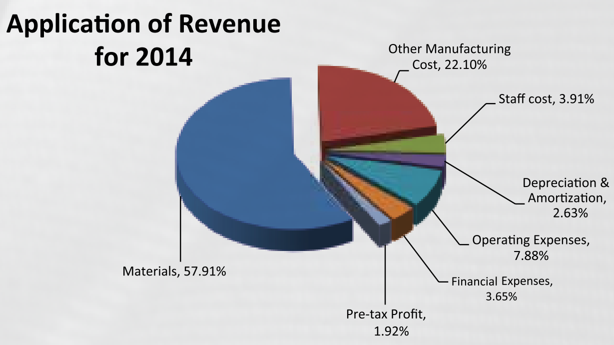
		2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
OPERATING							
Gross Margin	%	16.43	13.45	16.31	14.67	(1.81)	5.23
Pre Tax Margin	%	3.03	0.70	12.86	11.00	(23.32)	(17.50)
Net Margin	%	1.56	1.37	11.93	10.05	(26.79)	(18.30)
PERFORMANCE							
Return on Long Term Assets	%	3.11	3.01	29.17	17.58	(41.38)	(20.73)
Total Assets Turnover	x	1.26	1.30	1.44	1.08	0.90	0.71
Fixed Assets Turnover	x	2.14	2.26	2.52	1.83	1.70	1.20
Inventory Turnover	Days	58.34	52.80	45.36	53.41	63.84	84.00
Return on Equity	%	0.14	0.14	1.93	nm	nm	nm
Return on Capital Employed	%	25.86	13.65	48.03	36.36	nm	(103.72)
Retention	%	100	100	100	100	-	-
LEVERAGE							
Debt:Equity		67:33	71:29	82:18	nm	nm	107:(7)
LIQUIDITY							
Current		1.05	1.19	1.33	1.06	0.38	0.44
Quick		0.56	0.70	0.82	0.67	0.26	0.24
VALUATION							
Earning per share (pre tax)	Rs.	4.70	1.06	21.36	13.53	(23.87)	(21.36)
Earning per share (after tax)	Rs.	2.42	2.09	19.81	12.36	(27.42)	(22.32)
Breakup value	Rs.	17.30	15.23	10.24	(11.21)	(24.69)	(1.74)
Dividend payout - Cash	Rs.	-	-	-	-	-	-
Bonus issue	%	-	-	-	-	-	-
Payout ratio - Cash (after tax)	%	-	-	-	-	-	-
Price earning ratio	Rs.	7.16	5.96	0.82	0.19	(0.04)	(0.14)
Market price to breakup value	Rs.	1.00	0.82	1.58	(0.21)	(0.04)	(1.79)
Dividend yield	%	-	-	-	-	-	-
Market value per share	Rs.	17.30	12.49	16.20	2.36	1.06	3.11
Market capitalization	Rs. In million	881	636	825	120	54	158
HISTORICAL TRENDS							
Turnover	Rs. In million	7,906	7,772	8,452	6,262	5,210	6,214
Gross profit	Rs. In million	1,299	1,045	1,378	919	(95)	325
Profit/(Loss) before tax	Rs. In million	239	54	1,087	689	(1,215)	(1,088)
Profit/(Loss) after tax	Rs. In million	123	107	1,009	629	(1,396)	(1,137)
FINANCIAL POSITION							
Shareholder's funds	Rs. In million	881	775	521	(571)	(1,257)	(88)
Property Plant and Equipment	Rs. In million	3,694	3,441	3,355	3,413	3,063	5,182
Current assets	Rs. In million	2,326	2,445	2,403	2,243	2,414	3,200
Current liabilities	Rs. In million	2,207	2,047	1,804	2,116	6,345	7,317
Long term assets	Rs. In million	3,951	3,542	3,457	3,580	3,373	5,492
Long term liabilities	Rs. In million	2,086	2,396	2,794	3,423	31	439

* nm: not meaningful

STATEMENT OF VALUE ADDITION

	2015		2014	
	%age	Amount (000)	%age	Amount (000)
Value Added				
Local Sales	16.47%	1,302,063	12.96%	1,007,047
Export Sales	83.53%	6,603,957	87.04%	6,765,384
Total Sales	100.00%	7,906,021	100.00%	7,772,431
Value Allocated				
Materials	54.66%	4,321,066	57.91%	4,501,050
Other Manufacturing Cost	21.80%	1,723,828	22.10%	1,717,470
Staff cost	4.41%	348,792	3.91%	304,272
Depreciation & Amortization	2.70%	213,518	2.63%	204,470
Operating Expenses	8.50%	671,902	7.88%	612,470
Financial Expenses	4.90%	387,592	3.65%	378,610
Pre-tax Profit	3.03%	239,323	1.92%	54,089
	100.00%	7,906,021	100.00%	7,772,431





Statement of Compliance with the Code of Corporate Governance [Clause (XI)]

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

The Company has applied the principles contained in the 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 i (b) of the CCG.

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

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

4. No casual vacancy occurred on the Board during the year ended June 30, 2015.

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

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

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

8. The meetings of the Board were presided over by the Chairman and, 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. The Board had arranged directors’ training programme for its non-exempted directors from recognized institutions of Pakistan that meet the criteria specified by SECP

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

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

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

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

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

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

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

17. The Board has also formed a Human Resource and Remuneration Committee. It comprises three members of whom majority are non-executive directors including chairman of the meeting.

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

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

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

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

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

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

For and on behalf of the Board

Kasur :
29 September 2015

(AAMIR FAYYAZ SHEIKH)
Chief Executive

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of KOHINOOR MILLS LIMITED ("the Company") for the year ended 30 June 2015 to comply with the requirements of Listing Regulation No. 35 of the Karachi, Lahore and Islamabad Stock Exchanges 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 2015.

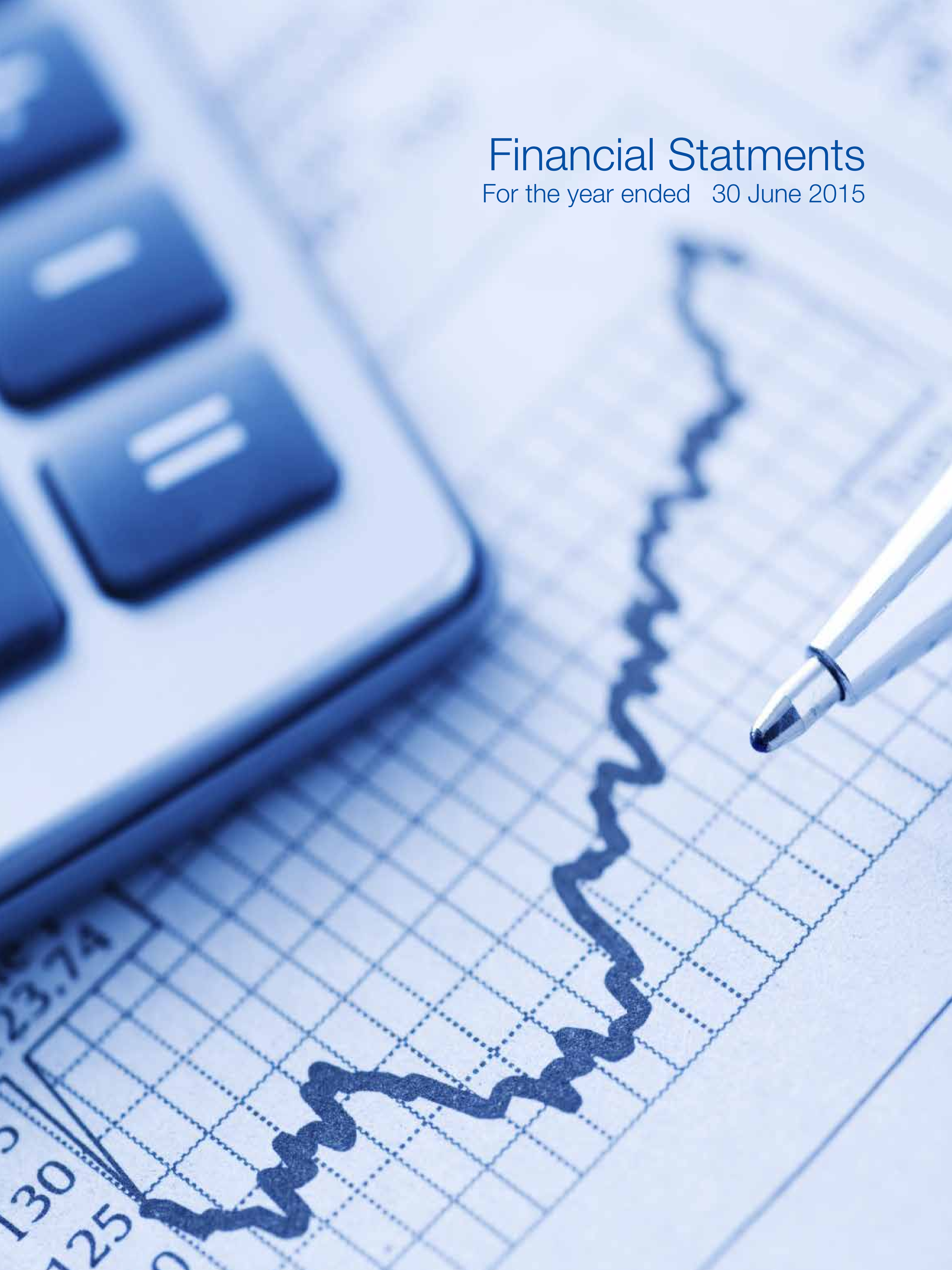
RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

DATE: 29 Septermber 2015
LAHORE

Financial Statments

For the year ended 30 June 2015



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of KOHINOOR MILLS LIMITED as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion:

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 June 2015 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: 29 September 2015

LAHORE:

BALANCE SHEET AS AT 30 JUNE 2015

	Note	2015 Rupees	2014 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	371,887,258	266,153,612
Total equity		880,997,368	775,263,722
Surplus on revaluation of operating fixed assets - net of deferred income tax	6	1,102,492,273	768,718,932
LIABILITIES			
Non-current liabilities			
Long term financing - secured	7	1,532,875,759	1,711,379,960
Sponsor's loan	8	196,855,369	176,742,116
Deferred liabilities	9	356,647,458	507,523,537
		2,086,378,586	2,395,645,613
Current liabilities			
Trade and other payables	10	848,944,580	801,965,767
Accrued mark-up	11	250,378,063	132,581,524
Short term borrowings - secured	12	756,228,140	814,194,999
Current portion of long term financing	7	279,032,044	249,682,994
Provision for taxation		72,208,980	49,029,133
		2,206,791,807	2,047,454,417
Total liabilities		4,293,170,393	4,443,100,030
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		6,276,660,034	5,987,082,684

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

AAMIR FAYYAZ SHEIKH
Chief Executive

	Note	2015 Rupees	2014 Rupees
ASSETS			
Non-current assets			
Fixed assets	14	3,694,363,572	3,440,654,126
Long term investments	15	235,693,073	81,013,995
Long term security deposits		20,953,202	20,587,740
		3,951,009,847	3,542,255,861
Current assets			
Stores, spares and loose tools	16	366,497,465	317,766,166
Stock-in-trade	17	729,676,914	698,231,702
Trade debts	18	485,583,822	533,484,347
Advances	19	78,488,927	87,643,135
Trade deposits and short term prepayments	20	17,487,549	19,413,286
Other receivables	21	292,227,577	253,595,350
Sales tax recoverable	22	243,395,861	202,338,744
Short term investment	23	-	176,879,692
Cash and bank balances	24	112,292,072	155,474,401
		2,325,650,187	2,444,826,823
TOTAL ASSETS		6,276,660,034	5,987,082,684

ASAD FAYYAZ SHEIKH
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	Restated 2014 Rupees
SALES	25	7,906,020,841	7,772,431,497
COST OF SALES	26	(6,607,203,773)	(6,727,262,092)
GROSS PROFIT		1,298,817,068	1,045,169,405
DISTRIBUTION COST	27	(438,881,171)	(431,562,084)
ADMINISTRATIVE EXPENSES	28	(230,803,140)	(210,814,760)
OTHER EXPENSES	29	(47,692,944)	(93,859,958)
		(717,377,255)	(736,236,802)
		581,439,813	308,932,603
OTHER INCOME	30	186,003,744	123,766,595
PROFIT FROM OPERATIONS		767,443,557	432,699,198
FINANCE COST	31	(528,120,387)	(378,609,769)
PROFIT BEFORE TAXATION		239,323,170	54,089,429
TAXATION	32	(116,346,078)	52,540,332
PROFIT AFTER TAXATION		122,977,092	106,629,761
EARNINGS PER SHARE - BASIC AND DILUTED	33	2.42	2.09

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015 Rupees	Restated 2014 Rupees
PROFIT AFTER TAXATION	122,977,092	106,629,761
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
Surplus / (deficit) arising on re-measurement of available for sale investment to fair value	(19,870,001)	44,522,448
Deferred income tax relating to re-measurement of available for sale investment to fair value	6,090,116	(10,031,907)
Other comprehensive income / (loss) for the year - net of tax	(13,779,885)	34,490,541
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	109,197,207	141,120,302

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	34	827,175,261	734,321,814
Income tax paid		(87,684,048)	(100,404,325)
Net increase in long term security deposits		(365,462)	-
Finance cost paid		(326,349,744)	(180,808,247)
NET CASH GENERATED FROM OPERATING ACTIVITIES		412,776,007	453,109,242
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(138,303,040)	(322,403,826)
Proceeds from disposal of operating fixed assets		21,631,126	17,186,480
Dividend received		2,896,501	3,540,168
NET CASH USED IN INVESTING ACTIVITIES		(113,775,413)	(301,677,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(284,216,064)	(267,968,001)
Short term borrowings - net		(57,966,859)	142,789,214
NET CASH USED IN FINANCING ACTIVITIES		(342,182,923)	(125,178,787)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(43,182,329)	26,253,277
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		155,474,401	129,221,124
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		112,292,072	155,474,401

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	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 2013	509,110,110	213,406,310	98,081,539	311,487,849	1,058,027,640	(1,357,191,157)	(299,163,517)	-	12,324,332	521,434,442
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	17,451,094	17,451,094	-	17,451,094	17,451,094
Equity portion of sponsor's loan (Note 8)	-	-	-	-	-	-	-	113,316,111	113,316,111	113,316,111
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(18,058,227)	(18,058,227)	(18,058,227)
	-	-	-	-	-	-	-	95,257,884	95,257,884	95,257,884
Profit for the year	-	-	-	-	-	106,629,761	106,629,761	-	106,629,761	106,629,761
Other comprehensive income for the year	-	-	34,490,541	34,490,541	-	-	-	-	34,490,541	34,490,541
Total comprehensive income for the year ended 30 June 2014	-	-	34,490,541	34,490,541	-	106,629,761	106,629,761	-	141,120,302	141,120,302
Balance as at 30 June 2014 - restated	509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,233,110,302)	(175,082,662)	95,257,884	266,153,612	775,263,722
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	16,649,692	16,649,692	-	16,649,692	16,649,692
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(20,113,253)	(20,113,253)	(20,113,253)
Profit for the year	-	-	-	-	-	122,977,092	122,977,092	-	122,977,092	122,977,092
Other comprehensive loss for the year	-	-	(13,779,885)	(13,779,885)	-	-	-	-	(13,779,885)	(13,779,885)
Total comprehensive income for the year ended 30 June 2015	-	-	(13,779,885)	(13,779,885)	-	122,977,092	122,977,092	-	109,197,207	109,197,207
Balance as at 30 June 2015	509,110,110	213,406,310	118,792,195	332,198,505	1,058,027,640	(1,093,483,518)	(35,455,878)	75,144,631	371,887,258	880,997,368

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. THE COMPANY AND ITS OPERATIONS

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Financial instruments

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

Useful lives, patterns of economic benefits and impairments

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

Taxation

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

Provision for doubtful debts

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

Inventories

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

Provision for obsolescence of stores, spares and loose tools

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

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

The following amendments to published approved standards are mandatory for the Company's accounting periods beginning on or after 01 July 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IAS 24 'Related Party Disclosures', which are considered relevant to the Company's financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. The amendments to IFRS 8 require an entity to disclose the judgments made by the management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. Further, the amendment to IFRS 8 clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

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

e) Standards and amendments to published approved standards that are effective in current year but not 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 2014 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

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

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2015 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 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Company's financial statements.

