Kohinoor Textile Mills Limited

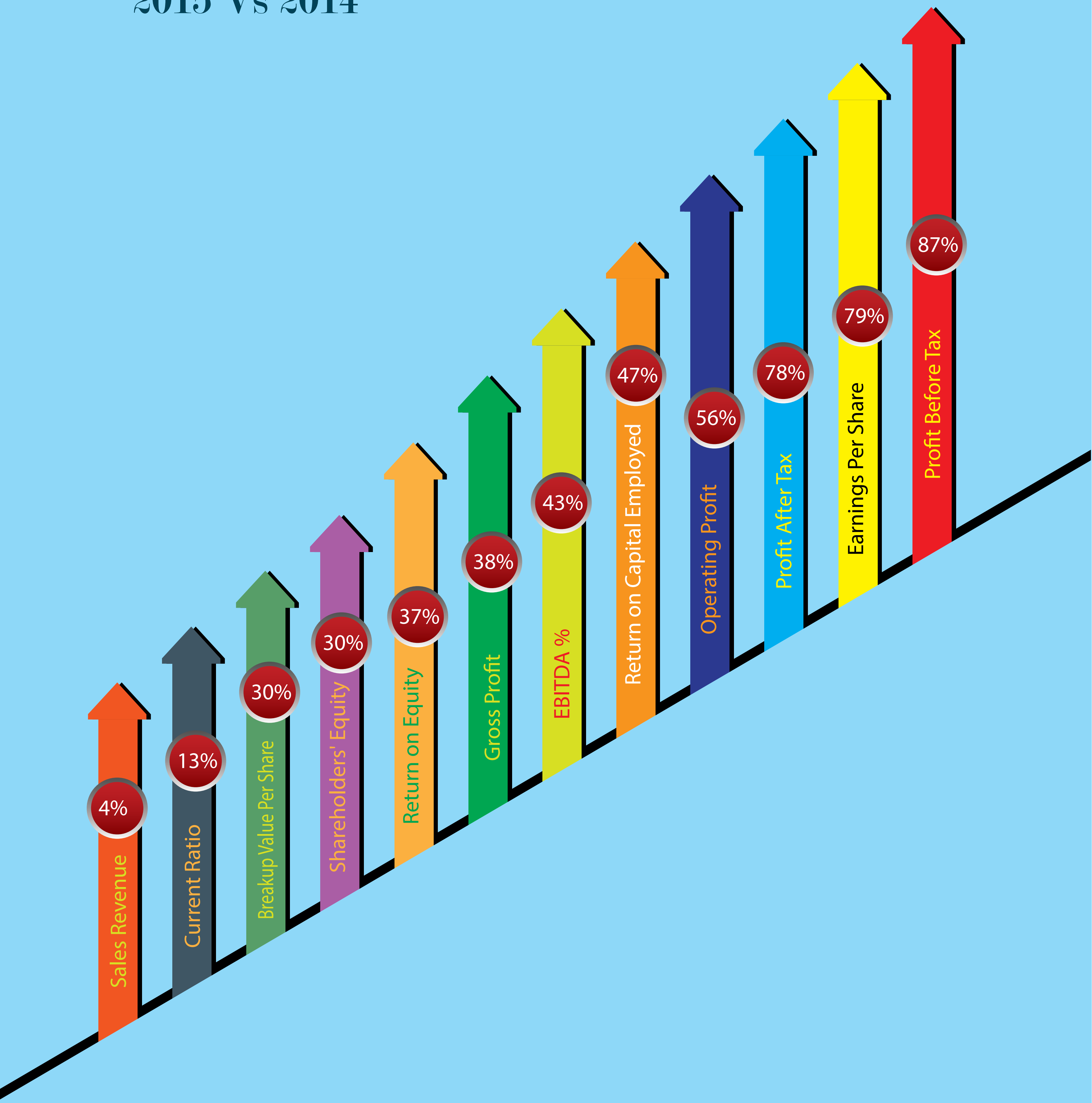
ANNUAL REPORT 2015

Contents

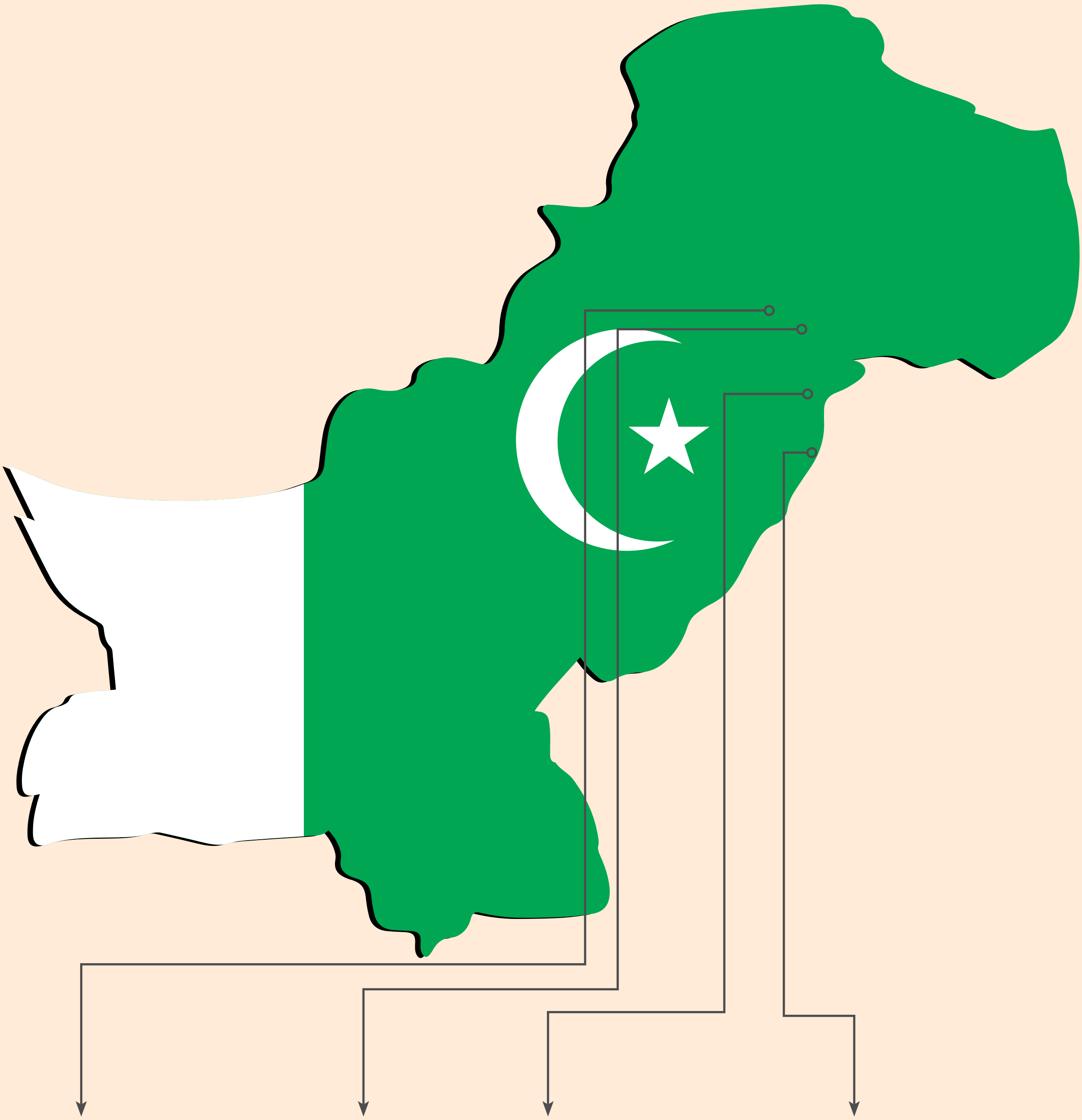
KOHINOOR TEXTILE MILLS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Financial Highlights
2015 Vs 2014



Geographical Presence



Mills
Gulyana Road, Gujar Khan,
District: Rawalpindi

Mills
Peshawar Road,
Rawalpindi

Head office
42 - Lawrence Road,
Lahore

Mills
8 K.M., Manga Raiwind Road,
District: Kasur

Company Profile and Group Structure

Then & Now

The Company commenced textile operations in 1953 as a private limited company and became a public limited company in 1968. The Company is a part of Kohinoor Maple Leaf Group (KMLG). KMLG structure comprises of two listed public limited companies i.e. Kohinoor Textile Mills Limited (KTML) and Maple Leaf Cement Factory Limited (MLCF) and one unlisted public limited company i.e. Maple Leaf Capital Limited (MLCL). MLCF & MLCL are subsidiary companies of KTML. The initial capacity of its Rawalpindi unit comprised 25,000 spindles and 600 looms. Later, fabric processing facilities were added and spinning capacity was augmented. Additional production facilities were acquired on the Raiwind-Manga Road near Lahore in District Kasur and on the Gulyana Road near Gujar Khan, by way of merger.

The principal object of MLCL is to buy, sell, hold or otherwise acquire or invest its capital in any sort of financial instruments.

Nature of Business

The Company's production facilities now comprise 156,528 ring spindles capable of spinning a wide range of counts using cotton and Man-made fibers. The weaving facilities at Raiwind comprise 252 looms capable of weaving a wide range of greige fabrics. The processing facilities at the Rawalpindi unit are capable of dyeing and printing fabrics for the home textile market. The stitching facilities produce a diversified range of home textiles for the export market. Both the dyeing and stitching facilities are being augmented to take advantage of greater market access. Fully equipped laboratory facilities for quality control and process optimization have been setup at all three sites.

The Company has been investing heavily in Information Technology, training of its human resources and preparing its management to meet the challenges of market integration.

The Company continues to ensure that its current competitive position is maintained as well as supporting the ongoing improvement process in our endeavor to maintain world's best manufacturing practice. Operations of the Company are subject to different environmental and labour laws. The Company is fully complying with all applicable environmental, labour, corporate and other relevant legal laws.

Macro Factors Affecting the Business:

a) **Pakistan's Economy -** The revival of growth that started in 2013-14 has accelerated in 2014-15 as per indicators released by the National Accounts Committee. The factors contributing this momentum in growth include the reform initiatives, commitment to a calibrated fiscal and monetary management and an overall improvement in the macro economic situation. The impact of these factors was strengthened by a steep decline in oil prices, rise in foreign exchange buffers, growth in remittances and proceeds from privatization.

b) **Textile Industry –** The Textile Industry is again flourishing due to favourable Government policies for supply of Power and Gas to Textile sector on preferential basis. More over sharp decline in oil prices has supported the Captive power producers favourably to minimize the power cost.

c) Inflation – From the start of the year, Inflation on a year on year basis, decreased from 7% to 2.1% in April which is the lowest level since 2003-2004 (SBP Inflation Snapshot). However, towards the end of the financial year, it increased slightly to close at 3.2%.

d) Fiscal Development – The fiscal deficit has decreased from 8.8% in 2013 to 5.3% in 2015. This has been possible by the reforms of the present Government on both revenue and expenditure side. The Government further expects to decrease this to 4.3% for the year 2015-2016.

e) Money & Credit – The discount rate has reduced from 10% in 2013 to 6.5% in 2015. Balance of payments also improved at the backing of reduced import bill and steady growth in workers' remittances. Foreign exchange reserves closed at $13.5 billion as on 30th June 2015.

f) Main Market – The main market of the Company is the domestic market but is ably supported by exports which are in America, Euorpe, Australia and other Asian countries. The operations of the Company are subject to different environmental, corporate and labor laws and it is fully complying with these and other relevant laws.

Micro Factors Affecting the Business:

a) Business model for the Company – The business model of the Company is to increase retention, reduce the cost of production and increase customer satisfaction.

b) Product portfolio – Kohinoor is producing various products in order to meet the demand of various users.

Company Information

Board of Directors

Mr. Tariq Sayeed Saigol	Chairman
Mr. Taufique Sayeed Saigol	Chief Executive
Mr. Sayeed Tariq Saigol	
Mr. Waleed Tariq Saigol	
Mr. Danial Taufique Saigol	
Mr. Shafiq Ahmed Khan	
Mr. Arif Ijaz	
Syed Mohsin Raza Naqvi	

Audit Committee

Mr. Shafiq Ahmed Khan	Chairman
Mr. Arif Ijaz	Member
Mr. Sayeed Tariq Saigol	Member

Human Resource &
Remuneration Committee

Mr. Arif Ijaz	Chairman
Mr. Sayeed Tariq Saigol	Member
Mr. Danial Taufique Saigol	Member

Chief Financial Officer
Syed Mohsin Raza Naqvi

Company Secretary
Mr. Muhammad Ashraf

Chief Internal Auditor
Mr. Bilal Hussain

Auditors
M/s. Riaz Ahmad & Company
Chartered Accountants

Legal Adviser
Mr. Muhammad Salman Masood
Advocate High Court

Registered Office
42-Lawrence Road, Lahore.
Tel: (92-042) 36302261-62
Fax: (92-042) 36368721

Share Registrar
Vision Consulting Ltd
3-C, LDA Flats,
Lawrence Road, Lahore.
Tel: (92-042) 36283096-97
Fax: (92-042) 36312550
E-mail:shares@vcl.com.pk
Website: www.vcl.com.pk

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

Mills

- Peshawar Road, Rawalpindi
  Tel: (92-051) 5495328-32 Fax: (92-051) 5471795

- 8 K.M., Manga Raiwind Road, District Kasur
  Tel: (92-042) 35394133-35 Fax: (92-042) 35394132

- Gulyana Road, Gujar Khan, District Rawalpindi
  Tel: (92-0513) 564472-74 Fax: (92-0513) 564337

Website:

- www.kmlg.com

Note: KTML's Financial Statements are also available at the above website.

Leading the way

Our Vision

The Kohinoor Textile Mills Limited stated vision is to achieve and then remain as the most progressive and profitable Company in Pakistan in terms of industry standards and stakeholders interest.

Our Mission

The Company shall achieve its mission through a continuous process of having sourced, developed, implemented and managed the best leading edge technology, industry best practice, human resource and innovative products and services and sold these to its customers, suppliers and stakeholders.

Weaving Dreams

Code of Business Conduct and Ethical Principles

The following principles constitute the code of conduct which all Directors and employees of **Kohinoor Textile Mills Limited** are required to apply in their daily work and observe in the conduct of Company's business. While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies. Contravention is viewed as misconduct. The code emphasizes the need for a high standard of honesty and integrity which are vital for the success of any business.

ETHICAL PRINCIPLES

1. Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest and the interest of the Company such as interest in an organization supplying goods/services to the Company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.

2. Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company are not in any way compromised.

3. Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.

4. Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person. Nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views that they express are those of the Company and it is the Company's desire that such views be publicly disseminated.

5. All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities is accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.

6. The Company has strong commitment to the health and safety of its employees and preservation of the environment and the Company will persevere towards achieving continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.

7. Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also all employees will be equally respected and actions such as sexual harassment and disparaging remarks based on gender, religion, race or ethnicity will be avoided.

Statement of Overall Strategic Objectives 2015 – 2016

Following are the main principles that constitute the strategic objectives of Kohinoor Textile Mills Limited:-

PRINCIPLES

1. Effective use of available resources and improved capacity utilization of the Company's production facilities;

2. Modernization of production facilities to ensure the most effective production;

3. Effective marketing and innovative concepts;

4. Strengthening independence in terms of secure supply of low-cost services and resources, including energy supply, transportation and logistics services;

5. Explore alternative energy resources;

6. Further improvements in Code of Corporate Governance through restructuring of assets and optimization of management processes;

7. Implementation of effective technical and human resource solutions. Personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labour environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work;

8. Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions; and

9. Implementation of projects in the social and economic development of communities.

Notice of Annual General Meeting

Notice is hereby given that the 47th Annual General Meeting of the members of Kohinoor Textile Mills Limited (the "Company") will be held on Saturday, October 31, 2015 at 12:30 PM at its Registered Office, 42-Lawrence Road, Lahore, to transact the following business:-

Ordinary Business:

1) To receive, consider and adopt the audited accounts of the Company including consolidated financial statements for the year ended June 30, 2015 together with the Directors' and Auditors' Reports thereon.

2) To approve the final cash dividend of Rs.2.50 per share (25%) for the year ended June 30, 2015, as recommended by the Board of Directors. This is in addition to the interim dividend of Re.1/- per share (10%) already paid making a total cash dividend of Rs.3.50 per share (35%) during the year.

3) To appoint Auditors for the year ending on June 30, 2016 and fix their remuneration. The Board has recommended, as suggested by the Audit Committee, the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, the retiring auditors and being eligible offer themselves for re-appointment.

Special Business:

4) To consider and if deemed fit, to pass the following special resolution under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), as recommended by the Directors:-

   "Resolved by way of special resolution that consent and approval of Kohinoor Textile Mills Limited (the "Company") be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 (the "Ordinance") for investment in the form of loans / advances from time to time to Maple Leaf Cement Factory Limited, a subsidiary of the Company, upto an aggregate sum of Rs.500 million (Rupees five hundred million only) for a period of one year commencing from November 01, 2015 to October 31, 2016 (both days inclusive) at the mark-up rate of one percent above the average borrowing cost of the Company. Vide special resolution passed in general meeting held on October 30, 2014 by the shareholders, the Company was authorized to extend a facility of similar nature to the extent of Rs.300 million which is valid till October 31, 2015.

   Resolved further that the Chief Executive Officer and the Company Secretary of the Company be and are hereby authorized singly to take all steps necessary, ancillary and incidental, corporate and legal formalities for the completion of transactions in relation to the loans / advances to the subsidiary company but not limited to filing of all the requisite statutory forms and all other documents with SECP, executing documents all such notices, reports, letters and any other document or instrument to give effect to the above resolution."

BY ORDER OF THE BOARD

(Muhammad Ashraf)
Company Secretary

Lahore: October 10, 2015

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 20, 2015 to October 31, 2015 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, at the close of business on October 19, 2015 will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy and CDC shareholders shall attach an attested copy of his/her Computerized National Identity Card (CNIC) / Passport. Proxies, in order to be effective, must reach at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Representatives of corporate members should bring the usual documents required for such purpose.

3. The Members, who desire for receiving the audited financial statements and AGM Notice through e-mail, are requested to send their written consent on a Standard Request Form available on website www.kmlg.com in order to avail this facility.

4. Shareholders are requested to notify / submit the following information & documents, in case of book entry securities in CDS to their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier provided / notified:-

   a. Change in their addresses;

   b. Dividend mandate information i.e. Title of Bank Account, Bank Account No., Bank's Name, Branch Address and Cell / Landline No(s). of the Transferee(s) towards direct dispatch of cash dividend cheque(s) to their bankers;

   c. Valid and legible copies of CNIC for printing of CNIC number(s) on their Dividend Warrant(s) as required vide SRO 831 (I)/2012 dated July 05, 2012. In case of non-submission of valid & legible copy of CNIC, the Company will be constrained to withhold the Dividend Warrant(s) under Section 251(2) of the Companies Ordinance, 1984;

   d. Valid and legible copies of National Tax Number (NTN) or NTN Certificate(s) of corporate entities and must quote the company name and their respective folio numbers thereon while sending the copies;

   e. Pursuant to requirement of the Finance Act, 2015 effective July 01, 2015, the 'Filer' & 'Non-Filer' shareholders will pay tax on dividend income @12.5% and 17.5% respectively. Therefore, please ensure that their name(s) have been entered into Active Taxpayers List (ATL) provided on website www.fbr.gov.pk of the Federal Board of Revenue (FBR), despite the fact that the shareholder is a filer, before the payment date of cash dividend i.e. November 27, 2015, otherwise tax on cash dividend will be deducted @17.5% instead of 12.5%;

   f. As per clarification of FBR, each holder is to be treated individually as either a 'Filer' or 'Non-Filer' and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing within 10 days from entitlement date i.e. October 19, 2015 as follows, to our Share Registrar, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Folio / CDC Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name & CNIC No.	Shareholding Proportion (No. of Shares)	Name & CNIC No.	Shareholding Proportion (No. of Shares)

g) Related reference from law or valid tax exemption certificate issued by the concerned Commissioner of Inland Revenue is to be furnished to the Company / Share Registrar in order to avail tax exemption otherwise tax will be deducted under the provisions of laws.

h) For any query / information, the shareholders may contact the Company Secretary at the above Registered Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

i) The audited financial statements for the year ended June 30, 2015 are available on website of the Company; www.kmlg.com.

Passion to succeed

Statement Under Section 160(1)(b) of the Ordinance:

Investment in Maple Leaf Cement Factory Limited

Maple Leaf Cement Factory Limited, having its Registered Office at 42-Lawrence Road, Lahore (the "MLCF") is a subsidiary of the Company and the Company, being a holding company, holds 291,410,425 ordinary shares constituting 55.22% of the aggregate paid-up capital in MLCF, a public listed company engaged in the business of manufacturing and sale of cement and the factory is located at Iskanderabad, District Mianwali.

The Board of Directors of the Company in their meeting held on September 10, 2015 has approved Rs.500 million as loans / advances, being a reciprocal facility, to MLCF on the basis of escalating profit trend of MLCF subject to approval of the members. The Company shall extend the facility of loans / advances from time to time for working capital requirements to MLCF in accordance with an agreement in writing including all relevant terms and conditions as prescribed in the Regulations.

Directors of the Company have also provided their duly signed undertaking / due diligence report with recommendations that they have carried out necessary due diligence for the proposed investment in MLCF and it has been kept at Registered Office of the Company for inspection of the members along with audited accounts of MLCF as required under the Regulations.

Ensuring balance

Information under clauses 3(1)(b) & 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Ref. No.	Requirement	Information
(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established;	**Maple Leaf Cement Factory Limited (the "MLCF")** MLCF is a subsidiary of Kohinoor Textile Mills Limited (the "Company") and the Company holds 55.22% of the aggregate paid-up capital in MLCF.
(ii)	Amount of loans or advances;	Rs.500 million (Rupees five hundred million only).
(iii)	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances;	**Purpose:** To earn income on the loan and/or advances to be provided to MLCF from time to time for working capital requirements of MLCF. **Benefits:** The Company will receive mark up at the rate of one percent above of its average borrowing cost. This shall benefit the Company's cash flow by earning profit on idle funds. **Period:** For a period of one year from November 01, 2015 to October 31, 2016.
(iv)	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;	A similar nature of loan/advance facility of Rs.300 million from time to time for working capital requirements has been granted by the valued shareholders of the Company vide special resolution passed in the Annual General Meeting held on October 30, 2014 which is valid till October 31, 2015.
(v)	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements;	Based on the audited financial statements for the financial year ended 30 June 2015, the financial position of MLCF is as under:-

Particulars	Amount Rupees (000)
Paid up capital	5,277,340
Capital reserves	2,058,137
Accumulated profits	5,576,181
Surplus on revaluation of fixed assets–net of tax	4,751,082
Current liabilities	8,144,461
Current assets	7,439,205
Breakup value per share (Rs.) without revaluation	24.47
Sales - Net	20,720,054
Gross Profit	7,495,623
Operating Profit	5,583,550
Net Profit	3,454,295
Earnings per share (Rs.)	6.55

Ref. No.	Requirement	Information
(vi)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;	Average borrowing cost of the Company is 9.68% for the year ended June 30, 2015.
(vii)	Rate of interest, mark up, profit, fees or commission etc. to be charged;	Mark-up will be charged from MLCF at one percent above the average borrowing cost of the Company.
(viii)	Sources of funds from where loans or advances will be given;	Loan and / or advance will be given out of own funds of the Company.
(ix)	Where loans or advances are being granted using borrowed funds,- (I) justification for granting the loan or advance out of borrowed funds; (II) detail of guarantees / assets pledged for obtaining such funds, if any; and (III) repayment schedules of borrowing of the investing company;	N/A
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;	No collateral is considered necessary since MLCF is a subsidiary company of the Company.
(xi)	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;	N/A
(xii)	Repayment schedule and terms of loans or advances to be given to the investee company;	The loan / advance would be for a period of one year from November 01, 2015 to October 31, 2016 (both days inclusive). MLCF will pay interest/ mark-up on quarterly basis whereas repayment of principal amount shall be on or before October 31, 2016.

Ref. No.	Requirement	Information		
(xiii)	Salient features of agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;	**Nature**	:	Loan / advance
		Purpose	:	To earn mark- up / profit on loan / advance being provided to MLCF which will augment the Company's cash flow
		Period	:	One Year
		Rate of Mark-up	:	Above one percent of the average borrowing cost of the Company
		Repayment	:	Principal plus mark up/ profit upto October 31, 2016.
		Penalty charges	:	@ 3-months KIBOR plus one percent in addition to the outstanding amount(s).
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated companies or associated undertakings or the transaction under consideration; and	Investing company i.e. the Company is a holding company of MLCF and six Directors being common in both the companies may be deemed to be interested to the extent of their shareholding. None of the Directors or their relatives or associates are interested in any of the above resolution in any way except as members of the Company.		
(xv)	Any other important details necessary for the members to understand the transaction	N/A		

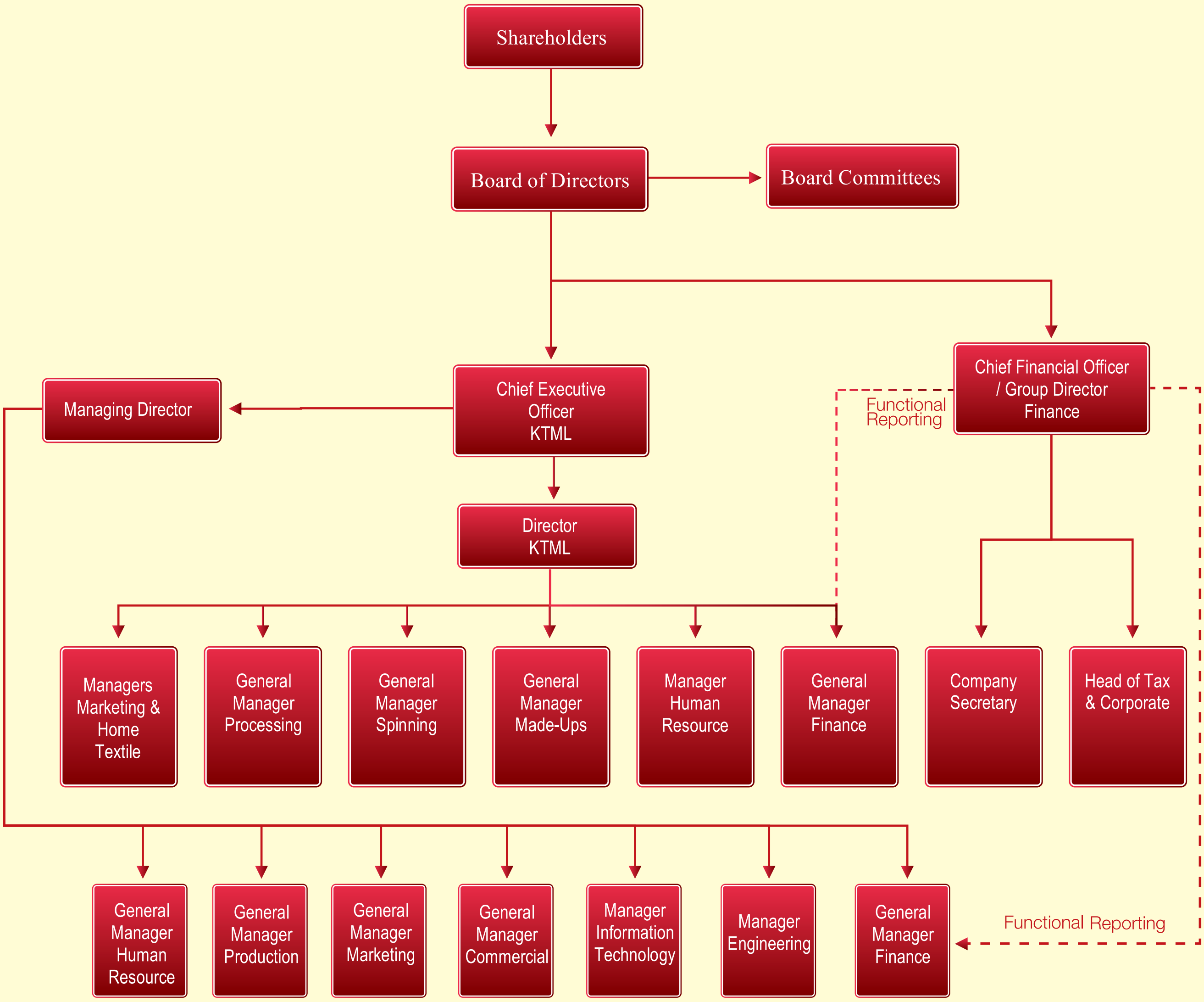
Five Directors of the Company are also the members of investee company i.e. MLCF and are interested to the extent of their shareholding as under:-

Name	%age of shareholding in MLCF	%age of shareholding in the Company
Mr. Tariq Sayeed Saigol & his spouse	0.3540	4.2727
Mr. Taufique Sayeed Saigol	0.0010	4.4098
Mr. Sayeed Tariq Saigol	0.0010	0.1286
Mr. Waleed Tariq Saigol	0.0010	0.0289
Mr. Danial Taufique Saigol	0.0005	0.0010

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012.