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

Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2015) provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The management of the Company is in the process of evaluating the impacts of the aforesaid amendments on the Company's financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). 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 recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Company is in the process of evaluating the impacts of the aforesaid standard on the Company's financial statements.

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 judgment 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. However, the amendments are not expected to have a material impact on the Company's financial statements.

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

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

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

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

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 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 ‘Consolidated and Separate Financial Statements’.

2.8 Inventories

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

Stores, spares and loose tools

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

Stock in trade

Cost of raw material is based on weighted average cost.

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

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

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

2.9 Non-current assets held for sale

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

2.10 Borrowing costs

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

2.11 Revenue recognition

Revenue from different sources is recognized as under:

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

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

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

2.12 Impairment

a) Financial assets

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

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

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

b) Non-financial assets

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

2.13 Share capital

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

2.14 Financial instruments

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

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

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

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

2.14.1 Trade debts and other receivables

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

2.14.2 Trade and other payables

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

2.14.3 Markup bearing borrowings

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

2.14.4 Cash and cash equivalents

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

2.15 Derivative financial instruments

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

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

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

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

2.16 Segment reporting

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

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

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

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

2.17 Off setting of financial assets and liabilities

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

2.18 Dividend and other appropriations

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

3. AUTHORIZED SHARE CAPITAL

2015 (NUMBER OF SHARES)	2014 (NUMBER OF SHARES)		2015 Rupees	2014 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

2015 (NUMBER OF SHARES)	2014 (NUMBER OF SHARES)		2015 Rupees	2014 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

	2015 Rupees	Restated 2014 Rupees
Composition of reserves is as follows:		
Capital reserves		
Share premium reserve (Note 5.1)	213,406,310	213,406,310
Fair value reserve - net of deferred income tax (Note 5.2)	118,792,195	132,572,080
	332,198,505	345,978,390
Revenue reserves		
General reserve	1,058,027,640	1,058,027,640
Accumulated loss	(1,093,483,518)	(1,233,110,302)
	(35,455,878)	(175,082,662)
Equity portion of sponsor's loan (Note 8)	75,144,631	95,257,884
	371,887,258	266,153,612

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

	2015 Rupees	2014 Rupees

5.2 Fair value reserve - net of deferred income tax

	2015 Rupees	2014 Rupees
Balance as at 01 July	176,175,521	131,653,073
Fair value adjustment on investment during the year	(19,870,001)	44,522,448
Balance as at 30 June	156,305,520	176,175,521
Less: Related deferred income tax liability	37,513,325	43,603,441
Balance as at 30 June - net of deferred income tax	118,792,195	132,572,080

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

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

	2015 Rupees	2014 Rupees
Balance as at 01 July	792,199,267	810,923,617
Add: Surplus on revaluation incorporated during the year	358,075,962	-
Less: Incremental depreciation	17,788,133	18,724,350
Balance as at 30 June	1,132,487,096	792,199,267
Less: Related deferred income tax liability	29,994,823	23,480,335
Balance as at 30 June - net of deferred income tax	1,102,492,273	768,718,932

7. LONG TERM FINANCING - SECURED

	2015 Rupees	2014 Rupees
Financing from banking companies (Note 7.1 and 7.2)	1,811,907,803	1,961,062,954
Less: Current portion shown under current liabilities	279,032,044	249,682,994
	1,532,875,759	1,711,379,960

7.1

Lender	2015	2014	Revised terms after restructuring	Security
	-------- Rupees --------			
National Bank of Pakistan	512,468,070	489,734,357	During the year, terms of this loan have been restructured once again, now this loan is repayable in 36 stepped up quarterly instalments has commenced from 31 March 2015 and ending on 31 December 2023. This loan carries mark-up at the rate of 7.70% per annum based on the average cost of funds of the bank which will be reviewed annually. Mark-up will be accrued over nine years during which the principal will be repaid. The accrued mark-up will be repaid in twelve equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2026.	First pari passu charge of Rupees 1,438.550 million by way of hypothecation and mortgage charge over present and future fixed assets of the Company, pari passu charge of Rupees 667 million and ranking charge of Rupees 100 million over current assets of the Company as margin and Personal guarantees of Sponsor directors.
United Bank Limited	171,233,629	214,464,815	This loan is repayable in 28 equal quarterly instalments of Rupees 13.540 million each commenced from 09 February 2012 and ending on 09 November 2018. Mark-up is payable quarterly at the rate of 5.00% per annum.	First pari passu charge of Rupees 606.000 million (with 25% margin) over all present and future current assets and Rupees 200.000 million over fixed assets of the Company. Personal guarantees of two directors.
The Bank of Punjab	348,856,629	409,340,592	This loan is repayable in 31 stepped up quarterly instalments commenced from 30 June 2011 and ending on 31 December 2018. This loan carried mark-up at the rate of 9.55% per annum based on the cost of funds of the bank approved by SBP upto 31 March 2013 and thereafter carries mark-up at 5.00% per annum. Mark-up is payable quarterly. Mark-up accrued upto 31 March 2013 will be repaid in three equal quarterly instalments commencing on 31 March 2019 and ending on 30 September 2019.	Joint pari passu charge of Rupees 566.667 million over fixed assets, pari passu charge of Rupees 534.000 million and ranking charge of Rupees 268.000 million on all present and future current assets of the Company.
Faysal Bank Limited	177,161,865	205,741,736	This loan is repayable in 31 stepped up quarterly instalments commenced from 31 March 2013 and ending on 30 September 2020. Mark-up is payable quarterly at the rate of 5.00% per annum. Mark-up upto 30 September 2011 is recalculated at the rate of 8.5% per annum and will be repaid on 30 September 2020.	First pari passu charge of Rupees 266.800 million over current assets, ranking charge of Rupees 240.000 million over current assets and exclusive charge of Rupees 94.000 million on power generators of the Company.

Lender	2015	2014	Revised terms after restructuring	Security
	-------- Rupees --------			
NIB Bank Limited	232,632,637	218,726,109	This loan is repayable in 36 stepped up quarterly instalments commenced from 30 September 2011 and ending on 30 June 2020. Mark-up is payable quarterly at the rate of 5.00% per annum.	First pari passu charge of Rupees 107.000 million over Company's machinery and joint pari passu charge of Rupees 800.000 million over current assets of the Company.
Askari Bank Limited	98,029,978	111,961,715	This loan is repayable in 32 quarterly instalments of Rupees 5.282 million each commenced from 30 June 2013 and ending on 31 March 2021. Mark-up is payable quarterly at the rate of 5.00% per annum.	First joint pari passu charge of Rupees 506.667 million over current assets by way of hypothecation and ranking charge of Rupees 169.000 million over fixed assets of the Company by way of hypothecation.
Bank Alfalah Limited	105,634,500	112,768,035	This loan is repayable in 32 stepped up quarterly instalments commenced from 01 July 2012 and ending on 01 April 2020. This loan carries mark-up at the rate of 8.30% per annum based on the cost of funds of the bank which will be reviewed monthly. Mark-up will be accrued over nine years during which the principal will be repaid. The accrued mark-up will be paid in thirty six equal monthly instalments commencing on 01 May 2020 and ending on 01 April 2023.	First joint pari passu charge of Rupees 410.000 million over all present and future current assets of the Company.
Habib Bank Limited	165,890,495	198,325,595	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 and ranking charge of Rupees 362.000 million over fixed assets of the Company. Personal guarantees of two directors.
	1,811,907,803	1,961,062,954		

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

	2015 Rupees	2014 Rupees

8. SPONSOR'S LOAN

	2015 Rupees	2014 Rupees
Interest free loan (Note 8.1)	272,000,000	272,000,000
Equity portion of sponsor loan		
Gain on recognition of sponsor's loan at fair value	(113,316,111)	(113,316,111)
Adjustment due to impact of IAS-39	38,171,480	18,058,227
	(75,144,631)	(95,257,884)
	196,855,369	176,742,116

8.1 This represents unsecured interest free loan obtained from director of the Company. This is repayable on 30 June 2018. Fair value of sponsor's loan was estimated at the present value of future cash flow discounted at the effective interest rate of 11.38% per annum. During the year ended 30 June 2014, initial gain of sponsor's loan at fair value of Rupees 113.316 million and adjustment due to impact of IAS-39 on sponsor's loan (notional interest) were recognized in profit and loss account. Now initial gain and impact of IAS-39 on sponsor's loan is recognized directly in equity with retrospective effect in accordance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. This correction has resulted in decrease in profit after tax and total comprehensive income for the year ended 30 June 2014 by Rupees 95.258 million, increase in equity portion of sponsor's loan as at 30 June 2014 by Rupees 95.258 million and decrease in basic earnings per share by Rupees 1.87.

9. DEFERRED LIABILITIES

	2015 Rupees	2014 Rupees
Deferred accrued mark-up (Note 9.1)	300,789,834	492,405,144
Deferred income tax liability (Note 9.2)	55,857,624	15,118,393
	356,647,458	507,523,537

9.1 Deferred accrued mark-up

	2015 Rupees	2014 Rupees
National Bank of Pakistan	24,933,065	231,605,284
The Bank of Punjab	139,309,000	139,309,000
Bank Alfalah Limited	69,929,341	54,872,432
Faysal Bank Limited	66,618,428	66,618,428
	300,789,834	492,405,144

9.1.1 This represents accrued mark-up on long term financing deferred in accordance with the terms of restructuring disclosed in note 7.1 to these financial statements. Deferred mark-up on long term financing from National Bank of Pakistan is now payable in twelve equal monthly instalments in accordance with revised terms of restructuring, therefore, presented in current liabilities as accrued mark-up Note 11.

9.2 Deferred income tax liability

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

	2015 Rupees	2014 Rupees
Taxable temporary differences on:		
Accelerated tax depreciation and amortization	90,114,650	97,785,215
Surplus on revaluation of operating fixed assets	29,994,823	23,480,335
Surplus on revaluation of investment - available for sale	37,513,325	43,603,441
	157,622,798	164,868,991
Deductible temporary difference on:		
Accumulated tax losses	(101,765,174)	(149,750,598)
Net deferred income tax liability recognized	55,857,624	15,118,393

10. TRADE AND OTHER PAYABLES

	2015 Rupees	2014 Rupees
Creditors	541,331,380	477,886,704
Advances from customers	31,376,386	49,297,007
Sales commission payable	97,314,086	98,666,906
Income tax deducted at source	7,801,040	14,596,814
Security deposits - interest free	602,278	602,278
Payable to employees' provident fund trust	1,266,662	675,555
Accrued and other liabilities (Note 10.1)	125,999,218	138,674,693
Workers' profit participation fund (Note 10.2)	38,521,994	16,834,274
Unclaimed dividend	4,731,536	4,731,536
	848,944,580	801,965,767

10.1 This includes an amount of Rupees Nil (2014: Rupees 0.428 million) payable to Q Mart Corporation (Private) Limited - subsidiary company and amount of Rupees 70.000 million (2014: Rupees 70.000 million) payable on demand to spouse of a director of the Company.

10.2 Workers' profit participation fund

	2015 Rupees	2014 Rupees
Balance as at 01 July	16,834,274	7,440,527
Add: Allocation for the year (Note 29)	19,920,121	8,612,492
Interest accrued for the year (Note 31)	1,767,599	781,255
Balance as at 30 June	38,521,994	16,834,274

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

	2015 Rupees	2014 Rupees
11. ACCRUED MARK-UP		
Long term financing	212,434,850	32,622,881
Short term borrowings	37,943,213	99,958,643
	250,378,063	132,581,524
12. SHORT TERM BORROWINGS - SECURED		
From banking companies		
SBP refinance (Note 12.1 and 12.2)	369,009,000	304,229,000
Other short term finances (Note 12.1 and 12.3)	387,219,140	509,965,999
	756,228,140	814,194,999

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

12.2 These carry mark-up range from 6% to 7.5% per annum (2014: 9.4% per annum) on outstanding balance.

12.3 The rates of mark-up range from 5% to 13.73% per annum (2014: 5% to 13.73% per annum) on outstanding balance.

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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

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

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

13.1.4 Pursuant to the sale of assets agreement with M/s Interloop Limited, the Company is contingently liable for Rupees 31.958 million against payment of certain outstanding dues to Employees' Old-Age Benefits Institution (EOBI) and bifurcation of gas connections in favour of M/s Interloop Limited. To secure the performance of aforesaid conditions, the Company has pledged equity investment (note 15.3) and bank balance (note 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 81.66 million (2014: 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 (2014: 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 (2014: 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.

13.2 Commitments

13.2.1 Aggregate commitments for revenue expenditures are amounting to Rupees 26.230 million (2014: Rupees 23.481 million).

13.2.2 Post dated cheques issued to suppliers are amounting to Rupees 127.752 million (2014: Rupees 118.809 million).

14. FIXED ASSETS

	2015 Rupees	2014 Rupees
Property, plant and equipment		
Operating fixed assets (Note 14.1)	3,663,368,205	3,405,900,787
Capital work-in-progress (Note 14.2)	30,995,367	34,753,339
	3,694,363,572	3,440,654,126
Intangible asset - computer software (Note 14.1 and 14.1.6)	-	-
	3,694,363,572	3,440,654,126

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 2013											
Cost / revalued amount	484,092,625	211,831,978	622,033,425	3,849,708,892	1,615,659	128,445,841	91,886,721	42,644,681	70,722,374	5,502,982,196	9,296,899
Accumulated depreciation / amortization	-	(54,566,105)	(217,216,328)	(1,847,300,146)	(105,847)	(63,522,863)	(53,913,783)	(32,868,906)	(34,363,008)	(2,303,856,986)	(8,630,320)
Net book value	484,092,625	157,265,873	404,817,097	2,002,408,746	1,509,812	64,922,978	37,972,938	9,775,775	36,359,366	3,199,125,210	666,579
Year ended 30 June 2014											
Opening net book value	484,092,625	157,265,873	404,817,097	2,002,408,746	1,509,812	64,922,978	37,972,938	9,775,775	36,359,366	3,199,125,210	666,579
Additions	-	-	69,812,974	278,803,061	-	8,953,318	709,904	4,252,222	79,895,310	442,426,789	-
Disposals:											
Cost / revalued amount	-	-	-	(16,359,136)	-	-	-	-	(9,073,417)	(25,432,553)	-
Accumulated depreciation	-	-	-	5,434,360	-	-	-	-	5,267,472	10,701,832	-
	-	-	-	(10,924,776)	-	-	-	-	(3,805,945)	(14,730,721)	-
Depreciation charge / amortization	-	(7,863,294)	(22,310,637)	(165,200,092)	(91,426)	(7,016,718)	(3,833,457)	(3,676,462)	(10,928,405)	(220,920,491)	(666,579)
Closing net book value	484,092,625	149,402,579	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,405,900,787	-
As at 30 June 2014											
Cost / revalued amount	484,092,625	211,831,978	691,846,399	4,112,152,817	1,615,659	137,399,159	92,596,625	46,896,903	141,544,267	5,919,976,432	9,296,899
Accumulated depreciation / amortization	-	(62,429,399)	(239,526,965)	(2,007,065,878)	(197,273)	(70,539,581)	(57,747,240)	(36,545,368)	(40,023,941)	(2,514,075,645)	(9,296,899)
Net book value	484,092,625	149,402,579	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,405,900,787	-
Year ended 30 June 2015											
Opening net book value	484,092,625	149,402,579	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,405,900,787	-
Additions	-	-	19,415,778	84,831,542	-	8,717,937	4,870,324	2,524,124	21,701,307	142,061,012	-
Disposals:											
Cost	-	-	-	(19,856,444)	-	-	(932,400)	-	(11,431,117)	(32,219,961)	-
Accumulated depreciation	-	-	-	6,916,082	-	-	575,608	-	6,331,481	13,823,171	-
	-	-	-	(12,940,362)	-	-	(356,792)	-	(5,099,636)	(18,396,790)	-
Depreciation charge	-	(7,470,129)	(23,102,253)	(162,997,078)	(127,946)	(6,980,154)	(3,819,210)	(3,539,441)	(16,236,555)	(224,272,766)	-
Surplus on revaluation	227,381,374	19,054,548	111,640,040	-	-	-	-	-	-	358,075,962	-
Closing net book value	711,473,999	160,986,998	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,663,368,205	-
As at 30 June 2015											
Cost / revalued amount	711,473,999	230,886,526	822,902,217	4,177,127,915	1,615,659	146,117,096	96,534,549	49,421,027	151,814,457	6,387,893,445	9,296,899
Accumulated depreciation / amortization	-	(69,899,528)	(262,629,218)	(2,163,146,874)	(325,219)	(77,519,735)	(60,990,842)	(40,084,809)	(49,929,015)	(2,724,525,240)	(9,296,899)
Net book value	711,473,999	160,986,998	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,663,368,205	-
Depreciation / amortization rate % per annum	-	5	5	10	10	10	10	30	20		20

14.1.1 Freehold land and buildings of the Company were revalued as at 30 June 2009 by an independent valuer. The latest revaluation as at 30 June 2015 was carried out by Messrs Hamid Mukhtar and Company (Private) Limited, the approved valuer. Previously these had been revalued as at 30 June 2012. Had there been no revaluation, the value of the assets would have been lower by Rupees 1,132.487 million (2014: Rupees 792.199 million).

14.1.2 The book value of freehold land and buildings on cost basis is Rupees 47.656 million and Rupees 252.591 million (2014: Rupees 47.656 million and Rupees 245.959 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							
Sewing Machines	765,000	262,164	502,836	481,453	(21,383)	Negotiation	Amin Corporation - Lahore
Sewing Machines	17,607,729	6,173,687	11,434,042	11,534,501	100,459	Negotiation	Jeans and Company - Lahore
Sewing Machines	222,046	78,809	143,237	75,000	(68,237)	Negotiation	Kamran Enterprises - Lahore
Sewing Machines	392,402	119,252	273,150	169,491	(103,659)	Negotiation	Weavers - Lahore
Sewing Machines	869,267	282,170	587,097	326,881	(260,216)	Negotiation	Well Wear Garments - Lahore
	19,856,444	6,916,082	12,940,362	12,587,326	(353,036)		
Motor vehicles							
Suzuki Cultus LED-08-5363	668,220	393,126	275,094	450,000	174,906	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED-09-1604	806,500	498,617	307,883	475,000	167,117	Negotiation	Mr. Imran Kamal - Lahore
Toyota Corolla XLI LEE-12-8378	1,592,925	422,231	1,170,694	1,375,000	204,306	Negotiation	Mr. Imran Kamal - Lahore
Honda City LZU-2648	869,925	518,914	351,011	680,000	328,989	Negotiation	Mr. Imran Kamal - Lahore
Honda Civic VTI LEA-06-750	1,707,714	1,015,547	692,167	1,000,000	307,833	Negotiation	Mr. Imran Kamal - Lahore
Honda Civic VTI LED-07-450	1,581,830	1,018,704	563,126	1,400,000	836,874	Negotiation	Mr. Nazir Ahmed Chaudhry - Lahore
HONDA CD 70 LRW-570	68,500	52,644	15,856	18,000	2,144	Negotiation	Mr. Waqar Ali - Lahore
HONDA CD 70 LRL-7920	69,169	52,590	16,579	18,000	1,421	Negotiation	Mr. Muhammad Azam - Lahore
HONDA 125 LRW-135	76,520	56,456	20,064	28,000	7,936	Negotiation	Mr. Naeem Nasir - Lahore
Suzuki Cultus LEC-07-9238	595,600	373,849	221,751	475,000	253,249	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED-07-8501	569,000	302,415	266,585	400,000	133,415	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEB-07-1789	332,799	143,253	189,546	460,000	270,454	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEF-07-3957	562,739	366,664	196,075	500,000	303,925	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEB09-7298	863,150	500,956	362,194	600,000	237,806	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED09-4975	613,080	388,964	224,116	460,000	235,884	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEB08-6055	453,446	226,551	226,895	390,000	163,105	Negotiation	Mr. Imran Kamal - Lahore
	11,431,117	6,331,481	5,099,636	8,729,000	3,629,364		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	932,400	575,608	356,792	314,800	(41,992)		
	32,219,961	13,823,171	18,396,790	21,631,126	3,234,336		

	2015 Rupees	2014 Rupees
14.1.4 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 26)	214,389,853	206,837,084
Distribution cost (Note 27)	1,576,261	1,345,126
Administrative expenses (Note 28)	8,306,652	12,738,281
	224,272,766	220,920,491

14.1.5 The amortization of intangible asset amounting to Rupees Nil (2014: Rupees 0.667 million) is included in administrative expenses.

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

	2015 Rupees	2014 Rupees
14.2 Capital work-in-progress		
Plant and machinery	-	3,657,835
Civil works	23,478,029	30,192,943
Electric installations	-	902,561
Advances for capital expenditures	7,517,338	-
	30,995,367	34,753,339

15. LONG TERM INVESTMENTS

	2015 Rupees	2014 Rupees
Investment in subsidiary company - at cost		
Q Mart Corporation (Private) Limited - unquoted		
30,000,000 (2014: 30,000,000) ordinary shares of Rupees 10 each	300,000,000	300,000,000
Less: Impairment loss (Note 15.1)	221,316,618	218,986,005
	78,683,382	81,013,995
Available for sale		
Associated company (without significant influence)		
K-2 Hosiery (Private) Limited - unquoted		
1,194,000 (2014: 1,194,000) ordinary shares of Rupees 10 each (Note 15.2)	-	-
Other		
Security General Insurance Company Limited - unquoted (Note 15.3)		
643,667 (2014: 643,667) fully paid ordinary shares of Rupees 10 each	704,171	-
Add: Fair value adjustment	156,305,520	-
	157,009,691	-
	235,693,073	81,013,995

	2015 Rupees	2014 Rupees
15.1 Impairment loss		
Balance as at 01 July	218,986,005	217,764,136
Add: Recognized during the year (Note 29)	2,330,613	1,221,869
Balance as at 30 June	221,316,618	218,986,005

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

15.3 Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 243.93 (2014: Rupees 274.8 valued by the management) per share using the net assets based valuation method. 640,000 ordinary shares of Security General Insurance Company Limited have been pledged in favour of Allied Bank Limited to serve the performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

16. STORES, SPARES AND LOOSE TOOLS

	2015 Rupees	2014 Rupees
Stores and spares	379,540,096	330,568,211
Loose tools	3,586,377	3,826,963
	383,126,473	334,395,174
Less: Provision for slow moving, obsolete and damaged store items (Note 29)	16,629,008	16,629,008
	366,497,465	317,766,166

17. STOCK-IN-TRADE

	2015 Rupees	2014 Rupees
Raw material	139,659,658	148,615,983
Work-in-process	143,336,567	128,250,466
Finished goods (Note 17.1 and 17.2)	446,680,689	421,365,253
	729,676,914	698,231,702

17.1 This includes finished goods of Rupees 78.533 million (2014: Rupees 125.986 million) valued at net realizable value.

17.2 Finished goods include stock-in-transit amounting to Rupees 20.641 million (2014: Rupees 63.209 million).

18. TRADE DEBTS

	2015 Rupees	2014 Rupees
Considered good:		
Secured (against letters of credit)	365,851,374	451,417,353
Unsecured	119,732,448	82,066,994
	485,583,822	533,484,347
Considered doubtful:		
Others - unsecured	88,480,269	88,358,572
Less: Provision for doubtful trade debts		
Balance as at 01 July	88,358,572	88,358,572
Add: Provision for the year (Note 29)	121,697	-
Balance as at 30 June	88,480,269	88,358,572
	-	-

18.1 As on 30 June 2015, trade debts of Rupees 30.205 million (2014: Rupees 37.698 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:

	2015 Rupees	2014 Rupees
Upto 1 month	1,179,685	2,467,635
1 to 6 months	1,314,089	1,307,875
More than 6 months	27,711,601	33,922,649
	30,205,375	37,698,159

18.2 As at 30 June 2015, trade debts of Rupees 88.480 (2014: Rupees 88.359 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.

	2015 Rupees	2014 Rupees
19. ADVANCES		
Considered good:		
Advances to:		
- staff (Note 19.1)	11,598,639	9,976,757
- suppliers	60,827,674	76,680,667
Letters of credit	6,062,614	985,711
	78,488,927	87,643,135

19.1 This includes interest free advances to executives amounting to Rupees 2.884 million (2014: Rupees 0.849 million).

	2015 Rupees	2014 Rupees
20. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits	16,312,246	14,973,046
Short term prepayments	1,175,303	4,440,240
	17,487,549	19,413,286
21. OTHER RECEIVABLES		
Considered good:		
Advance income tax	240,314,882	206,620,647
Export rebate and claims (Note 21.1)	50,451,752	46,063,417
Miscellaneous (Note 21.2)	1,460,943	911,286
	292,227,577	253,595,350

	2015 Rupees	2014 Rupees
21.1 Export rebate and claims		
Considered good	50,451,752	46,063,417
Considered doubtful	39,481,490	30,514,452
Less: Provision for doubtful export rebate and claims (Note 21.1.1)	39,481,490	30,514,452
	-	-
	50,451,752	46,063,417
21.1.1 Provision for doubtful export rebate and claims		
Balance as at 01 July	30,514,452	-
Add: Provision for the year (Note 29)	8,967,038	30,514,452
Balance as at 30 June	39,481,490	30,514,452

21.2 This includes an amount of Rupees 0.383 million (2014: Rupees Nil) receivable from Q Mart Corporation (Private) Limited - subsidiary company against certain expenses paid on its behalf.

	2015 Rupees	2014 Rupees
22. SALES TAX RECOVERABLE		
Sales tax recoverable	270,794,552	227,496,020
Less: Provision for doubtful sales tax recoverable (Note 22.1)	27,398,691	25,157,276
	243,395,861	202,338,744
22.1 Provision for doubtful sales tax recoverable		
Balance as at 01 July	25,157,276	-
Add: Provision for the year (Note 29)	2,241,415	25,157,276
Balance as at 30 June	27,398,691	25,157,276
23. SHORT TERM INVESTMENT		
Available for sale - unquoted (Note 23.1)		
Security General Insurance Company Limited		
(2014: 643,667) fully paid ordinary shares of Rupees 10 each	-	704,171
Add: Fair value adjustment	-	176,175,521
	-	176,879,692

23.1 During the year this investment has been re-classified from short term investment to long term investments.

	2015 Rupees	2014 Rupees
24. CASH AND BANK BALANCES		
Cash in hand (Note 24.1)	2,985,777	2,999,860
Cash with banks:		
On current accounts (Note 24.2 and 24.4)	38,989,239	76,737,180
On deposit accounts (Note 24.3 and 24.5)	70,317,056	75,737,361
	109,306,295	152,474,541
	112,292,072	155,474,401

24.1 Cash in hand includes foreign currency of US$ Nil and Euro Nil (2014: US$ 1,207 and Euro 2,960).

24.2 Cash with banks on current accounts includes foreign currency balance of US$ 788.72 (2014: US$ 788.72).

24.3 Rate of profit on bank deposits ranges from 4.5% to 7% (2014: 6% to 8.5%) per annum.

24.4 Cash with banks on current accounts includes an amount of Rupees 8.491 million (2014: Rupees 8.491 million) with Allied Bank Limited, in a non-checking account, to secure performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

24.5 This includes term deposit receipts of Rupees 55.660 million (2014: Rupees 55.660 million) which are under lien with the bank.

	2015 Rupees	2014 Rupees
25. SALES		
Export	6,576,994,814	6,737,139,053
Local (Note 25.1)	1,302,063,344	1,007,047,284
Export rebate	26,962,683	28,245,160
	7,906,020,841	7,772,431,497
25.1 Local sales		
Sales	1,056,648,140	886,827,027
Less: Sales tax	45,582,109	39,498,998
	1,011,066,031	847,328,029
Processing income	290,997,313	159,719,255
	1,302,063,344	1,007,047,284

	2015 Rupees	2014 Rupees

26. COST OF SALES

	2015 Rupees	2014 Rupees
Raw material consumed (Note 26.1)	4,325,268,356	4,548,271,790
Chemicals consumed	698,391,221	621,209,385
Salaries, wages and other benefits	337,998,698	296,958,350
Employees' provident fund contributions	12,216,998	10,836,009
Cloth conversion and processing charges	21,111,495	11,929,378
Fuel, oil and power	708,672,422	842,232,104
Stores, spares and loose tools consumed	100,401,544	110,333,784
Packing materials consumed	57,948,288	51,301,455
Repair and maintenance	43,919,391	43,047,916
Insurance	9,798,729	8,003,912
Other manufacturing expenses	104,054,440	54,173,781
Depreciation on operating fixed assets (Note 14.1.4)	214,389,853	206,837,084
	6,634,171,435	6,805,134,948
Work-in-process inventory		
As on 01 July	128,250,466	152,308,086
As on 30 June	(143,336,567)	(128,250,466)
	(15,086,101)	24,057,620
Cost of goods manufactured	6,619,085,334	6,829,192,568
Cost of yarn and cloth purchased for resale	13,433,875	4,880,829
	6,632,519,209	6,834,073,397
Finished goods inventory		
As on 01 July	421,365,253	314,553,948
As on 30 June	(446,680,689)	(421,365,253)
	(25,315,436)	(106,811,305)
	6,607,203,773	6,727,262,092

26.1 Raw material consumed

	2015 Rupees	2014 Rupees
Opening stock	148,615,983	147,672,090
Purchased during the year	4,316,312,031	4,549,215,683
	4,464,928,014	4,696,887,773
Less: Closing stock	(139,659,658)	(148,615,983)
	4,325,268,356	4,548,271,790

	2015 Rupees	2014 Rupees
27. DISTRIBUTION COST		
Salaries and other benefits	54,052,094	47,173,850
Employees' provident fund contributions	2,192,149	1,957,625
Travelling, conveyance and entertainment	25,654,723	22,060,895
Printing and stationery	222,849	173,306
Communications	34,341,582	25,839,722
Vehicles' running	3,346,245	4,026,533
Insurance	1,939,004	1,843,096
Fees subscriptions and taxes	100,000	-
Repair and maintenance	9,034	17,205
Commission to selling agents	138,665,162	167,679,415
Outward freight and handling	136,198,694	118,037,930
Clearing and forwarding	36,603,912	36,410,972
Sales promotion and advertising	3,504,355	3,756,960
Depreciation on operating fixed assets (Note 14.1.4)	1,576,261	1,345,126
Miscellaneous	475,107	1,239,449
	438,881,171	431,562,084

	2015 Rupees	2014 Rupees
28. ADMINISTRATIVE EXPENSES		
Salaries and other benefits	115,458,246	98,360,659
Employees' provident fund contributions	3,078,108	2,622,144
Travelling, conveyance and entertainment	31,833,757	28,429,134
Printing and stationery	4,368,114	3,719,215
Communications	4,428,574	3,662,017
Vehicles' running	8,671,354	10,259,466
Legal and professional	7,490,058	5,735,471
Insurance	5,321,803	4,842,176
Fee, subscription and taxes	2,157,842	1,919,221
Repair and maintenance	7,289,562	5,761,490
Electricity, gas and water	198,957	608,381
Auditors' remuneration (Note 28.1)	1,396,000	1,300,000
Depreciation on operating fixed assets (Note 14.1.4)	8,306,652	12,738,281
Amortization on intangible asset (Note 14.1.5)	-	666,579
Miscellaneous	30,804,113	30,190,526
	230,803,140	210,814,760