Name of Investee Company	:	Maple Leaf Capital Limited
Date of Approval of Equity Investment	:	October 30, 2014
Total Investment Approved	:	PKR Two Billion
Amount of Investment Made to Date	:	PKR One Billion
Reasons for not having made complete investment so far where resolution required to be implemented in specified time.	:	Keeping in view the prevailing volatile conditions of stock market, the management of investing company decided to pend the further investment for the time being. However, constant evaluation of market indicators is underway.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.	:	At the time of approval, there was a loss per share Re.0.29 and break-up value per share was Rs.9.71 based on the financial statements for the year ended June 30, 2014. As per latest audited financial statements for the year ended June 30, 2015, the earning per share is Rs.2.34 and break-up value per share is Rs.11.12.

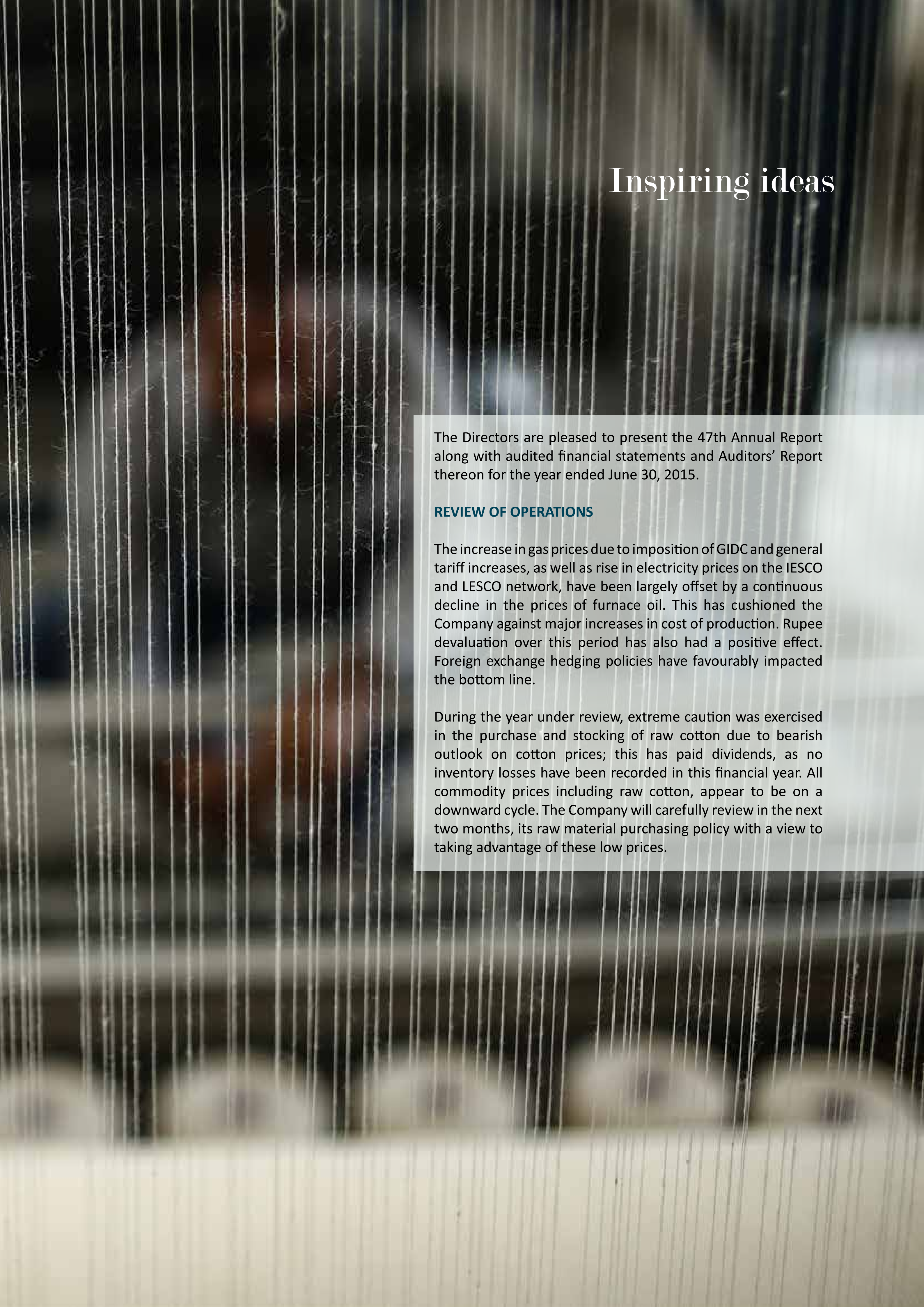
Organization Chart of KTML




Focus on quality

Directors' Report
to the Shareholders

- Review of Operations
- Financial Review
- Non Financial Review
- Management Objectives and Strategies
- Entity's Significant Resources
- Liquidity
- Information Technology
- Risks and Management's Strategies to Mitigate these Risks
- Entity's Significant Relationship
- Critical Performance Indicators
- Key Sources of Estimation Uncertainty
- Human Resource Management
- Social Compliance
- Mitigating Efforts to Control Industry Effluents
- Forward looking statement



Inspiring ideas

The Directors are pleased to present the 47th Annual Report along with audited financial statements and Auditors' Report thereon for the year ended June 30, 2015.

REVIEW OF OPERATIONS

The increase in gas prices due to imposition of GIDC and general tariff increases, as well as rise in electricity prices on the IESCO and LESCO network, have been largely offset by a continuous decline in the prices of furnace oil. This has cushioned the Company against major increases in cost of production. Rupee devaluation over this period has also had a positive effect. Foreign exchange hedging policies have favourably impacted the bottom line.

During the year under review, extreme caution was exercised in the purchase and stocking of raw cotton due to bearish outlook on cotton prices; this has paid dividends, as no inventory losses have been recorded in this financial year. All commodity prices including raw cotton, appear to be on a downward cycle. The Company will carefully review in the next two months, its raw material purchasing policy with a view to taking advantage of these low prices.

The results of the processing and cut & sew operations have seen a significant improvement over the previous year. The results in the coming year should improve further as a result of lower yarn prices due to decreased raw material costs. The Company continues to expand its value-added offerings through investment in equipment to add new, highly-embellished product lines.

The Company continues its policy of enhancing value addition in its products. This policy has been successful as gross profit margins in the year under review, have increased over the year before, especially in the home textiles segment.

The pace of modernization in all segments of the Company's operations have been intensified with a view to reducing energy consumption and offsetting the recent increases in wages and electricity prices. The Company is also intensifying its efforts to use alternate energy sources.

FINANCIAL REVIEW

During the year under review, Company's sales increased by 3.66% to Rs.15,863 million (2014: Rs.15,302 million), while cost of sales decreased by 1.96% to Rs.13,133 million (2014: Rs.13,395 million). This resulted in increased gross profit to Rs.2,730 million (2014: Rs.1,907 million).

Operating profit for the year under review stood at Rs.2,897 million (2014: Rs.1,854 million). The Company made an after tax profit of Rs.2,087 million (2014: Rs.1,170 million). Earnings per share for the year ended June 30, 2015 were markedly higher at Rs.8.50 against Rs.4.76 for the same period last year.

DIVIDEND

Keeping in view the results, the Board of Directors has announced final cash dividend at Rs.2.50 per share i.e. 25%. This is in addition to the already paid interim cash dividend @10% i.e. Rs.1 per share, thus making a total cash dividend @35% i.e. Rs.3.50 per share for the year ended June 30, 2015.

Facing challenges
with smile

The Directors recommend as under:

	Rupees in Thousand
Profit before taxation	2,406,306
Provision for taxation	(319,473)
Profit after taxation	2,086,833
Interim dividend declared during the year	(245,526)
Accumulated profit brought forward	2,118,249
Accumulated profit carried forward	**3,959,556**

ANALYSIS OF PRIOR PERIOD FORWARD LOOKING DISCLOSURE

The Company's actual performance in the year 2014-15 exceeds the forward looking disclosures made in the last year annual report. Power cost increased during the last year which affected production cost of textile sector. However, effective utilization of resources, purchasing of cotton to cover our needs of short term future, production of higher thread count yarn, improved margins in home textiles and reduction of debt resulted in increased operating profits.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

Operating profit of weaving divisions reduced due to declining trend in grey fabric prices and adverse power conditions during the year. Spinning, Processing and Home Textile divisions' performance significantly improved during the year due to better utilization and operational efficiencies. Segment wise profit before taxation and unallocated income and expenses for the year ended 30 June 2015 are as under:

Division	Rupees in thousand	
	2015	2014
Spinning	829,223	636,742
Weaving	117,506	216,814
Processing and home textile	796,225	163,863

PROSPECTS OF THE COMPANY INCLUDING TARGETS FOR FINANCIAL AND NON-FINANCIAL MEASURES

Prospects of the Company – The projections are very encouraging with continued growth expected locally and internationally as new potential customers are being explored and various measures adopted by the Company to reduce the cost. Different marketing strategies are being carried out to increase sales and profitability.

Financial Measures – Various financial considerations are used to make the projections of the Company which are as follows:

- Increase in sales volume for all types of products.
- Reduced cost of production through:
  a. reduction in raw material cost,
  b. savings in fuel cost,
  c. lower weighted average cost of capital.

Non Financial Measures – Non-financial measures are the many intangible variables that impact performance of the Company. These are difficult to quantify compared to financial measures but are equally important. These indicators are more likely to be closer to the long term organizational strategies. Following are the non-financial measures in place by the Company:

Embracing modernity

- **Stakeholder's engagement –** different committees and forums are in place and meetings are held periodically to keep the stakeholders involved in every aspect of the business.

- **Customer satisfaction –** Company places strong emphasises on customers' satisfaction and ensure to produce & deliver the goods as per specific demands of customers.

- **Employee's development -** the Company has conducted various training courses for the development of existing human capital.

- **Innovation in manufacturing methods –** ongoing R & D is in place to improve the production process and efficiencies

Change in Performance Measures – Based on actual results for the year 2014-2015, the Company has made the following revisions to its financial measures:

- **Increase in sales target –** Since the sales for the current year have exceeded budgets, an upward revision has been made in the targets for the next year.

- **Change in the power mix –** Due to reduction in HFO cost, the Company has changed its planning of the power mix and has planned to use more HFO based power sources.

- **Finance cost –** The government has reduced the rate of borrowing which is now lower than what was expected last year. Consequently the Company has also made a reduction of its budgeted finance cost.

MANAGEMENT OBJECTIVES AND STRATEGIES

Management has the objective to transform the culture of the Company into highly customer driven, empowered and cross functionality focused Company in order to maximize the return for stakeholders. Management has the belief that Quality may not be achieved without implementation of Key Performance Indicators (KPI's) in all the critical, contemporary areas of performance. Total Quality Management team has been formed to monitor the KPI's in all the key areas on continuous basis and make corrective actions instantly where required. We strive to achieve our objectives with collective wisdom and empathy. We believe that training is the source of all process driven thinking. Trainings for management team have been arranged during the year


Committed to serve

2014-15 including 6 Sigma trainings. We have framed well defined different teams to address the key areas like Team energy, Team strategy, Team Culture Development etc.

We have reduced variable cost due to efficient energy management and other cost reduction measures. The to-date result, financial and non-financial, are the reflection of achievement of management's objective which are strategically placed to increase the wealth of stakeholder. The said results are properly evaluated against the respective strategic objectives to confirm the achievement.

There is no material change in Company's objective and strategies from the previous year.

ENTITY'S SIGNIFICANT RESOURCES

Our resources consist of mainly human resource, financial resource, and technological resource. The Company assorted and hired team of professionals with enormous expertise in latest technologies who proficiently design the ways for improving and upgrading our production process, networking and control systems. We have developed a dedicated team to analyze the human resource right from selection till retirement. We believe in adding value to our human resource by extensive trainings and development programs.

LIQUIDITY

Our liquidity condition has improved over the period with reduced payment cycle. The management has a balanced team of suitably qualified professionals who have breadth of experience and knowledge of best practices in liquidity management pertaining to policies, processes, regulatory constraints, tax considerations and liquidity management system.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

The Company continues its efforts to maintain debts at a reasonable level which supports the long term objectives of the Company and improve its liquidity position. During the year Company did expansion in its weaving division and obtained Long Term Finance Facility of Rs.318 million which resulted in slight increase in debt equity ratio from 3:97 to 6:94. Moreover, the Company continued its strategy to utilize maximum cash profits for the payment of debts.

Management believes that there is no inadequacy in capital structure in status quo.

The Company is exposed to liquidity risk and in order to cope with it we invest only in highly liquid resources to mitigate the risk. The Company continues with its plan to utilize that cash generated from operations for repayment of its debt on timely basis which will result in reduction of financial cost and resultantly net profit of the company will be increased.

INFORMATION TECHNOLOGY

Management has a strong commitment to strengthen the platform for information technology and information systems in order to remain competitive and cater the requirements of coming era. The Company continues to upgrade and improve information systems and processes, an effort led by a team of IT professionals with wide ranged experience in latest information technologies.

ENTITY'S SIGNIFICANT RELATIONSHIP

The Company maintains its good relationships with all stakeholders based on mutual interest, integrity and confidence. We maintain collaborative relations with our stakeholders through harmonious and effective communication and through our customer focused approach.

INVESTORS' GRIEVANCES POLICY

The Company believes that Investor service is a vital element for sustained business growth and we want to ensure that our Investors receive exemplary service across different touch points of the Company. Prompt and efficient service is essential to retaining existing relationships and therefore Investor satisfaction becomes critical to the Company. Investor queries and complaints constitute an important voice of Investor, and this policy details grievance handling through a structured grievance framework. Grievance policy is supported by a review mechanism, to minimize the recurrence of similar issues in future. The Company's Grievance policy follows the following principles:

- Investors are treated fairly at all times.
- Complaints raised by Investors are dealt with courtesy and in a timely manner.
- Investors are informed of avenues to raise their queries and complaints within the organization, and their rights if they are not satisfied with the resolution of their complaints.
- Queries and Complaints are treated efficiently and fairly.
- The Company's employees work in good faith and without prejudice, towards the interests of the Investors.

CRITICAL PERFORMANCE INDICATORS

Following are some of the critical performance measures and indicators against stated objectives of the Company.

OBJECTIVES	MEASURES
Effective use of available resources and improved capacity utilization of the Company's production facilities.	Efficient production planning and control (PPC) department with responsibility to plan orders on timely basis in order to minimize the idle time.
Modernization of production facilities in order to ensure the most effective production.	Efficient and state of the art production and management information system.
Effective marketing and innovative concepts.	Increase in contribution margin and sales volume.
Strengthening independence in terms of secure supply of low-cost services and resources, including energy supply, transportation and logistics services.	Decrease in variable cost.
Explore alternative energy resources.	Reduced dependence on national grid by way of generation through furnace and Gas.
Further improvements in Code of Corporate Governance through restructuring of assets and optimization of management processes.	Number of notices received from government.
Implementation of effective technical and human resource solutions. Personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labour environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.	Well organized Human Resource Department. Number of non -conformities raised.
Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions.	Compliance with ISO requirements and specific requirements from various international customers.
Implementation of projects in social and economic development of communities.	Allocation of funds for CSR.

Management believes that current critical performance measures continue to be relevant in future as well.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management and the Board of Directors to make estimates and judgments that affect reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingencies. These estimates are based on historical experience and various other assumptions that management and the Board believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

- **Estimating useful life of assets**

  The useful lives are estimated having regard to the factors as asset usage, maintenance, rate of technical and commercial obsolescence. The useful lives of assets are reviewed annually.

- **Investment properties**

  Investment properties are valued at fair value determined by an independent valuer having relevant professional qualifications. The fair value is determined on the basis of professional assessment of the current prices in an active market for similar properties in the same location and condition.

HUMAN RESOURCE MANAGEMENT

The Company is committed to build a strong organizational culture that is shaped by empowered employees who demonstrate a deep belief in company's vision and values. Therefore Human Resource Management (HRM) is an integral part of our business strategy. The company fosters leadership, individual accountability and teamwork. The main objectives of our HRM policies are:

- Selecting the right person, with the right experience, at the right time offering the right compensation.
- Developing Management philosophies and practices to promote and encourage motivation and retention of the best employees.
- Recognizing and rewarding employees' contribution to the business.
- Fostering the concept of team working and synergetic efforts.
- Encouraging and supporting team concepts and team building techniques.
- Nurturing a climate of open Communications between management and employees.
- Making all reasonable efforts to achieve a high quality of work-life balance.

SUCCESSION PLANNING

The Company believes in continuous improvement, and the professional grooming of all of its employees. We recruit professionals, enhance their knowledge

Together we shine

base and skills, and provide them with all possible opportunities for advancement. Rigorous succession planning is also in place throughout the organization ensuring that employees are constantly developed to fill each role. We constantly look for the people who have the ability to accept challenges and have the potential to lead the future.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

The Company's Social and Environmental Responsibility Policy reflects the Company's recognition that there is a strong, positive correlation between financial performance and corporate, social and environmental responsibility. The Company believes that the observance of sound environmental and social strategies is essential for building strong brand and safeguarding reputation, which in turn is vital for long-term success.

a) SOCIAL RESPONSIBILITY POLICY:

- Implementation of Employee Code of Conduct that fits with local customs and regulations.
- Culture of ethics and behaviour which improve values like integrity and transparency.
- Focusing on social involvement by developing multicultural teams with many different competencies.
- Promoting the culture of work facilitation and knowledge transfer.
- Carrying out corporate philanthropy actions that focus in particular on preserving life and the environment.
- Maintaining collaborative relations with the society through a good harmony and effective communication.

b) ENVIRONMENTAL RESPONSIBILITY POLICY:

- Ensure our products, operations and services comply with relevant environmental legislation and regulations.
- Maintain and continually improve our environmental management systems to conform to the ISO Standards or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development, and promotion of environmental responsibility amongst our employees.
- Responsibly managing the use of hazardous materials in our operations, products and services, and promote recycling or reuse of our products.
- Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

CORPORATE SUSTAINABILITY

a) CORPORATE SOCIAL RESPONSIBILITY

The Company acknowledges its responsibility towards society and performs its duty by providing financial assistance to projects for society development by various charitable institutions on consistent basis. The Company has been recognized by the Pakistan Centre for Philanthropy as a leader in social and charitable contributions and strives to be a constructive member of the communities in which it has a presence. Kohinoor Maple Leaf Group has received "7th Corporate Social Responsibility National Excellence Award" on account of its performance of various social obligations. The Company has contributed in medical social services project and in this regard Company had donated a state of the art Cardiac facility to the Gulab Devi Chest Hospital (GDCH) in Lahore by building Sayeed Saigol Cardiac Complex at GDCH.

b) INDUSTRIAL RELATIONS

The company has established an Industrial Relations (IR) department for determination of adequate terms and conditions of employment. Further, the IR department is responsible for avoidance and settlement of disputes and differences between the Company, its employees, and their representatives through negotiation. The company has operates a Provident fund and a Workers' Profit Participation Fund for its employees, as well as paying bonuses to employees on the basis of the company's profitability and individual performance. The company is committed to providing equal

Aiming high


BUREAU VERITAS
Certification
KOHINOOR TEXTILE MILLS LIMITED
PESHAWAR ROAD, RAWALPINDI-PAKISTAN
Standard
SA8000:2008
Scope of certification


EU Ecolabel
Certificate
Ecolabelling Norway
has awarded the EU Ecolabel licence number
NO/016/002
to:
Kohinoor Textile Mills Limited
for
Textile products
See product specification enclosed.
This certificate is valid, together with the contract concluded between Ecolabelling Norway and Kohinoor Textile Mills Limited, until 31-12-2015.
Norway, 07-09-2015,
Ecolabelling Norway
Marianne B. Eskeland
Head of EU Affairs


CERTIFICATE
citeve
The company
Kohinoor Textile Mills Limited
Peshawar Road
46000 Rawalpindi - Punjab, PAKISTAN
CONFIDENCE IN TEXTILES
Tested for harmful substances
according to Oeko-Tex® Standard 100
4596CIT
CITEVE


COTTON AFRICA
CERTIFICATE OF
REGISTRATION
No.: RGM - 35/2015
We herewith register
KOHINOOR Textiles Mills Ltd.
Peshawar Road, Rawalpindi
46000 - PAKISTAN
as official supplier of "Cotton made in Africa" yarns, fabrics or the final product, produced in compliance with the chain of custody guidelines issued by the Aid by Trade Foundation.
This registration is valid until: 01.07.2016
Tina Stridde
Managing Director
Aid by Trade Foundation
Christian Barthel
Managing Director
ATAKORA Fördergesellschaft GmbH

opportunities to all existing and prospective employees without discrimination on the basis of race, religion, gender, or age.

c) ENERGY SAVING MEASURES

Given the current energy crisis in Pakistan, Kohinoor's management recognises the importance of the efficient usage of energy in the corporate sector, and therefore has formed an energy committee with the aim of finding more efficient and sustainable methods for generating and managing energy. The Company's processing department has already reaped large benefits through its collaboration with several major multinational chemical suppliers; together they have substantially reduced the usage of water, chemicals, and energy while maintaining or improving quality and environmental standards. The Company hopes that future progress in these projects will yield further reductions in the costs of energy and usage of other resources such as water, etc. Further, in anticipation of increased scarcity and load shedding of natural gas and electricity, the Company is taking steps to further diversify its energy production capabilities, expanding into steam generation via wood, coal and baggas, and initiating a pilot project in solar heating of water. The Company remains committed to exploring sustainable alternative energy sources.

d) CONSUMER PROTECTION MEASURES

We are committed to ensuring that our products are shipped in a manner complying with the highest safety standards and meeting or exceeding all legal requirements. The Company takes care and applies appropriate procedures to manufacture its products so as to ensure that no harmful substances are present in any of its products.

e) QUALITY MANAGEMENT SYSTEMS

The Company maintains its reputation as a high quality supplier and owes its current business, in large part, to this reputation. Quality control checks occur at all points in the production chain, starting at the delivery of raw material to the factories, through to the Quality Assurance team acting as the customer's representative when conducting audits of finished goods before handing them over to the customer's audit teams for the final inspection. It is worth noting that the Company's Quality Management Systems are so highly regarded that several customers no longer require the presence of external auditors before shipping of finished goods. The Company is ISO-9001:2008 certified and firmly believes in the necessity of Quality Management Systems.

f) OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL (HSE) PROTECTION MEASURES

The Company continues to meet and exceed the health and safety standards required for SA 8000 certification. Frequent audits are conducted by customers, regulatory agencies, and the Company's own audit teams in order to ensure compliance with these standards and those set by the Company's customers. The Company strives to provide a safe and healthy workplace for its employees and to act responsibly towards the communities and environment, in which it operates. It realizes this through the commitment of its leadership, the dedication of its staff, and application of the highest professional standards of work. Recently we have done a complete re-examination and improvement of our fire safety protocols to further ensure the safety of our employees. Management takes all possible measures to prevent unsafe activities by its hiring practices and through the implementation of effective management, human resources and operational policies.

g) BUSINESS ETHICS & ANTI-CORRUPTION MEASURES

The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Employees are encouraged to report any deals that may be supported by kickbacks, and no employees are allowed to run parallel businesses. The Company is maintains a system by which any employee can report the non-conformance (NC) to the top management. All NCs reported are addressed by the top management on timely basis and a regular follow up activity is being carried out in order to ensure that all issues highlighted are permanently resolved. Further, the Company's Internal Audit department is empowered to perform regular and ad-hoc checks and audits of any and all functions and operations of the company and reports directly to the Audit Committee. Moreover, the Company has also formulated whistle blowing policy.

h) ENVIRONMENTAL PROTECTION MEASURES

Management understands the harmful effects of contaminated water on the surrounding areas after emission from the mills premises. In order to prevent the potentially harmful effects of any chemicals used in processing on the surrounding water table, a waste water treatment plant has been constructed minimizing or negating any contamination in water discharged from the factory. Further, the company continues to investigate and implement pilot projects into alternative, sustainable energy sources.

i) NATIONAL CAUSE DONATIONS

During the year, company has contributed donations to following charitable institutes serving for free treatment / rehabilitation of ill / disabled in the community.

	Rupees
Gulab Devi Hospital	200,000
LABARD	200,000
	400,000

j) SECURITY

The Company maintains its dedication to security, and is fully compliant with the Customs Trade Pact against Terrorism (CTPAT), performing frequent and regular audits to ensure it remains so. All areas of the Company premises are monitored using video surveillance, as per CTPAT requirements. We are also compliant with the standards set by our international customers, many of which exceed those of CTPAT.

k) CONTRIBUTION TO NATIONAL EXCHEQUER

During the year the Company has contributed amounted to Rs. 787.035 million (2014: 553.39 million) in respect of taxes, levies and duties. Moreover we have also contributed (USD) 84.615 million (2014: 83.178 million) to the national treasury by way of export sales.

l) EMPLOYMENT OF SPECIAL PERSONS

The Company has employed disabled persons in compliance with the rules set out by the Government of Pakistan which is 2% quota of the total workforce necessitated to be allocated to disabled persons.

m) COMMUNITY INVESTMENT AND WELFARE SCHEMES

The Company has a long tradition of maintaining good community relations, and many of its employees are actively involved in welfare schemes. We believe that investing in our communities is an integral part of our social responsibility, and is vital to ensure the sustained success of the Company. We aim to ensure that our businesses and factories have the resources and support to identify those projects, initiatives, and partnerships that can make a real difference in their communities, and those that will mean something to our employees and their families.

n) RURAL DEVELOPMENT PROGRAM

The Company's Mills are located in rural area therefore various corporate social responsibility activities are effectively implemented in those areas. The Company has been working hard to initiate and sustain rural development programs for the enhancement of health of the rural population. Therefore a "Dengue Fever Awareness Program" was carried out to demonstrate the prevention techniques and share knowledge with community members to ensure maximum awareness at plant site and the local community.

MITIGATING EFFORTS TO CONTROL INDUSTRY EFFLUENTS

Traditionally, dying factories have not been considered environmentally friendly but Kohinoor has installed the most modern and state-of-the-art equipment to control effluent discharge negating the effects industrial effluents on the surrounding environment; the Company makes every effort to ensure a healthy environment to employees and locals. To enhance environmental standards and continuously promoting a better and Green Environment within the factory as well in the nearby areas the Company is arranging regular Tree Plantation activities to provide healthy

Striving to progress

environment to employees and other communities living in surroundings.

BEST CORPORATE REPORT AWARD

The Company again bagged award for "Best Corporate Report 2014" in the award ceremony jointly hosted by Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP) in Textile Sector. This achievement secured by the company is a reflection of following best ethical values and management practices in corporate reporting. The Company has promoted accountability and transparency through provision of accurate, informative, factual and reader-friendly Annual Reports on timely basis for the valuable stake holders.

FORWARD LOOKING STATEMENT

The turmoil in international commodity prices, coupled with the slowdown in China should not have a major negative effect on the Company as it does not depend on the commodity end of the textile chain. The dramatic reduction in the Company's weighted average borrowing costs should have a positive effect on future profitability. We envisage a better marketing position in the made-ups division due to lower yarn prices and favourable exchange rates, going forward. Trading conditions in the US are stable, although Europe continues to face difficulties.

We are confident that the Company will be able to meet the challenges presented by international conditions.

BUSINESS CONTINUITY / DISASTER RECOVERY PLAN

The Board of Directors periodically reviews the Company's business continuity / disaster recovery (BC/DR) plan to ensure that critical business functions will be available to customers, suppliers, regulators, and other entities that have access to those functions even under extraordinary circumstances. BC/DR plan mainly include daily tasks such as customer/suppliers correspondence, production data, trading activities, project management, system backups and help desk operations.

The primary activities of the Board for the execution of the plan include:

1) To develop and maintain a formal plan that is responsive to the Company's current business needs and operating environment.

2) To ensure that a business continuity recovery team includes representatives from all business units.

3) To provide ongoing business continuity training to all employees, including executive management and the board.

4) Ensure that thorough current business impact analysis and risk assessments are maintained.

5) Ensure a centralized executive view of the business continuity plan and programs.

CEO PERFORMANCE REVIEW

The performance of the CEO is regularly evaluated by the Board of directors. During the year the performance evaluation is based on the criteria defined by the Board of Directors which includes various financial and non financial key performance indicators. At the start of the year, CEO presents his key performance indicators (KPIs) for the upcoming year to the Board of Directors. The Board periodically evaluates the actual performance against those KPIs during the year and discusses the future course of action to attain the Company's stated goals. The CEO also appraises to the Board regarding an assessment of senior management and their potential in achieving the objectives of the Company.