	2015 Rupees	2014 Rupees
28.1 Auditors' remuneration		
Audit fee	1,125,000	1,050,000
Half yearly review and other certifications	200,000	200,000
Reimbursable expenses	71,000	50,000
	1,396,000	1,300,000

29. OTHER EXPENSES

	2015 Rupees	2014 Rupees
Workers' profit participation fund (Note 10.2)	19,920,121	8,612,492
Donations (Note 29.1)	14,112,060	11,721,764
Impairment loss on investment in subsidiary company (Note 15.1)	2,330,613	1,221,869
Provision for doubtful trade debts (Note 18)	121,697	-
Provision for slow moving, obsolete and damaged store items (Note 16)	-	16,629,008
Provision for doubtful export rebate and claims (Note 21.1.1)	8,967,038	30,514,452
Provision for doubtful sales tax recoverable (Note 22.1)	2,241,415	25,157,276
Miscellaneous	-	3,097
	47,692,944	93,859,958

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

30. OTHER INCOME

	2015 Rupees	Restated 2014 Rupees
Income from financial assets		
Dividend on equity investment	2,896,501	3,540,168
Exchange gain - net	3,011,586	8,951,423
Return on bank deposits	5,732,715	6,242,223
Credit balances written back	-	68,770,646
Accrued mark-up written back	2,172,628	-
Gain on recognition of long term financing at fair value (Note 7.2)	138,355,873	-
Income from non-financial assets		
Scrap sales	30,600,105	33,806,376
Gain on sale of operating fixed assets	3,234,336	2,455,759
	186,003,744	123,766,595

31. FINANCE COST

	2015 Rupees	Restated 2014 Rupees
Mark-up on long term financing	147,244,004	159,918,998
Mark up on short term borrowings	65,927,704	75,988,621
Adjustment due to impact of IAS - 39	273,416,786	107,544,802
Bank commission and other financial charges	39,764,294	34,376,093
Interest on workers' profit participation fund (Note 10.2)	1,767,599	781,255
	528,120,387	378,609,769

32. TAXATION

	2015 Rupees	2014 Rupees
Current (Note 32.1)	72,208,980	49,029,133
Prior year adjustment	4,960,679	(48,330,826)
Deferred tax	39,176,419	(53,238,639)
	116,346,078	(52,540,332)

32.1 Provision for current tax represents final tax on export sales under section 169 and minimum tax on local sales under section 113 of the Income Tax Ordinance, 2001. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

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

33. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2015	Restated 2014
Profit attributable to ordinary shareholders	(Rupees)	122,977,092	106,629,761
Weighted average number of ordinary shares	(Numbers)	50,911,011	50,911,011
Earnings per share	(Rupees)	2.42	2.09

34. CASH GENERATED FROM OPERATIONS

	2015 Rupees	Restated 2014 Rupees
Profit before taxation	239,323,170	54,089,429
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	224,272,766	220,920,491
Amortization on intangible asset	-	666,579
Dividend income	(2,896,501)	(3,540,168)
Gain on sale of operating fixed assets	(3,234,336)	(2,455,759)
Impairment loss on investment in subsidiary company	2,330,613	1,221,869
Gain on recognition of long term financing at fair value	(138,355,873)	-
Adjustment due to impact of IAS - 39	273,416,786	107,544,802
Provision for doubtful trade debts	121,697	-
Provision for slow moving, obsolete and damaged store items	-	16,629,008
Provision for doubtful export rebate and claims	8,967,038	30,514,452
Provision for doubtful sales tax recoverable	2,241,415	25,157,276
Credit balances written back	-	(68,770,646)
Accrued mark-up written back	(2,172,628)	-
Finance cost	254,703,601	271,064,967
Working capital changes (Note 34.1)	(31,542,487)	81,279,514
	827,175,261	734,321,814

34.1 Working capital changes

	2015 Rupees	Restated 2014 Rupees
(Increase) / decrease in current assets		
Stores, spares and loose tools	(48,731,299)	(18,539,091)
Stock-in-trade	(31,445,212)	(83,697,578)
Trade debts	47,778,828	146,049,048
Advances	9,154,208	2,663,547
Trade deposits and short term prepayments	1,925,737	(11,817,945)
Other receivables	(13,905,030)	22,378,515
Sales tax recoverable	(43,298,532)	(31,955,086)
	(78,521,300)	25,081,410
Increase in trade and other payables	46,978,813	56,198,104
	(31,542,487)	81,279,514

35. 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:

	2015			2014		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	---------- (Rupees) ----------					
Managerial remuneration	4,620,000	3,300,000	42,614,323	4,620,000	3,300,000	35,517,900
House rent	1,155,000	1,485,000	9,985,271	1,155,000	1,485,000	8,461,267
Utilities	462,000	330,000	4,248,776	462,000	330,000	4,085,472
Special allowance	924,000	-	7,845,484	924,000	-	6,880,500
Contribution to provident fund	384,846	274,896	3,531,580	384,846	274,896	2,958,632
Other allowances	777,000	885,000	10,177,457	1,239,000	885,000	9,706,789
	8,322,846	6,274,896	78,402,891	8,784,846	6,274,896	67,610,560
Number of persons	1	1	34	1	1	34

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

35.2 Meeting fee of Rupees 1,000,000 (2014: Rupees 875,000) was paid to the non-executive directors for attending meetings.

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

36. TRANSACTIONS WITH RELATED PARTIES

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

	2015 Rupees	2014 Rupees
Subsidiary company		
Expenses paid on behalf of Q Mart Corporation (Private) Limited	811,823	-

37. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund for the year ended 30 June 2015 and audited financial statements of the provident fund for the year ended 30 June 2014:

	2015 Rupees	2014 Rupees
Size of the fund - Total assets	126,518,852	113,448,535
Cost of investments	103,042,969	95,908,333
Percentage of investments made	95.17%	96.03%
Fair value of investments	120,402,154	108,941,183

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

	2015	2014	2015	2014
	Percentage			Rupees
Rupees				
Deposits	43.62	46.27	52,523,049	50,403,891
Mutual funds	35.86	34.43	43,180,542	37,511,387
Listed securities	20.52	19.30	24,698,563	21,025,905
	100.00	100.00	120,402,154	108,941,183

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

38. NUMBER OF EMPLOYEES

	2015	2014
Number of employees as on June 30		
Permanent	1,644	1,434
Contractual	14	31
Average number of employees during the year		
Permanent	1,619	1,423
Contractual	13	30

39. SEGMENT INFORMATION

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

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

	Weaving		Dyeing		Power Generation		Elimination of inter-segment transactions		Total- Company	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	Restated 2014
	(Rupees)									
Sales										
-External	2,051,042,015	2,102,918,863	5,854,978,826	5,669,512,634	-	-	-	-	7,906,020,841	7,772,431,497
-Intersegment	1,717,714,755	2,041,089,315	58,471,720	40,212,997	831,775,159	668,345,298	(2,607,961,634)	(2,749,647,610)	-	-
	3,768,756,770	4,144,008,178	5,913,450,546	5,709,725,631	831,775,159	668,345,298	(2,607,961,634)	(2,749,647,610)	7,906,020,841	7,772,431,497
Cost of sales	(3,441,427,982)	(3,775,182,758)	(4,958,914,057)	(5,044,296,498)	(814,823,368)	(657,430,446)	2,607,961,634	2,749,647,610	(6,607,203,773)	(6,727,262,092)
Gross profit	327,328,788	368,825,420	954,536,489	665,429,133	16,951,791	10,914,852	-	-	1,298,817,068	1,045,169,405
Distribution cost	(88,372,177)	(115,755,786)	(350,508,994)	(315,795,798)	-	(10,500)	-	-	(438,881,171)	(431,562,084)
Administrative expenses	(96,717,901)	(97,893,886)	(120,754,405)	(103,355,559)	(13,330,834)	(9,565,315)	-	-	(230,803,140)	(210,814,760)
	(185,090,078)	(213,649,672)	(471,263,399)	(419,151,357)	(13,330,834)	(9,575,815)	-	-	(669,684,311)	(642,376,844)
Profit before taxation and unallocated income / expenses	142,238,710	155,175,748	483,273,090	246,277,776	3,620,957	1,339,037	-	-	629,132,757	402,792,561
Unallocated income and expenses:										
Finance cost									(528,120,387)	(378,609,769)
Other expenses									(47,692,944)	(93,859,958)
Other income									186,003,744	123,766,595
Taxation									(116,346,078)	52,540,332
									(506,155,665)	(296,162,800)
Profit after taxation									122,977,092	106,629,761

39.2 Reconciliation of reportable segment assets and liabilities

	Weaving		Dyeing		Power Generation		Total - Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees)							
Segment assets	2,113,686,470	1,929,414,907	2,393,343,339	2,358,316,137	898,210,407	837,336,996	5,405,240,216	5,125,068,040
Long term investments							235,693,073	81,013,995
Short term investment							-	176,879,692
Unallocated assets							635,726,745	604,120,957
Total assets as per balance sheet							6,276,660,034	5,987,082,684
Segment liabilities	326,677,867	299,247,602	316,850,033	368,216,177	133,938,968	60,010,299	777,466,868	727,474,078
Long term financing - secured							1,811,907,803	1,961,062,954
Sponsor's loan							196,855,369	176,742,116
Accrued mark-up							250,378,063	132,581,524
Short term borrowings - secured							756,228,140	814,194,999
Deferred liabilities							356,647,458	507,523,537
Provision for taxation							72,208,980	49,029,133
Unallocated liabilities							71,477,712	74,491,689
Total liabilities as per balance sheet							4,293,170,393	4,443,100,030

39.3 Geographical information

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

	2015 Rupees	2014 Rupees
Australia	265,001,282	359,378,990
Asia	3,868,337,096	4,039,513,666
Europe	1,632,234,345	1,622,781,899
United States of America and Canada	357,512,292	179,185,932
Africa	480,872,482	564,523,726
Pakistan	1,302,063,344	1,007,047,284
	7,906,020,841	7,772,431,497

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

39.5 Revenue from major customers

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

40. PLANT CAPACITY AND PRODUCTION

	2015	2014
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)	47,921,848	48,081,074
Number of days worked during the year (3 shifts per day)	365	365
Dyeing		
Rated capacity in 3 shifts (linear meter)	30,000,000	30,000,000
Actual production for three shifts (linear meter)	27,712,263	24,615,240
No. of days worked during the year (3 shifts per day)	353	344
Power generation		
Number of generators installed	9	9
Installed capacity (Mega Watt Hours)	300,381	300,381
Actual generation (Mega Watt Hours)	32,718	19,395

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

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

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The 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:

	2015	2014
Cash in hand - USD	-	1,207
Cash in hand - Euro	-	2,960
Cash at banks - USD	789	789
Trade debts - USD	9,704,733	10,890,817
Trade debts - Euro	205,485	115,833
Trade and other payable - USD	(200,543)	(1,341,000)
Net exposure - USD	9,504,979	9,551,813
Net exposure - Euro	205,485	118,793

The following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	101.31	102.50
Reporting date rate	101.50	98.35
Rupees per Euro		
Average rate	120.86	138.43
Reporting date rate	113.57	134.19

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been higher / lower by Rupees 46.328 million (2014: Rupees 45.947 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:

	2015 Rupees	2014 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	1,193,805,233	1,358,560,561
Sponsor's loan	196,855,369	176,742,116
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	70,317,056	75,737,361
Financial liabilities		
Long term financing	618,102,570	602,502,393
Short term borrowings	756,228,140	814,194,999

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 13.692 million lower / higher (2014: Rupees 12.739 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:

	2015 Rupees	2014 Rupees
Investment	157,009,691	176,879,692
Advances	11,598,639	9,976,757
Deposits	37,265,448	35,560,786
Trade debts	485,583,822	533,484,347
Other receivables	1,460,943	911,286
Bank balances	109,306,295	152,474,541
	802,224,838	909,287,409

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			2015	2014
Banks	Short Term	Long Term	Agency	Rupees	Rupees
National Bank of Pakistan	A1+	AAA	PACRA	1,045,273	150,344
Allied Bank Limited	A1+	AA+	PACRA	12,683,624	9,763,052
Askari Bank Limited	A-1+	AA	JCR-VIS	1,091,512	154,146
Bank Alfalah Limited	A1+	AA	PACRA	2,420,894	214,008
Faysal Bank Limited	A-1+	AA	JCR-VIS	749,691	430,344
Habib Bank Limited	A-1+	AAA	JCR-VIS	9,959,766	3,524,607
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	59,138,488	56,430,665
The Bank of Punjab	A1+	AA-	PACRA	4,704,808	276,717
MCB Bank Limited	A1+	AAA	PACRA	-	92,764
NIB Bank Limited	A1+	AA -	PACRA	3,081,633	56,788,522
Silk Bank Limited	A-2	A -	JCR-VIS	353,778	624,015
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	4,704,699	3,382,533
United Bank Limited	A-1+	AA+	JCR-VIS	9,256,047	1,590,017
Al-Baraka Bank (Pakistan) Limited	A-1	A	JCR-VIS	116,082	19,052,807
				109,306,295	152,474,541
Investment					
Security General Insurance Company Limited	AA-		JCR-VIS	157,009,691	176,879,692
				266,315,986	329,354,233

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

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

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash. At 30 June 2015, the Company has Rupees 112.292 million (2014: Rupees 155.474 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 2015

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

Contractual maturities of financial liabilities as at 30 June 2014

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	----------	----------	----------	(Rupees)	----------	----------
Long term financing	1,961,062,954	2,342,944,850	156,508,103	60,379,517	205,819,295	1,920,237,935
Sponsor's loan	176,742,116	272,000,000	-	20,113,253	22,402,141	229,484,606
Trade and other payables	720,562,117	720,562,117	720,562,117	-	-	-
Accrued markup	624,986,668	624,986,668	132,581,524	-	-	492,405,144
Short term borrowings	814,194,999	854,912,448	854,912,448	-	-	-
	4,297,548,854	4,815,406,083	1,864,564,192	80,492,770	228,221,436	2,642,127,685

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.

41.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

	Level 1	Level 2	Level 3	Total
	.... (Rupees)			
As at 30 June 2015				
Assets				
Available for sale financial assets	-	-	157,009,691	157,009,691
As at 30 June 2014				
Assets				
Available for sale financial assets	-	-	176,879,692	176,879,692

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the company is the current bid price. These financial instruments are classified under level 1 in above referred table. The Company has no such type of financial instrument as at 30 June 2015.

The fair value of financial instruments that are not traded in active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimate. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2. The Company has no such type of financial instruments as at 30 June 2015.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

41.3 Financial instruments by categories

Assets as per balance sheet

	2015			2014		
	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	- -- - - - - - - - (Rupees) - - - - - - -- -			- - - - - -- - - (Rupees) - - - - - -- - -		
Investments	-	157,009,691	157,009,691	-	176,879,692	176,879,692
Advances	11,598,639	-	11,598,639	9,976,757	-	9,976,757
Deposits	37,265,448	-	37,265,448	35,560,786	-	35,560,786
Trade debts	485,583,822	-	485,583,822	533,484,347	-	533,484,347
Other receivables	1,460,943	-	1,460,943	911,286	-	911,286
Cash and bank balances	112,292,072	-	112,292,072	155,474,401	-	155,474,401
	648,200,924	157,009,691	805,210,615	735,407,577	176,879,692	912,287,269

	2015 Rupees	2014 Rupees
Financial liabilities at amortized cost		
Sponsor's loan	196,855,369	176,742,116
Long term financing	1,811,907,803	1,961,062,954
Accrued mark-up	551,167,897	624,986,668
Short term borrowings	756,228,140	814,194,999
Trade and other payables	769,978,498	720,562,117
	4,086,137,707	4,297,548,854

41.4 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.

42. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on 29 September 2015.

43. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangements / regroupings have been made, except for retrospective correction of sponsor's loan as detailed in note 8.1 to these financial statements.

44. GENERAL

Figures have been rounded off to nearest of Rupee.

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

Consolidated Financial Statments

For the year ended 30 June 2015

DIRECTORS' REPORT

The Directors are pleased to present the consolidated audited results of Kohinoor Mills Limited and its subsidiary Q-Mart Corporation (Private) Limited (the Group) for the year ended 30 June 2015. The group results are being presented as required by section 237 of the Companies Ordinance, 1984.

During the financial year ended 30 June 2015, the Group earned a net profit after tax of Rs. 120 million, compared to net profit of Rupees 107 million during the preceding financial year.

Reduction in fuel and power cost due to reduction in international oil prices and comparatively better capacity utilization resulted in improvement in the performance of the group.

The current order book of the parent company is healthy and it has confirmed orders up to December 2015 at full capacity. Thus the management is confident that the parent company shall be able to build on its performance, going forward. Further, the group, in line with divestment plan, is in the process of disposing of the remaining fixed assets of the subsidiary company.

The Directors' Report giving a detailed analysis of the performance of the parent company for the year ended 30 June 2015, has also been presented separately.

On behalf of the Board

Aamir Fayyaz Sheikh
Chief Executive

Lahore:
29 September 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Kohinoor Mills Limited (the Holding Company) and its Subsidiary Company, Q Mart Corporation (Private) Limited as at 30 June 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Kohinoor Mills Limited and its Subsidiary Company, Q Mart Corporation (Private) Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly the financial position of Kohinoor Mills Limited and its Subsidiary Company, Q Mart Corporation (Private) Limited as at 30 June 2015 and the results of their operations for the year then ended.

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

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 29 September 2015

LAHORE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2015

	Note	2015 Rupees	2014 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	371,887,258	268,044,998
Total equity		880,997,368	777,155,108
Surplus on revaluation of operating fixed assets - net of deferred income tax	6	1,132,159,543	795,559,181
LIABILITIES			
Non-current liabilities			
Long term financing - secured	7	1,532,875,759	1,711,379,960
Sponsor's loan	8	196,855,369	176,742,116
Deferred liabilities	9	356,647,458	507,523,537
		2,086,378,586	2,395,645,613
Current liabilities			
Trade and other payables	10	849,840,971	802,949,466
Loan from director	11	11,000,000	11,000,000
Accrued mark-up	12	250,378,063	132,581,524
Short term borrowings - secured	13	756,228,140	814,194,999
Current portion of long term financing	7	279,032,044	249,682,994
Provision for taxation		72,208,980	49,029,133
		2,218,688,198	2,059,438,116
Total liabilities		4,305,066,784	4,455,083,729
Contingencies and commitments	14		
TOTAL EQUITY AND LIABILITIES		6,318,223,695	6,027,798,018

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

AAMIR FAYYAZ SHEIKH
Chief Executive

	Note	2015 Rupees	2014 Rupees
ASSETS			
Non-current assets			
Fixed assets	15	3,813,798,093	3,560,898,995
Long term investments	16	157,009,691	-
Long term security deposits		20,953,202	20,587,740
		3,991,760,986	3,581,486,735
Current assets			
Stores, spares and loose tools	17	366,497,465	317,766,166
Stock-in-trade	18	729,676,914	698,231,702
Trade debts	19	485,583,822	533,484,347
Advances	20	78,488,927	87,643,135
Trade deposits and short term prepayments	21	17,487,549	19,413,286
Other receivables	22	292,954,960	254,936,841
Sales tax recoverable	23	243,395,861	202,338,744
Short term investment	24	-	176,879,692
Cash and bank balances	25	112,377,211	155,617,370
		2,326,462,709	2,446,311,283
TOTAL ASSETS		6,318,223,695	6,027,798,018

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	Restated 2014 Rupees
SALES	26	7,906,020,841	7,772,431,497
COST OF SALES	27	(6,607,203,773)	(6,727,262,092)
GROSS PROFIT		1,298,817,068	1,045,169,405
DISTRIBUTION COST	28	(438,881,171)	(431,562,084)
ADMINISTRATIVE EXPENSES	29	(236,119,162)	(216,113,901)
OTHER EXPENSES	30	(45,555,352)	(92,820,340)
		(720,555,685)	(740,496,325)
		578,261,383	304,673,080
OTHER INCOME	31	186,540,398	128,348,063
PROFIT FROM OPERATIONS		764,801,781	433,021,143
FINANCE COST	32	(528,178,217)	(378,611,737)
PROFIT BEFORE TAXATION		236,623,564	54,409,406
TAXATION	33	(116,347,865)	52,220,355
PROFIT AFTER TAXATION		120,275,699	106,629,761
EARNINGS PER SHARE - BASIC AND DILUTED	34	2.36	2.09

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	2015 Rupees	Restated 2014 Rupees
PROFIT AFTER TAXATION	120,275,699	106,629,761
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss:		
(Deficit) / surplus arising on re-measurement of available for sale investment to fair value	(19,870,001)	44,522,448
Deferred income tax relating to re-measurement of available for sale investment to fair value	6,090,116	(10,031,907)
Other comprehensive (Loss) / income for the year - net of tax	(13,779,885)	34,490,541
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	106,495,814	141,120,302

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	35	827,175,261	733,668,962
Income tax paid		(87,684,048)	(100,441,588)
Net increase in long term security deposits		(365,462)	-
Finance cost paid		(326,407,574)	(180,810,215)
NET CASH GENERATED FROM OPERATING ACTIVITIES		412,718,177	452,417,159
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(138,303,040)	(322,403,826)
Proceeds from disposal of operating fixed assets		21,631,126	17,186,480
Dividend received		2,896,501	3,540,168
NET CASH USED IN INVESTING ACTIVITIES		(113,775,413)	(301,677,178)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(284,216,064)	(267,968,001)
Short term borrowings - net		(57,966,859)	142,789,214
NET CASH USED IN FINANCING ACTIVITIES		(342,182,923)	(125,178,787)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(43,240,159)	25,561,194
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		155,617,370	130,056,176
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		112,377,211	155,617,370

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	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 2013	509,110,110	213,406,310	98,081,539	311,487,849	1,058,027,640	(1,356,139,871)	(298,112,231)	-	13,375,618	522,485,728
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	18,291,194	18,291,194	-	18,291,194	18,291,194
Equity portion of sponsor's loan (Note 8)	-	-	-	-	-	-	-	113,316,111	113,316,111	113,316,111
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(18,058,227)	(18,058,227)	(18,058,227)
	-	-	-	-	-	-	-	95,257,884	95,257,884	95,257,884
Profit for the year	-	-	-	-	-	106,629,761	106,629,761	-	106,629,761	106,629,761
Other comprehensive income for the year	-	-	34,490,541	34,490,541	-	-	-	-	34,490,541	34,490,541
Total comprehensive income for the year ended 30 June 2014	-	-	34,490,541	34,490,541	-	106,629,761	106,629,761	-	141,120,302	141,120,302
Balance as at 30 June 2014 - restated	509,110,110	213,406,310	132,572,080	345,978,390	1,058,027,640	(1,231,218,916)	(173,191,276)	95,257,884	268,044,998	777,155,108
Transferred from surplus on revaluation of operating fixed assets in respect of incremental depreciation - net of deferred income tax	-	-	-	-	-	17,459,699	17,459,699	-	17,459,699	17,459,699
Adjustment due to impact of IAS-39 on sponsor's loan	-	-	-	-	-	-	-	(20,113,253)	(20,113,253)	(20,113,253)
Profit for the year	-	-	-	-	-	120,275,699	120,275,699	-	120,275,699	120,275,699
Other comprehensive loss for the year	-	-	(13,779,885)	(13,779,885)	-	-	-	-	(13,779,885)	(13,779,885)
Total comprehensive income for the year ended 30 June 2015	-	-	(13,779,885)	(13,779,885)	-	120,275,699	120,275,699	-	106,495,814	106,495,814
Balance as at 30 June 2015	509,110,110	213,406,310	118,792,195	332,198,505	1,058,027,640	(1,093,483,518)	(35,455,878)	75,144,631	371,887,258	880,997,368

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

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. LEGAL STATUS AND NATURE OF BUSINESS

THE GROUP

The Group consists of:

Holding Company

- Kohinoor Mills Limited

Subsidiary Company (wholly owned)

- Q Mart Corporation (Private) Limited

1.1 Kohinoor Mills Limited

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

1.2 Q Mart Corporation (Private) Limited

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

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

b) Accounting convention

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

c) Critical accounting estimates and judgments

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

Financial instruments

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

Useful lives, patterns of economic benefits and impairments

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

Taxation

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

Provision for doubtful debts

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

Inventories

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

Provision for obsolescence of stores, spares and loose tools

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

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

The following amendments to published approved standards are mandatory for the Group's accounting periods beginning on or after 01 July 2014:

IAS 32 (Amendments) 'Financial Instruments: Presentation' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off'; the application of simultaneous realization and settlement; the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

IAS 36 (Amendments) 'Impairment of Assets' (effective for annual periods beginning on or after 01 January 2014). Amendments have been made in IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21 'Levies' (effective for annual periods beginning on or after 01 January 2014). The interpretation provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and those where the timing and amount of the levy is certain. The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.

On 12 December 2013, IASB issued Annual Improvements to IFRSs: 2010 – 2012 Cycle, incorporating amendments to seven IFRSs more specifically in IFRS 8 'Operating Segments' and IAS 24 'Related Party Disclosures', which are considered relevant to the Group's consolidated financial statements. These amendments are effective for annual periods beginning on or after 01 July 2014. The amendments to IFRS 8 require an entity to disclose the judgments made by the management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'. Further, the amendment to IFRS 8 clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

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

e) Standards and amendments to published approved standards that are effective in current year but not relevant to the Group

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2014 but are considered not to be relevant or do not have any significant impact on the Group's consolidated financial statements and are therefore not detailed in these consolidated financial statements.

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

Following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 July 2015 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 Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 01 January 2015). Concurrent with the issuance of IFRS 10, the IASB has also issued IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IAS 27 (revised 2011) 'Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates and Joint Ventures'. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. IFRS 10 replaces those parts of IAS 27 that address when and how an investor should prepare consolidated financial statements and replaces Standing Interpretations Committee (SIC) 12 'Consolidation – Special Purpose Entities' in its entirety. The management of the group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

IFRS 12 'Disclosures of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2015). This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. This standard is not expected to have a material impact on the Group's consolidated financial statements.

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

Amendments to IFRS 10, IFRS 11 and IFRS 12 (effective for annual periods beginning on or after 01 January 2015) provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IFRS 10 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2015) provide 'investment entities' an exemption from the consolidation of particular subsidiaries and instead require that: an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss; requires additional disclosures; and require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 (effective for annual periods beginning on or after 01 January 2016) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points: the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12. The management of the Group is in the process of evaluating the impacts of the aforesaid amendments on the Group's consolidated financial statements.

IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 01 January 2017). 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 recognise revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group's consolidated financial statements.

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 judgment 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. However, the amendments are not expected to have a material impact on the Group's consolidated financial statements.

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

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

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

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

2.2 Consolidation

Subsidiary

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

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

Inter Group balances and transactions have been eliminated.

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

2.3 Employee benefit

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

2.4 Provisions

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

2.5 Taxation

Current

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

Deferred

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

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

2.6 Foreign currencies

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

2.7 Fixed assets

2.7.1 Property, plant and equipment and depreciation

Owned

a) Cost

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

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

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

b) Depreciation

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

c) Derecognition

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

Leased

a) Finance leases

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

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

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

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

b) Operating leases

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

2.7.2 Intangible assets

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

2.8 Investments

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

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

a) Investments at fair value through profit or loss

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

b) Held-to-maturity

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

c) Available-for-sale

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

Quoted

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

Unquoted

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

d) Equity investments in associated companies

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

2.9 Inventories

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

Stores, spares and loose tools

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

Stock-in-trade

Cost of raw material is based on weighted average cost.

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

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

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

2.10 Non-current assets held for sale

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

2.11 Borrowing costs

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

2.12 Revenue recognition

Revenue from different sources is recognized as under:

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

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

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

2.13 Impairment

a) Financial assets

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

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

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

b) Non-financial assets

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

2.14 Share capital

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

2.15 Financial instruments

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

The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.
Financial assets are investments, trade debts, deposits, advances, other receivables and cash and bank balances.

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

2.15.1 Trade debts and other receivables

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

2.15.2 Trade and other payables

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

2.15.3 Markup bearing borrowings

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

2.15.4 Cash and cash equivalents

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

2.16 Derivative financial instruments

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

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

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

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

2.17 Segment reporting

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

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

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

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

2.18 Off setting of financial assets and liabilities

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

2.19 Dividend and other appropriations

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

2.20 Goodwill

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

3. AUTHORIZED SHARE CAPITAL

2015 (NUMBER OF SHARES)	2014 (NUMBER OF SHARES)		2015 Rupees	2014 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

2015 (NUMBER OF SHARES)	2014 (NUMBER OF SHARES)			
28,546,003	28,546,003	Ordinary shares of Rupees 10 each fully paid in cash	285,460,030	285,460,030
18,780,031	18,780,031	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	187,800,310	187,800,310
3,584,977	3,584,977	Ordinary shares of Rupees 10 each issued due to merger with Kohinoor Genertek Limited as per scheme of arrangement	35,849,770	35,849,770
50,911,011	50,911,011		509,110,110	509,110,110

5. RESERVES

	2015 Rupees	Restated 2014 Rupees
Composition of reserves is as follows:		
Capital reserves		
Share premium reserve (Note 5.1)	213,406,310	213,406,310
Fair value reserve - net of deferred income tax (Note 5.2)	118,792,195	132,572,080
	332,198,505	345,978,390
Revenue reserves		
General reserve	1,058,027,640	1,058,027,640
Accumulated loss	(1,093,483,518)	(1,231,218,916)
	(35,455,878)	(173,191,276)
Equity portion of sponsor's loan (Note 8)	75,144,631	95,257,884
	371,887,258	268,044,998

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

	2015 Rupees	2014 Rupees
5.2 Fair value reserve - net of deferred income tax		
Balance as at 01 July	176,175,521	131,653,073
Fair value adjustment on investment during the year	(19,870,001)	44,522,448
Balance as at 30 June	156,305,520	176,175,521
Less: Related deferred income tax liability	37,513,325	43,603,441
Balance as at 30 June - net of deferred income tax	118,792,195	132,572,080

5.2.1 This represents the 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.

	2015 Rupees	2014 Rupees
6. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS - NET OF DEFERRED INCOME TAX		
Balance as at 01 July	826,901,350	846,879,581
Add: Surplus on revaluation incorporated during the year (Note 15.1)	361,748,466	-
Less: Incremental depreciation	18,979,320	19,978,231
Balance as at 30 June	1,169,670,496	826,901,350
Less: Related deferred income tax liability	37,510,953	31,342,169
Balance as at 30 June - net of deferred income tax	1,132,159,543	795,559,181

7. LONG TERM FINANCING - SECURED

	2015 Rupees	2014 Rupees
Financing from banking companies (Note 7.1 and 7.2)	1,811,907,803	1,961,062,954
Less: Current portion shown under current liabilities	279,032,044	249,682,994
	1,532,875,759	1,711,379,960

7.1

Lender	2015	2014	Revised terms after restructuring	Security
	-------- Rupees --------			
National Bank of Pakistan	512,468,070	489,734,357	During the year, terms of this loan have been restructured once again, now this loan is repayable in 36 stepped up quarterly instalments has commenced from 31 March 2015 and ending on 31 December 2023. This loan carries mark-up at the rate of 7.70% per annum based on the average cost of funds of the bank which will be reviewed annually. Mark-up will be accrued over nine years during which the principal will be repaid. The accrued mark-up will be repaid in twelve equal quarterly instalments commencing on 31 March 2024 and ending on 31 December 2026.	First pari passu charge of Rupees 1,438.550 million by way of hypothecation and mortgage charge over present and future fixed assets of the Holding Company, pari passu charge of Rupees 667 million and ranking charge of Rupees 100 million over current assets of the Holding Company as margin and Personal guarantees of Sponsor directors.
United Bank Limited	171,233,629	214,464,815	This loan is repayable in 28 equal quarterly instalments of Rupees 13.540 million each commenced from 09 February 2012 and ending on 09 November 2018. Mark-up is payable quarterly at the rate of 5.00% per annum.	First pari passu charge of Rupees 606.000 million (with 25% margin) over all present and future current assets and Rupees 200.000 million over fixed assets of the Holding Company. Personal guarantees of two directors of Holding Company.
The Bank of Punjab	348,856,629	409,340,592	This loan is repayable in 31 stepped up quarterly instalments commenced from 30 June 2011 and ending on 31 December 2018. This loan carried mark-up at the rate of 9.55% per annum based on the cost of funds of the bank approved by SBP upto 31 March 2013 and thereafter carries mark-up at 5.00% per annum. Mark-up is payable quarterly. Mark-up accrued upto 31 March 2013 will be repaid in three equal quarterly instalments commencing on 31 March 2019 and ending on 30 September 2019.	Joint pari passu charge of Rupees 566.667 million over fixed assets, pari passu charge of Rupees 534.000 million and ranking charge of Rupees 268.000 million on all present and future current assets of the Holding Company.
Faysal Bank Limited	177,161,865	205,741,736	This loan is repayable in 31 stepped up quarterly instalments commenced from 31 March 2013 and ending on 30 September 2020. Mark-up is payable quarterly at the rate of 5.00% per annum. Mark-up upto 30 September 2011 is recalculated at the rate of 8.5% per annum and will be repaid on 30 September 2020.	First pari passu charge of Rupees 266.800 million over current assets, ranking charge of Rupees 240.000 million over current assets and exclusive charge of Rupees 94.000 million on power generators of the Holding Company.