COMPLIANCE OF THE CODE OF CORPORATE GOVERNANCE

The Board of Directors periodically reviews the Company's strategic direction. Business plans and targets are set by the Chief Executive and reviewed by the Board. The Board is committed to maintain a high standard of corporate governance. The Board has reviewed the Code of Corporate Governance and confirms that:

a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;

b) Proper books of account of the Company have been maintained;

Empowering women

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
e) The system of internal control is sound in design and has been effectively implemented and monitored;
f) There are no significant doubts upon the Company's ability to continue as a going concern;
g) Outstanding taxes and other government levies are given in related note(s) to the audited accounts;
h) Key operating and financial data of last six years is annexed;
i) Value of investment of provident fund trust based on their un-audited accounts of June 30, 2015 is as under:-

	(Rs. In Thousand)
Provident Fund investment	464,792

Directors and Board Meetings

During the year under review, four meetings of the Board of Directors were held in Pakistan and no meeting was held outside Pakistan and the attendance of each Director was as under:-

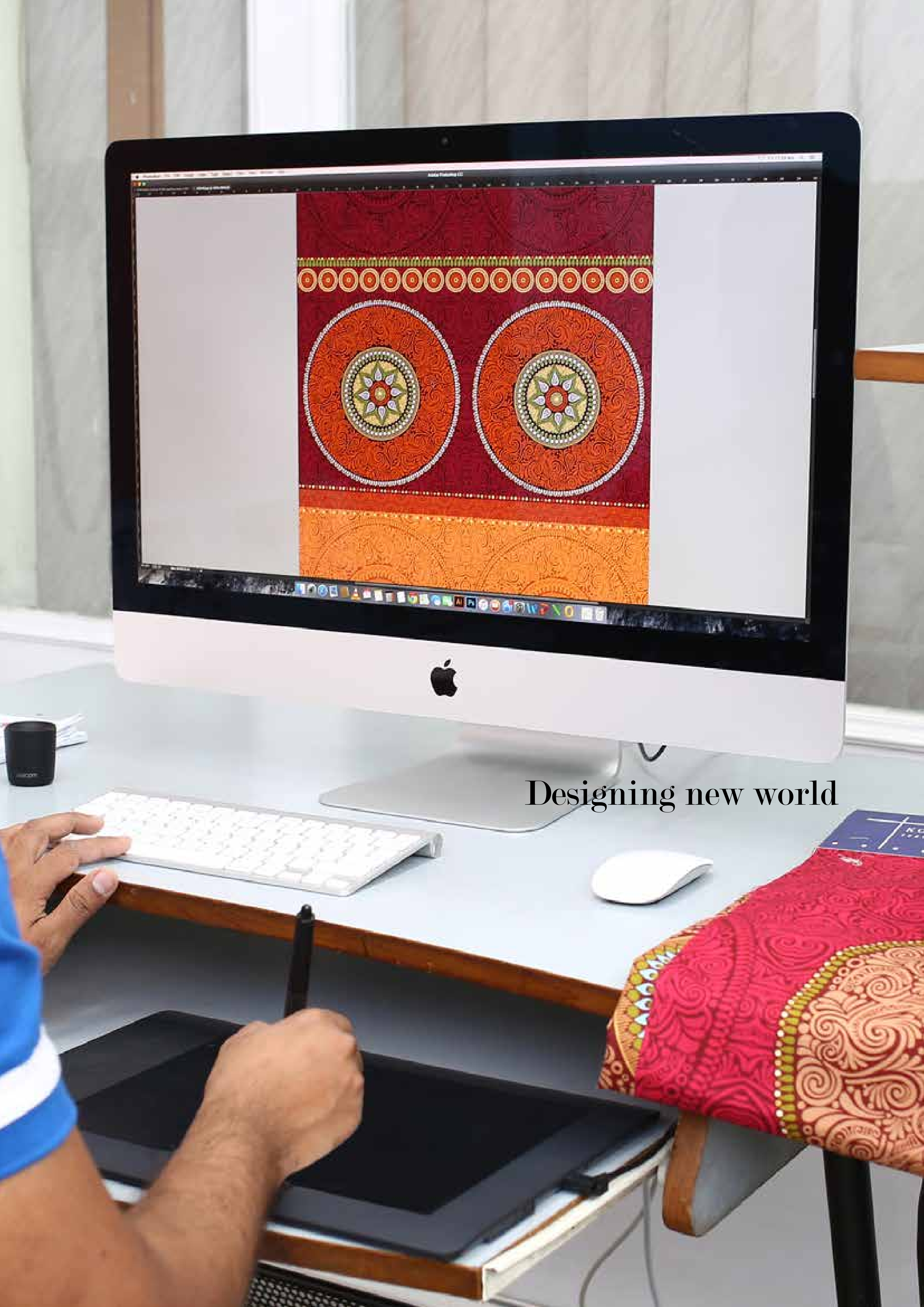
NAME	DESIGNATION	No. of Meetings Attended
1. Mr. Tariq Sayeed Saigol	Chairman / Non Executive Director	4
2. Mr. Taufique Sayeed Saigol	CEO / Executive Director	3
3. Mr. Sayeed Tariq Saigol	Non Executive Director	4
4. Mr. Waleed Tariq Saigol	Executive Director	3
5. Mr. Danial Taufique Saigol	Executive Director	3
6. Mr. Shafiq Ahmed Khan	Independent Non Executive Director	3
7. Mr. Arif Ijaz	Non Executive Director	4
8. Syed Mohsin Raza Naqvi	GDF/ CFO/Executive Director	4

Leave of absence was granted to the Directors who could not attend the meetings.

ANNUAL EVALUATION OF BOARD PERFORMANCE

The Board has set a criterion based on emerging and leading practices to assist in the self-assessment of an individual director and the full board's performance. It is not intended to be all-inclusive. When completing the performance evaluation, Board considers the following main performance evaluation process or behavior:

i. Adequate Board composition.
ii. Satisfactory Processes and Procedures for Board Meetings.
iii. The Board sets objectives and formulates an overall corporate strategy.
iv. The Board has set up adequate number of its Committees.
v. Each Director has adequate knowledge of economic and business environment in which the Company operates.
vi. Each Board member contributes towards effective and robust oversight.
vii. The Board has established a sound internal control system and regularly reviews it.
viii. The Board reviews the Company's significant accounting policies according to the financial reporting adequate regulatory framework.
ix. The Board considers the quality and appropriateness of financial accounting and reporting and the transparency of disclosures.



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EVALUATION CRITERIA OF BOARD PERFORMANCE

Following are the main criteria:

1. Financial policies reviewed and updated;
2. Capital and operating budgets approved annually;
3. Board receives regular financial reports;
4. Procedure for annual audit;
5. Board approves annual business plan;
6. Board focuses on goals and results;
7. Availability of Board's guideline to management;
8. Regular follow up to measure the impact of Board's decisions;
9. Assessment to ensure compliance with code of ethics and corporate governance.

Qualification of CFO and Head of Internal Audit

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in the Code of Corporate Governance.

Audit Committee

A total number of five meetings of the Audit Committee were held during the year. Attendance of each member was as under:-

NAME	DESIGNATION	No. of Meetings Attended
1. Mr. Shafiq Ahmed Khan	Chairman / Independent Director	4
2. Mr. Arif Ijaz	Member / Non Executive Director	5
3. Mr. Sayeed Tariq Saigol	Member / Non Executive Director	4

Leave of absence was granted to the Members who could not attend the meetings.

Terms of Reference

The Main terms of reference of the Audit Committee of the Company include the following:-

a) Determination of appropriate measures to safeguard the Company's assets;

b) Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
   - Major judgmental areas;
   - Significant adjustments resulting from the audit;
   - The going concern assumption;
   - Any changes in accounting policies and practices;
   - Compliance with applicable accounting standards;
   - Compliance with listing regulations and other statutory and regulatory requirements; and
   - Significant related party transactions.

c) Review of preliminary announcements of results prior to publication;

d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) Review of management letter issued by external auditors and management's response thereto;

f) Ensuring coordination between the internal and external auditors of the Company;

Exploring excellence

Creative brilliance

g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

j) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;

l) Determination of compliance with relevant statutory requirements;

m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

n) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Human Resource & Remuneration Committee (HR&R Committee)

Name	Designation
Mr. Arif Ijaz	Chairman (Non-Executive Director)
Mr. Sayeed Tariq Saigol	Member (Non-Executive Director)
Mr. Danial Taufique Saigol	Member (Executive Director)

During the year, one meeting of HR&R Committee was held and all Members attended the meeting other than Mr. Sayeed Tariq Saigol.

Terms of Reference

The main terms of reference of HR&R Committee of the Company include the following:-

The Committee shall be responsible to:

i) Recommend human resource management policies to the Board;

ii) Recommend to the Board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;

iii) Recommend to the Board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit. This will include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and;

iv) Consider and approve on recommendations of CEO on such matters for key management positions who report directly to CEO.

a. The remuneration of executive and non-executive Directors shall not fall within the preview of the HR & R Committee.

b. Recommendations in respect of compensation including performance incentives will ensure that:
- The Company is able to recruit, motivate and retain persons of high ability, caliber and integrity.
- The packages are consistent with what is normal in industry and / or specific job wise, as determined through surveys conducted.
- Incentives where applicable are based on criteria which have been carefully examined, discussed and authorized.

c. Selection recommendation should ensure that the Company has a formal selection procedure which provides for;
- A description of the position that requires to be filled with a profile of the ideal candidate;
- Selection Boards for various levels of recruitment;

d. Performance evaluation should:
- Be based on procedures formally specified and which override individual likes and dislikes;
- Provide for a discussion of the Annual Performance Report with each manager concerned.

e. The Committee will also:
- Review and approve compensation payable to senior management for any loss or on termination of service to ensure that it is consistent with contractual terms and is otherwise fair.
- Review and advice on the training, development and succession planning for the senior management with reference to the Board's corporate goals and objectives.

- Devise a procedure for the approval of HR related policies of the Company.
- Review from time to time as appropriate these Terms of Reference and the effectiveness of the Committee and recommend to the Board any necessary changes.

FORMAL ORIENTATION TRAINING PROGRAM FOR DIRECTORS

The Board had arranged Orientation Courses for its Directors namely Mr. Mohsin Naqvi and Mr. Danial Taufique Saigol during the preceding years from recognized institutions of Pakistan approved by the SECP whereas some Directors having the requisite experience on the Board(s) of Listed Companies are exempt from the Directors' Training Program. Further, the Directors have also provided declarations that they are aware of their duties, powers and responsibilities under the Companies Ordinance, 1984 and the Listing Regulations of the Stock Exchanges.

Trade of Company's Shares

The Board has reviewed the threshold for disclosure of interest by executives holding of Company's shares which includes CEO, CFO, Head of Internal Audit and Company Secretary. However, during the financial year, none of the Directors, CEO, CFO, Head of Internal Audit and Company Secretary (including their spouses and minor children) traded in the shares of the Company.

Pattern of Shareholding

The Pattern of shareholding of the Company in accordance with the Companies Ordinance, 1984 and Code of Corporate Governance as at June 30, 2015 is annexed.

Auditors

The present auditors of the Company M/s. Riaz Ahmad & Company, Chartered Accountants, audited the financial statements of the Company and have issued report to the members. The auditors will retire at the conclusion of the Annual General Meeting. Being eligible, they have offered themselves for reappointment.

The Board has recommended the appointment of M/s. Riaz Ahmad & Company, Chartered Accountants, as auditors for the ensuing year, as suggested by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

Acknowledgement

The Directors are grateful to the Company's members, financial institutions and customers for their co-operation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and on behalf of the Board

Lahore
September 10, 2015

Taufique Sayeed Saigol
Chief Executive

Continuous progress

Brief Profile of Directors

MR. TARIQ SAYEED SAIGOL
(CHAIRMAN / DIRECTOR)

OTHER ENGAGEMENTS
CHAIRMAN / CHIEF EXECUTIVE / DIRECTOR
Kohinoor Maple Leaf Industries Limited
Zimpex (Private) Limited

CHAIRMAN / DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Capital Limited

Mr. Tariq Sayeed Saigol is the Chairman of Kohinoor Maple Leaf Group (KMLG). He is a member of the reputed Saigol Family who pioneered in textile manufacturing after partition and later ventured into the financial sector, chemicals, synthetic fibres, sugar, edible oil refining, civil engineering, construction, cement and energy.

Mr. Saigol was schooled at Aitchison College, Lahore and graduated from Government College, Lahore following which, he studied Law at University Law College, Lahore.

He started his career in 1968 at Kohinoor's Chemical Complex at Kala Shah Kaku. Upon trifurcation of the Group in 1976, he became Chief Executive of Kohinoor Textile Mills Limited, Rawalpindi. Since 1984, he has been Chairman of Kohinoor Maple Leaf Group which has interests in textiles, energy and cement manufacturing.

He remained Chairman All Pakistan Textile Mills Association from 1992 to 94, President of Lahore Chamber of Commerce and Industry for 1995-97 and Chairman, All Pakistan Cement Manufacturers Association from 2003-2006.

Mr. Saigol was a member of the Federal Export Promotion Board and Central Board of State Bank of Pakistan. He has also served on several Government Commissions and Committees on a number of subjects, including Export Promotion, reorganization of WAPDA and EPB, Right Sizing of State owned Corporations and Resource Mobilization. He is the author of Textile Vision 2005 which was adopted by the Government in 2000 and its critique prepared in 2006. He joined the Central Board of State Bank of Pakistan for a second term in 2007 and was a member of the Prime Minister's Economic Advisory Council established in 2008.

He takes keen interest in the development of education in Pakistan. He has been a member of the Board of Governors of Lahore University of Management Sciences, Aitchison College, Founding Chairman of the Board of Governors of Chandbagh School, Founder Trustee of Textile University of Pakistan and member of the Syndicate of University of Health Sciences. He is conferred with Sitara-e-Isaar by President of Pakistan in 2006.

He is a keen golfer and has represented Pakistan at Golf in Sri Lanka and Pakistan in 1967.

MR. TAUFIQUE SAYEED SAIGOL
(CHIEF EXECUTIVE / DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited
Maple Leaf Capital Limited
Kohinoor Maple Leaf Industries Limited
Zimpex (Private) Limited

Mr. Taufique Sayeed Saigol is the Chief Executive of Kohinoor Textile Mills Limited and director in all KMLG companies. He is a leading and experienced industrialist of Pakistan. He graduated as an Industrial Engineer from Cornell University, USA in 1974. He is widely travelled and his special forte is in the export business.

He is a business man of impeccable credibility and vision and has substantial experience of working in different environments.

MR. SAYEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS
CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Cement Factory Limited

DIRECTOR
Kohinoor Maple Leaf Industries Limited

Mr. Sayeed Tariq Saigol is the Chief Executive of Maple Leaf Cement Factory Limited. He graduated from McGill University with a degree in management. Mr. Sayeed Saigol also has several years of work experience in the textile industry. Prior to joining

Maple Leaf Cement he was involved in setting up and managing an apparel dyeing company. He is a member of the Board of Governors of the Lahore University of Management Sciences.

MR. WALEED TARIQ SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited

CHIEF EXECUTIVE / DIRECTOR
Maple Leaf Capital Limited

Mr. Waleed Tariq Saigol is the Managing Director of Kohinoor Textile Mills Limited (Raiwind Division). He holds a bachelor's degree in Political Science from the London School of Economics & Political Science. Apart from his responsibilities in textiles he is also involved in identifying and developing new areas of business for KMLG. He is a keen golfer and has won several tournaments in Pakistan.

MR. DANIAL TAUFIQUE SAIGOL
(DIRECTOR)

OTHER ENGAGEMENTS

DIRECTOR
Maple Leaf Cement Factory Limited

Mr. Danial Taufique Saigol is the younger son of Mr. Taufique Sayeed Saigol, CEO of KTML. Danial began his career with KMLG in January 2012 as Executive Director. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada. He is currently posted at Kohinoor Textile Mills Limited Rawalpindi.

MR. ARIF IJAZ
(DIRECTOR)

Mr. Arif Ijaz has done his bachelor in Electrical Engineering from University of Engineering and Technology (UET) Lahore, Pakistan and MBA from Iran Center for Management Studies. He has over 23 years of experience in the development and growth of business strategy. He has also served as the CEO of Adamjee Insurance, KSB Pumps, Director of Pakistan Steel Mills, National Refinery, Lahore Stock Exchange, HUBCO, and Lahore University of Management Sciences (LUMS).

He is serving as MBA Faculty member at UET Lahore and former visiting faculty member of LUMS.

SYED MOHSIN RAZA NAQVI
(GROUP DIRECTOR FINANCE/
CHIEF FINANCIAL OFFICER)

OTHER ENGAGEMENTS

DIRECTOR/CHIEF FINANCIAL OFFICER
Maple Leaf Cement Factory Limited

Mr. Mohsin Naqvi, Fellow member of Institute of Chartered Accountants of Pakistan (FCA), with over 26 years of Financial Management experience. Areas of expertise include: financial projections, forecasting-short term and long-term cash flows, business strategy development, acquisitions and evaluations of business units, establishing Company's reporting structure, implementing budgetary control procedures, implementing financial software, organizing finance and treasury functions of the Company.

He is former board member of Kohinoor Mills Limited and Al-Wazan Group, Kuwait and Trust Investment Bank Limited.

He has experience of working in several countries which include Saudi Arabia, Kuwait, Philippines, Morocco, Jordan and Pakistan.

MR. SHAFIQ AHMED KHAN
(DIRECTOR)

Mr. Shafiq Ahmed Khan got his bachelor degree from Punjab University and joined Habib Bank Limited at entry level in 1968 and spent over a period of 24 years in order to become Executive Vice President while performing in different areas of services. In 1992, he spent a period of five years in Fidelity Investment Bank Limited, Lahore, as first President & CEO of a major investment bank in the country and guided with sound business and risk management.

Since 1996 to 2005, he has been associated with Pakistan's largest private sector commercial bank as Senior Executive Vice President / Group Head and taken responsibilities for devising and implementing business strategies for MCB Bank Limited. Over the course of 37 years in a career, he used up in domestic and international market with all necessary skills for developing & implementing successful strategies for institutions' businesses across geographical segments particularly in banking relationships and enjoy sound relationships with regulatory authorities in various countries. Currently, being an Independent Director, he is heading Board's Audit Committee.

Calendar of Notable Events

July 2014 – June 2015

Performing to perfection

Board Committees

PROJECT MANAGEMENT COMMITTEE

Project management committee (PMC), serves as a driving forum to monitor the progress of agreed goals & objectives of the company on consistent basis, and steer the organization in right direction in order to achieve the stated vision and mission of the organization.

Members	
Director	
Head of Department	– Information Technology
Head of Department	– Production
Head of Department	– Marketing
Head of Department	– Human Resource
Head of Department	– Commercial
Head of Department	– Finance
Head of Department	– Engineering

Terms of reference

- Possible review each of the project areas – activities or sub projects
- Developing a framework for integrating planning
- Tools for achieving sustainable coastal economies and environments
- Handling financial issues, budget monitoring and modifications
- Develop standards & follow-up project progress

NO. OF MEETINGS HELD: 13

BUSINESS PROCESS REENGINEERING COMMITTEE

Business Process Re - engineering (BPR) team has been formed to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed on consistent basis. Information technology and information systems are the main areas of interest where management is rigorously investing considerable resources to determine and then opt what feasible technological options are available that best meets the goals of the organization in order to remain competitive and provide the maximum return to stakeholders.

Members	
Director	
Head of Department	– Information Technology
Head of Department	– Production
Head of Department	– Marketing
Head of Department	– Human Resource
Head of Department	– Engineering
Head of Department	– Finance

Terms of reference

- Our BPR team implies specific business objectives such as cost reduction, time reduction, output quality improvement.
- We focus on the most important processes that reflect our business vision.
- Understand and measure the existing process to avoid repeating of old mistakes and to provide a baseline for future improvements.
- Design and build the prototype of new processes and ensure quick delivery of results and involvement and satisfaction of customers.

NO. OF MEETINGS HELD: 15

ENERGY MANAGEMENT COMMITTEE

Management has strong commitment towards securing the future of Company, to remain competitive and provide the maximum return to stakeholders. Efficient use of energy cannot be compromised therefore; Energy Management Committee (EMC) has been formed to suggest the cost cutting opportunities for the sake of improvement in performance through wise energy use in all the departments of the Company.

MEMBERS	
Director	
Head of Department	–Engineering
Head of Department	–Production
Head of Department	–Finance
Head of Department	–Commercial

Terms of reference

- Our team is committed for annual energy cost reductions from continuous improvements.
- To minimize environmental impacts, it incorporates energy efficiency, water conservation, waste minimization, pollution prevention, resource efficient materials and indoor air quality in all phases of a building's life.
- EMC design plans that help us meet our climate protection commitments.
- The appointment of a full time energy management coordinator ensures the plan proceeds.
- Responsible for energy procurement, monitoring and targeting energy savings, maintaining program of energy saving measures, raising energy awareness and corporate wide energy monitoring and reporting.

NO. OF MEETINGS HELD: 16

TOTAL QUALITY MANAGEMENT COMMITTEE

Total Quality Management (TQM) committee is formed to improve quality at every level in the organization. TQM is an organization wide program aimed to ensure standardization and continual improvement in all its products, services, processes & procedures. This program lays down the Quality Management standards for all the processes & procedures in the organization and is equipping the existing human resources to improve their innate abilities in order to achieve the desired level of performance through synergistic activities.

Members	
Director	
Head of Department	– Information Technology
Head of Department	– Production
Head of Department	– Marketing
Head of Department	– Human Resource
Head of Department	– Commercial
Head of Department	– Finance
Head of Department	– Engineering
Manager	– Quality Assurance

Terms of reference

- Standardization of processes and operations within every function of the company.
- Introduction of Performance Measurement System by developing Key Performance Indicators and continuous compilation of their associated data, analysis and reporting to concerned stakeholders, so that performance of every key function and process is monitored, controlled, and improved.
- Reduction and elimination of wastages from different processes.
- Improvement in organization wide abilities, procedures and plans.
- Training of employees on basic, medium and advanced problem solving and statistical tools in order to improve their analytical abilities.
- Creation of various forums within an organization where Quality improvement initiatives are formally institutionalized, e.g. Kaizen, Quality Circles, and functional / Cross Functional Teams.

NO. OF MEETINGS HELD: 15

STANDARD OPERATING PROCEDURES REVIEW COMMITTEE

Standard operating procedures review committee has been formed to review and update SOP's for all the activities / procedures being performed in the Company & develop new SOP's if required.

Members	
Director	
Head of Department	– Finance
Head of Department	– Internal Audit
Head of Department	– Production
Head of Department	– Marketing

Terms of reference

- Documentation of all the important activities and procedures.
- Standardization of documents as prescribed by Quality Management standards.
- Incorporation of industry best practices in the procedures to make the system efficient and effective.
- Elimination of duplication of records in different procedures.

NO. OF MEETINGS HELD: 14

BUSINESS FINANCIAL FORECAST

Despite general decline in Textile Sector, the Company envisages better results in future particularly in its made-ups division due to lower yarn and grey fabric prices and its strategy to diversify its customer base globally for quality seeking customers. Exchange rate adjustment is expected to have favorable impact of its export sales revenue. Reduction in the Company's weighted average borrowing costs should also improve the profitability. Future financial forecast based on management's best estimates are as follows:

Financial Year	2015-2016	2016-2017
Revenue (Rs. in "000)	15,794,710	16,754,696
Gross Profit	14.31%	16.77%
Current Ratio	1.03	1.13

Going forward, it is expected that the Company will have healthy dividend stream from its two subsidiary companies i.e. Maple Leaf Cement Factory Limited and Maple Leaf Capital Limited.

FAIR VALUE OF PROPERTY, PLANT AND EQUIPMENT

Market value of the Company's property, plant and equipment is around Rs.10,778 Million. The Company's property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment loss in its Financial Statements. Freehold land is stated at revalued amount at the date of revaluation less any identified impairment loss and capital work-in-progress is stated at cost.

SUMMARY OF SIGNIFICANT / MATERIAL ASSETS OR IMMOVABLE PROPERTY

The Company's material assets comprise of land, building, spinning machinery, wider width weaving looms, printing rotaries, dyeing and finishing machines, Jenbacher and Niigata engines.

POLICY AND PROCEDURES FOR STAKEHOLDERS ENGAGEMENT:

1) Policy Note:

Kohinoor maintains sound collaborative relationships with its stakeholders.

2) Procedures:

Procedures for stakeholders engagement includes effective communication, good harmony, compliance with laws & regulations and customer focused approach which are the key success factor for establishment of collaborative relationship with stakeholder.

3) Engagement frequency:

Stakeholders	Nature of engagement	Frequency
Shareholders	Annual general meeting Annual report/Quarterly reports Analyst briefing	Annually Annually/Quarterly Continuous
Employees	Kohinoor magazine Annual get together Team cultural activities	Quarterly Annually Continuous
Customers	Customer events	Continuous
Suppliers	Regular meeting with major suppliers Supplier forums Newspapers advertisement	Continuous Occasionally As required
Institutional investor/Lenders	Business briefings Periodic meetings Financial reporting Head office/site visits	Occasionally As required Continuous As required
Community organizations	Environmental campaign Safety management system	Continuous As required
Media	Media announcements and briefings Media interviews	As required As required
Regulators	Submission of periodic reports Responding/enquiring various queries/information	Periodic basis As required
Analyst	Corporate briefing and analysis Forecasting and financial modelling	As required As required

SWOT ANALYSIS

SWOT analysis is being used at Kohinoor as a strategy formulation tool, in order to match our strengths with perceived opportunities and minimize our weaknesses to avoid market and other threats.

Management at KTML, considers the following factors of SWOT analysis relevant to us:

STRENGTHS	WEAKNESSES
• Latest and state of the art equipment for meeting quality management standards • Experienced management & qualified team • Dedicated customer services • Strong local and International branding • Vertically integrated composite units • Well diversified fuel mix and efficient operation • Captive power producer • Efficient information systems	• Energy load shedding • Higher taxation
OPPORTUNITIES	**THREATS**
• Potential to expand product lines in new markets locally & internationally • Focus on cost optimization • Rising population works as a catalyst for fabric needs • GSP plus status for Pakistan	• Stiff competition from textile based countries • Increased input costs • High incidence of taxes

SAFETY OF RECORDS

The Company is effectively implementing the policy to ensure the safety of the records. All records must be retained for as long as they are required to meet legal, administrative, operational, and other requirements of the Company. The main purposes of the Company Policy are:

- To ensure that the Company's Records are created, managed, retained, and disposed of in an effective and efficient manner;
- To facilitate the efficient management of the Company's Records through the development of a coordinated Records Management program;
- To ensure preservation of the Company's Records of permanent value to support both protection of privacy and freedom of information services throughout the Company to promote collegiality and knowledge sharing;
- Information will be held only as long as required, and disposed of in accordance with the record retention policy and retention schedules and
- Records and information are owned by the Company, not by the individual or team.

ISSUES RAISED IN THE LAST ANNUAL GENERAL MEETING

Consideration of Accounts:

On query of a shareholder, the Chairman of the meeting apprised the House that the Directors had passed over dividend payment due to cash flow constraints arising mainly from enhanced working capital requirements of the Company. The management of the Company remains committed to ensure efficient operations in all divisions to deliver value to the stakeholders. The Company had almost fully retired its long term debt and largely addressed the issues of working capital shortfalls. Hopefully, the Directors would be in a position to consider dividend payment to the shareholders next year subject to availability of funds from operations.

On another query of a shareholder regarding future prospects, the Chairman of the meeting informed the Shareholders that the expected decline in international cotton prices and a slight reduction in yarn import requirements from China was expected to lead to lower yarn prices. We expect this to help in making the made-ups business more competitive, leading to growth in sales in that sector. Due to lower cotton prices, we did not expect gross margins in the yarn business to drastically reduce. Improved trading conditions in the US and grant of GSP+ status in Europe had started to help drive up the export business.

He added that there was a healthy turnaround and improvement in current ratio. However, energy shortage particularly for payable based textile industry was a pressing issue and textile exports might be effected adversely.

Implementation

The Board of Directors of the Company in their meeting held on 10 September 2015 has proposed a final cash dividend of 25%, i.e., Rs. 2.50 Per share for the year ended 30 June 2015. This dividend is in addition to interim cash dividend of 10% i.e. Rupees. 1 per share which has already been paid.

Investment in Maple Leaf Capital Limited (MLCL), an associated company:

On query of a shareholder regarding risk profile and investment return, the Chairman briefed that the bench mark return would be objectively set between the return of the KSE-100 Index and T-bills. The funds would be exposed to economic market and financial risks through investing activities however, paramount importance shall be laid on the quality of assets and due care would be taken in selecting investment activities. Accordingly, equity shall be proportionately allocated to medium, low and high risk investments. A dedicated professional team of MLCL having adequate data base would look after the investment decisions in light of prevailing stock market dynamics and insightful investment policy.

CONFLICT OF INTEREST MANAGEMENT POLICY

Policy Statement

The company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid any conflict of interest, identify the existence of any conflict of interest, and to disclose the existence of conflict of Interest. The Company annually circulates and obtains a signed copy of Code of Conduct applicable to all its employees and Directors, which also relates to matters relating to conflict of interest.
Further, it seeks to set out the process, procedures and internal controls to facilitate compliance with the Policy as well as to highlight the consequences of non-compliance with the Policy by all its employees and Directors. The Company Policy provides a guide as to what constitutes a conflict of interest, the processes and procedures that are in place in order to facilitate compliance and, the consequences of non-compliance. The Policy is intended to assist directors and employees in making the right decisions when confronted with potential conflict of interest issues.

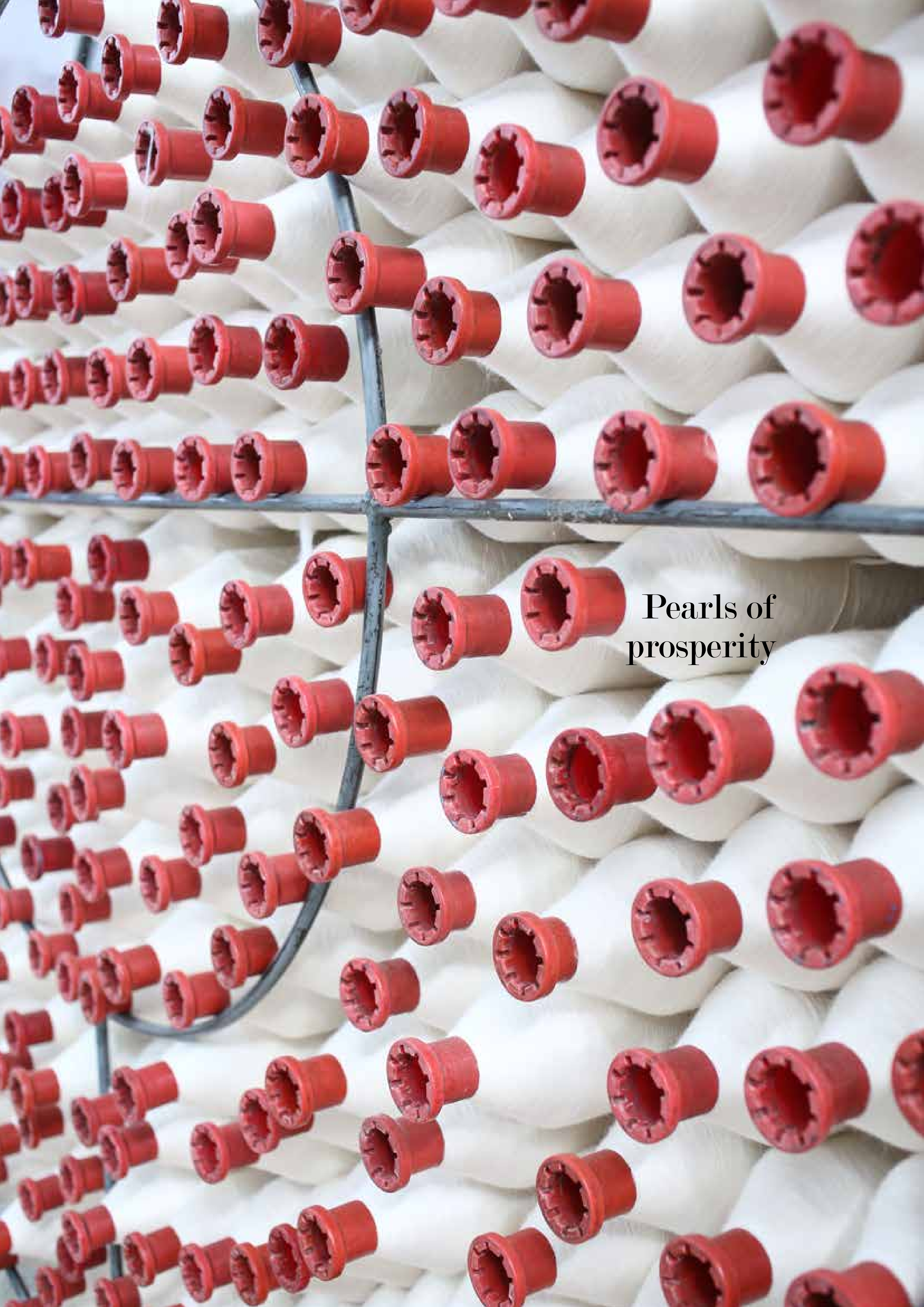
Management of Conflict of Interest:

The primary goal of Kohinoor policy is to manage conflicts of interest to ensure that decisions are made and are seen to be made on proper grounds, for legitimate reasons and without bias. To do this Kohinoor has set the following procedures to manage and monitor the conflict of Interest.

1. Identify areas of risk.
2. Develop strategies and responses for risky areas.
3. Educate all employees about the conflict of interest policy.
4. Communicate with stakeholders to provide the platform for proper disclosure.
5. Enforce the policy.

Further, the directors are annually reminded of the insider trading circular issued by the Securities and Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of the insider information. Every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director do not participate in the discussion neither they vote on such matters. The transactions with all the related parties are made on arms-length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties are fully disclosed in the financial statements of the Company.

Pearls of prosperity



ROLE OF CHAIRMAN AND THE CEO

The Company's Chairman reports to the Board and the CEO reports to the Chairman (acting on behalf of the Board) and to the Board directly. Their respective roles are being described hereunder:

Role of the Chairman	Role of the CEO
Principal responsibility is the effective running of the Board.	Principal responsibility is running the Company's business.
Responsible for ensuring that the Board as a whole plays a full and constructive part in the development and determination of the Company's strategy and overall commercial objectives.	Responsible for proposing and developing the Company's strategy and overall commercial objectives, which he does in close consultation with the Chairman and the Board.
Guardian of the Board's decision-making processes.	Responsible with the executive team for implementing the decisions of the Board and its Committees.
Responsible for promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level.	Responsible for promoting, and conducting the affairs of the Company with the highest standards of integrity, probity and corporate governance.

IT GOVERNANCE POLICY

Kohinoor has properly documented and implemented IT governance Policy to ensure an integrated framework for evolving and maintaining existing information technology and acquiring new technology to achieve the Company's strategic focus. The purpose of this policy is to define the IT governance scope, and its roles and responsibilities. IT Governance policy consist of the following:

- To provide a structured decision making process around IT investment decisions.
- Promotes accountability, due diligence, efficient and economic delivery of the Company's IT services.
- Lay down solid foundation for management decision making and oversight.
- Safeguard of Company's financial data.
- Development and up gradation of different modules to provide reliable, efficient and timely information.
- To create a culture of paper less environment within the Company.

WHISTLE BLOWING POLICY

In line with the Company's commitment to open communication, the whistle blowing policy through non-conformance reporting was designed to provide an avenue for employees to raise concerns, and reassurance that they will be protected. As an aware and attentive organization, Kohinoor believes in the conduct of the affairs of its business in a fair and see-through approach by adopting the uppermost principles of professionalism, truthfulness, reliability and principled manners. The said policy have the following main procedures:

1) All Protected Disclosures should be addressed to the nominated Ombudsperson of the Company.

2) Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible English, Urdu or in the regional language.

3) The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower.

4) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

5) Anonymous disclosures will not be entertained by the Ombudsperson as it would not be possible for it to interview the Whistle Blowers.

6) If initial enquiries by the Ombudsperson indicate that the concern / complaint has no basis, or it is not a matter to be investigation pursued under this Policy, it may be dismissed at this stage.

7) Where initial enquiries indicate that further investigation is necessary, this will be carried through in a fair manner, as a neutral fact-finding process and without presumption of guilt. A written report of the findings would be made.

In Kohinoor, no whistle blowing related incidence was highlighted and reported under the above said procedures during the year.

SHARE PRICE SENSITIVITY ANALYSIS

Company's share price is directly linked with the operational and financial performance of Company. In the current situation, Management considers the following factors to which the performance and share price of the Company may be sensitive.

a. Agriculture

Performance in textile sector is mainly dependent on better results of agriculture sector for supply of quality cotton on cheaper rates. Good environmental conditions for cotton crop, having required rain falls, results in optimal quality of cotton with reasonable prices. Availability of quality cotton on cheaper rates supports to generate higher profit margins for producing various types of yarn which in turns affect positively the share price of Company.

b. Demand Factor

Increase in demand of yarn / fabric & Home Textile products may result in increase in market price which will contribute towards better profitability and Earnings per share (EPS) which will ultimately increase the share price.

c. Increase in Cost of Production

Any increase in variable cost (Raw materials, power & utilities cost) may badly affect the gross margins and will resultantly fall in the profitability and fall in EPS. This may badly affect the market price of the share downward.

d. Political Unrest (Strikes, protests)

Volatile political situation often creates disruption in the business processes. Strikes and protests create hindrance in production operations which may adversely affect the Company to meet deadlines of National / International customers. This factor although not very much material at the moment, but may affect share price of the Company adversely.

e. Change in Government Policies

Any change in Government policies related to textile sector may affect the share price of the Company. If policy change is positive than share price will increase, otherwise vice versa.

Report of the Audit Committee

The Audit Committee comprises of one independent non-executive Director and two non-executive Directors. The Chief Financial Officer, the Chief Internal Auditor and the external auditors attend the Audit Committee meetings as provided in the Code of Corporate Governance. Five meetings of the Audit Committee were held during the year 2014-2015. Based on reviews and discussions in these meetings, the Audit Committee reports that:

1. The Audit Committee reviewed and approved the quarterly, half yearly and annual financial statements of the Company and recommended them for approval of the Board of Directors.

2. Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.

3. Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Ordinance, 1984, and the external reporting is consistent with management processes and adequate for shareholder needs.

4. The Audit Committee reviewed and approved all related party transactions.

5. No cases of material complaints regarding accounting, internal accounting controls or audit matters, or Whistle Blowing were received by the Committee.

6. The Company's system of internal control is sound in design and is continually evaluated for effectiveness and adequacy.

7. The Board has established internal audit function being an independent appraisal function for the review of the internal control system in all areas of the business activity and provides management with objective evaluations, appraisals and recommendations on the adequacy, effectiveness and compliance with each system reviewed.

8. Company's internal audit function is headed by a Chartered Accountant with a team of professionals who are suitably qualified and experienced and well aware of the Company's policies and procedures.

9. Internal audit function operates under the charter approved by the Audit Committee and head of the internal audit function has direct access to the Audit Committee.

10. Company's internal audit function prepares annual plan for the financial year and a strategic audit plan for following two years during which all major systems and areas of activity will be audited. Annual and strategic audit plan is approved by the Audit Committee.

11. Internal audit reports include findings, conclusions, recommendations and action plans agreed with management. These are reported promptly to the appropriate level of management. Follow up in implementation is ensured.

12. The Audit Committee, on the basis of the internal audit reports, reviewed the adequacy

of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management's responses. This has ensured the continual evaluation of controls and improved compliance.

13. The Audit Committee ensured that statutory and regulatory obligations and requirements of best practices of governance have been met.

14. The external auditors Riaz Ahmad & Company, Chartered Accountants, were allowed direct access to the Audit Committee and necessary coordination with internal auditors was also ensured. Major findings arising from audits and any matters that the external auditors wished to highlight were freely discussed with them.

15. The Audit Committee reviewed the Management Letter issued by the external auditors and the management response thereto. Observations were discussed with the auditors and required actions recorded.

16. Appointment of external auditors and fixing of their audit fee was reviewed and the Audit Committee following this review recommended to the Board of Directors re-appointment of Riaz Ahmad & Company, Chartered Accountants, as external auditors for the year 2015-2016.

By order of the Audit Committee

(Shafiq Ahmed Khan)
Chairman, Audit Committee
10 September 2015

Risk and Opportunity Report

Objectives

The goal of Board of Directors is to minimize the risks and take advantage of potential opportunities in order to systematically and sustainably improve the value of the Company for all stakeholders. Management has adopted a risk management approach and internal control framework, based on its business philosophy and corporate objectives, which is explained step by step below:

A. Strategy Formulation

Management reviews the Statement of Strategic Objectives annually that represent the Stakeholder' expectations and are the lead indicators for determining the success level of the Company. In order to materialize the objectives, Management adopts certain strategies. These strategies are approved by the Board of Directors and are subject to adjustment, depending upon any changes in the external business environment or internal organizational factors.

B. Risk Assessment

Risk assessment is an on-going process that highlights numerous uncertainties that poses potential threats which may hinder the accomplishment of objectives of the Company. If these risks are not being addressed in timely manner, may culminate in loss. Such risks and uncertainties can arise both from external as well as internal factors within the Company. Broad categories of risks which may hinder operations of the Company are as follows:

Risks Type	Implication
Strategic Risks	Strategic risks can be defined as the uncertainties and untapped opportunities embedded in strategic intent. These risks are key matters for the Board of Directors, and impinge on the whole business, rather than just an isolated unit.
Commercial Risks	Commercial risks refer to potential losses arising from the trading partners or the market in which the Company operates.
Operational Risks	Operational risks refer to risks resulting from breakdowns in internal procedures, people and systems.
Financial Risks	Financial risk is an umbrella term for multiple types of risk associated with financing, profitability, liquidity and credit.

C. Materiality approach

Management believes materiality as a key component of an effective communication with stakeholders. The management has adopted materiality approach which is based on a combination of stakeholder engagement, understanding of environmental limits and strategic alignment. It has made the process, assumptions and evidence base for identifying material issues for more transparent, credible and amenable disclosures to have more transparency on risk and opportunities.

Not being conclusive, management considers that following are the major risks which may affect the operations of the Company and mitigating strategies for these risks.

Innovating success

Corporate Objective	Risk	Mitigation Strategies
Industry Competition: To maintain Company's prominent position among leading export oriented Textile Companies.	**Strategic Risk:** There is increasing competition among existing market players. Further, threat from new entrants are foreseen in the operating segment. **Commercial Risk:** Increasing prices of raw material & overheads may affect the buying potential of customers and profit margins.	Company operates as a vertically integrated unit. Management takes proactive decisions and selects the product mix in spinning and weaving segments which may positively counter the adverse uncontrollable affects in the sales of home textile segment. Management exercises due care for procurement of raw materials.
Legislative and Legal Environment: To operate in a stable market being compliant with all relevant laws of the country and international regulations.	**Strategic Risk:** More stringent legal requirements within the Country and in exportable markets. Changes and Reforms in existing laws & regulations and legal uncertainties. **Commercial Risk:** Demand from international customers for being compliant for labor, health & safety and raw material quality standards.	To meet the Health and Safety standards Company is actively following requirements of various certifications.
Technology: To produce the best and highest quality product that meets the demands of Customers and quality standards.	**Strategic Risk:** Technological shift may render production process obsolete and cost inefficient.	Management continuously investing considerable amounts for upgradation of technological infrastructure in order to remain competitive and cost efficient.
Operations: To ensure continuity of operations without any disruptions in supply and minimize idle time.	**Operational Risk:** Company relies on various third parties for sourcing of quality goods and services. Business constraints faced by associated ventures may adversely affect the customer servicing of the Company.	Management believes in the capacity building of associated vendors in order to increase their potential for timely sourcing of required goods & services to the Company.
Human Capital: To recruit and retain the best people and provide adequate training to ensure high quality skilled force.	**Operational Risk:** Loss of the qualified and competent staff.	Management is continuously investing in the capacity building of it's employees. A rigorous succession plan is also in place aimed to prepare the future leaders.

Corporate Objective	Risk	Mitigation Strategies
Health and safety: To ensure health and safety of employees in workplaces.	**Operational Risk:** Accidents can take place which can cause serious injuries to employees. Unforeseen calamities and natural disasters may result in human loss.	Suitably qualified and well equipped health and safety department is operational which continuously monitors the HSE conditions in the Company and takes the remedial actions as and when required.
Environment: To ensure environment friendly products and processes.	**Operational Risk:** Hazardous emissions and discharges into air and water beyond the prescribed limits. Waste from operations may be disposed of in an inappropriate manner.	Management has installed the waste water treatment plant in order to meet the requirements of various regulatory authorities. Apart from various initiatives that are in process, to reduce the discharge of hazardous chemicals in water and air to minimum level.
Finance: To maintain strong financial position and produce financial performance which is reflective of the Company's scale of business and Shareholders' expectations	**Financial Risk:** Increase in the cost of borrowing may limit the avenues for availability of sufficient working capital. Payment defaults by counter parties may leave the Company with inadequate resources for discharging its own liabilities. Eroding conditions of Pak. Rupee may adversely affect the raw materials cost of spinning segment.	Management has addressed the risk of shortage of working capital by availing sufficient lines from the diversified financial institutions in order to meet the short term finance requirements of the company. Moreover average credit period of the Company is also being improved along with improved operation cycle. Credit risk from counter parties is being addressed by frequent reviews of outstanding balances of major parties, and reconciliations after short time intervals to avoid the chance of disputed amounts / transactions.

D. Opportunity Analysis

Following are the main highlights of potential opportunity of the Company:

Unlocking and exploiting operational opportunities is an important aspect of Kohinoor entrepreneurial activities. We are committed to use existing products and new solutions in order to systematically enhance our growth and strengthen our position in global markets. Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth. In the year under review, we strengthened the basis for further growth in the coming years by making selective investments in our existing businesses and developing innovations that support in achievement of Company's stated vision.

Definitions and glossary of terms

Gross Profit Ratio:

The relationship of the gross profit made for a specified period and the sales or turnover achieved during that period.

Net Profit Ratio:

Net profit ratio is the ratio of net profit (after taxes) to net sales.

Operating Profit Ratio:

The operating profit ratio indicates the ratio of company's profit before interest and taxes to net sales.

Current Ratio:

A company's current assets divided by its current liabilities. This ratio gives you a sense of a company's ability to meet short-term liabilities, and is a measure of financial strength in the short term. A ratio of 1 implies adequate current assets to cover current liabilities: the higher above 1, the better.

Debt-Equity Ratio:

The ratio of a company's liabilities to its equity. The higher the level of debt, the more important it is for a company to have positive earnings and steady cash flow. For comparative purposes, debt-equity is most useful for companies within the same industry.

Earnings Per Share (EPS):

The portion of a company's profit allocated to each outstanding share of common stock. Earnings Per Share serve as an indicator of a company's profitability.

Profit Margin:

Determined by dividing net income by net sales during a time period and is expressed as a percentage. Net profit margin is a measure of efficiency and the higher the margin, the better. Trends in margin can be attributed to rising/falling production costs or rising / falling price of the goods sold.

Return on Equity (ROE):

A percentage that indicates how efficiently common stockholders' invested money is being used. The percentage is the result of dividing net earnings by common stockholders' equity. The ROE is used for measuring growth and profitability. You can compare a company's ROE to the ROE of its industry to determine how a company is doing compared to its competition.

Return on Investment (ROI):

Also Known as return on invested capital (ROIC). ROI is a measure of how well management has used the company's resources. ROI is calculated by dividing earnings by total assets. It is a broader measure than return on equity (ROE) because assets include debt as well as equity. It is useful to compare a company's ROI with others in the same industry.

Du Pont Analysis:

A type of analysis that examines a company's Return on Equity (ROE) by splitting it into three main components; profit margin, total asset turnover and equity multiplier. This analysis highlights the main driving factor of ROE and the factor which needs to be addressed to improve the ROE.

Weave for perfection

Comments on the results of Balance Sheet & Profit and Loss Account

1) Sales has been increased by 4%, from Rupees. 15,302 million (2014) to Rupees 15,863 million. Increase in sales is mainly attributable to outstanding performance of the spinning divisions despite stiff competition from local as well foreign suppliers of yarn. Weaving division has witnessed decline in sales of 7% as compared to preceding year. Processing and Home textile division has recorded 4% increase in sales.

2) Cost to revenue ratio has been decreased from 87.54% to 82.79% during the year. Major reasons contributing such decrease are buying raw materials on the most competitive rates and efficient controls over the procurement of stores and spares.

3) Gross Profit ratio has been increased from 12.46% to 17.21% in current financial year mainly due to better margins of Processing and Home Textile Divisions.

4) Finance cost has been decreased by 74 million due to decrease in weighted average cost of capital (WACC) and efficient deployment of financial management strategy to use the internal cash flows for financing working capital requirements.

5) Net profit to sales ratio has been increased from 7.64% to 13.16% due to higher gross profit, sale of shares & dividend received from subsidiary Company.

6) Debt equity ratio has been increased from 3:97 to 6:94 mainly due to expansion in weaving division.

Comments on the Summary of Cash Flow Statement

Cash flow from operating activities has been increased by Rupees. 1,082 million due to sales on increased profit margins and more stringent controls over cost reductions.

Net outflow in investing activities is due to long term investment in Subsidiary Company.

Financing activities are continuously showing the net outflow since 2011 in line with managements' strategy of paying off the finance obligations.

Moving forward

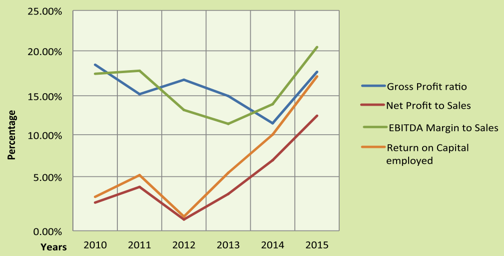
Key Operating and Financial Data

Six Years Summary

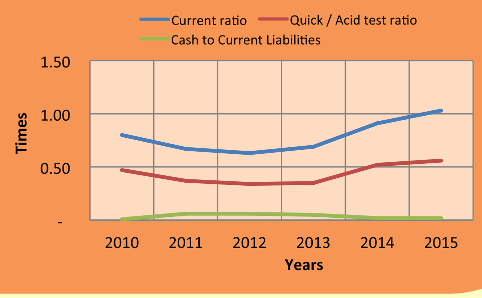
Particulars	2015	2014	2013	2012	2011	2010
Net sale (Rs. 000)	**15,862,743**	**15,302,242**	**14,250,439**	**11,146,698**	**12,037,253**	**10,693,338**
Profitability (Rs.000)						
Gross Profit	2,729,989	1,907,163	2,134,252	1,836,649	1,823,548	2,000,809
Operating profit	2,897,223	1,853,976	1,438,978	1,175,029	1,726,084	1,449,216
Profit / (Loss) before tax	2,406,306	1,288,592	798,435	304,289	688,790	376,448
Provision for income tax	319,473	118,940	313,903	187,860	200,939	98,587
Profit / (Loss) after tax	**2,086,833**	**1,169,652**	**484,532**	**116,429**	**487,851**	**277,861**
Financial Position (Rs.000)						
Tangible fixed assets-net	6,565,198	5,919,751	5,959,112	6,161,381	6,747,691	6,496,299
Intangible assets	-	-	3,006	6,284	9,563	-
Investment & Other assets	5,710,380	4,842,439	5,018,905	5,028,081	5,006,352	4,004,892
	12,275,578	10,762,190	10,981,023	11,195,746	11,763,606	10,501,191
Current assets	5,338,022	5,359,518	4,339,574	4,002,184	4,539,059	6,556,108
Current liabilities	5,185,753	5,868,566	6,257,996	6,329,557	6,806,838	8,169,138
Net working capital	152,269	(509,048)	(1,918,422)	(2,327,373)	(2,267,779)	(1,613,030)
Capital employed	**12,427,847**	**10,253,142**	**9,062,601**	**8,868,373**	**9,495,827**	**8,888,161**
Less: Redeemable Capital, long term loan & other liabilities	743,794	410,396	389,507	679,811	1,423,694	1,853,068
Less: Surplus on revaluation of property	3,673,825	3,673,825	3,673,825	3,673,825	3,685,497	3,673,825
Share holders Equity	**8,010,228**	**6,168,921**	**4,999,269**	**4,514,737**	**4,386,636**	**3,361,268**
Represented By:						
Share capital	2,455,262	2,455,262	2,455,262	2,455,262	2,455,262	1,455,262
Reserves & unappropriated profit	5,554,966	3,713,659	2,544,007	2,059,475	1,931,374	1,906,006
	8,010,228	**6,168,921**	**4,999,269**	**4,514,737**	**4,386,636**	**3,361,268**
RATIO'S:						
Profitability Ratio's:						
Gross Profit to sales (%age)	17.21	12.46	14.98	16.48	15.15	18.71
Net Profit to sales (%age)	13.16	7.64	3.40	1.04	4.05	2.60
EBITDA (%age)	20.34	14.22	12.41	13.69	17.31	17.03
Operating leverage ratio	14.00	4.14	0.79	4.57	1.46	3.85
Return on equity (%age)	26.05	18.96	9.69	2.58	11.12	8.27
Return on capital employed (%age)	16.79	11.41	5.35	1.31	5.14	3.13
Profit before tax ratio (%age)	15.17	8.42	5.60	2.73	5.72	3.52
Effective tax rate (%age)	13.28	9.23	39.31	61.74	29.17	26.19
Cost / Revenue ratio (%age)	82.79	87.54	85.02	83.52	84.85	81.29
Liquidity Ratio's:						
Current ratio	1.03	0.91	0.69	0.63	0.67	0.80
Acid test ratio	0.56	0.52	0.35	0.34	0.37	0.47
Cash to current liabilities	0.02	0.02	0.05	0.06	0.06	0.01
Cash flow from operations to sales %	8.26	1.49	4.30	7.58	14.35	(3.78)
Activity / Turnover Ratio's:						
Inventory turn over	6.78	7.33	7.35	5.84	5.04	4.17
No. of days in Inventory	54	50	50	62	72	88
Debtors turn over ratio	15.60	15.53	13.88	13.16	11.82	8.99

Particulars	2015	2014	2013	2012	2011	2010
No. of days in receivables	23.40	23.50	26.30	27.74	30.88	40.60
Creditors turnover ratio	10.23	11.25	10.05	9.33	10.89	9.20
No. of days in creditors	36	32	36	39	34	40
Total assets turn over / return on investment ratio	0.90	0.95	0.93	0.73	0.74	0.63
Fixed assets turn over ratio	1.90	1.99	1.85	1.41	1.78	1.30
Operating cycle	42	41	40	51	70	89
Investment / Market Ratio's:						
Earning per share - Basic	8.5	4.76	1.97	0.47	2.20	1.91
Earning per share - Diluted	8.5	4.76	1.97	0.47	2.20	1.91
Price earning ratio	7.64	4.99	8.53	8.87	1.80	2.94
Price to book ratio	64.96:32.62	23.74:25.13	16.80:20.36	4.17:18.39	3.95:17.87	5.62:23.10
Dividend yield ratio	10%	-	-	-	-	-
Dividend payout ratio	11.76	-	-	-	-	-
Dividend cover ratio - (Times)	8.50	-	-	-	-	-
Cash dividend per share - (Rupees)	1.00	-	-	-	-	-
Stock dividend per share	-	-	-	-	-	-
Breakup value per share (without revaluation surplus)	32.62	25.13	20.36	18.39	17.87	23.10
Breakup value per share (with revaluation surplus)	47.59	40.09	35.32	33.35	32.88	48.34
Market value per share at the end of the year	64.96	23.74	16.80	4.17	3.95	5.62
Share Price - High during the year	68.28	30.70	19.5	5.63	5.93	10.19
Share Price - Low during the year	21.68	16.80	3.7	2.28	3.95	4.30
Earning assets to total assets ratio	69.35	66.47	71.41	73.67	72.16	61.56
Capital Structure Ratio's:						
Financial leverage ratio	0.74	1.02	1.33	1.55	1.88	2.98
Weighted average cost of debt (%age)	9.68	11.11	11.35	14.02	13.56	12.60
Debt to equity ratio	6 : 94	3 : 97	11 : 89	20 :80	31 : 69	42 :58
Interest cover ratio	5.90	3.28	2.25	1.35	1.66	1.35
Average operating working capital to sales ratio	0.19	0.19	0.17	0.24	0.29	0.31
Net borrowing to EBITDA ratio	1.23	2.13	2.61	3.37	3.21	4.64
Net cash flow from operating activities	1,310,771	228,105	612,206	844,892	1,727,143	(403,780)
Net cash flow from investing activities	(314,592)	(228,826)	(99,537)	701,624	70,772	(310,582)
Net cash flow from financing activities	(982,301)	(219,194)	(577,320)	(1,582,009)	(1,455,770)	712,916
Net change in cash and cash equivalents	13,878	(219,915)	(64,651)	(35,493)	342,145	(1,446)
Yarn (Kgs "000") :						
Production (cont. into 20s)						
KTM Division	38,270	32,415	33,038	24,998	23,547	35,211
KGM Division	30,524	25,726	30,243	24,441	25,989	31,295
	68,794	58,141	63,281	49,439	49,536	66,506
Sales / Tran.for wvg.(actual count)						
KTM Division	9,597	10,267	8,105	5,933	7,600	7,202
KGM Division	4,533	5,367	3,857	3,365	3,449	4,104
	14,130	15,634	11,962	9,298	11,049	11,306
Cloth (Linear meters "000") :						
Processing (Rawalpindi Division)						
Production	19,747	19,235	16,221	15,204	21,367	34,653
Sales	18,890	17,994	15,055	14,856	23,793	34,065
Weaving (Raiwind Division)						
Production	21,280	18,883	19,122	22,840	20,667	21,489
Sales	20,501	18,968	19,069	23,877	19,717	21,691