Lender	2015	2014	Revised terms after restructuring	Security
	-------- Rupees --------			
NIB Bank Limited	232,632,637	218,726,109	This loan is repayable in 36 stepped up quarterly instalments commenced from 30 September 2011 and ending on 30 June 2020. Mark-up is payable quarterly at the rate of 5.00% per annum.	First pari passu charge of Rupees 107.000 million over Holding Company's machinery and joint pari passu charge of Rupees 800.000 million over current assets of the Holding Company.
Askari Bank Limited	98,029,978	111,961,715	This loan is repayable in 32 quarterly instalments of Rupees 5.282 million each commenced from 30 June 2013 and ending on 31 March 2021. Mark-up is payable quarterly at the rate of 5.00% per annum.	First joint pari passu charge of Rupees 506.667 million over current assets by way of hypothecation and ranking charge of Rupees 169.000 million over fixed assets of the Holding Company by way of hypothecation.
Bank Alfalah Limited	105,634,500	112,768,035	This loan is repayable in 32 stepped up quarterly instalments commenced from 01 July 2012 and ending on 01 April 2020. This loan carries mark-up at the rate of 8.30% per annum based on the cost of funds of the bank which will be reviewed monthly. Mark-up will be accrued over nine years during which the principal will be repaid. The accrued mark-up will be paid in thirty six equal monthly instalments commencing on 01 May 2020 and ending on 01 April 2023.	First joint pari passu charge of Rupees 410.000 million over all present and future current assets of the Holding Company.
Habib Bank Limited	165,890,495	198,325,595	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 and ranking charge of Rupees 362.000 million over fixed assets of the Holding Company. Personal guarantees of two directors.
	1,811,907,803	1,961,062,954		

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

	2015 Rupees	2014 Rupees
8. SPONSOR'S LOAN		
Interest free loan (Note 8.1)	272,000,000	272,000,000
Equity portion of sponsor loan		
Gain on recognition of sponsor's loan at fair value	(113,316,111)	(113,316,111)
Adjustment due to impact of IAS-39	38,171,480	18,058,227
	(75,144,631)	(95,257,884)
	196,855,369	176,742,116

8.1 This represents unsecured interest free loan obtained from director of the Holding Company. This is repayable on 30 June 2018. Fair value of sponsor's loan was estimated at the present value of future cash flow discounted at the effective interest rate of 11.38% per annum. During the year ended 30 June 2014, initial gain of sponsor's loan at fair value of Rupees 113.316 million and adjustment due to impact of IAS-39 on sponsor's loan (notional interest) were recognized in profit and loss account. Now initial gain and impact of IAS-39 on sponsor's loan is recognized directly in equity with retrospective effect in accordance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. This correction has resulted in decrease in profit after tax and total comprehensive income for the year ended 30 June 2014 by Rupees 95.258 million, increase in equity portion of sponsor's loan as at 30 June 2014 by Rupees 95.258 million and decrease in basic earnings per share by Rupees 1.87.

	2015 Rupees	2014 Rupees
9. DEFERRED LIABILITIES		
Deferred accrued mark-up (Note 9.1)	300,789,834	492,405,144
Deferred income tax liability (Note 9.2)	55,857,624	15,118,393
	356,647,458	507,523,537
9.1 Deferred accrued mark-up		
National Bank of Pakistan	24,933,065	231,605,284
The Bank of Punjab	139,309,000	139,309,000
Bank Alfalah Limited	69,929,341	54,872,432
Faysal Bank Limited	66,618,428	66,618,428
	300,789,834	492,405,144

9.1.1 This represents accrued mark-up on long term financing deferred in accordance with the terms of restructuring disclosed in note 7.1 to these consolidated financial statements. Deferred mark-up on long term financing from National Bank of Pakistan is now payable in twelve equal monthly instalments in accordance with revised terms of restructuring, therefore, presented in current liabilities as accrued mark-up Note 12.

9.2 Deferred income tax liability

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

	2015 Rupees	2014 Rupees
Taxable temporary differences on:		
Accelerated tax depreciation and amortization	104,269,388	112,797,242
Surplus on revaluation of operating fixed assets	37,510,953	31,342,169
Surplus on revaluation of investment - available for sale	37,513,325	43,603,441
	179,293,666	187,742,852
Deductible temporary differences:		
Accumulated tax losses	(169,623,981)	(223,934,663)
Net deferred income tax liability / (asset)	9,669,685	(36,191,811)
Deferred income tax asset not recognized	46,187,939	51,310,204
Deferred income tax liability recognized	55,857,624	15,118,393

10. TRADE AND OTHER PAYABLES

	2015 Rupees	2014 Rupees
Creditors	541,331,380	478,441,474
Advances from customers	31,376,386	49,297,007
Sales commission payable	97,314,086	98,666,906
Income tax deducted at source	7,900,872	14,649,646
Security deposits - interest free	602,278	602,278
Payable to employees' provident fund trust	1,266,662	675,555
Accrued and other liabilities (Note 10.1)	126,795,777	139,050,790
Workers' profit participation fund (Note 10.2)	38,521,994	16,834,274
Unclaimed dividend	4,731,536	4,731,536
	849,840,971	802,949,466

10.1 This includes an amount of Rupees 70.000 million (2014: Rupees 70.000 million) payable on demand to spouse of a director of the Holding Company.

10.2 Workers' profit participation fund

	2015 Rupees	2014 Rupees
Balance as at 01 July	16,834,274	7,440,527
Add: Allocation for the year (Note 30)	19,920,121	8,612,492
Interest accrued for the year (Note 32)	1,767,599	781,255
Balance as at 30 June	38,521,994	16,834,274

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

11. LOAN FROM DIRECTOR

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

12. ACCRUED MARK-UP

	2015 Rupees	2014 Rupees
Long term financing	212,434,850	32,622,881
Short term borrowings	37,943,213	99,958,643
	250,378,063	132,581,524

13. SHORT TERM BORROWINGS - SECURED

The Holding Company

From banking companies

	2015 Rupees	2014 Rupees
SBP refinance (Note 13.1 and 13.2)	369,009,000	304,229,000
Other short term finances (Note 13.1 and 13.3)	387,219,140	509,965,999
	756,228,140	814,194,999

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

13.2 These carry mark-up range from 6% to 7.5% per annum (2014: 9.4% per annum) on outstanding balance.

13.3 The rates of mark-up range from 5% to 13.73% per annum (2014: 5% to 13.73% per annum) on outstanding balance.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

Holding Company

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

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

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

14.1.4 Pursuant to the sale of assets agreement with M/s Interloop Limited, the Holding Company is contingently liable for Rupees 31.958 million against payment of certain outstanding dues to Employees' Old-Age Benefits Institution (EOBI) and bifurcation of gas connections in favour of M/s Interloop Limited. To secure the performance of aforesaid conditions, the Holding Company has pledged equity investment (note 16.2) and bank balance (note 25.4) with Allied Bank Limited. However, no provision has been recognized in these consolidated financial statements as the management is confident to fulfil the conditions in accordance with the sale of assets agreement.

14.1.5 Bank guarantees of Rupees 81.66 million (2014: Rupees 81.66 million) are given by the banks of the Holding Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

14.1.6 Bank guarantee of Rupees 6.5 million (2014: Rupees 6.5 million) is given by the bank of the Holding Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

14.1.7 Bank guarantees of Rupees 8.164 million (2014: Rupees 8.164 million) are given by the bank of the Holding Company in favour of Lahore Electric Supply Company Limited against electricity connections.

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

Subsidiary Company	Nil	Nil

14.2 Commitments

Holding Company

14.2.1 Aggregate commitments for revenue expenditures are amounting to Rupees 26.230 million (2014: Rupees 23.481 million).

14.2.2 Post dated cheques issued to suppliers are amounting to Rupees 127.752 million (2014: Rupees 118.809 million).

Subsidiary Company	Nil	Nil

	2015 Rupees	2014 Rupees
15. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 15.1)	3,782,802,726	3,526,145,656
Capital work-in-progress (Note 15.2)	30,995,367	34,753,339
	3,813,798,093	3,560,898,995
Intangible asset - computer software (Note 15.1 and 15.1.7)	-	-
	3,813,798,093	3,560,898,995

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

Description	Operating fixed assets										Intangible asset
	Freehold land	Residential Building	Factory Building	Plant and machinery	Stand-by equipment	Electric Installations	Furniture, fixtures and equipment	Computers	Motor vehicles	Total	
	(RUPEES)										
As at 30 June 2013											
Cost / revalued amount	514,680,475	337,564,045	622,033,425	3,849,708,892	1,615,659	128,445,841	91,886,721	42,644,681	70,722,374	5,659,302,113	16,645,923
Accumulated depreciation / amortization	-	(85,922,364)	(217,216,328)	(1,847,300,146)	(105,847)	(63,522,864)	(53,913,783)	(32,868,904)	(34,363,008)	(2,335,213,244)	(15,979,344)
Net book value	514,680,475	251,641,681	404,817,097	2,002,408,746	1,509,812	64,922,977	37,972,938	9,775,777	36,359,366	3,324,088,869	666,579
Year ended 30 June 2014											
Opening net book value	514,680,475	251,641,681	404,817,097	2,002,408,746	1,509,812	64,922,977	37,972,938	9,775,777	36,359,366	3,324,088,869	666,579
Additions	-	-	69,812,974	278,803,061	-	8,953,318	709,904	4,252,222	79,895,310	442,426,789	-
Disposals:											
Cost / revalued amount	-	-	-	(16,359,136)	-	-	-	-	(9,073,417)	(25,432,553)	-
Accumulated depreciation	-	-	-	5,434,360	-	-	-	-	5,267,472	10,701,832	-
	-	-	-	(10,924,776)	-	-	-	-	(3,805,945)	(14,730,721)	-
Depreciation / amortization charge	-	(12,582,084)	(22,310,637)	(165,200,092)	(91,426)	(7,016,718)	(3,833,457)	(3,676,462)	(10,928,405)	(225,639,281)	(666,579)
Closing net book value	514,680,475	239,059,597	452,319,434	2,105,086,939	1,418,386	66,859,577	34,849,385	10,351,537	101,520,326	3,526,145,656	-
As at 30 June 2014											
Cost / revalued amount	514,680,475	337,564,045	691,846,399	4,112,152,817	1,615,659	137,399,159	92,596,625	46,896,903	141,544,267	6,076,296,349	16,645,923
Accumulated depreciation / amortization	-	(98,504,447)	(239,526,965)	(2,007,065,878)	(197,273)	(70,539,581)	(57,747,240)	(36,545,368)	(40,023,941)	(2,550,150,693)	(16,645,923)
Net book value	514,680,475	239,059,598	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,526,145,656	-
Year ended 30 June 2015											
Opening net book value	514,680,475	239,059,598	452,319,434	2,105,086,939	1,418,386	66,859,578	34,849,385	10,351,535	101,520,326	3,526,145,656	-
Additions	-	-	19,415,778	84,831,542	-	8,717,937	4,870,324	2,524,124	21,701,307	142,061,012	-
Disposals:											
Cost	-	-	-	(19,856,444)	-	-	(932,400)	-	(11,431,117)	(32,219,961)	-
Accumulated depreciation	-	-	-	6,916,082	-	-	575,608	-	6,331,481	13,823,171	-
	-	-	-	(12,940,362)	-	-	(356,792)	-	(5,099,636)	(18,396,790)	-
Depreciation / amortization charge	-	(11,952,981)	(23,102,253)	(162,997,078)	(127,946)	(6,980,154)	(3,819,210)	(3,539,441)	(16,236,555)	(228,755,618)	-
Surplus on revaluation	230,198,524	19,909,902	111,640,040	-	-	-	-	-	-	361,748,466	
Closing net book value	744,878,999	247,016,519	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,782,802,726	-
As at 30 June 2015											
Cost / revalued amount	744,878,999	357,473,947	822,902,217	4,177,127,915	1,615,659	146,117,096	96,534,549	49,421,027	151,814,457	6,547,885,866	16,645,923
Accumulated depreciation / amortization	-	(110,457,428)	(262,629,218)	(2,163,146,874)	(325,219)	(77,519,735)	(60,990,842)	(40,084,809)	(49,929,015)	(2,765,083,140)	(16,645,923)
Net book value	744,878,999	247,016,519	560,272,999	2,013,981,041	1,290,440	68,597,361	35,543,707	9,336,218	101,885,442	3,782,802,726	-
Depreciation / amortization rate % per annum	-	5	5	10	10	10	10	30	20		20

15.1.1 Freehold land and buildings of the Holding Company and its Subsidiary Company were revalued as at 30 June 2015 by an independent approved valuer (Messrs Hamid Mukhtar and Company (Private) Limited). Had there been no revaluation, the value of the assets would have been lower by Rupees 1,169.670 million (2014: Rupees 826.901 million).

15.1.2 The book value of freehold land and buildings on cost basis is Rupees 67.365 million and Rupees 315.133 million (2014: Rupees 67.366 million and Rupees 311.792 million) respectively.

15.1.3 Freehold land includes two pieces of land having carrying value of Rupees 25.275 million (2014: Rupees 22.747 million) and Rupees 5.390 million (2014: Rupees 5.355 million) which are in the name of Mr. Amir Fayyaz Sheikh (director) and Mrs. Amir Fayyaz Shiekh respectively. The management is in the process of selling these pieces of land. Previously, titles of these pieces of land were not transferred in the name of the Subsidiary Company to save Subsidiary Company's expenses on transfer duties.