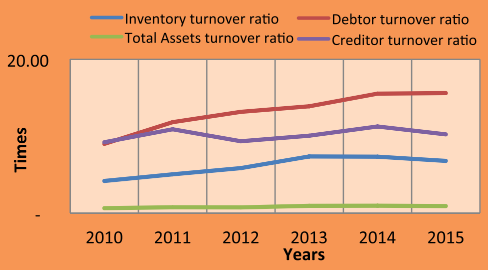
Profitability Ratios



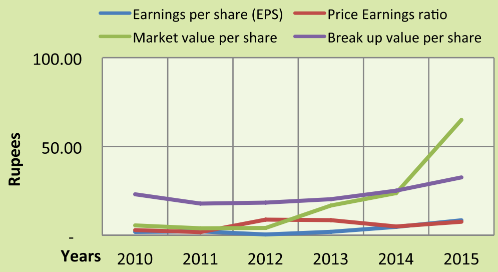
Liquidity Ratios



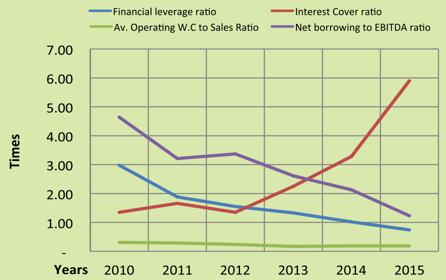
Turnover Ratios



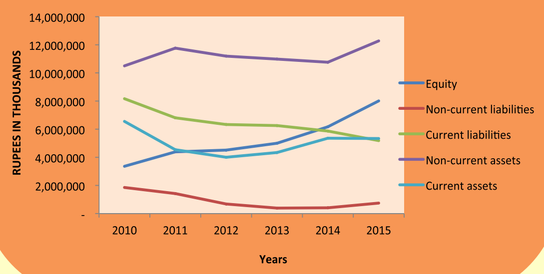
Market Ratios



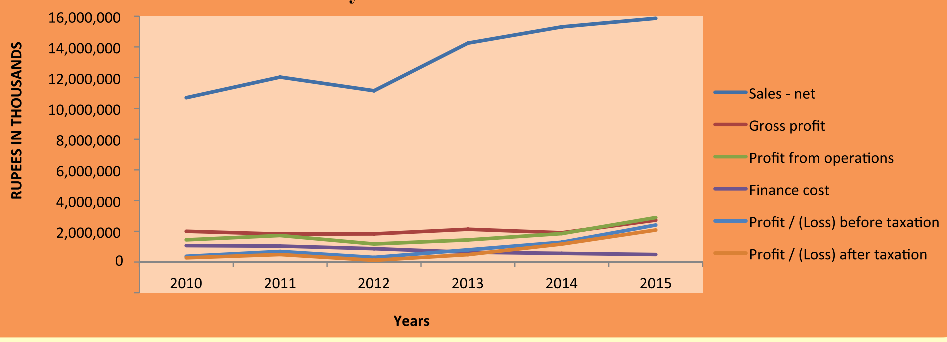
Capital Structure Ratios

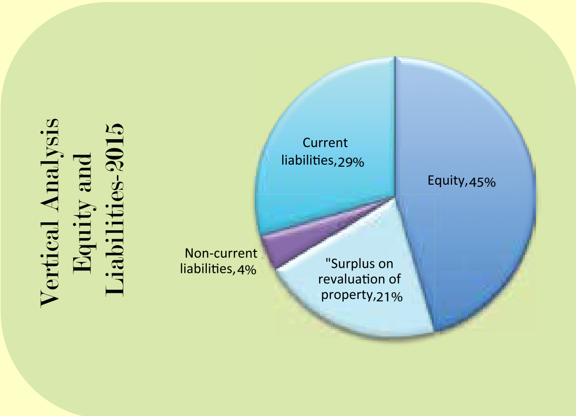


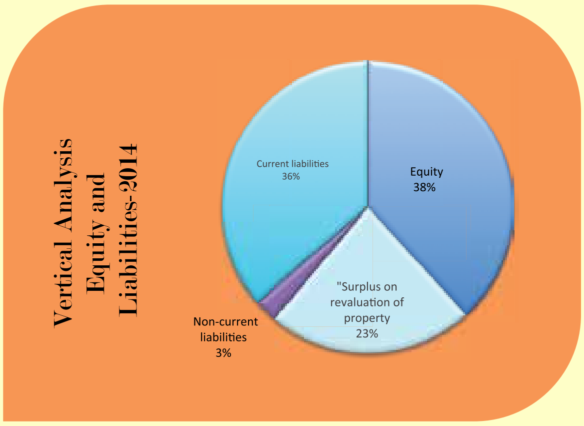
Horizontal Analysis - Balance Sheet

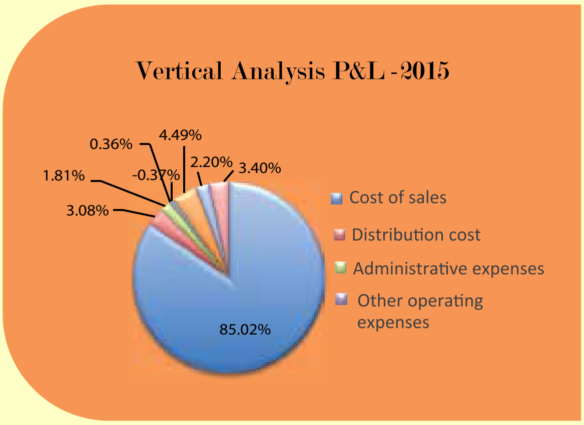


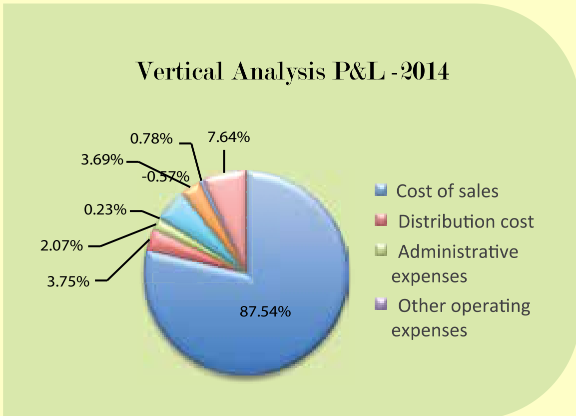
Horizontal Analysis - Profit & Loss Account

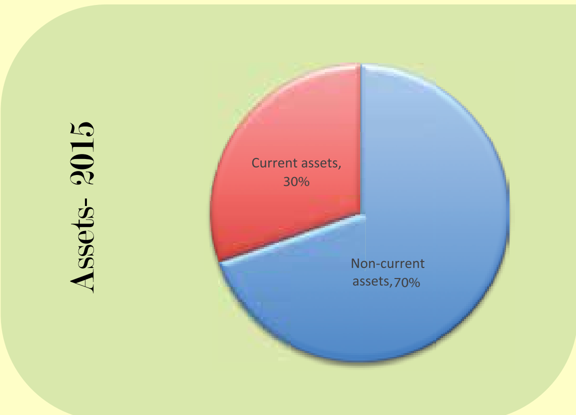


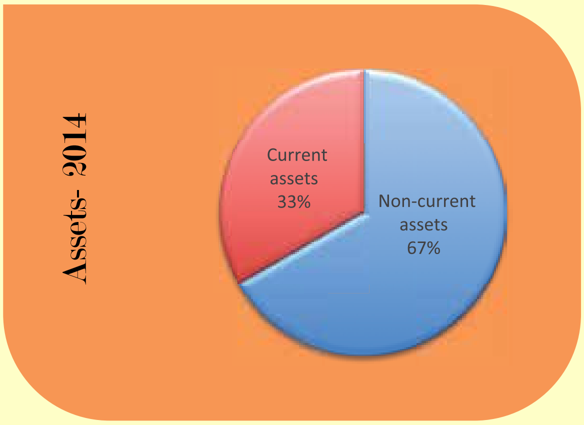

Vertical Analysis
Equity and
Liabilities-2015
Current
liabilities,29%
Equity,45%
Non-current
liabilities,4%
"Surplus on
revaluation of
property,21%


Vertical Analysis
Equity and
Liabilities-2014
Current liabilities
36%
Equity
38%
"Surplus on
revaluation of
property
23%
Non-current
liabilities
3%


Vertical Analysis P&L -2015
0.36%
4.49%
1.81%
-0.37%
2.20%
3.40%
3.08%
85.02%
Cost of sales
Distribution cost
Administrative expenses
Other operating
expenses


Vertical Analysis P&L -2014
0.78%
7.64%
3.69%
-0.57%
0.23%
2.07%
3.75%
87.54%
Cost of sales
Distribution cost
Administrative
expenses
Other operating
expenses


Assets- 2015
Current assets,
30%
Non-current
assets,70%


Assets- 2014
Current
assets
33%
Non-current
assets
67%

Cash flow statement - (Direct Method)

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	15,635,039	15,464,679
Cash paid to suppliers and employees	13,536,370	14,514,441
Cash generated from operations	2,098,669	950,238
Finance cost paid	(520,371)	(575,870)
Income tax paid	(254,006)	(140,008)
Net decrease/ (Increase) in long term deposits	(13,521)	(6,255)
Net cash generated from operating activities	1,310,771	228,105
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment	(913,391)	(273,208)
Proceeds from sale of property, plant and equipment	22,343	18,938
Purchase of long term investments	(1,000,000)	-
Purchase of short term investments	(2,250,432)	(970,000)
Proceeds from sale of long term investments	900,787	970,871
Proceeds from sale of short term investments	2,610,794	-
Interest received	2,157	17,627
Dividends received	313,150	6,946
Net cash (used in) / from investing activities	(314,592)	(228,826)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term financing	317,680	97,129
Repayment of long term financing	(64,308)	(541,145)
Repayment of liabilities against assets subject to finance lease	(12,664)	(21,153)
Short term borrowings - net	(978,728)	245,975
Dividend paid	(244,281)	-
Net cash used in financing activities	(982,301)	(219,194)
Net increase in cash and cash equivalents	13,878	(219,915)
Cash and cash equivalents at the beginning of the year	100,937	320,852
Cash and cash equivalents at the end of the year	114,815	100,937

DuPont Analysis

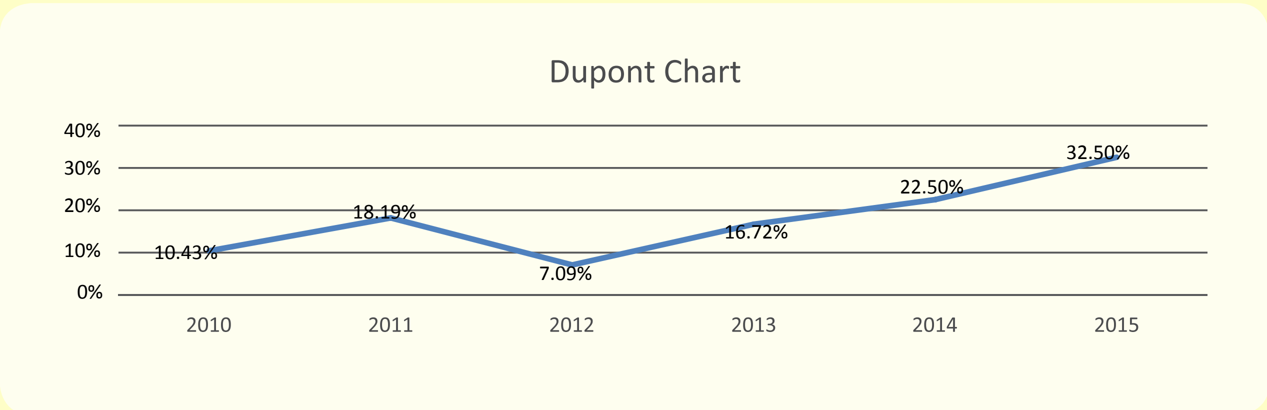
Year	Return on Equity (ROE) D=A*B*C	Profit Margin = Pre tax profit / Net Sales A	Total Assets Turnover = Net Sales / Assets B	Equity Multiplier = Avg. Assets / Avg. Equity C
2010	10.43%	0.04	0.63	4.72
2011	18.19%	0.06	0.74	4.31
2012	7.09%	0.03	0.73	3.54
2013	16.72%	0.06	0.93	3.21
2014	22.50%	0.08	0.95	2.82
2015	32.50%	0.15	0.90	2.38

Comments:

a. Main driving factor in the increased ROE as compared to previous year is increased profit margins.

b. Profit margin is increasing over the period because of selection of product mix yielding greater margins and exercising stringent controls over all critical & contemporary business processes to reduce costs.

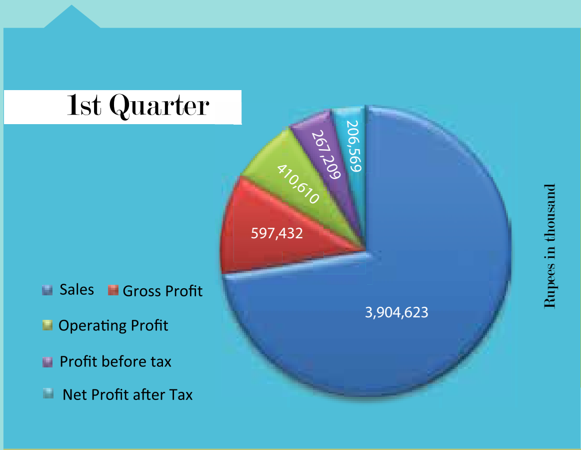
c. Equity multiplier slightly decreased due to increase in shareholders equity.

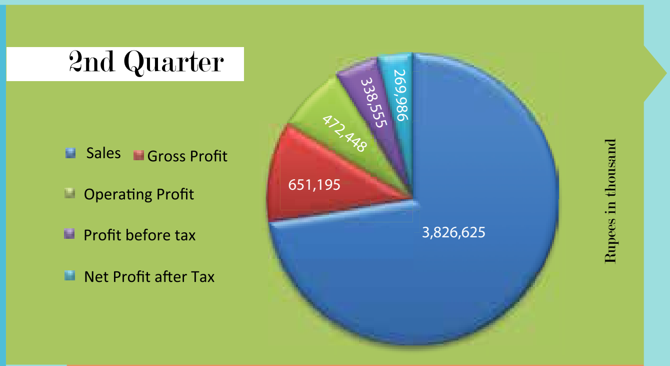


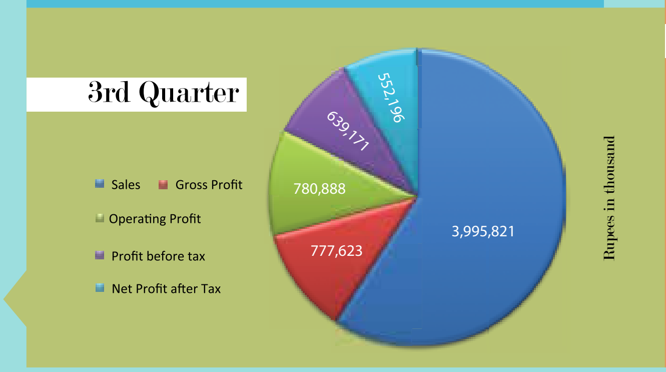
Results Reported in Interim Financial Statements and Final Accounts

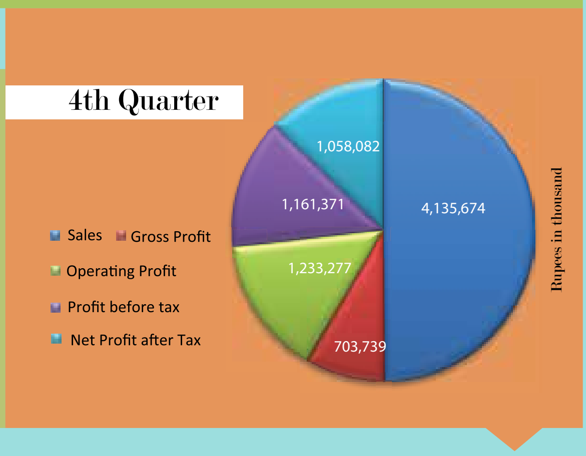
Particulars	Interim Reports Results 3 Months Period Ended 30-09-2014		6 Months Period Ended 31-12-2014		9 Months Period Ended 31-03-2015		Annual Full Year Ended 30-06-2015	
	Rupees '000	%	Rupees '000	%	Rupees '000	%	Rupees '000	%
Net Turnover	3,904,623		7,731,248		11,727,069		15,862,743	
Gross Profit	597,432	15.30%	1,248,627	16.15%	2,026,250	17.28%	2,729,989	17.21%
Operating Profit	410,610	10.52%	883,058	11.42%	1,663,946	14.19%	2,897,223	18.26%
Net Profit before tax	267,209	6.84%	605,764	7.84%	1,244,935	10.62%	2,406,306	15.17%
Net Profit after tax	206,569	5.29%	476,555	6.16%	1,028,751	8.77%	2,086,833	13.16%
Equity	6,375,490		6,645,476		6,952,146		8,010,228	
Current ratio (in time)	0.95		0.79		0.84		1.03	

Graphical Presentation









ANALYSIS OF VARIATION IN RESULTS REPORTED IN INTERIM FINANCIAL STATEMENTS WITH THE FINAL ACCOUNTS

3 Months Ended 30 September 2014

Gross Profit was 15.30% as compared with annual GP of 17.21% due to squeezed profit margins in 1st quarter.

Operating profit was 10.52% as compared with annual operating profit of 18.26% due to gain on sale of subsidiary company shares & dividend income in the 4th quarter.

Net profit before tax was 6.84% as compared with annual net profit before tax of 15.17% due to increase in profits in 4th Quarter.

Net Profit after tax was 5.29% as compared with annual net profit after tax of 13.16% due to squeezed profit margins in 1st Quarter.

Shareholders' equity was Rs. 6,375 million as compared with annual equity of Rs. 8,010 million mainly due to gain on sale of shares and dividend in last quarters.

Current ratio was 0.95 times as compared with annual current ratio of 1.03 times due to increase in short term investments in the last quarter.

6 Months Ended 31 December 2014

Gross Profit was 16.15% as compared with annual GP of 17.21% due to squeezed profit margins.

Operating profit for the first half year was 11.42% as compared with annual operating profit of 18.26% due to gain on sale of subsidiary company shares in last quarter.

Net profit before tax was 7.84% as compared with annual net profit before tax of 15.17% due low profit margins.

Shareholders' equity was Rs. 6,645 million as compared with annual equity of Rupees. 8,010 million due to gain on sale of shares in the last quarter and better margins.

Current ratio was 0.79 times as compared with annual current ratio of 1.03 times due to increase in short term investments in the last quarter.

9 Months Ended 31 March 2015

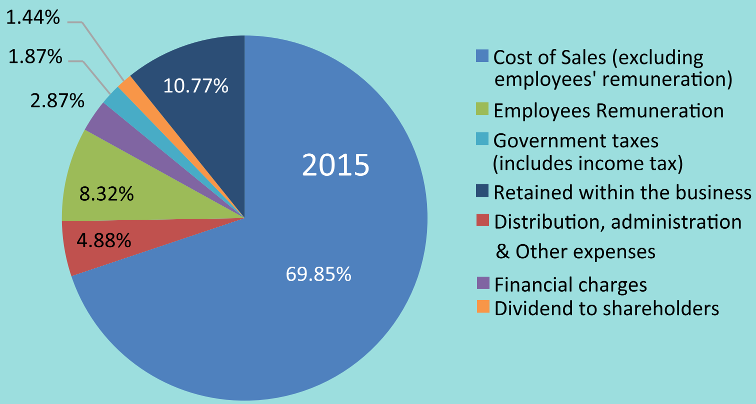
Gross profit was 17.28% as compared with annual GP of 17.21% due to better utilizations, selling margins and currency devaluation.

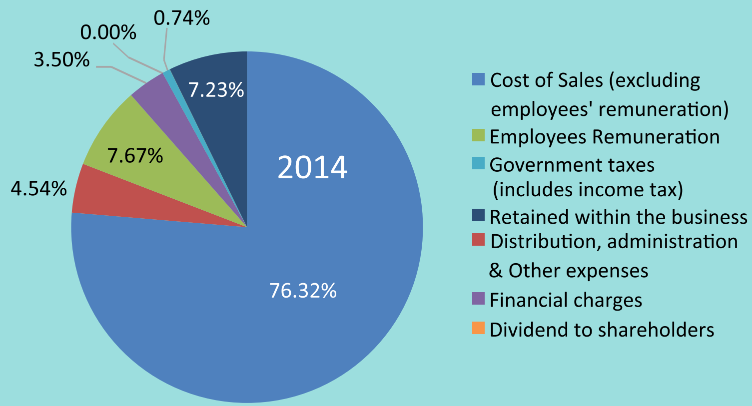
Shareholders' equity was Rs. 6,952 million as compared with annual equity of Rupees. 8,010 million.

Current ratio was 0.84 times as compared with annual current ratio of 1.03 times.

Value Added and How Distributed

	2015 Rs "000"	2015 % age	2014 Rs "000"	2014 % age	2013 Rs "000"	2013 % age	2012 Rs "000"	2012 % age	2011 Rs "000"	2011 % age	2010 Rs "000"	2010 % age
Wealth Generated												
Net Sales	15,862,743	92.80%	15,302,242	94.61%	14,250,439	99.63%	11,146,698	99.40%	12,037,253	95.28%	10,693,338	99.27%
Other operating income	1,229,860	7.20%	871,815	5.39%	52,455	0.37%	67,273	0.60%	595,770	4.72%	78,651	0.73%
	17,092,603	100.00%	16,174,057	100.00%	14,302,894	100.00%	11,213,971	100.00%	12,633,023	100.00%	10,771,989	100.00%
Distribution of Wealth												
Cost of Sales (excluding employees' remuneration)	11,938,725	69.85%	12,344,449	76.32%	11,255,864	78.70%	8,636,210	77.01%	9,514,022	75.31%	7,952,404	73.82%
Distribution, administration & Other expenses	834,508	4.88%	735,069	4.54%	584,383	4.09%	578,789	5.16%	546,646	4.33%	497,243	4.62%
Employees Remuneration	1,422,147	8.32%	1,240,563	7.67%	1,023,669	7.16%	823,943	7.35%	846,271	6.70%	873,126	8.11%
Financial charges	490,917	2.87%	565,384	3.50%	640,543	4.48%	870,740	7.76%	1,037,294	8.21%	1,072,768	9.96%
Government taxes (includes income tax)	319,473	1.87%	118,940	0.74%	313,903	2.19%	187,860	1.68%	200,939	1.59%	98,587	0.92%
Dividend to shareholders	245,526	1.44%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Retained within the business	1,841,307	10.77%	1,169,652	7.23%	484,532	3.39%	116,429	1.04%	487,851	3.86%	277,861	2.58%
	17,092,603	100.00%	16,174,057	100.00%	14,302,894	100.00%	11,213,971	100.00%	12,633,023	100.00%	10,771,989	100.00%





Horizontal Analysis of Financial Statement

	2015	Change 15 vs 14	2014	Change 14 vs 13	2013	Change 13 vs 12	2012	Change 12 vs 11	2011	Change 11 vs 10	2010	Change 10 vs 09
			Rupees	%	Rupees	%	Rupees	%	Rupees	%	Rupees	%
Balance Sheet												
Total Equity	8,010,228	29.85	6,168,921	23.40	4,999,269	10.73	4,514,737	2.92	4,386,636	30.51	3,361,268	9.87
Total Surplus on revolution of property	3,673,825	-	3,673,825	-	3,673,825	-	3,673,825	(0.32)	3,685,497	0.32	3,673,825	190.74
Total non-current liabilities	743,794	81.24	410,396	5.36	389,507	(42.70)	679,811	(52.25)	1,423,694	(23.17)	1,853,068	(15.39)
Total current liabilities	5,185,753	(11.64)	5,868,566	(6.22)	6,257,996	(1.13)	6,329,557	(7.01)	6,806,838	(16.68)	8,169,138	20.80
Total equity and liabilities	**17,613,600**	**9.25**	**16,121,708**	**5.23**	**15,320,597**	**0.81**	**15,197,930**	**(6.78)**	**16,302,665**	**(4.42)**	**17,057,299**	**28.49**
Total non-current assets	12,275,578	14.06	10,762,190	(1.99)	10,981,023	(1.92)	11,195,746	(4.83)	11,763,606	12.02	10,501,191	28.95
Total current assets	5,338,022	(0.40)	5,359,518	23.50	4,339,574	8.43	4,002,184	(11.83)	4,539,059	(30.77)	6,556,108	27.75
Total assets	**17,613,600**	**9.25**	**16,121,708**	**5.23**	**15,320,597**	**0.81**	**15,197,930**	**(6.78)**	**16,302,665**	**(4.42)**	**17,057,299**	**28.49**
Profit and Loss Account												
Net sales	15,862,743	3.66	15,302,242	7.38	14,250,439	27.84	11,146,698	(7.40)	12,037,253	12.57	10,693,338	26.42
Cost of sales	13,132,754	(1.96)	13,395,079	10.56	12,116,187	30.14	9,310,049	(8.85)	10,213,705	17.50	8,692,529	20.75
Gross profit	2,729,989	43.14	1,907,163	(10.64)	2,134,252	16.20	1,836,649	0.72	1,823,548	(8.86)	2,000,809	58.81
Selling and distribution expenses	620,281	8.14	573,592	30.78	438,598	8.96	402,526	(5.30)	425,063	6.85	397,818	(14.42)
Administrative expenses	366,754	16.01	316,152	22.35	258,398	22.84	210,356	(3.83)	218,739	12.11	195,103	10.88
Other operating expenses	75,591	114.39	35,258	(30.50)	50,733	(56.27)	116,011	134.69	49,432	32.44	37,323	68.96
Other operating income	1,229,860	41.07	871,815	1,562.02	52,455	(22.03)	67,273	(88.71)	595,770	657.49	78,651	(37.85)
Profit from operations	2,897,223	56.27	1,853,976	28.84	1,438,978	22.46	1,175,029	(31.93)	1,726,084	19.10	1,449,216	100.29
Finance cost	490,917	(13.17)	565,384	(11.73)	640,543	(26.44)	870,740	(16.06)	1,037,294	(3.31)	1,072,768	(14.88)
Profit before taxation	2,406,306	86.74	1,288,592	61.39	798,435	162.39	304,289	(55.82)	688,790	82.97	376,448	(170.14)
Provision for taxation	319,473	168.60	118,940	(62.11)	313,903	67.09	187,860	(6.51)	200,939	103.82	98,587	(201.78)
Profit after taxation	**2,086,833**	**78.41**	**1,169,652**	**141.40**	**484,532**	**316.16**	**116,429**	**(76.13)**	**487,851**	**75.57**	**277,861**	**(163.18)**

Vertical Analysis of Financial Statement

	2015	%	2014	%	2013	%	2012	%	2011	%	2010	%
							Rupees in thousand					
Balance Sheet												
Total Equity	8,010,228	45.48	6,168,921	38.26	4,999,269	32.63	4,514,737	29.71	4,386,636	26.91	3,361,268	19.71
Total Surplus on revolution of property	3,673,825	20.86	3,673,825	22.79	3,673,825	23.98	3,673,825	24.17	3,685,497	22.61	3,673,825	21.54
Total non-current liabilities	743,794	4.22	410,396	2.55	389,507	2.54	679,811	4.47	1,423,694	8.73	1,853,068	10.86
Total current liabilities	5,185,753	29.44	5,868,566	36.40	6,257,996	40.85	6,329,557	41.65	6,806,838	41.75	8,169,138	47.89
Total equity and liabilities	**17,613,600**	**100.00**	**16,121,708**	**100.00**	**15,320,597**	**100.00**	**15,197,930**	**100.00**	**16,302,665**	**100.00**	**17,057,299**	**100.00**
Total non-current assets	12,275,578	69.69	10,762,190	66.76	10,981,023	71.67	11,195,746	73.67	11,763,606	72.16	10,501,191	61.56
Total current assets	5,338,022	30.31	5,359,518	33.24	4,339,574	28.33	4,002,184	26.33	4,539,059	27.84	6,556,108	38.44
Total assets	**17,613,600**	**100.00**	**16,121,708**	**100.00**	**15,320,597**	**100.00**	**15,197,930**	**100.00**	**16,302,665**	**100.00**	**17,057,299**	**100.00**
Profit and Loss Account												
Net sales	15,862,743	100.00	15,302,242	100.00	14,250,439	100.00	11,146,698	100.00	12,037,253	100.00	10,693,338	100.00
Cost of sales	13,132,754	82.79	13,395,079	87.54	12,116,187	85.02	9,310,049	83.52	10,213,705	84.85	8,692,529	81.29
Gross profit	2,729,989	17.21	1,907,163	12.46	2,134,252	14.98	1,836,649	16.48	1,823,548	15.15	2,000,809	18.71
Selling and distribution expenses	620,281	3.91	573,592	3.75	438,598	3.08	402,526	3.61	425,063	3.53	397,818	3.72
Administrative expenses	366,754	2.31	316,152	2.07	258,398	1.81	210,356	1.89	218,739	1.82	195,103	1.82
Other operating expenses	75,591	0.48	35,258	0.23	50,733	0.36	116,011	1.04	49,432	0.41	37,323	0.35
Other operating income	1,229,860	7.75	871,815	5.70	52,455	0.37	67,273	0.60	595,770	4.95	78,651	0.74
Profit from operations	2,897,223	18.26	1,853,976	12.12	1,438,978	10.10	1,175,029	10.54	1,726,084	14.34	1,449,216	13.55
Finance cost	490,917	3.09	565,384	3.69	640,543	4.49	870,740	7.81	1,037,294	8.62	1,072,768	10.03
Profit before taxation	2,406,306	15.17	1,288,592	8.42	798,435	5.60	304,289	2.73	688,790	5.72	376,448	3.52
Provision for taxation	319,473	2.01	118,940	0.78	313,903	2.20	187,860	1.69	200,939	1.67	98,587	0.92
Profit after taxation	**2,086,833**	**13.16**	**1,169,652**	**7.64**	**484,532**	**3.40**	**116,429**	**1.04**	**487,851**	**4.05**	**277,861**	**2.60**

This disclosure is being added as per requirements of Securities and Exchange Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.

Comments on the 6 Years Horizontal analysis of Balance Sheet and Profit & Loss Account

Balance Sheet:

Continuous increase in shareholder's equity is primarily because of profitable operations of the Company.

Non-current liabilities showed the continuous decreasing trend from 2010 to 2013 (decrease of Rupees. 1,443 Million) due to repayments of long term loans. From 2014 to 2015 there is an increase of Rupees. 338 million which is primarily because of expansion project in weaving division of the Company.

Non-current assets of the Company has been increased by 17% in 2015 as compared to 2010. This is because of expansion of production facilities in weaving division and modernization of plant & machinery in spinning, processing and stitching divisions.

Current assets of the Company are showing upward trend since 2012. An increase of 33% has been recorded which is because of efficient control on inventory levels and increase in the short term investments of the surplus cash flows.

Profit & Loss Account:

Company's sales are being increased by 48% since 2010.

Gross profit has been increased by 43% from 2014 to 2015. Major components of such an increase are selection of orders yielding maximum contribution margins, more stringent controls over direct & in-direct cost of production and close monitoring of operations on day to day basis to minimize the costs of different contracts and jobs.

In 6 years period from 2010 to 2015, Finance cost has been decreased by 54% which is because of repayment of long term loans and decrease in WACOC.

Comments on Vertical analysis of Balance sheet and Profit & Loss Account

Balance Sheet:

Equity component has been increased from 19.71% of the balance sheet footing in year 2010 to 45% of the balance sheet footing in year 2015. A major factor for such an increase is profitable operations of the Company and reduction in debt servicing to external sources of finance providers.

Non-current liabilities are currently showing declining trend since 2010 till 2014. This is in line with Management's strategy to pay off the external obligations. During current year 2015, non- current liabilities are 4.22% of the balance sheet footing as compared to 2.55% for the preceding year, this increase is primarily because of expansion project of production facilities.

Non-current assets has been increased from 66.76% in 2014 to 69.69% in 2015. Such increase is due to capital expenditure for production facilities.

Profit & Loss Account:

Cost of sales has been decreased from 87.54% to 82.79% in 2015 as compared with 2014. Such decrease is because of efficient controls to reduce the costs to minimum level.

Finance cost has been decreased from 3.69% to 3.09% in 2015 because of paying off the finance obligations and reduction in WACOC.

Statement of Compliance with the Code of Corporate Governance

Name of Company: **Kohinoor Textile Mills Limited**
Year Ended: June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the Regulation No. 35 of the Listing Regulations of Karachi, Lahore and Islamabad 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. Shafiq Ahmed Khan
Executive Directors	Mr. Taufique Sayeed Saigol Mr. Waleed Tariq Saigol Mr. Danial Taufique Saigol Syed Mohsin Raza Naqvi
Non-Executive Directors	Mr. Tariq Sayeed Saigol Mr. Sayeed Tariq Saigol Mr. Arif Ijaz

The 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 of Directors during the year.

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

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

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

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

9. The Board had arranged orientation courses for its Directors during the preceding years from recognized institutions of Pakistan that meet the criteria specified by the SECP whereas some Directors having the requisite experience on the Board(s) of Listed Companies are exempt from the Directors’ Training Program. Further, the Directors have also provided declarations that they are aware of their duties, powers and responsibilities under the Companies

Ordinance, 1984 and the Listing Regulations of the Stock Exchanges. Furthermore, the Board has put in place a mechanism for an annual evaluation of the Board's own performance.

10. There were no new appointments of the CFO, Company Secretary and Head of Internal Audit during the year, however, all such appointments including their remuneration and terms and conditions of employment are duly approved by the Board.

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

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

13. The Directors, CEO and executives do not hold any interest in 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 comprising of three non-executive directors including the chairman of the committee who is an independent director.

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

17. The Board has formed a HR & Remuneration Committee comprising of three members with majority of non-executive directors including the chairman of the committee.

18. The Board has set up an effective internal audit function.

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 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 the ICAP.

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

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, executives 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 enshrined in the CCG have been complied with.

For and on behalf of the Board

(Taufique Sayeed Saigol)
Chief Executive

Lahore:
10 September 2015

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 TEXTILE MILLS LIMITED** for the year ended 30 June 2015 to comply with the requirements of Listing Regulations of the Karachi Stock Exchange, the Lahore Stock Exchange and the Islamabad Stock Exchange, 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 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 & Co

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: 10 September 2015
Islamabad

Financial Statements

for the Year Ended June 30, 2015

KTM
Kohinoor Textile Mills Limited

Auditors' Report to the Members

We have audited the annexed balance sheet of **KOHINOOR TEXTILE 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, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

Date: September 10, 2015

ISLAMABAD

Balance Sheet
As at June 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (2014: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2014: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		4,000,000	4,000,000
Issued, subscribed and paid up share capital	3	2,455,262	2,455,262
Reserves	4	5,554,966	3,713,659
Total equity		8,010,228	6,168,921
Surplus on revaluation of land and investment properties	5	3,673,825	3,673,825
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	334,229	86,399
Liabilities against assets subject to finance lease	7	47,963	8,037
Deferred income tax liability	8	361,602	315,960
		743,794	410,396
CURRENT LIABILITIES			
Trade and other payables	9	1,434,212	1,132,586
Accrued mark-up	10	64,161	93,615
Short term borrowings	11	3,596,588	4,575,316
Current portion of non-current liabilities	12	90,792	67,049
		5,185,753	5,868,566
TOTAL LIABILITIES		5,929,547	6,278,962
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		17,613,600	16,121,708

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

CHIEF EXECUTIVE OFFICER

	Note	2015	2014
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	14	6,565,198	5,919,751
Investment properties	15	1,783,133	1,781,133
Long term investments	16	3,867,089	3,014,669
Long term deposits	17	60,158	46,637
		12,275,578	10,762,190
CURRENT ASSETS			
Stores, spare parts and loose tools	18	456,460	424,755
Stock-in-trade	19	1,987,603	1,888,177
Trade debts	20	1,130,300	903,312
Advances	21	153,862	158,518
Security deposits and short term prepayments	22	24,924	17,237
Other receivables	23	638,939	761,997
Taxation recoverable		109,521	129,346
Short term investments	24	721,598	975,239
Cash and bank balances	25	114,815	100,937
		5,338,022	5,359,518
TOTAL ASSETS		17,613,600	16,121,708

DIRECTOR

Profit and Loss Account
For the year ended June 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
SALES	26	15,862,743	15,302,242
COST OF SALES	27	(13,132,754)	(13,395,079)
GROSS PROFIT		2,729,989	1,907,163
DISTRIBUTION COST	28	(620,281)	(573,592)
ADMINISTRATIVE EXPENSES	29	(366,754)	(316,152)
OTHER EXPENSES	30	(75,591)	(35,258)
		(1,062,626)	(925,002)
		1,667,363	982,161
OTHER INCOME	31	1,229,860	871,815
PROFIT FROM OPERATIONS		2,897,223	1,853,976
FINANCE COST	32	(490,917)	(565,384)
PROFIT BEFORE TAXATION		2,406,306	1,288,592
TAXATION	33	(319,473)	(118,940)
PROFIT AFTER TAXATION		2,086,833	1,169,652
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)	37	8.50	4.76

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Statement of Comprehensive Income
For the year ended June 30, 2015

	2015	2014
	(Rupees in thousand)	
PROFIT AFTER TAXATION	2,086,833	1,169,652
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year - net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,086,833	1,169,652

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Cash Flow Statement
For the year ended June 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	2,098,669	950,238
Finance cost paid		(520,371)	(575,870)
Income tax paid		(254,006)	(140,008)
Net increase in long term deposits		(13,521)	(6,255)
Net cash generated from operating activities		1,310,771	228,105
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(913,391)	(273,208)
Proceeds from sale of property, plant and equipment		22,343	18,938
Long term investment made		(1,000,000)	-
Short term investments made		(2,250,432)	(970,000)
Proceeds from sale of long term investment		900,787	970,871
Proceeds from sale of short term investments		2,610,794	-
Interest received		2,157	17,627
Dividends received		313,150	6,946
Net cash used in investing activities		(314,592)	(228,826)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		317,680	97,129
Repayment of long term financing		(64,308)	(541,145)
Repayment of liabilities against assets subject to finance lease		(12,664)	(21,153)
Short term borrowings - net		(978,728)	245,975
Dividend paid		(244,281)	-
Net cash used in financing activities		(982,301)	(219,194)
Net increase / (decrease) in cash and cash equivalents		13,878	(219,915)
Cash and cash equivalents at the beginning of the year		100,937	320,852
Cash and cash equivalents at the end of the year		114,815	100,937

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Statement of Changes in Equity
For the year ended June 30, 2015

	Share capital	Reserves					
		Capital reserve	Revenue reserves			Total reserves	Total equity
		Share premium	General reserve	Unappropriated profit	Sub-total		
	.... (Rupees in thousand)						
Balance as at 30 June 2013	2,455,262	144,919	1,450,491	948,597	2,399,088	2,544,007	4,999,269
Profit for the year	-	-	-	1,169,652	1,169,652	1,169,652	1,169,652
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,169,652	1,169,652	1,169,652	1,169,652
Balance as at 30 June 2014	2,455,262	144,919	1,450,491	2,118,249	3,568,740	3,713,659	6,168,921
Transaction with owners - Interim dividend @ Rupee 1 per share, related to the year ended 30 June 2015	-	-	-	(245,526)	(245,526)	(245,526)	(245,526)
Profit for the year	-	-	-	2,086,833	2,086,833	2,086,833	2,086,833
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,086,833	2,086,833	2,086,833	2,086,833
Balance as at 30 June 2015	2,455,262	144,919	1,450,491	3,959,556	5,410,047	5,554,966	8,010,228

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Notes to the Financial Statements
For the year ended June 30, 2015

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and listed on all Stock Exchanges in Pakistan. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

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 certain financial instruments, investment properties and freehold land which are carried at their fair values. These financial statements represent separate financial statements of the Company. The consolidated financial statements of the Group are being issued separately.

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:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, 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 impairment 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.

Inventories

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

Future estimation of export sales

Deferred income tax calculation has been based on estimation of future ratio of export and local sale.

Financial instruments

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

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.

Provisions 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.

Impairment of investments in subsidiary companies

In making an estimate of recoverable amount of the Company's investment in subsidiary companies, the management considers future cash flows.

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 and interpretation 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 impact on profit or loss, other comprehensive income and total comprehensive income.

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

There are other 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 standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 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 an approved funded provident fund scheme covering all permanent employees. Equal monthly contributions are made both by the Company and employees at the rate of 8.33 percent of basic salary and cost of living allowance to the fund. The Company's contributions to the fund are charged to profit and loss account.

2.3 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 recognised 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 recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.4 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.5 Property, plant, equipment and depreciation

Owned

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any recognised impairment loss.

Subsequent costs are included in the asset's carrying amount or recognised 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 profit and loss account during the period in which they are incurred.

Leased

Leases where the Company has substantially all the risks 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 profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognised in the same manner as for owned assets. Depreciation of the leased assets is charged to profit and loss account.

Depreciation

Depreciation on property, plant and equipment is charged to profit and loss account applying the reducing balance method so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 14.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

2.6 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognised in the profit and loss account for the year in which it arises.

2.7 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognised at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure 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.

2.8 Investments

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

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

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

a) Investment 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 these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognised 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 recognised minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognised amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognised in profit and loss account when the investments are derecognised 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 recognised directly in statement of other comprehensive income until the investment is sold, de-recognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in statement of other comprehensive income is included in profit and loss account. These are sub-categorized as under:

Quoted

For investments that are actively traded in organised 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) Investment in subsidiary companies

Investment in subsidiary companies is stated at cost less impairment loss, if any, in accordance with the provisions of IAS 27 'Consolidated and Separate Financial Statements'.

2.9 Inventories

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

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw material, work-in-process and finished goods is determined as follows:

(i)	For raw materials:	Annual average basis.
(ii)	For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags 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 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.11 Borrowings

Borrowings are recognised initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

2.12 Borrowing cost

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

2.13 Trade and other payables

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

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, 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 Share capital

Ordinary shares are classified as share capital.

2.16 Revenue recognition

Revenue from different sources is recognised as under:

a) Revenue from local sales is recognised on dispatch of goods to customers while in case of export sales it is recognised on the date of bill of lading.

b) Dividend on equity investments is recognised when right to receive the dividend is established.

c) Profit on deposits with banks is recognised on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

2.17 Foreign currencies

These financial statements are presented in Pak Rupees, which is the Company's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. 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 are recorded in the profit and loss account.

2.18 Financial instruments

Financial instruments carried on the balance sheet include investments, deposits, trade debts, advances, accrued interest, other receivables, cash and bank balances, long-term financing, liabilities against assets subject to finance lease, short-term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for financial instrument at fair value through profit or loss which are initially measured at fair value.

Financial assets are derecognised when the Company loses control of the contractual rights that comprise the financial asset. The Company loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Company surrenders those rights. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and derecognition is charged to the profit or loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

2.19 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 flows 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 recognised wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

2.20 Derivative financial instruments

Derivatives that do not qualify for hedge accounting are recognised in the balance sheet at estimated fair value with corresponding effect to profit and loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

2.21 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 officer 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 officer 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 Company has three reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn) and Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles).

Transaction 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.

2.22 Dividend and other appropriations

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

2.23 Off setting

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

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2015	2014		2015	2014
(Number of Shares)			(Rupees in thousand)	
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganisation of Kohinoor Industries Limited	15,967	15,967
26,156,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
26,858,897	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
38,673,628	38,673,628	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	386,736	386,736
152,241,019	152,241,019	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,522,410	1,522,410
245,526,216	245,526,216		2,455,262	2,455,262

3.1 Zimpex (Private) Limited which is an associated company held 45,496,057 (2014: 45,496,057) ordinary shares of Rupees 10 each as at 30 June 2015.

	Note	2015	2014
		(Rupees in thousand)	

4. RESERVES

Composition of reserves is as follows:

	Note	2015	2014
Capital			
Share premium	4.1	144,919	144,919
Revenue			
General reserve		1,450,491	1,450,491
Unappropriated profit		3,959,556	2,118,249
		5,410,047	3,568,740
		5,554,966	3,713,659

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

	Note	2015	2014
		(Rupees in thousand)	

5. SURPLUS ON REVALUATION OF LAND AND INVESTMENT PROPERTIES

Investment properties		1,263,592	1,263,592
Freehold land		2,410,233	2,410,233
		3,673,825	3,673,825

6. LONG TERM FINANCING

From banking companies and other financial institutions - secured

	Note	2015	2014
Long term loans	6.1	404,079	133,207
Long term musharika	6.2	-	17,500
		404,079	150,707
Less: Current portion shown under current liabilities	12	69,850	64,308
		334,229	86,399

LENDER	2015	2014	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	.....Rupees in thousand.....							
6.1 Long term loans								
NIB Bank Limited	-	3,608	300,000	7.0%	Twenty four equal quarterly installments after expiry of grace period of one and a half year commenced from April 2005 and ended on September 2014.	-	Quarterly	First pari passu charge over fixed assets of Raiwind Division and personal guarantees of the sponsor directors.
The Bank of Punjab	86,399	129,599	135,000	3 Month KIBOR + 2.50%	Twelve equal quarterly installments after expiry of grace period of one year.	Quarterly	Quarterly	Bank's specific hypothecation charge over imported machinery with 25% margin and personal guarantees of the sponsor directors.
NIB Bank Limited	317,680	-	350,000	SBP rate for LTFF+2.5%	Twenty four equal quarterly installments after expiry of grace period of one year.	-	Quarterly	First pari passu charge over fixed assets of Raiwind Division and personal guarantees of the sponsor directors.
Total	404,079	133,207	785,000					
6.2 Long Term musharika								
Standard Chartered Bank (Pakistan) Limited	-	17,500	200,000	3 Month KIBOR + 1.50%	Nineteen equal quarterly installments commenced from October 2009 and ended on April 2014.	Quarterly	Quarterly	First pari passu charge on land at Rawalpindi Division of Rupees 266.66 million.
Total	-	17,500	200,000					

	Note	2015	2014
		(Rupees in thousand)	

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	2015	2014
Future minimum lease payments		77,202	12,766
Less: Un-amortized finance charges		8,297	1,988
Present value of future minimum lease payments		68,905	10,778
Less: Current portion shown under current liabilities	12	20,942	2,741
		47,963	8,037

7.1 The future minimum lease payments have been discounted at implicit interest rates which range from 11.38% to 14.95% (2014: 10.80% to 17.40%) per annum to arrive at their present values. The lease rentals are payable in monthly installments. In case of any default, an additional charge at the rate of 0.1 percent per day shall be payable. Taxes, repairs, replacements and insurance costs are to be borne by the Company. The lease agreements carry renewal and purchase option at the end of the lease term. There are no financial restrictions in lease agreements. These are secured by deposit of Rupees 16.208 million (2014: Rupees 2.050 million) included in long term deposits, and personal guarantees of directors.

7.2 Future minimum lease payments and their present values are regrouped as under:

	2015		2014	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
	------------------(Rupees in thousand)---------------			
Future minimum lease payments	26,346	50,855	3,861	8,905
Less: Unamortized finance charges	5,404	2,892	1,120	868
Present value of future minimum lease payments	20,942	47,963	2,741	8,037

8. DEFERRED INCOME TAX LIABILITY

	2015	2014
	(Rupees in thousand)	
This comprises of following :		
Deferred tax liability on taxable temporary differences in respect of:		
Accelerated tax depreciation	358,112	342,965
Surplus on revaluation of investments	3,711	1,320
	361,823	344,285
Deferred tax asset on deductible temporary differences in respect of:		
Tax losses carry forward	-	(27,912)
Provision for doubtful debts	-	(413)
Provision for slow moving stores and spares	(221)	-
	(221)	(28,325)
	361,602	315,960

	Note	2015	2014
		(Rupees in thousand)	

9. TRADE AND OTHER PAYABLES

	Note	2015	2014
Creditors		745,294	715,762
Accrued liabilities		407,731	221,465
Advances from customers		75,576	76,091
Workers' profit participation fund	9.1	117,499	75,546
Workers' welfare fund		7,062	7,686
Payable to subsidiary company - Maple Leaf Cement Factory Limited		26,730	-
Unclaimed dividend		3,621	2,376
Withholding tax payable		7,720	6,651
Payable to employees' provident fund trust		-	6,210
Others		42,979	20,799
		1,434,212	1,132,586

9.1 Workers' profit participation fund

	Note	2015	2014
Balance as on 01 July		75,546	81,389
Add: Interest for the year	32	4,882	8,664
Provision for the year	30	65,058	29,275
		145,486	119,328
Less: Payments during the year		(27,987)	(43,782)
		117,499	75,546

9.1.1 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.

10. ACCRUED MARK-UP

	Note	2015	2014
		(Rupees in thousand)	
Long term financing		11,059	6,775
Short term borrowings		52,992	86,795
Liabilities against assets subject to finance lease		110	45
		64,161	93,615

11. SHORT TERM BORROWINGS

	Note	2015	2014
From banking companies - secured			
Short term running finances	11.1 & 11.2	14,353	28,041
Other short term finances	11.1 & 11.3	2,017,235	3,182,275
State Bank of Pakistan (SBP) refinances	11.1 & 11.4	1,565,000	1,365,000
		3,596,588	4,575,316

11.1 These finances are obtained from banking companies under mark up arrangements and are secured by pledge of raw material, charge on current assets of the Company including hypothecation of work-in-process, stores and spares, letters of credit, firm contracts, book debts and personal guarantees of the sponsor directors. These form part of total credit facilities of Rupees 7,363 million (2014: Rupees 6,728 million).

11.2 The rates of mark-up range from 9.86% to 12.71% (2014: 11.09% to 12.15%) per annum on balance outstanding.

11.3 The rates of mark-up range from 2.50% to 24% (2014: 2.09% to 24%) per annum on balance outstanding.

11.4 The rates of mark-up range from 6.0% to 7.5% (2014: 9.20% to 9.40%) per annum on balance outstanding.

12. CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2015	2014
		(Rupees in thousand)	
Long term financing	6	69,850	64,308
Liabilities against assets subject to finance lease	7	20,942	2,741
		90,792	67,049

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

a) The Company filed an appeal before Appellate Tribunal Inland Revenue, Lahore for tax year 2003 against order of Commissioner Inland Revenue (Appeals) (CIR(A)) passed under section 122 (5A) of the Income Tax Ordinance, 2001 wherein the order of the Assessing Officer creating demand of Rupees 20.780 million was upheld. In addition to above, another appeal for tax year 2003 was filed by the tax department before Appellate Tribunal Inland Revenue against the order of CIR (A) passed under section 221 through which order of the Assessing Officer regarding disallowance of depreciation expense amounting to Rupees 62.666 million and penalty levied amounting to Rupees 17.484 million had been annulled. No provision has been made in these financial statements as the Company is hopeful of favourable outcome of these cases.

b) The Company filed appeals before Appellate Tribunal Inland Revenue, Lahore for tax year 2004 and tax year 2005. The loss for the tax year 2004 was assessed at Rupees 255.684 million reducing refund to Rupees 7.499 million while the income for tax year 2005 was assessed at Rupees 113.439 million creating payable amounting to Rupees 74.576 million. The matter was decieded in favour of the Company in a consolidated order. However, department filed an appeal in The Hounrable Lahore High Court, Lahore against the decision. No provision has been made in these financial statements since the Company is confident about favourable outcome of the cases..

c) The Company filed an appeal before Commissioner Inland Revenue (Appeals) against order passed under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2006, reducing the loss to Rupees 104.481 million and creating a demand of Rupees 18.590 million. The appeal was decided against the Company. However the Company has filed an appeal before the Appellate Tribunal Inland Revenue against the impugned order. No provision has been made in these financial statements as the Company is hopeful of a favourable outcome.

d) The Company has filed an appeal before Commissioner Inland Revenue (Appeals) against order passed under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2008, wherein taxable income was assessed at Rupees 226.128 million, creating a demand of Rupees 120.827 million. The appeal is pending for adjudication. No provision has been made in these financial statements as the Company is hopeful of a favourable outcome.

e) The Company and the tax authorities have filed appeals before different appellate authorities regarding sales tax and custom duty matters. Pending the outcome of appeals filed by the Company and tax authorities, no provision has been made in these financial statements which on the basis adopted by the authorities would amount to Rupees 89.616 million (2014: Rupees 89.313 million), since the Company has strong grounds against the assessments framed by the relevant authorities.

f) The Company has filed recovery suits in Civil Courts amounting to Rupees 15.203 million (2014: Rupees 16.922 million) against various suppliers and customers for goods supplied by / to them. Pending the outcome of the cases, no provision has been made in these financial statements since the Company is confident about favourable outcome of the cases.

g) The Company has filed suits before Civil Court, Rawalpindi and Lahore High Court against demands raised by Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rupees 72.811 million. No provision has been made in these financial statements, since the Company is confident about favourable outcome.

h) The Company has filed an appeal before Supreme Court of Pakistan against an order of Lahore High Court, Rawalpindi Bench on an appeal filed by supplier for non-payment by the Company. The Company has provided a guarantee of Rupees 4.246 million on the directions of Supreme Court of Pakistan. Appeal is pending adjudication and the Company expects a favourable outcome.

i) The Company and employees have filed one (2014: three) case before Punjab Labour Court and six cases before Punjab Labour Appellate Tribunal regarding reinstatement into service of three employees (2014: seven) dismissed from their jobs. No provision has been made in these financial statements, since the Company is confident about favourable outcome of the cases.

j) Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rupees 242.068 million (2014: Rupees 241.821 million).

13.2 Commitments in respect of:

a) Letters of credit for capital expenditure amount to Rupees 72.365 million (2014: Rupees 401.752 million).

b) Letters of credit other than for capital expenditure amount to Rupees 277.489 million (2014: Rupees 432.370 million).

14. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	(Rupees in thousand)	
Operating fixed assets (Note 14.1)		
- Owned assets	6,470,251	5,896,546
- Leased assets	81,381	11,836
Capital work in progress (Note 14.2)	13,566	11,369
	6,565,198	5,919,751

14.1 Operating Fixed Assets

	Owned Assets											Leased Assets		
	Freehold Land	Office building	Factory and other Building	Residential and other building	Plant and machinery	Services and other equipment	Computer and IT installations	Furniture and fixture	Office equipment	Vehicles	Total	Plant and machinery	Vehicles	Total
	(Rupees in thousand)													
At 30 June 2013														
Cost / revalued amount	2,425,069	14,176	980,913	112,690	5,835,484	43,707	67,542	71,569	34,039	113,191	9,698,380	98,656	-	98,656
Accumulated depreciation	-	(6,812)	(520,413)	(50,672)	(3,048,244)	(25,864)	(56,531)	(46,701)	(17,186)	(74,673)	(3,847,096)	(30,179)	-	(30,179)
Net book value	2,425,069	7,364	460,500	62,018	2,787,240	17,843	11,011	24,868	16,853	38,518	5,851,284	68,477	-	68,477
Year ended 30 June 2014														
Opening net book value	2,425,069	7,364	460,500	62,018	2,787,240	17,843	11,011	24,868	16,853	38,518	5,851,284	68,477	-	68,477
Additions	-	-	7,919	1,674	240,512	293	2,118	790	2,957	44,324	300,587	9,471	2,589	12,060
Transfer:														
Cost	-	-	-	-	98,655	-	-	-	-	-	98,655	(98,655)	-	(98,655)
Accumulated depreciation	-	-	-	-	(32,136)	-	-	-	-	-	(32,136)	32,136	-	32,136
	-	-	-	-	66,519	-	-	-	-	-	66,519	(66,519)	-	(66,519)
Disposals:														
Cost	-	-	-	-	(18,446)	-	-	(10)	(120)	(2,541)	(21,117)	-	-	-
Accumulated depreciation	-	-	-	-	14,502	-	-	5	99	1,781	16,387	-	-	-
	-	-	-	-	(3,944)	-	-	(5)	(21)	(760)	(4,730)	-	-	-
Depreciation charge	-	(389)	(37,257)	(3,501)	(254,504)	(2,965)	(3,694)	(2,463)	(1,870)	(10,471)	(317,114)	(2,032)	(150)	(2,182)
Closing net book value	2,425,069	6,975	431,162	60,191	2,835,823	15,171	9,435	23,190	17,919	71,611	5,896,546	9,397	2,439	11,836
At 30 June 2014														
Cost / revalued amount	2,425,069	14,176	988,832	114,364	6,156,205	44,000	69,660	72,349	36,876	154,974	10,076,505	9,472	2,589	12,061
Accumulated depreciation	-	(7,201)	(557,670)	(54,173)	(3,320,382)	(28,829)	(60,225)	(49,159)	(18,957)	(83,363)	(4,179,959)	(75)	(150)	(225)
Net book value	2,425,069	6,975	431,162	60,191	2,835,823	15,171	9,435	23,190	17,919	71,611	5,896,546	9,397	2,439	11,836
Year ended 30 June 2015														
Opening net book value	2,425,069	6,975	431,162	60,191	2,835,823	15,171	9,435	23,190	17,919	71,611	5,896,546	9,397	2,439	11,836
Additions	145,269	-	157,915	-	564,587	1,726	1,736	3,967	3,656	28,633	907,489	74,440	55	74,495
Disposals:														
Cost	-	-	-	-	(25,461)	-	(221)	-	(502)	(12,400)	(38,584)	-	-	-
Accumulated depreciation	-	-	-	-	20,521	-	170	-	214	8,385	29,290	-	-	-
	-	-	-	-	(4,940)	-	(51)	-	(288)	(4,015)	(9,294)	-	-	-
Depreciation charge	-	(370)	(35,321)	(3,381)	(263,157)	(1,661)	(3,240)	(2,465)	(2,006)	(12,889)	(324,490)	(4,544)	(406)	(4,950)
Closing net book value	2,570,338	6,605	553,756	56,810	3,132,313	15,236	7,880	24,692	19,281	83,340	6,470,251	79,293	2,088	81,381
At 30 June 2015														
Cost / revalued amount	2,570,338	14,176	1,146,747	114,364	6,695,331	45,726	71,175	76,316	40,030	171,207	10,945,410	83,912	2,644	86,556
Accumulated depreciation	-	(7,571)	(592,991)	(57,554)	(3,563,018)	(30,490)	(63,295)	(51,624)	(20,749)	(87,867)	(4,475,159)	(4,619)	(556)	(5,175)
Net book value	2,570,338	6,605	553,756	56,810	3,132,313	15,236	7,880	24,692	19,281	83,340	6,470,251	79,293	2,088	81,381
Depreciation rate (%)	-	5	5 - 10	5 - 10	10	10	30	10	10	20	10	10	2 0	

14.1.1 Freehold land was revalued by an independent valuer Messers ARCH-e'-decon (Evaluators, Surveyors, Architects and Engineers) as at 30 March 2010. Book value of land on cost basis is Rupees 14.836 million (2014: Rupees 14.836 million) as on 30 June 2015. Had there been no revaluation, the value of land would have been lower by Rupees 2,410.233 million (2015: Rupees 2,410.233 million).