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

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	---------------------(RUPEES)------------------------						
Plant and machinery							
Sewing Machines	765,000	262,164	502,836	481,453	(21,383)	Negotiation	Amin Corporation - Lahore
Sewing Machines	17,607,729	6,173,687	11,434,042	11,534,501	100,459	Negotiation	Jeans and Company - Lahore
Sewing Machines	222,046	78,809	143,237	75,000	(68,237)	Negotiation	Kamran Enterprises - Lahore
Sewing Machines	392,402	119,252	273,150	169,491	(103,659)	Negotiation	Weavers - Lahore
Sewing Machines	869,267	282,170	587,097	326,881	(260,216)	Negotiation	Well Wear Garments - Lahore
	19,856,444	6,916,082	12,940,362	12,587,326	(353,036)		
Motor vehicles							
Suzuki Cultus LED-08-5363	668,220	393,126	275,094	450,000	174,906	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED-09-1604	806,500	498,617	307,883	475,000	167,117	Negotiation	Mr. Imran Kamal - Lahore
Toyota Corolla XLI LEE-12-8378	1,592,925	422,231	1,170,694	1,375,000	204,306	Negotiation	Mr. Imran Kamal - Lahore
Honda City LZU-2648	869,925	518,914	351,011	680,000	328,989	Negotiation	Mr. Imran Kamal - Lahore
Honda Civic VTI LEA-06-750	1,707,714	1,015,547	692,167	1,000,000	307,833	Negotiation	Mr. Imran Kamal - Lahore
Honda Civic VTI LED-07-450	1,581,830	1,018,704	563,126	1,400,000	836,874	Negotiation	Mr. Nazir Ahmed Chaudhry - Lahore
HONDA CD 70 LRW-570	68,500	52,644	15,856	18,000	2,144	Negotiation	Mr. Waqar Ali - Lahore
HONDA CD 70 LRL-7920	69,169	52,590	16,579	18,000	1,421	Negotiation	Mr. Muhammad Azam - Lahore
HONDA 125 LRW-135	76,520	56,456	20,064	28,000	7,936	Negotiation	Mr. Naeem Nasir - Lahore
Suzuki Cultus LEC-07-9238	595,600	373,849	221,751	475,000	253,249	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED-07-8501	569,000	302,415	266,585	400,000	133,415	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEB-07-1789	332,799	143,253	189,546	460,000	270,454	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEF-07-3957	562,739	366,664	196,075	500,000	303,925	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEB09-7298	863,150	500,956	362,194	600,000	237,806	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LED09-4975	613,080	388,964	224,116	460,000	235,884	Negotiation	Mr. Imran Kamal - Lahore
Suzuki Cultus LEB08-6055	453,446	226,551	226,895	390,000	163,105	Negotiation	Mr. Imran Kamal - Lahore
	11,431,117	6,331,481	5,099,636	8,729,000	3,629,364		
Aggregate of other items of operating fixed assets with individual book values not exceeding Rupees 50,000	932,400	575,608	356,792	314,800	(41,992)		
	32,219,961	13,823,171	18,396,790	21,631,126	3,234,336		

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

	2015 Rupees	2014 Rupees
Cost of sales (Note 27)	214,389,853	206,837,084
Distribution cost (Note 28)	1,576,261	1,345,126
Administrative expenses (Note 29)	12,789,504	17,457,071
	228,755,618	225,639,281

15.1.6 The amortization charge for the year has been allocated as follows:

	2015 Rupees	2014 Rupees
Administrative expenses (Note 29)	-	666,579

15.1.7 Intangible asset - computer softwares have been fully amortized but still in the use of the Group.

15.2 Capital work-in-progress

	2015 Rupees	2014 Rupees
Plant and machinery	-	3,657,835
Civil works	23,478,029	30,192,943
Electric installations	-	902,561
Advances for capital expenditures	7,517,338	-
	30,995,367	34,753,339

16. LONG TERM INVESTMENTS

	2015 Rupees	2014 Rupees
Available for sale		
Associated company (without significant influence)		
K-2 Hosiery (Private) Limited - unquoted		
1,194,000 (2014: 1,194,000) ordinary shares of Rupees 10 each (Note 16.1)	-	-
Other		
Security General Insurance Company Limited - unquoted (Note 16.2)		
643,667 (2014: 643,667) fully paid ordinary shares of Rupees 10 each	704,171	-
Add: Fair value adjustment	156,305,520	-
	157,009,691	-
	157,009,691	-

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

16.2 Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 243.93 (2014: Rupees 274.8 valued by the management) per share using the net assets based valuation method. 640,000 ordinary shares of Security General Insurance Company Limited have been pledged in favour of Allied Bank Limited to serve the performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

	2015 Rupees	2014 Rupees
17. STORES, SPARES AND LOOSE TOOLS		
Stores and spares	379,540,096	330,568,211
Loose tools	3,586,377	3,826,963
	383,126,473	334,395,174
Less: Provision for slow moving, obsolete and damaged store items (Note 30)	16,629,008	16,629,008
	366,497,465	317,766,166
18. STOCK-IN-TRADE		
Raw material	139,659,658	148,615,983
Work-in-process	143,336,567	128,250,466
Finished goods (Note 18.1 and 18.2)	446,680,689	421,365,253
	729,676,914	698,231,702

18.1 This includes finished goods of Rupees 78.533 million (2014: Rupees 125.986 million) valued at net realizable value.

18.2 Finished goods include stock-in-transit amounting to Rupees 20.641 million (2014: Rupees 63.209 million).

	2015 Rupees	2014 Rupees
19. TRADE DEBTS		
Considered good:		
Secured (against letters of credit)	365,851,374	451,417,353
Unsecured	119,732,448	82,066,994
	485,583,822	533,484,347
Considered doubtful:		
Others - unsecured	88,480,269	88,358,572
Less: Provision for doubtful trade debts		
Balance as at 01 July	88,358,572	88,358,572
Add: Provision for the year (Note 30)	121,697	-
Balance as at 30 June	88,480,269	88,358,572
	-	-

19.1 As on 30 June 2015, trade debts of Rupees 30.205 million (2014: Rupees 37.698 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:

	2015 Rupees	2014 Rupees
Upto 1 month	1,179,685	2,467,635
1 to 6 months	1,314,089	1,307,875
More than 6 months	27,711,601	33,922,649
	30,205,375	37,698,159

19.2 As at 30 June 2015, trade debts of Rupees 88.480 million (2014: Rupees 88.359 million) were impaired. The aging of these trade debts was more than three years. These trade debts have been provided for in the books of account of the Holding Company.

20. ADVANCES

	2015 Rupees	2014 Rupees
Considered good:		
Advances to:		
- staff (Note 20.1)	11,598,639	9,976,757
- suppliers	60,827,674	76,680,667
Letters of credit	6,062,614	985,711
	78,488,927	87,643,135

20.1 This includes interest free advances to executives of the Holding Company amounting to Rupees 2.884 million (2014: Rupees 0.849 million).

21. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2015 Rupees	2014 Rupees
Security deposits	16,312,246	14,973,046
Short term prepayments	1,175,303	4,440,240
	17,487,549	19,413,286

22. OTHER RECEIVABLES

Considered good:		
Advance income tax	241,426,089	207,769,117
Export rebate and claims (Note 22.1)	50,451,752	46,063,417
Miscellaneous	1,077,119	1,104,307
	292,954,960	254,936,841

	2015 Rupees	2014 Rupees
22.1 Export rebate and claims		
Considered good	50,451,752	46,063,417
Considered doubtful	39,481,490	30,514,452
Less: Provision for doubtful export rebate and claims (Note 22.1.1)	39,481,490	30,514,452
	-	-
	50,451,752	46,063,417
22.1.1 Provision for doubtful export rebate and claims		
Balance as at 01 July	30,514,452	-
Add: Provision for the year (Note 30)	8,967,038	30,514,452
Balance as at 30 June	39,481,490	30,514,452

23. SALES TAX RECOVERABLE

	2015 Rupees	2014 Rupees
Sales tax recoverable	270,794,552	227,496,020
Less: Provision for doubtful sales tax recoverable (Note 23.1)	27,398,691	25,157,276
	243,395,861	202,338,744
23.1 Provision for doubtful sales tax recoverable		
Balance as at 01 July	25,157,276	-
Add: Provision for the year (Note 30)	2,241,415	25,157,276
Balance as at 30 June	27,398,691	25,157,276

24. SHORT TERM INVESTMENT

	2015 Rupees	2014 Rupees
Available for sale - unquoted (Note 24.1)		
Security General Insurance Company Limited (2014: 643,667) fully paid ordinary shares of Rupees 10 each	-	704,171
Add: Fair value adjustment	-	176,175,521
	-	176,879,692

24.1 During the year this investment has been re-classified from short term investment to long term investments.

	2015 Rupees	2014 Rupees
25. CASH AND BANK BALANCES		
Cash in hand (Note 25.1)	2,985,777	2,999,860
Cash with banks:		
On current accounts (Note 25.2, 25.4 and 25.6)	39,074,378	76,853,486
On deposit accounts (Note 25.3 and 25.5)	70,317,056	75,764,024
	109,391,434	152,617,510
	112,377,211	155,617,370

25.1 Cash in hand includes foreign currency of US$ Nil and Euro Nil (2014: US$ 1,207 and Euro 2,960).

25.2 Cash with banks on current accounts includes foreign currency balance of US$ 788.72 (2014: US$ 788.72).

25.3 Rate of profit on bank deposits ranges from 4.5% to 7% (2014: 5% to 8.5%) per annum.

25.4 Cash with banks on current accounts includes an amount of Rupees 8.491 million (2014: Rupees 8.491 million) with Allied Bank Limited, in a non-checking account, to secure performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

25.5 This includes term deposit receipts of Rupees 55.660 million (2014: Rupees 55.660 million) which are under lien with the bank of the Holding company.

25.6 This includes account of Subsidiary Company maintained with Allied Bank Limited which has been attached by Federal Board of Revenue.

	2015 Rupees	2014 Rupees
26. SALES		
Export	6,576,994,814	6,737,139,053
Local (Note 26.1)	1,302,063,344	1,007,047,284
Export rebate	26,962,683	28,245,160
	7,906,020,841	7,772,431,497
26.1 Local sales		
Sales	1,056,648,140	886,827,027
Less: Sales tax	45,582,109	39,498,998
	1,011,066,031	847,328,029
Processing income	290,997,313	159,719,255
	1,302,063,344	1,007,047,284

27. COST OF SALES

	2015 Rupees	2014 Rupees
Raw material consumed (Note 27.1)	4,325,268,356	4,548,271,790
Chemicals consumed	698,391,221	621,209,385
Salaries, wages and other benefits	337,998,698	296,958,350
Employees' provident fund contributions	12,216,998	10,836,009
Cloth conversion and processing charges	21,111,495	11,929,378
Fuel, oil and power	708,672,422	842,232,104
Stores, spares and loose tools consumed	100,401,544	110,333,784
Packing materials consumed	57,948,288	51,301,455
Repair and maintenance	43,919,391	43,047,916
Insurance	9,798,729	8,003,912
Other manufacturing expenses	104,054,440	54,173,781
Depreciation on operating fixed assets (Note 15.1.5)	214,389,853	206,837,084
	6,634,171,435	6,805,134,948
Work-in-process inventory		
As on 01 July	128,250,466	152,308,086
As on 30 June	(143,336,567)	(128,250,466)
	(15,086,101)	24,057,620
Cost of goods manufactured	6,619,085,334	6,829,192,568
Cost of yarn and cloth purchased for resale	13,433,875	4,880,829
	6,632,519,209	6,834,073,397
Finished goods inventory		
As on 01 July	421,365,253	314,553,948
As on 30 June	(446,680,689)	(421,365,253)
	(25,315,436)	(106,811,305)
	6,607,203,773	6,727,262,092

27.1 Raw material consumed

	2015 Rupees	2014 Rupees
Opening stock	148,615,983	147,672,090
Purchased during the year	4,316,312,031	4,549,215,683
	4,464,928,014	4,696,887,773
Less: Closing stock	(139,659,658)	(148,615,983)
	4,325,268,356	4,548,271,790

28. DISTRIBUTION COST

	2015 Rupees	2014 Rupees
Salaries and other benefits	54,052,094	47,173,850
Employees' provident fund contributions	2,192,149	1,957,625
Travelling, conveyance and entertainment	25,654,723	22,060,895
Printing and stationery	222,849	173,306
Communications	34,341,582	25,839,722
Vehicles' running	3,346,245	4,026,533
Insurance	1,939,004	1,843,096
Fees subscriptions and taxes	100,000	-
Repair and maintenance	9,034	17,205
Commission to selling agents	138,665,162	167,679,415
Outward freight and handling	136,198,694	118,037,930
Clearing and forwarding	36,603,912	36,410,972
Sales promotion and advertising	3,504,355	3,756,960
Depreciation on operating fixed assets (Note 15.1.5)	1,576,261	1,345,126
Miscellaneous	475,107	1,239,449
	438,881,171	431,562,084

29. ADMINISTRATIVE EXPENSES

	2015 Rupees	2014 Rupees
Salaries and other benefits	115,686,246	98,588,659
Employees' provident fund contributions	3,078,108	2,622,144
Travelling, conveyance and entertainment	31,833,757	28,429,134
Printing and stationery	4,368,114	3,725,623
Communications	4,430,594	3,663,857
Vehicles' running	8,671,354	10,259,466
Legal and professional	7,714,208	5,747,471
Insurance	5,321,803	4,842,176
Fee, subscription and taxes	2,157,842	1,919,221
Repair and maintenance	7,406,562	5,783,569
Electricity, gas and water	198,957	608,381
Auditors' remuneration (Note 29.1)	1,658,000	1,562,000
Depreciation on operating fixed assets (Note 15.1.5)	12,789,504	17,457,071
Amortization on intangible asset (Note 15.1.6)	-	666,579
Miscellaneous	30,804,113	30,238,550
	236,119,162	216,113,901

29.1 Auditors' remuneration

	2015 Rupees	2014 Rupees
Audit fee	1,375,000	1,300,000
Half yearly review and other certifications	200,000	200,000
Reimbursable expenses	83,000	62,000
	1,658,000	1,562,000

30. OTHER EXPENSES

	2015 Rupees	2014 Rupees
Workers' profit participation fund (Note 10.2)	19,920,121	8,612,492
Donations (Note 30.1)	14,112,060	11,721,764
Provision for doubtful trade debts (Note 19)	121,697	-
Advances written off	193,021	182,251
Provision for slow moving, obsolete and damaged store items (Note 17)	-	16,629,008
Provision for doubtful export rebate and claims (Note 22.1.1)	8,967,038	30,514,452
Provision for doubtful sales tax recoverable (Note 23.1)	2,241,415	25,157,276
Others	-	3,097
	45,555,352	92,820,340

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

31. OTHER INCOME

	2015 Rupees	Restated 2014 Rupees
Income from financial assets		
Dividend on equity investment	2,896,501	3,540,168
Exchange gain - net	3,011,586	8,951,423
Return on bank deposits	5,732,715	6,242,701
Accrued mark-up written back	2,172,628	-
Gain on initial recognition of long term financing at fair value	138,355,873	-
Credit balances written back	536,654	73,351,636
Income from non-financial assets		
Scrap sales	30,600,105	33,806,376
Gain on sale of operating fixed assets	3,234,336	2,455,759
	186,540,398	128,348,063

		2015 Rupees	Restated 2014 Rupees
32.	**FINANCE COST**		
	Mark-up on long term financing	147,244,004	159,918,998
	Mark up on short term borrowings	65,927,704	75,988,621
	Adjustment due to impact of IAS - 39	273,416,786	107,544,802
	Bank commission and other financial charges	39,822,124	34,378,061
	Interest on workers' profit participation fund (Note 10.2)	1,767,599	781,255
		528,178,217	378,611,737

		2015 Rupees	2014 Rupees
33.	**TAXATION**		
	Current (Note 33.1)	(72,208,980)	(49,029,133)
	Prior year adjustment	(4,997,942)	48,261,625
	Deferred tax	(39,140,943)	52,987,863
		(116,347,865)	52,220,355

33.1 The Holding Company's provision for current tax represents final tax on export sales under section 169 and minimum tax on local sales under section 113 of the Income Tax Ordinance, 2001. Further, provision against income from other sources of the Holding Company is made under the relevant provisions of the Income Tax Ordinance, 2001. The Subsidiary Company has discontinued its operations and served a notice of discontinuation of business under section 117 of the Income Tax Ordinance, 2001 to the concerned tax authorities.