14.1.2 Borrowing cost of Rupees 7.242 million (2014: Rupees Nil) was capitalized during the year using the capitalization rate ranging from 8.5% to 11.68% (2014: Nil) per annum.

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Particulars of purchasers
	---------------(Rupees in thousand) ---------------						
Plant and Machinery							
Crossrol Carding Machines Mk-4 with Chute feed	936	736	200	1,686	1,486	Negotiation	Abdullah Fibers (Private) Limited
Crossrol Carding Machines Mk-4.5 with Chute feed	3,549	2,877	672	2,597	1,925	Negotiation	Fanz Spinning Mills Limited
Crossrol Carding Machines Mk-4.5 with Chute feed	1,451	1,203	248	1,370	1,122	Negotiation	Ihsan Cotton Products (Private) Limited
Hydraulic Cotton Bailing Press	1,187	846	341	350	9	Negotiation	AnsarTraders
Caterpillar Genset 1400 KVA	5,746	4,430	1,316	5,000	3,684	Negotiation	Efu Insurance Company Limited
Crossrol Carding Machines Mk-4 with Chute feed	4,576	3,897	679	2,700	2,021	Negotiation	Bombal Textile Mills (Private) Limited
Stentring Heat Setting and Drying	8,016	6,532	1,484	1,000	(484)	Negotiation	Suchy Mehrban Traders
	25,461	20,521	4,940	14,703	9,763		
Vehicles							
Toyota Vitz LEC-11-3680	1,041	489	552	568	16	Negotiation	Ms. Noshaba Khalid
Toyota Vitz LEF-1687	613	437	176	377	201	Negotiation	Mr. Ghulam Mouhiuddin, employee
Suzuki Cultus LWL-9472	620	462	158	255	97	Negotiation	Mr. Muhammad Imran, employee
Santro LEA-08-9247	466	325	141	284	143	Negotiation	Mr. Abdul Rauf, employee
Suzuki Cultus LWE-7671	633	490	143	323	180	Negotiation	Mr. Umer Zubair, employee
Motor Cycle LRL-8755	68	58	10	16	6	Negotiation	Mr. Liaqat Ali Qadri, employee
Motor Cycle LXD-8789	61	54	7	8	1	Negotiation	Mr. Sohail Sadiq
Toyota Corrola XLI LEH-5411	842	614	228	234	6	Negotiation	Mr. Salman Moin, employee
Toyota Corolla LEE-13-320	1,821	546	1,275	1,400	125	Negotiation	Mr. Khizar Hayat
KIA Sportage RIY-6700	1,594	1,359	235	738	503	Negotiation	Mr. Shahid Baig
Cuore RLC-8846	432	328	104	415	311	Negotiation	Mr. Shahid Baig
Toyota Camry LWH -6000	2,911	2,140	771	2,010	1,239	Negotiation	Syed Mudassar Hussain Naqvi
Cuore RLC-8936	419	310	109	445	336	Negotiation	Mr. Muhammad Nasir
Suzuki Baleno RLB-6305	879	773	106	465	359	Negotiation	Ch. Qaiser Ali
	12,400	8,385	4,015	7,538	3,523		
Office equipment :							
Samsung Mobile	69	7	62	18	(44)	Negotiation	Mr. Ahmad
	69	7	62	18	(44)		
	37,930	28,913	9,017	22,259	13,242		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	654	377	277	84	(193)	Negotiation	
	38,584	29,290	9,294	22,343	13,049		

		Note	2015 (Rupees in thousand)	2014
14.1.4	**Depreciation charged during the year has been allocated as follows:**			
	Cost of sales	27	302,941	297,654
	Administrative expenses	29	26,499	21,642
			329,440	319,296
14.2	**Capital work in progress**			
	Civil works and buildings		13,093	5,154
	Plant and machinery		473	6,215
			13,566	11,369

15. INVESTMENT PROPERTIES

	Note	2015	2014
Year ended 30 June			
Opening net book amount		1,781,133	1,729,843
Fair value gain	31	2,000	51,290
Closing net book amount		1,783,133	1,781,133

15.1 The fair value of investment properties comprising land, situated at Lahore and Rawalpindi have been determined by independent valuers having relevant professional qualifications. The fair value was determined on the basis of professional assessment of the current prices in an active market for similar properties in the same location and condition.

16 LONG TERM INVESTMENTS

	Note	2015 (Rupees in thousand)	2014
Subsidiary companies			
Maple Leaf Cement Factory Limited - Quoted	16.1	2,867,089	3,014,669
Maple Leaf Capital Limited - Un Quoted	16.2	1,000,000	-
		3,867,089	3,014,669

16.1 The Company holds 291,410,425 (2014: 306,410,425) ordinary shares of Rupees 10 each of its subsidiary company, Maple Leaf Cement Factory Limited. Equity held 55.22% (2014: 58.06%). The Company sold 15,000,000 (2014: 34,000,000) ordinary shares of Rupees 10 each of the subsidiary company during the year.

16.2 The Company holds 100,000,000 (2014: Nil) ordinary shares of Rupees 10 each of its subsidiary company, Maple Leaf Capital Limited. Equity held 66.01% (2014: nil).

17. LONG TERM DEPOSITS

	Note	2015 (Rupees in thousand)	2014
Security deposits		65,756	50,053
Less: Current portion shown under current assets	22	(5,598)	(3,416)
		60,158	46,637

	Note	2015	2014
		(Rupees in thousand)	

18. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	2015	2014
Stores		304,687	271,999
Spare parts and loose tools		154,325	154,618
		459,012	426,617
Less: Provision against slow moving items	18.1	(2,552)	(1,862)
		456,460	424,755

18.1 Provision against slow moving items

	Note	2015	2014
As at 01 July		1,862	1,584
Add: Provision for the year	30	690	278
As at 30 June		2,552	1,862

19. STOCK-IN-TRADE

	Note	2015	2014
Raw materials	19.1	886,846	966,405
Work-in-process		646,230	538,859
Finished goods		454,527	382,913
		1,987,603	1,888,177

19.1 Raw materials include stock in transit of Rupees 117.880 million (2014: Rupees 107.718 million).

19.2 Stock in trade of Rupees 454.378 million (2014: Rupees 30.737 million) is being carried at net realizable value.

19.3 The aggregate amount of write-down of inventories to net realizable value recognized during the year was Rupees 12.794 million (2014: Rupees 1.838 million).

19.4 Stock in trade includes stock of Rupees 69.355 million (2014: Rupees 45.513 million) with external parties for processing.

	Note	2015	2014
		(Rupees in thousand)	

20. TRADE DEBTS

	Note	2015	2014
Considered good:			
Secured (against letters of credit)		435,049	356,677
Unsecured		695,251	546,635
		1,130,300	903,312
Considered doubtful:			
Others - unsecured		-	2,937
		1,130,300	906,249
Provision for doubtful debts	20.1	-	2,937
		1,130,300	903,312

	Note	2015	2014
		(Rupees in thousand)	
20.1 Movement in provision for doubtful debts			
As at 01 July		2,937	3,442
Add: Provision for the year	30	716	975
		3,653	4,417
Written off during the year		3,653	1,480
As at 30 June		-	2,937

20.2 As at 30 June 2015, trade debts of Rupees 582.781 million (2014: Rupees 532.467 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 ageing analysis of these trade debts is as follows:

	2015	2014
	(Rupees in thousand)	
Up to 1 month	337,473	392,112
1 to 6 months	217,156	115,987
More than 6 months	28,152	24,368
	582,781	532,467

20.3 As at 30 June 2015, trade debts of Rupees 3.653 million (2014: Rupees 4.417 million) were impaired and written off / provided for. The ageing of these trade debts was more than three years.

	Note	2015	2014
		(Rupees in thousand)	
21. ADVANCES			
Considered good :			
Employees - interest free			
- Executives		2,858	2,901
- Other employees		1,521	950
		4,379	3,851
Advances to suppliers		123,875	130,115
Letters of credit		25,608	24,552
		153,862	158,518
22. SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS			
Current portion of long term deposits	17	5,598	3,416
Short term prepayments		19,326	13,821
		24,924	17,237

	Note	2015	2014
		(Rupees in thousand)	

23. OTHER RECEIVABLES

Considered good:

Sales tax refundable		473,204	304,559
Custom duty receivable		15,993	15,993
Mark up rate support receivable from financial institution		3,633	2,373
Export rebate		83,963	56,581
Insurance claims		3,300	8,141
Due from subsidiary company		-	251,570
Duty draw back receivable		48,262	63,213
Others		10,584	59,567
		638,939	761,997

24. SHORT TERM INVESTMENTS

	2015			2014		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value
	------------ (Rupees in thousand) ------------					
Investments at fair value through profit or loss						
Mutual fund						
ABL Government Securities Fund Nil (2014: 97,000,487) units	-	-	-	970,000	4,001	974,001
	-	-	-	970,000	4,001	974,001
Shares in listed companies						
Pak Reinsurance Company Limited 25,000 (2014: 25,000) fully paid ordinary shares of Rupees 10 each	648	75	723	591	56	647
Samin Textile Limited 30,000 (2014: 30,000) fully paid ordinary shares of Rupees 10 each	405	(133)	272	237	168	405
D.S. Industries Limited 20,000 (2014: 20,000) fully paid ordinary shares of Rupees 10 each	82	(2)	80	101	(19)	82
Pervez Ahmed Securities Limited 25,000 (2014: 25,000) fully paid ordinary shares of Rupees 10 each	104	(44)	60	111	(7)	104
Attock Petroleum Limited 119,600 (2014: Nil) fully paid ordinary shares of Rupees 10 each	63,954	3,886	67,840	-	-	-
Bank AL-Habib Limited 1,542,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	72,644	(4,873)	67,771	-	-	-
Biafo Industries Limited 15,500 (2014: Nil) fully paid ordinary shares of Rupees 10 each	2,909	168	3,077	-	-	-
D.G. Khan Cement Company Limited 900,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	120,588	7,905	128,493	-	-	-
Engro Corporation Limited 100,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	29,467	213	29,680	-	-	-
Honda Atlas Cars (Pakistan) Limited 296,100 (2014: Nil) fully paid ordinary shares of Rupees 10 each	65,736	(985)	64,751	-	-	-
The Hub Power Company Limited 1,779,500 (2014: Nil) fully paid ordinary shares of Rupees 10 each	160,515	5,993	166,508	-	-	-
IGI Insurance Limited 105,900 (2014: Nil) fully paid ordinary shares of Rupees 10 each	23,929	(2,231)	21,698	-	-	-
International Industries Limited 100,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	7,106	(392)	6,714	-	-	-
Kot Addu Power Plant Company Limited 1,055,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	88,548	2,224	90,772	-	-	-
Kohinoor Energy Limited 276,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	13,455	483	13,938	-	-	-
Nishat Chunnian Power Limited 997,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	59,910	(689)	59,221	-	-	-
	710,000	11,598	721,598	1,040	198	1,238
	710,000	11,598	721,598	971,040	4,199	975,239

	Note	2015	2014
		(Rupees in thousand)	

25. CASH AND BANK BALANCES

	Note	2015	2014
Cash in hand		501	3,599
Cash at bank:			
- On current accounts		92,953	63,559
- On saving accounts	25.1	21,361	33,779
		114,314	97,338
		114,815	100,937

25.1 The balances in saving accounts carry rate of profit ranging from 0.10% to 10.50% (2014: 3.50% to 9.92%) per annum.

25.2 The balances in current and saving accounts include US $ 115,207 (2014: US $ 225,805).

26. SALES

	Note	2015	2014
		(Rupees in thousand)	
Export	26.2	8,591,122	8,489,233
Local	26.1	7,212,062	6,755,176
Export rebate		59,559	57,833
		15,862,743	15,302,242

		2015	2014
26.1	**Local sales**	7,420,312	6,944,744
	Less : Sales tax	208,250	189,568
		7,212,062	6,755,176

26.2 Exchange gain due to currency rate fluctuations relating to export sales amounting to Rupees 86.132 million (2014: Rupees 32.452 million) has been included in export sales.

	Note	2015	2014
		(Rupees in thousand)	
27. COST OF SALES			
Raw materials consumed	27.1	7,817,601	8,321,924
Salaries, wages and other benefits	27.2	1,194,029	1,050,630
Processing charges		6,028	7,942
Stores, spare parts and loose tools consumed		1,022,323	1,599,112
Packing materials consumed		516,482	461,531
Fuel and power		2,235,083	1,534,069
Repair and maintenance		139,704	128,648
Insurance		25,935	22,747
Other factory overheads		51,613	40,991
Depreciation	14.1.4	302,941	297,654
		13,311,739	13,465,248
Work-in-process			
Opening stock		538,859	596,597
Closing stock		(646,230)	(538,859)
		(107,371)	57,738
Cost of goods manufactured		13,204,368	13,522,986
Finished goods			
Opening stock		382,913	255,006
Closing stock		(454,527)	(382,913)
		(71,614)	(127,907)
		13,132,754	13,395,079

27.1 Raw materials consumed

	2015	2014
Opening stock	966,405	916,600
Add: Purchased during the year	7,738,042	8,371,729
	8,704,447	9,288,329
Less: Closing stock	(886,846)	(966,405)
	7,817,601	8,321,924

27.2 Salaries, wages and other benefits include provident fund contribution of Rupees 26.896 million (2014: Rupees 21.863 million) by the Company.

	Note	2015	2014
		(Rupees in thousand)	

28. DISTRIBUTION COST

	Note	2015	2014
Salaries and other benefits	28.1	44,698	39,962
Outward freight and handling		34,715	41,710
Clearing and forwarding		362,278	351,133
Commission to selling agents		134,315	95,980
Travelling and conveyance		11,164	13,826
Insurance		312	283
Vehicles' running		2,829	3,280
Electricity, gas and water		1,910	1,294
Postage, telephone and fax		2,614	2,958
Sales promotion and advertisement		19,675	19,968
Miscellaneous		5,771	3,198
		620,281	573,592

28.1 Salaries and other benefits include provident fund contribution of Rupees 1.903 million (2014: Rupees 1.688 million) by the Company.

	Note	2015	2014
		(Rupees in thousand)	

29. ADMINISTRATIVE EXPENSES

	Note	2015	2014
Salaries and other benefits	29.1	183,420	149,971
Travelling and conveyance		23,163	14,569
Repair and maintenance		16,556	16,860
Rent, rates and taxes		4,286	9,134
Insurance		9,703	8,017
Vehicles' running		15,556	16,049
Printing, stationery and periodicals		6,788	5,895
Electricity, gas and water		4,653	4,236
Postage, telephone and fax		4,561	5,794
Legal and professional		22,851	17,754
Security, gardening and sanitation		31,499	25,976
Amortization		-	3,006
Depreciation	14.1.4	26,499	21,642
Miscellaneous		17,219	17,249
		366,754	316,152

29.1 Salaries and other benefits include provident fund contribution of Rupees 4.789 million (2014: Rupees 4.017 million) by the Company.

29.2 The Company has shared expenses aggregating to Rupees 15.008 million (2014: Rupees 11.260 million) on account of combined offices with the subsidiary company. These expenses have been recorded in respective accounts.

	Note	2015	2014
		(Rupees in thousand)	
30. OTHER EXPENSES			
Auditors' remuneration	30.1	1,665	1,545
Donations	30.2	400	200
Loss on disposal of investment		-	2,198
Provision for doubtful debts	20.1	716	975
Provision for slow moving stores, spare parts and loose tools	18.1	690	278
Workers' profit participation fund	9.1	65,058	29,275
Workers' welfare fund		7,062	-
Miscellaneous		-	787
		75,591	35,258

30.1 Auditors' remuneration

	2015	2014
Audit fee	1,600	1,400
Reimbursable expenses	30	145
Certification	35	-
	1,665	1,545

30.2 None of the directors and their spouses have any interest in the donee's fund.

	Note	2015	2014
		(Rupees in thousand)	
31. OTHER INCOME			
Income from financial assets:			
Exchange gain - net		351	14,698
Gain on remeasurement of fair value of investments at fair value through profit or loss	24	11,598	4,199
Return on bank deposits		2,157	11,398
Profit on advance to Maple Leaf Cement Factory Limited		288	4,718
Dividend income from Maple Leaf Cement Factory Limited		95,122	-
Dividend income from others		6,740	6,946
		116,256	41,959
Income from non-financial assets:			
Scrap sales		38,287	27,498
Gain on disposal of property, plant and equipment	14.1.3	13,049	14,208
Gain on disposal of shares of Maple Leaf Cement Factory Limited		753,207	736,860
Gain on disposal of short term investments		306,410	-
Gain on remeasurement of fair value of investment property	15	2,000	51,290
Unclaimed balance written back		651	-
		1,113,604	829,856
		1,229,860	871,815

	Note	2015	2014
		(Rupees in thousand)	

32. FINANCE COST

	Note	2015	2014
Mark-up / finance charges / interest on:			
Long term financing		26,930	40,918
Short term borrowings		420,517	465,171
Liabilities against assets subject to finance lease		5,550	159
Workers' profit participation fund	9.1	4,882	8,664
Employees' provident fund trust		40	7,119
		457,919	522,031
Bank charges and commission		32,998	43,353
		490,917	565,384

33. TAXATION

	Note	2015	2014
For the year			
Current tax	33.1	201,642	153,529
Super tax		72,189	-
Deferred tax		45,642	(34,589)
		319,473	118,940

33.1 Provision for current tax represents final tax on export sales, minimum tax on local sales and tax on income from other sources under the relevant provisions of the Income Tax Ordinance, 2001. Numeric tax reconciliation has not been presented, being impracticable.

34. CASH GENERATED FROM OPERATIONS

	Note	2015	2014
		(Rupees in thousand)	
Profit before taxation		2,406,306	1,288,592
Adjustment for non-cash charges and other items:			
Depreciation		329,440	319,296
Amortization		-	3,006
Finance cost		490,917	565,384
Gain on sale of property, plant and equipment		(13,049)	(14,208)
Gain on disposal of shares of Maple Leaf Cement Factory Limited		(753,207)	(736,860)
Gain on disposal of short term investments		(95,122)	-
Gain on remeasurement of investments at fair value through profit or loss		(11,598)	(4,199)
Gain on remeasurement of fair value of investment properties		(2,000)	(51,290)
Dividend income from Maple Leaf Cement Factory Limited		(306,410)	(6,946)
Dividend income from others		(6,740)	-
Return on bank deposits		(2,157)	(11,398)
Provision for doubtful debts		716	975
Provision for slow moving stores, spare parts and loose tools		690	278
Working capital changes	34.1	60,883	(402,392)
		2,098,669	950,238

	2015	2014
	(Rupees in thousand)	

34.1 Working capital changes

	2015	2014
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(32,395)	(59,752)
Stock-in-trade	(99,426)	(119,974)
Trade debts	(227,704)	162,437
Advances	4,656	64,754
Security deposits and short term prepayments	(7,687)	15,348
Other receivables	123,058	(349,476)
	(239,498)	(286,663)
Increase / (decrease) in trade and other payables	300,381	(115,729)
	60,883	(402,392)

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including certain benefits to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Chief Executive Officer		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	--------------------(Rupees in Thousand)------------------					
Managerial remuneration	9,240	5,078	8,194	5,802	83,272	62,691
Allowances						
House rent	-	-	180	160	17,609	12,553
Conveyance	-	-	180	190	7,007	5,826
Medical	-	-	438	188	8,074	6,100
Utilities	577	349	366	142	12,947	9,511
Special allowance	2,760	1,522	2,292	1,801	23,154	17,458
Contribution to provident fund	769	423	310	202	6,755	5,215
	13,346	7,372	11,960	8,485	158,818	119,354
Number of persons	1	1	3	4	77	57

Chief Executive Officer and Directors are provided with the Company's maintained vehicles, free medical facilities and residential telephone facilities for both business and personal use. Chief Executive Officer is also provided with free furnished accommodation along with utilities.

Executives are provided with the Company's maintained vehicles in accordance with the Company policy.

The aggregate amount charged in these financial statements in respect of directors' meeting fee paid to 1 (2014: 2) non-executive directors was Rupees 70,000 (2014: Rupees 90,000).

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

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated undertakings, directors of the Company and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2015	2014
	(Rupees in thousand)	
Subsidiary company		
Purchase of goods and services	28,579	2,336
Purchase of property, plant and equipment	-	176
Associated Company - Zimpex (Private) Limited	45,496	-
Post employment benefit plan		
Contribution to provident fund	33,588	27,568

37. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2015	2014
Profit attributable to ordinary shares	Rupees in thousand	2,086,833	1,169,652
Weighted average number of ordinary shares	Numbers	245,526,216	245,526,216
Earnings per share	Rupees	8.50	4.76

38. PLANT CAPACITY AND ACTUAL PRODUCTION

SPINNING:

	2015	2014
- Rawalpindi Division	(Numbers)	
Spindles (average) installed / worked	85,680	85,680
	(Kilograms in thousand)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	41,869	39,540
Actual production converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	38,270	32,415
- Gujjar Khan Division	(Numbers)	
Spindles (average) installed / worked	70,848	70,848
	(Kilograms in thousand)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	34,283	33,113
Actual production converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	30,524	25,726

	2015	2014
WEAVING:		
- Raiwind Division	**(Numbers)**	
Looms installed / worked	252	204
	(Square meters in thousand)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	82,480	72,568
Actual production converted to 60 picks based on 3 shifts per day for 1,017 shifts (2014: 1,033 shifts)	68,228	61,958
PROCESSING OF CLOTH :		
- Rawalpindi Division	**(Meters in thousand)**	
Capacity at 3 shifts per day for 1,095 shifts (2014: 1,092 shifts)	41,975	41,975
Actual production at 3 shifts per day for 1,095 shifts (2014: 1,092 shifts)	19,747	19,235
POWER PLANT:		
- Rawalpindi Division	**(Mega watts)**	
Annual rated capacity based on 365 days (2014: 365 days)	207,787	207,787
Actual generation		
Main engines	29,757	23,121
Gas engines	8,840	19,101
- Raiwind Division		
Annual rated capacity (based on 365 days)	42,048	42,048
Actual generation - Gas engines	8,622	8,441

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying processes of manufacturing and run length of order lots.

REASONS FOR LOW PRODUCTION

- Due to stoppage for normal maintenance, doffing, change of spin plans and cloth quality and interruption in gas and electricity supply.

- Cloth processing units working capacity was limited to actual export / local orders in hand.

- The generation of power was limited to actual demand.

39. SEGMENT INFORMATION

39.1

	Spinning		Weaving		Processing and home textile		Elimination of inter-segment transaction		Company	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in thousand)									
SALES :										
EXTERNAL	5,807,099	5,362,611	2,744,779	2,969,470	7,310,865	6,970,161	-	-	15,862,743	15,302,242
INTER-SEGMENT	889,164	1,141,426	1,028,302	942,988	2,001	-	(1,919,467)	(2,084,414)	-	-
	6,696,263	6,504,037	3,773,081	3,912,458	7,312,866	6,970,161	(1,919,467)	(2,084,414)	15,862,743	15,302,242
COST OF SALES	(5,734,800)	(5,756,726)	(3,453,212)	(3,489,215)	(5,864,209)	(6,233,552)	1,919,467	2,084,414	(13,132,754)	(13,395,079)
GROSS PROFIT	961,463	747,311	319,869	423,243	1,448,657	736,609	-	-	2,729,989	1,907,163
DISTRIBUTION COST	(15,215)	(13,683)	(75,778)	(100,403)	(529,288)	(459,506)	-	-	(620,281)	(573,592)
ADMINISTRATIVE EXPENSES	(117,025)	(96,886)	(126,585)	(106,026)	(123,144)	(113,240)	-	-	(366,754)	(316,152)
	(132,240)	(110,569)	(202,363)	(206,429)	(652,432)	(572,746)	-	-	(987,035)	(889,744)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	829,223	636,742	117,506	216,814	796,225	163,863	-	-	1,742,954	1,017,419
UNALLOCATED INCOME AND EXPENSES										
OTHER EXPENSES									(75,591)	(35,258)
OTHER INCOME									1,229,860	871,815
FINANCE COST									(490,917)	(565,384)
TAXATION									(319,473)	(118,940)
									343,879	152,233
PROFIT AFTER TAXATION									2,086,833	1,169,652

39.2 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and home textile		Company	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Rupees in thousand)							
TOTAL ASSETS FOR REPORTABLE SEGMENT	2,919,686	2,925,108	3,159,064	2,781,885	3,071,730	2,971,908	9,150,480	8,678,901
UNALLOCATED ASSETS							8,463,120	7,442,807
TOTAL ASSETS AS PER BALANCE SHEET							17,613,600	16,121,708

All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.

	Spinning		Weaving		Processing and home textile		Company	
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	204,114	703,393	1,128,778	1,180,739	2,800,841	2,721,802	4,133,733	4,605,934
UNALLOCATED LIABILITIES							1,795,814	1,673,028
TOTAL LIABILITIES AS PER BALANCE SHEET							5,929,547	6,278,962

All segment liabilities are allocated to reportable segments other than trade and other payables and deferred tax liabilities.

39.3 Geographical Information

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

	2015	2014
	(Rupees in thousand)	
Europe	3,509,384	3,035,902
America	4,739,710	4,963,871
Asia, Africa, Australia	401,587	547,293
Pakistan	7,212,062	6,755,176
	15,862,743	15,302,242

39.3.2 All non-current assets as at reporting date are located and operated in Pakistan.

39.4 Revenue from major customers

Revenue from major customers whose revenue accounts for more than 10% of the Segment's revenue of the Spinning segment was Nil (2014: Rupees 1,383 million), of Weaving segment was Rupees 721 million (2014: Rupees 341 million) where as in the Processing and Home Textile segment was Rupees 3,251 million (2014: Rupees 3,225 million).

39.5 Based on the judgment made by the management, printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

40. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on the latest un-audited financial statements of the Fund:

	2015	2014
	(Rupees in thousand)	
Size of the fund - total assets	509,322	394,474
Cost of investments made	463,758	348,202
Percentage of investments made	91%	88%
Fair value of investments	464,792	374,853

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

	2015		2014	
	%	(Rs in '000)	%	(Rs in '000)
Bank balances	52.20%	242,600	17.58%	65,898
Term deposit receipts	22.82%	106,103	30.68%	115,000
Government securities	23.80%	110,600	20.57%	77,100
Mutual funds	1.18%	5,489	31.17%	116,855
	100.00%	464,792	100.00%	374,853

40.2 The investments 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.

41. NUMBER OF EMPLOYEES

	2015	2014
Number of employees as on 30 June	4,819	4,656
Average number of employees during the year	4,736	4,756

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors. The Company's finance department evaluates and hedges financial risks. 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, liquidity risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

(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 bank balances and the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2015	2014
Cash at banks - USD	115,207	225,805
Trade debts - USD	8,759,040	5,791,264
Trade and other payables - USD	11,000	40
Short Term borrowing - USD	1,085,000	1,809,895
Net exposure - USD	7,778,247	4,207,134

The following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	101.81	102.70
Reporting date rate	101.50	98.55
Rupees per Euro		
Average rate	123.63	131.00
Reporting date rate	113.57	134.46

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 37.056 million (2014: Rupees 19.409 million) respectively higher / lower, 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 instruments traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Company's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on statement of other comprehensive income	
	2015	2014	2015	2014
	--------------- (RUPEES IN THOUSAND) -----------------			
KSE 100 (5% increase)	36,080	62	-	-
KSE 100 (5% decrease)	(36,080)	(62)	-	-

The Company's investment in mutual fund amounting to Rupees Nil (2014: Rupees 974.001 million) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

As at 30 June 2015, if fair value (NAV) had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rupees Nil (2014: Rupees 9.253 million).