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

34. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2015	Restated 2014
Profit attributable to ordinary shareholders	(Rupees)	120,275,699	106,629,761
Weighted average number of ordinary shares	(Numbers)	50,911,011	50,911,011
Earnings per share	(Rupees)	2.36	2.09

	2015 Rupees	Restated 2014 Rupees
35. CASH GENERATED FROM OPERATIONS		
Profit before taxation	236,623,564	54,409,406
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	228,755,618	225,639,281
Amortization on intangible asset	-	666,579
Dividend income	(2,896,501)	(3,540,168)
Gain on sale of operating fixed assets	(3,234,336)	(2,455,759)
Gain on recognition of long term financing at fair value	(138,355,873)	-
Adjustment due to impact of IAS - 39	273,416,786	107,544,802
Provision for doubtful debts	121,697	-
Advances written off	193,021	182,251
Credit balances written back	(536,654)	(73,351,636)
Provision for slow moving, obsolete and damaged store items	-	16,629,008
Provision for doubtful export rebate and claims	8,967,038	30,514,452
Provision for doubtful sales tax recoverable	2,241,415	25,157,276
Accrued mark-up written back	(2,172,628)	-
Finance cost	254,761,431	271,066,935
Working capital changes (Note 35.1)	(30,709,317)	81,206,535
	827,175,261	733,668,962

35.1 Working capital changes

	2015 Rupees	Restated 2014 Rupees
(Increase) / decrease in current assets		
Stores, spares and loose tools	(48,731,299)	(18,539,091)
Stock-in-trade	(31,445,212)	(83,697,578)
Trade debts	47,778,828	146,049,048
Advances	8,961,187	2,481,296
Trade deposits and short term prepayments	1,925,737	(11,817,945)
Other receivables	(13,328,185)	22,569,767
Sales tax recoverable	(43,298,532)	(32,321,788)
	(78,137,476)	24,723,709
Increase in trade and other payables	47,428,159	56,482,826
	(30,709,317)	81,206,535

36. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	2015			2014		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	------------------------------- (Rupees)			----------------------------------		
Managerial remuneration	4,620,000	3,300,000	42,614,323	4,620,000	3,300,000	35,517,900
House rent	1,155,000	1,485,000	9,985,271	1,155,000	1,485,000	8,461,267
Utilities	462,000	330,000	4,248,776	462,000	330,000	4,085,472
Special allowance	924,000	-	7,845,484	924,000	-	6,880,500
Contribution to provident fund	384,846	274,896	3,531,580	384,846	274,896	2,958,632
Other allowances	777,000	885,000	10,177,457	1,239,000	885,000	9,706,789
	8,322,846	6,274,896	78,402,891	8,784,846	6,274,896	67,610,560
Number of persons	1	1	34	1	1	34

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

36.2 Meeting fee of Rupees 1,000,000 (2014: Rupees 875,000) was paid to the non-executive directors of the Holding Company for attending meetings.

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

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

37. TRANSACTIONS WITH RELATED PARTIES

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

38. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund of the Holding Company for the year ended 30 June 2015 and audited financial statements of the provident fund of the Holding Company for the year ended 30 June 2014 :

	2015 Rupees	2014 Rupees
Size of the fund - Total assets	126,518,852	113,448,535
Cost of investments	103,042,969	95,908,333
Percentage of investments made	95.17%	96.03%
Fair value of investments	120,402,154	108,941,183

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

	2015 Percentage	2014 Percentage	2015 Rupees	2014 Rupees
Deposits	43.62	46.27	52,523,049	50,403,891
Mutual funds	35.86	34.43	43,180,542	37,511,387
Listed securities	20.52	19.30	24,698,563	21,025,905
	100.00	100.00	120,402,154	108,941,183

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

39. NUMBER OF EMPLOYEES

	2015	2014
Number of employees as on June 30		
Permanent	1,646	1,436
Contractual	14	31
Average number of employees during the year		
Permanent	1,621	1,425
Contractual	13	30

40. SEGMENT INFORMATION

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

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

	Weaving		Dyeing		Power Generation		Retail		Elimination of inter-segment transactions		Total- Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(R u p e e s)											
Sales												
-External	2,051,042,015	2,102,918,863	5,854,978,826	5,669,512,634	-	-		-	-	-	7,906,020,841	7,772,431,497
-Intersegment	1,717,714,755	2,041,089,315	58,471,720	40,212,997	831,775,159	668,345,298		-	(2,607,961,634)	(2,749,647,610)	-	-
	3,768,756,770	4,144,008,178	5,913,450,546	5,709,725,631	831,775,159	668,345,298	-	-	(2,607,961,634)	(2,749,647,610)	7,906,020,841	7,772,431,497
Cost of sales	(3,441,427,982)	(3,775,182,758)	(4,958,914,057)	(5,044,296,498)	(814,823,368)	(657,430,446)		-	2,607,961,634	2,749,647,610	(6,607,203,773)	(6,727,262,092)
Gross profit	327,328,788	368,825,420	954,536,489	665,429,133	16,951,791	10,914,852	-	-	-	-	1,298,817,068	1,045,169,405
Distribution cost	(88,372,177)	(115,755,786)	(350,508,994)	(315,795,798)	-	(10,500)	-	-	-	-	(438,881,171)	(431,562,084)
Administrative expenses	(96,717,901)	(97,893,886)	(120,754,405)	(103,355,559)	(13,330,834)	(9,565,315)	(5,316,022)	(5,299,141)	-	-	(236,119,162)	(216,113,901)
	(185,090,078)	(213,649,672)	(471,263,399)	(419,151,357)	(13,330,834)	(9,575,815)	(5,316,022)	(5,299,141)	-	-	(675,000,333)	(647,675,985)
Profit / (loss) before taxation and unallocated income / expenses	142,238,710	155,175,748	483,273,090	246,277,776	3,620,957	1,339,037	(5,316,022)	(5,299,141)	-	-	623,816,735	397,493,420
Unallocated income and expenses:												
Finance cost											(528,178,217)	(378,611,737)
Other expenses											(45,555,352)	(92,820,340)
Other income											186,540,398	128,348,063
Taxation											(116,347,865)	52,220,355
											(503,541,036)	(290,863,659)
Profit after taxation											120,275,699	106,629,761

40.2 Reconciliation of reportable segment assets and liabilities

	Weaving		Dyeing		Power Generation		Retail		Total- Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(R u p e e s)									
Segment assets	2,113,686,470	1,929,414,907	2,393,343,339	2,358,316,137	898,210,407	837,336,996	120,630,867	121,729,328	5,525,871,083	5,246,797,368
Non-current assets held for sale										
Long term investments									157,009,691	-
Short term investment									-	176,879,692
Unallocated assets									635,342,921	604,120,958
Total assets as per balance sheet									6,318,223,695	6,027,798,018
Segment liabilities	326,677,867	299,247,602	316,850,033	368,216,177	133,938,968	60,010,299	896,391	1,411,698	778,363,259	728,885,776
Long term financing - secured									1,811,907,803	1,961,062,954
Sponsor's loan									196,855,369	176,742,116
Loan from director									11,000,000	11,000,000
Accrued mark-up									250,378,063	132,581,524
Short term borrowings - secured									756,228,140	814,194,999
Deferred liabilities									356,647,458	507,523,537
Provision for taxation									72,208,980	49,029,133
Unallocated liabilities									71,477,712	74,063,690
Total liabilities as per balance sheet									4,305,066,784	4,455,083,729

40.3 Geographical information

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

	2015 Rupees	2014 Rupees
Australia	265,001,282	359,378,990
Asia	3,868,337,096	4,039,513,666
Europe	1,632,234,345	1,622,781,899
United States of America and Canada	357,512,292	179,185,932
Africa	480,872,482	564,523,726
Pakistan	1,302,063,344	1,007,047,284
	7,906,020,841	7,772,431,497

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

40.5 Revenue from major customers

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

41. PLANT CAPACITY AND PRODUCTION

HOLDING COMPANY

	2015	2014
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)	47,921,848	48,081,074
Number of days worked during the year (3 shifts per day)	365	365
Dyeing		
Rated capacity in 3 shifts (linear meter)	30,000,000	30,000,000
Actual production for three shifts (linear meter)	27,712,263	24,615,240
No. of days worked during the year (3 shifts per day)	353	344
Power generation		
Number of generators installed	9	9
Installed capacity (Mega Watt Hours)	300,381	300,381
Actual generation (Mega Watt Hours)	32,718	19,395

41.1 Under utilization of available capacity for weaving and dyeing divisions of the Holding Company 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 Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

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

(a) Market risk

(i) Currency risk

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

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

	2015	2014
Cash in hand - USD	-	1,207
Cash in hand - Euro	-	2,960
Cash at banks - USD	789	789
Trade debts - USD	9,704,733	10,890,817
Trade debts - Euro	205,485	115,833
Trade and other payable - USD	(200,543)	(1,341,000)
Net exposure - USD	9,504,979	9,551,813
Net exposure - Euro	205,485	118,793

The following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	101.31	102.50
Reporting date rate	101.50	98.35
Rupees per Euro		
Average rate	120.86	138.43
Reporting date rate	113.57	134.19

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on profit after taxation for the year would have been higher / lower by Rupees 46.328 million (2014: Rupees 45.947 million) mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

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

(iii) Interest rate risk

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

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

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

	2015 Rupees	2014 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	1,193,805,233	1,358,560,561
Sponsor's loan	196,855,369	176,742,116
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	70,317,056	75,764,024
Financial liabilities		
Long term financing	618,102,570	602,502,393
Short term borrowings	756,228,140	814,194,999

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

'If interest rates at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit for the year would have been Rupees 13.692 million lower / higher (2014: Rupees 12.739 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 balance sheet 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:

	2015 Rupees	2014 Rupees
Investments	157,009,691	176,879,692
Advances	11,598,639	9,976,757
Deposits	37,265,448	35,560,786
Trade debts	485,583,822	533,484,347
Other receivables	1,077,119	1,104,307
Bank balances	109,391,434	152,617,510
	801,926,153	909,623,399

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			2015	2014
Banks	Short Term	Long Term	Agency	Rupees	Rupees
National Bank of Pakistan	A-1+	AAA	JCR-VIS	1,045,273	150,344
Allied Bank Limited	A1+	AA+	PACRA	12,684,893	9,780,724
Askari Bank Limited	A1+	AA	PACRA	1,091,512	154,146
Bank Alfalah Limited	A1+	AA	PACRA	2,423,309	221,134
Faysal Bank Limited	A1+	AA	PACRA	828,166	514,906
Habib Bank Limited	A-1+	AAA	JCR-VIS	9,959,766	3,524,607
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	59,138,488	56,430,665
The Bank of Punjab	A1+	AA-	PACRA	4,704,808	276,717
MCB Bank Limited	A1+	AAA	PACRA	-	92,764
NIB Bank Limited	A1+	AA -	PACRA	3,081,633	56,788,522
Silk Bank Limited	A-2	A -	JCR-VIS	353,778	624,015
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	4,707,679	3,416,142
United Bank Limited	A-1+	AA+	JCR-VIS	9,256,047	1,590,017
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	116,082	19,052,807
				109,391,434	152,617,510
Investment					
Security General Insurance Company Limited	A+		JCR-VIS	157,009,691	176,879,692
				266,401,125	329,497,202

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

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

(c) Liquidity risk

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

The Group manages liquidity risk by maintaining sufficient cash. At 30 June 2015, the Group has Rupees 112.377 million (2014: Rupees 155.617 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 2015

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
Long term financing	1,811,907,803	2,342,944,851	156,508,103	60,379,517	205,819,296	1,920,237,935
Sponsor's loan	196,855,369	272,000,000	-	20,113,253	22,402,141	229,484,606
Trade and other payables	770,775,057	770,775,057	770,775,057	-	-	-
Loan from director	11,000,000	11,000,000	11,000,000	-	-	-
Accrued mark-up	551,167,897	551,167,897	250,378,063	-	-	300,789,834
Short term borrowings	756,228,140	854,912,448	854,912,448	-	-	-
	4,097,934,266	4,802,800,253	2,043,573,671	80,492,770	228,221,437	2,450,512,375

Contractual maturities of financial liabilities as at 30 June 2014

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees)					
Long term financing	1,961,062,954	2,342,944,851	156,508,103	60,379,517	205,819,296	1,920,237,935
Sponsor's loan	176,742,116	272,000,000	-	20,113,253	22,402,141	229,484,606
Trade and other payables	721,492,984	721,492,984	721,492,984	-	-	-
Loan from director	11,000,000	11,000,000	11,000,000	-	-	-
Accrued mark-up	624,986,668	624,986,668	132,581,524	-	-	492,405,144
Short term borrowings	814,194,999	854,912,448	854,912,448	-	-	-
	4,309,479,721	4,827,336,951	1,876,495,059	80,492,770	228,221,437	2,642,127,685

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

42.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in theses consolidated financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which fair value is observable:

	Level 1	Level 2	Level 3	Total
	.... (Rupees)	....		
As at 30 June 2015				
Assets				
Available for sale financial assets	-	-	157,009,691	157,009,691
As at 30 June 2014				
Assets				
Available for sale financial assets	-	-	176,879,692	176,879,692

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the Group is the current bid price. These financial instruments are classified under level 1 in above referred table. The Group has no such type of financial instrument as at 30 June 2015.

The fair value of financial instruments that are not traded in active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimate. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2. The Group has no such type of financial instruments as at 30 June 2015.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

42.3 Financial instruments by categories

Assets as per balance sheet

	2015			2014		
	Loans and receivables	Available for sale	Total	Loans and receivables	Available for sale	Total
	- -- -------- (Rupees)	- - - - - - -- -		- - - - - -- - - (Rupees)	- - - - - - -- - -	
Investments	-	157,009,691	157,009,691	-	176,879,692	176,879,692
Advances	11,598,639	-	11,598,639	9,976,757	-	9,976,757
Deposits	37,265,448	-	37,265,448	35,560,786	-	35,560,786
Trade debts	485,583,822	-	485,583,822	533,484,347	-	533,484,347
Other receivables	1,077,119	-	1,077,119	1,104,307	-	1,104,307
Cash and bank balances	112,377,211	-	112,377,211	155,617,370	-	155,617,370
	647,902,239	157,009,691	804,911,930	735,743,567	176,879,692	912,623,259

	2015 Rupees	2014 Rupees
Financial liabilities at amortized cost		
Long term financing	1,811,907,803	1,961,062,954
Sponsor's loan	196,855,369	176,742,116
Accrued mark-up	551,167,897	624,986,668
Loan from director	11,000,000	11,000,000
Short term borrowings	756,228,140	814,194,999
Trade and other payables	770,775,057	721,492,984
	4,097,934,266	4,309,479,721

42.4 Capital risk management

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

43. AUTHORIZATION OF FINANCIAL STATEMENTS

These consolidated financial statements were authorized for issue by the Board of Directors of the Holding Company on 29 September 2015.

44. CORRESPONDING FIGURES

Corresponding figures have been rearranged / regrouped, wherever necessary, for the purpose of comparison. However, no significant rearrangements / regroupings have been made except for retrospective correction of sponsor's loan as disclosed in note 8.1 to these consolidated financial statements.

45. GENERAL

Figures have been rounded off to nearest of Rupee.

AAMIR FAYYAZ SHEIKH
Chief Executive

ASAD FAYYAZ SHEIKH
Director

PROXY FORM

28th Annual General Meeting 2015

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 28th Annual General Meeting of the Company to be held on Thursday, October 29, 2015 at 02:30 p.m. and at any adjournment thereof.

As witness my/our hand seal this ____________________ day of __________________, 2015

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. ______________________

Address ______________________

Witness 2

Signature ______________________

Name ______________________

CNIC 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.

Kohinoor Mills Limited

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