(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. The Company's interest rate risk arises from long term financing, liabilities against assets subject to finance lease and short term borrowings. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

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

	2015	2014
	(Rupees in thousand)	
Fixed rate instruments		
Financial liabilities		
Long term financing	317,680	3,608
Short term borrowings	1,565,000	1,365,000
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	21,361	33,779
Financial liabilities		
Long term financing	86,399	147,099
Liabilities against assets subject to finance lease	68,905	10,778
Short term borrowings	2,031,588	3,210,316

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 rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 20.573 million (2014 : Rupees 31.677 million) lower / higher, mainly as a result of higher / lower interest on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments 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	2014
	(Rupees in thousand)	
Investments	721,598	975,239
Deposits	65,756	50,053
Trade debts	1,130,300	903,312
Advances	4,379	3,851
Other receivables	13,884	319,278
Bank balances	114,314	97,338
	2,050,231	2,349,071

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
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A	JCR-VIS	3,668	2,828
Allied Bank Limited	A1+	AA+	PACRA	2,284	1,569
Askari Bank Limited	A-1+	AA	JCR-VIS	1,724	6,512
Bank Alfalah Limited	A1+	AA	PACRA	7,386	770
Bank Al-Habib Limited	A1+	AA+	PACRA	6,929	3,220
Bank Islami Pakistan Limited	A1	A	PACRA	61	23
Burj Bank Limited	A-2	A-	JCR-VIS	12	12
Faysal Bank Limited	A-1+	AA	JCR-VIS	532	1,599
First Women Bank Limited	A2	BBB+	PACRA	18	18
Habib Bank Limited	A-1+	AAA	JCR-VIS	4,945	1,090
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	2	2
KASB Bank Limited	A-3	BBB	PACRA	-	343
MCB Bank Limited	A1+	AAA	PACRA	12,595	24,978
Meezan Bank Limited	A-1+	AA	JCR-VIS	29,658	2,640
National Bank of Pakistan	A1+	AAA	PACRA	3,665	333
NIB Bank Limited	A1+	AA-	PACRA	6,576	14,175
Silkbank Limited	A-2	A-	JCR-VIS	380	43
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	243	18,240
The Bank of Punjab	A1+	AA-	PACRA	31,535	18,431
United Bank Limited	A-1+	AA+	JCR-VIS	2,101	512
				114,314	97,338
Investments					
ABL Government Securities Fund	A+(f)		JCR-VIS	-	974,001
Pak Reinsurance Company Limited	AA		JCR-VIS	723	647
Samin Textile Limited	Unknown			272	405
D.S. Industries Limited	Unknown			80	82
Pervez Ahmed Securities Limited	Unknown			60	104
Attock Petroleum Limited	Unknown			67,840	-
Bank AL-Habib Limited	Unknown			67,771	-
Biafo Industries Limited	Unknown			3,077	-
D.G. Khan Cement Company Limited	Unknown			128,493	-
Engro Corporation Limited	Unknown			29,680	-
Honda Atlas Cars (Pakistan) Limited	Unknown			64,751	-
The Hub Power Company Limited	Unknown			166,508	-
IGI Insurance Limited	Unknown			21,698	-
International Industries Limited	Unknown			6,714	-
Kot Addu Power Plant Company Limited	Unknown			90,772	-
Kohinoor Energy Limited	Unknown			13,938	-
Nishat Chunnian Power Limited	Unknown			59,222	-
				721,598	975,239

The Company's exposure to credit risk and impairment losses related to trade debts is disclosed in Note 20.

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

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2015, the Company had Rupees 3,766 million (2014: Rupees 2,153 million) available borrowing limits from financial institutions and Rupees 114,815 million (2014: Rupees 100.937 million) cash and bank balances. The management believes the liquidity risk to be low. 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 in thousand)					--------------------
Non-derivative financial liabilities:						
Long term financing	404,079	421,039	32,774	51,199	98,984	238,082
Liabilities against assets subject to finance lease	68,905	77,202	13,277	13,277	27,744	22,904
Trade and other payables	1,226,355	1,226,355	1,226,355	-	-	-
Accrued mark-up	64,161	64,161	64,161	-	-	-
Short term borrowings	3,596,588	3,658,037	3,658,037	-	-	-
	5,360,088	5,446,794	4,994,604	64,476	126,728	260,986

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 in thousand)					--------------------
Non-derivative financial liabilities:						
Long term financing	150,707	180,773	50,935	28,630	53,304	47,904
Liabilities against assets subject to finance lease	10,778	12,766	1,930	1,930	3,862	5,044
Trade and other payables	960,402	960,402	960,402	-	-	-
Accrued mark-up	93,615	93,615	93,615	-	-	-
Short term borrowings	4,575,316	4,707,562	4,707,562	-	-	-
	5,790,818	5,955,118	5,814,444	30,560	57,166	52,948

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 June. The rates of interest / mark up have been disclosed in note 6, note 7 and note 11 to these financial statements.

42.2 Financial instruments by categories

	Loans and receivables	Through profit or loss	Total
	-------------(Rupees in thousand)-------------		
As at 30 June 2015			
Assets as per balance sheet			
Investments	-	721,598	721,598
Deposits	65,756	-	65,756
Trade debts	1,130,300	-	1,130,300
Advances	4,379	-	4,379
Other receivables	13,884	-	13,884
Cash and bank balances	114,815	-	114,815
	1,329,134	721,598	2,050,732

	Financial liabilities at amortized cost
	(Rupees in thousand)
As at 30 June 2015	
Liabilities as per balance sheet	
Long term financing	404,079
Liabilities against assets subject to finance lease	68,905
Trade and other payables	1,226,355
Accrued mark-up	64,161
Short term borrowings	3,596,588
	5,360,088

	Loans and receivables	Through profit or loss	Total
	-------------(Rupees in thousand)-------------		
As at 30 June 2014			
Assets as per balance sheet			
Investments	-	975,239	975,239
Deposits	50,053	-	50,053
Trade debts	903,312	-	903,312
Advances	3,851	-	3,851
Other receivables	319,278	-	319,278
Cash and bank balances	100,937	-	100,937
	1,377,431	975,239	2,352,670

	Financial liabilities at amortized cost
	(Rupees in thousand)
Liabilities as per balance sheet	
Long term financing	150,707
Liabilities against assets subject to finance lease	10,778
Trade and other payables	960,402
Accrued mark-up	93,615
Short term borrowings	4,575,316
	5,790,818

42.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders 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 shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, liabilities against assets subject to finance lease and short term borrowings obtained by the Company as referred to in note 6, note 7 and note 11 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The gearing ratio as at year ended 30 June 2015 and 30 June 2014 is as follows:

	2015	2014
	(Rupees in thousand)	
Borrowings	4,069,572	4,736,801
Total equity	8,010,228	6,168,921
Total capital employed	12,079,800	10,905,722
Gearing ratio	34%	43%

The decrease in gearing ratio resulted primarily from decrease in borrowings of the Company and increase in profit for the year.

43. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 10 September 2015 by the Board of Directors of the Company.

44. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

44.1 The Board of Directors of the Company in their meeting held on 10 September 2015 has proposed a final cash dividend of Rupees 2.50 per share (25%) amounting to Rupees 613.816 million (2014: Nil) for the year ended 30 June 2015 for approval of the members at the Annual General Meeting to be held on 31 October 2015. The financial statements for the year ended 30 June 2015 do not include the effect of the proposed final cash dividend which will be accounted for in the period ending 30 June 2016.

44.2 Under Section 5A of the Income Tax Ordinance, 2001, introduced through the Finance Act, 2015, the Company is required to pay tax at the rate of 10% of so much of its undistributed profits as exceed 100% of its paid up capital unless it distributes profits equal to 40% of its after tax profits or 50% of its paid up capital, whichever is less, by due date for filing of income tax return for the tax year 2015.

The Company paid an interim cash dividend of Rupee 1.00 per share (10%) amounting to Rupees 245.526 million during the year and the remaining requisite cash dividend has been proposed by the Board of Directors of the Company in their meeting held on 10 September 2015 (Refer Note 44.1), which will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

45. CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures has been made.

46. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Pattern of Shareholding

1.	CUIN (Incorporation Number)	**0002805**
2.	Name of the Company	**KOHINOOR TEXTILE MILLS LIMITED**
3.	Pattern of holding of the shares held by the shareholders as at	**30.06.2015**

4.

No. of Shareholders	Size of Holding From		To	Total Shares Held
2601	1	-	100	69,639
1033	101	-	500	309,298
373	501	-	1,000	297,742
582	1,001	-	5,000	1,598,300
135	5,001	-	10,000	1,031,296
48	10,001	-	15,000	603,243
24	15,001	-	20,000	451,247
21	20,001	-	25,000	490,276
9	25,001	-	30,000	250,356
8	30,001	-	35,000	261,766
10	35,001	-	40,000	387,334
3	40,001	-	45,000	127,822
8	45,001	-	50,000	386,573
6	50,001	-	55,000	325,500
6	55,001	-	60,000	356,403
6	60,001	-	65,000	370,931
2	65,001	-	70,000	138,000
3	70,001	-	75,000	218,437
2	75,001	-	80,000	152,100
1	80,001	-	85,000	85,000
2	85,001	-	90,000	177,500
4	95,001	-	100,000	399,000
1	100,001	-	105,000	101,000
2	105,001	-	110,000	215,085
2	110,001	-	115,000	230,000
2	120,001	-	125,000	248,000
1	125,001	-	130,000	130,000
2	140,001	-	145,000	287,515
2	145,001	-	150,000	297,000
1	150,001	-	155,000	155,000
3	155,001	-	160,000	475,117
2	165,001	-	170,000	335,585
1	190,001	-	195,000	192,543
3	195,001	-	200,000	600,000
2	200,001	-	205,000	403,156
1	215,001	-	220,000	218,000
1	235,001	-	240,000	236,991
1	240,001	-	245,000	242,000
1	250,001	-	255,000	251,293
2	260,001	-	265,000	526,000
1	275,001	-	280,000	277,237
1	290,001	-	295,000	290,500
2	295,001	-	300,000	595,557
1	300,001	-	305,000	304,500
1	310,001	-	315,000	312,638
1	315,001	-	320,000	315,847
1	435,001	-	440,000	436,500
2	450,001	-	455,000	905,216
1	475,001	-	480,000	480,000
1	545,001	-	550,000	550,000
1	595,001	-	600,000	599,152

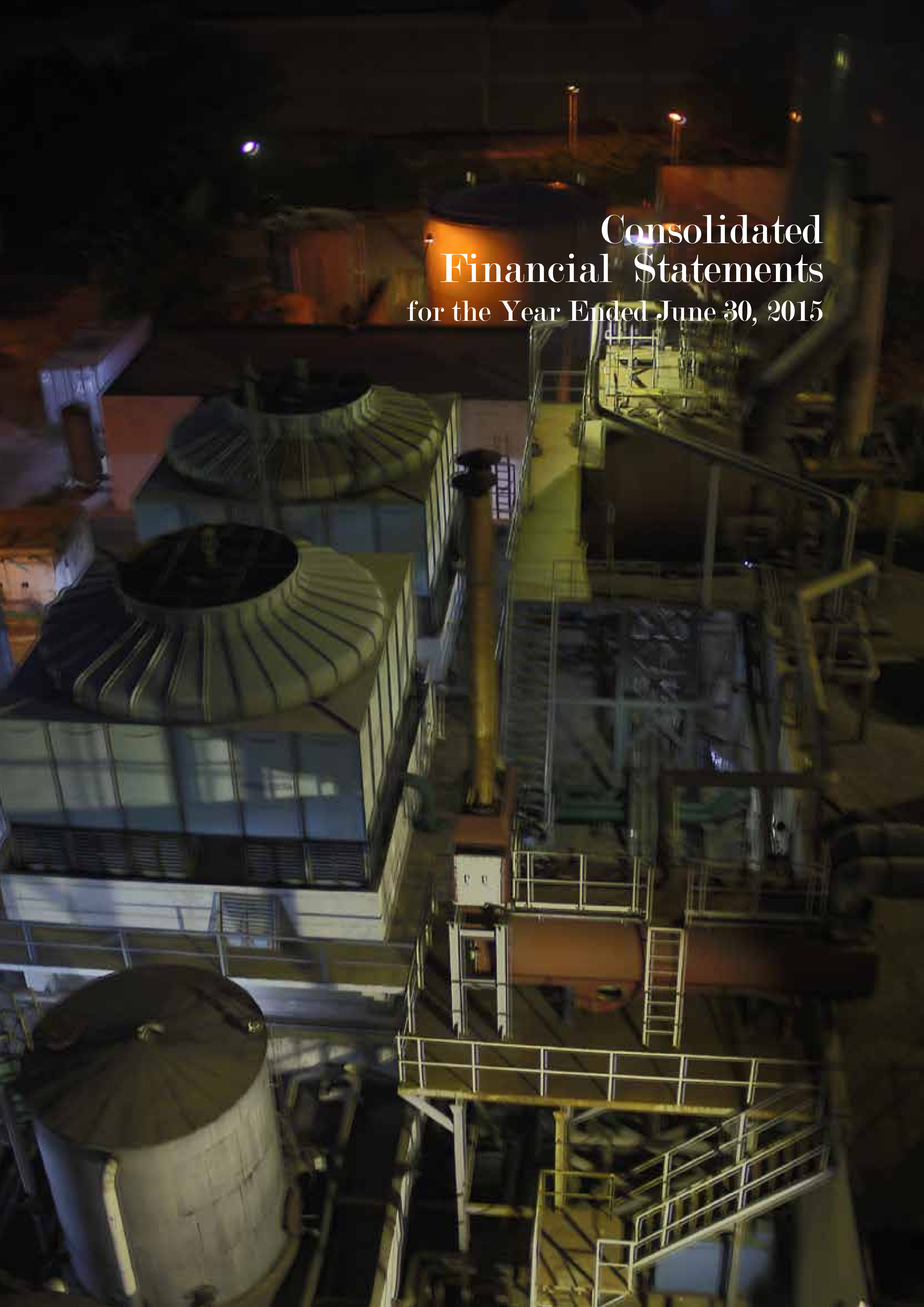
No. of Shareholders	Size of Holding From		To	Total Shares Held
1	600,001	-	605,000	604,000
1	605,001	-	610,000	606,000
1	615,001	-	620,000	616,000
1	625,001	-	630,000	629,000
1	735,001	-	740,000	740,000
1	770,001	-	775,000	770,500
1	800,001	-	805,000	800,500
1	815,001	-	820,000	816,000
1	835,001	-	840,000	835,500
1	995,001	-	1,000,000	999,446
1	1,105,001	-	1,110,000	1,105,500
1	1,130,001	-	1,135,000	1,133,000
1	1,135,001	-	1,140,000	1,137,000
1	1,165,001	-	1,170,000	1,168,624
1	1,425,001	-	1,430,000	1,425,500
1	1,555,001	-	1,560,000	1,556,386
1	1,565,001	-	1,570,000	1,565,500
1	2,170,001	-	2,175,000	2,171,000
1	2,745,001	-	2,750,000	2,747,234
1	5,670,001	-	5,675,000	5,673,000
1	8,365,001	-	8,370,000	8,366,276
1	9,130,001	-	9,135,000	9,130,866
1	10,040,001	-	10,045,000	10,040,331
1	10,825,001	-	10,830,000	10,827,332
1	45,495,001	-	45,500,000	45,496,057
1	55,665,001	-	55,670,000	55,660,581
1	60,205,001	-	60,210,000	60,205,888
4,957				**245,526,216**

Note : The Slabs not applicable above have not been shown.

		Shares Held	Percentage of Capital
5.	**Categories of Shareholders**		
5.1	**Directors, Chief Executive Officer and their spouses & minor children**		
	Mr. Tariq Sayeed Saigol, Chairman	10,040,331	4.0893
	Mr. Taufique Sayeed Saigol, Chief Executive Officer	10,827,332	4.4099
	Mr. Sayeed Tariq Saigol	315,847	0.1286
	Mr. Waleed Tariq Saigol	70,937	0.0289
	Mr. Danial Taufique Saigol	2,500	0.0010
	Mr. Shafiq Ahmed Khan	2,500	0.0010
	Mr. Arif Ijaz	2,500	0.0010
	Mrs. Shehla Tariq Saigol, Spouse of Mr. Tariq Sayeed Saigol	450,216	0.1834
		21,712,163	8.8431
5.2	**Associated Companies, undertakings and related parties**		
	Zimpex (Private) Limited	45,496,057	18.5300
5.3	**NIT and ICP**		
	National Bank of Pakistan, Trustee Deptt.	9,719	0.0040
	Investment Corporation of Pakistan	12,180	0.0050
		21,899	0.0090
5.4	**Banks, Development Financial Institutions, Non-Banking Financial Institutions**	2,108,765	0.8589
5.5	**Insurance Companies**	847,333	0.3451
5.6	**Modarabas and Leasing**	13,824	0.0056

	Categories of Shareholders	Shares Held	Percentage of Capital
5.6 a	**Mutual Funds**		
	CDC - Trustee AKD Index Tracker Fund	39,500	
	CDC - Trustee Alfalah GHP Islamic Stock Fund	202,000	
	CDC - Trustee Alfalah GHP Value Fund	242,000	
	CDC - Trustee Crosby Dragon Fund	147,000	
	CDC - Trustee KASB Asset Allocation Fund	304,500	
	CDC - Trustee Lakson Equity Fund	123,000	
	CDC - Trustee NAFA Islamic Asset Allocation Fund	1,565,500	
	CDC - Trustee NAFA Islamic Principal Protected Fund - I	606,000	
	CDC - Trustee NAFA Islamic Principal Protected Fund - II	800,500	
	CDC - Trustee NAFA Islamic Stock Fund	816,000	
	CDC - Trustee NAFA Multi Asset Fund	604,000	
	CDC - Trustee NAFA Stock Fund	2,171,000	
	CDC - Trustee National Investment (Unit) Trust	2,747,234	
	CDC - Trustee PIML Islamic Equity Fund	15,000	
	CDC - Trustee PIML Strategic Multi Asset Fund	15,000	
	CDC - Trustee PIML Value Equity Fund	22,000	
	CDC-Trustee NAFA Asset Allocation Fund	999,446	
	MCBFSL - Trustee Pak Oman Advantage Asset Allocation Fund	40,000	
	MCBFSL - Trustee Pak Oman Islamic Asset Allocation Fund	50,000	
		11,509,680	4.6877
5.7	**Share holders holding Five Percent or more voting interest in the Company**		
	refer 5.2 & 5.8 b		
5.8	**General Public**		
	a) Individuals	32,466,981	13.2234
	b) Foreign Investor(s)	127,124,774	51.7765
5.9	**Joint Stock Companies**	2,422,520	0.9867
5.10	**Public Sector Companies and Corporations**	154	0.0001
5.11	**Executive(s)**	8	0.0000
5.12	**Others**		
	Akhuwat	24,661	
	Artal Restaurant Int Ltd Employees Provident Fund	1,815	
	CDC - Trustee NAFA Islamic Pension Fund Equity Account	100,000	
	CDC - Trustee NAFA Pension Fund Equity Sub-Fund Account	169,000	
	Fikree Development Corp. Limited	2,794	
	Hussain Trustees Limited	260	
	Karachi Stock Exchange Ltd-Future Contracts	61,425	
	The Deputy Administrator. Abandoned Properties	169	
	The Ida Rieu Poor Welfare Association	354	
	The Okhai Memon Madressah Association	1	
	Trustee Kaukab Mir Memorial Welfare Trust	48,000	
	Trustee National Bank of Pakistan Employees Benevolent Fund Trust	10,371	
	Trustee National Bank of Pakistan Employees Pension Fund	295,557	
	Trustee-Hajiani Hanifa Bai Memorial Society	629,000	
	Trustee-Millat Tractors Ltd. Employees Pension Fund	87,500	
	Trustees Moosa Lawai Foundation	3,751	
	Trustees of Crescent Steel & Allied Products Ltd-Pension Fund	500	
	Trustees of Karachi Sheraton Hotel Employees Provident Fund	131	
	Trustees of Mirpurkhas Sugar Mills Ltd Employees Provident Fund	10,000	
	Trustees of Pharmevo Pvt. Ltd. Employees Provident Fund	1,000	
	Trustees-Indus Motor Company Ltd Employees Pension Fund	160,000	
	Trustees-Indus Motor Company Ltd Employees Provident Fund	155,000	
	Trustee-The Kot Addu Power Co. Ltd. Employees Pension Fund	34,000	
	United Executers & Trustee Company Limited	173	
	Trustee Thall Limited- Employees Retirement Benefit Fund	6,000	
	University of Sindh	596	
		1,802,058	0.7339
	Grand Total :	245,526,216	100.0000

Consolidated Financial Statements
for the Year Ended June 30, 2015



Directors' Report on Consolidated Financial Statements

The Directors are pleased to present the audited consolidated financial statements of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies Maple Leaf Cement Factory Limited (55.22%) and Maple Leaf Capital Limited (66.01%) (together referred to as Group) for the year ended 30 June 2015.

GROUP RESULTS

The Group has earned gross profit of Rupees 10,573 million as compared to Rupees 8,778 million of corresponding year. The group made pre-tax profit of Rupees 6,405 million this year as compared to Rupees 4,491 million during the last year.

The overall group financial results are as follows:

	2015	2014
	(Rupees in million)	
Gross sales	36,554	34,268
Gross profit	10,573	8,778
Profit from operations	7,981	6,501
Financial charges	1,576	2,010
Net profit after taxation	4,902	3,423
	(Rupees)	
Earnings per share – Basic and diluted	13.26	9.49

MAPLE LEAF CEMENT FACTORY LIMITED

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 9.23% in its sales over previous year and has shown gross profit of 36.18% (30 June 2014: 34.39%) amounting Rupees 7,496 million (30 June 2014: 6,523 million).

It has earned after tax profit of Rupees 3,454 million (30 June 2014: Rupees 2,830 million)

Maple Leaf Capital Limited (MLCL)

Holding Company has invested Rupees 1,000 million in equity of Maple Leaf Capital Limited during current year and holds 66.01% shares

MLCL has earned after tax profit of Rupees 170 million.

ACKNOWLEDGMENT

The Directors are grateful to the Group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working at various divisions.

For and on behalf of the Board

Taufique Sayeed Saigol
Chief Executive Officer

Lahore
September 10, 2015

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies 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 Textile Mills Limited and its Subsidiary Company, Maple Leaf Capital Limited. The financial statements of the Subsidiary Company, Maple Leaf Cement Factory Limited, were audited by other firm of auditors, whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such Company, is based solely on the report of such other auditors. 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, the consolidated financial statements present fairly the financial position of Kohinoor Textile Mills Limited and its Subsidiary Companies as at 30 June 2015 and the results of their operations for the year then ended.

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Name of engagement partner:
Mubashar Mehmood

DATE: September 10, 2015

ISLAMABAD

Consolidated Balance Sheet

As at June 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (2014: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (2014: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		4,000,000	4,000,000
Issued, subscribed and paid up share capital	3	2,455,262	2,455,262
Reserves	4	9,930,580	6,360,441
Equity attributable to equity holders of the Holding Company		12,385,842	8,815,703
Non-controlling interest	5	6,354,388	4,088,973
Total equity		18,740,230	12,904,676
Surplus on revaluation of land and investment properties	6	4,047,111	4,044,540
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	7	372,343	1,611,014
Redeemable capital - secured	8	1,933,011	5,583,000
Liabilities against assets subject to finance lease	9	676,193	743,127
Long term deposits	10	6,619	6,879
Retirement benefits	11	109,688	79,654
Deferred income tax liability	12	1,472,126	807,732
		4,569,980	8,831,406
CURRENT LIABILITIES			
Trade and other payables	13	4,604,628	4,185,715
Accrued mark-up	14	172,293	268,240
Short term borrowings	15	6,152,330	7,193,844
Current portion of non-current liabilities	16	2,270,254	1,100,770
Provision for taxation		28,897	-
		13,228,402	12,748,569
TOTAL LIABILITIES		17,798,382	21,579,975
CONTINGENCIES AND COMMITMENTS	17		
TOTAL EQUITY AND LIABILITIES		40,585,723	38,529,191

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

CHIEF EXECUTIVE OFFICER

	Note	2015	2014
		(Rupees in thousand)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	18	24,317,602	24,387,949
Investment properties	19	1,783,133	1,781,133
Long term investment		-	1,625
Long term loans to employees	20	6,513	4,440
Long term deposits	21	115,216	100,650
		26,222,464	26,275,797
CURRENT ASSETS			
Stores, spare parts and loose tools	22	4,652,174	4,197,558
Stock-in-trade	23	3,194,176	3,039,637
Trade debts	24	1,700,884	1,742,349
Loans and advances	25	1,101,858	1,066,027
Security deposits and short term prepayments	26	113,893	90,917
Accrued interest		963	2,352
Other receivables	27	788,401	625,193
Short term investments	28	2,425,049	982,019
Taxation recoverable		-	199,561
Cash and bank balances	29	385,861	307,781
		14,363,259	12,253,394
TOTAL ASSETS		40,585,723	38,529,191

DIRECTOR

Consolidated Profit and Loss Account
For the year ended June 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
SALES	30	36,554,218	34,268,453
COST OF SALES	31	(25,980,837)	(25,489,980)
GROSS PROFIT		10,573,381	8,778,473
DISTRIBUTION COST	32	(1,933,976)	(1,627,928)
ADMINISTRATIVE EXPENSES	33	(771,715)	(606,081)
OTHER EXPENSES	34	(340,808)	(238,819)
		(3,046,499)	(2,472,828)
		7,526,882	6,305,645
OTHER INCOME	35	453,838	195,779
PROFIT FROM OPERATIONS		7,980,720	6,501,424
FINANCE COST	36	(1,575,980)	(2,010,740)
PROFIT BEFORE TAXATION		6,404,740	4,490,684
TAXATION	37	(1,502,049)	(1,067,396)
PROFIT AFTER TAXATION		4,902,691	3,423,288
SHARE OF PROFIT ATTRIBUTABLE TO:			
EQUITY HOLDERS OF HOLDING COMPANY		3,255,983	2,329,565
NON-CONTROLLING INTEREST		1,646,708	1,093,723
		4,902,691	3,423,288
EARNINGS PER SHARE - BASIC AND DILUTED (Rupees)	41	13.26	9.49

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2015

	2015	2014
	(Rupees in thousand)	
PROFIT AFTER TAXATION	4,902,691	3,423,288
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified to profit or loss		
- Transferred to equity		
Remeasurement of defined benefit liability	(22,638)	(16,323)
Related tax	6,713	4,492
	(15,925)	(11,831)
- Not transferred to equity		
Surplus on revaluation of land	2,571	-
	(13,354)	(11,831)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the year - net of tax	(13,354)	(11,831)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,889,337	3,411,457
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	3,248,565	2,322,696
NON-CONTROLLING INTEREST	1,640,772	1,088,761
	4,889,337	3,411,457

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

CHIEF EXECUTIVE OFFICER **DIRECTOR**

Consolidated Cash Flow Statement
For the year ended June 30, 2015

	Note	2015	2014
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	9,051,562	7,156,062
Finance cost paid		(1,646,001)	(2,222,437)
Compensated absences paid		(89,830)	(26,949)
Income tax paid		(580,393)	(378,865)
Net increase in long term deposits		(13,781)	(6,504)
Net cash generated from operating activities		6,721,557	4,521,307
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,705,116)	(1,041,964)
Long term loan to employees		(3,118)	-
Short term investments made		(3,896,215)	(970,000)
Interest received		19,740	29,471
Proceeds from sale of property, plant and equipment		92,610	31,634
Redemption of long term investments		1,625	-
Proceeds from sale of short term investments		2,768,104	-
Dividends received		49,788	6,946
Net cash used in investing activities		(2,672,582)	(1,943,913)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital - MLCL		510,000	-
Proceeds from long term financing		317,680	97,129
Repayment of long term financing		(1,224,552)	(2,398,475)
Short term borrowings - net		(1,036,576)	(413,163)
Repayment of liabilities against assets subject to finance lease		(121,238)	(173,698)
Repayment of redeemable capital		(2,854,714)	(1,032,869)
Redemption of preference shares		(20)	(163,780)
Proceeds from disposal of interest to non-controlling interest holders		900,787	970,871
Dividend paid		(462,262)	(20)
Net cash used in financing activities		(3,970,895)	(3,114,005)
Net increase / (decrease) in cash and cash equivalents		78,080	(536,611)
Cash and cash equivalents at the beginning of the year		307,781	844,392
Cash and cash equivalents at the end of the year		385,861	307,781

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Consolidated Statement of Changes in Equity
For the year ended June 30, 2015

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY								
		Reserves							
		Capital reserve	Revenue reserves						
	Share capital	Share premium	General reserve	Unappropriated profit	Sub-total	Total reserve	Total	Non - controlling interest	Total equity
	(Rupees in thousand)								
Balance as at 30 June 2013	2,455,262	144,919	1,450,491	2,068,022	3,518,513	3,663,432	6,118,694	2,403,674	8,522,368
Transactions with owners :									
Disposal of interest to non-controlling interest holders	-	-	-	374,313	374,313	374,313	374,313	596,558	970,871
Dividend paid to non-controlling interest holders	-	-	-	-	-	-	-	(20)	(20)
Total transactions with owners	-	-	-	374,313	374,313	374,313	374,313	596,538	970,851
Profit for the year	-	-	-	2,329,565	2,329,565	2,329,565	2,329,565	1,093,723	3,423,288
Other comprehensive loss for the year	-	-	-	(6,869)	(6,869)	(6,869)	(6,869)	(4,962)	(11,831)
Total comprehensive income for the year	-	-	-	2,322,696	2,322,696	2,322,696	2,322,696	1,088,761	3,411,457
Balance as at 30 June 2014	2,455,262	144,919	1,450,491	4,765,031	6,215,522	6,360,441	8,815,703	4,088,973	12,904,676
Transactions with owners :									
Non-controlling interest arising on investment in Subsidiary Company - Maple Leaf Capital Limited	-	-	-	-	-	-	-	514,855	514,855
Disposal of interest to non-controlling interest holders	-	-	-	568,520	568,520	568,520	568,520	332,267	900,787
Interim dividend @ Rupee 1 per share, related to the year ended 30 June 2015	-	-	-	(245,526)	(245,526)	(245,526)	(245,526)	-	(245,526)
Dividend paid to non-controlling interest holders	-	-	-	-	-	-	-	(221,328)	(221,328)
Total transactions with owners	-	-	-	322,994	322,994	322,994	322,994	625,794	948,788
Profit for the year	-	-	-	3,255,983	3,255,983	3,255,983	3,255,983	1,646,708	4,902,691
Other comprehensive loss for the year	-	-	-	(8,838)	(8,838)	(8,838)	(8,838)	(7,087)	(15,925)
Total comprehensive income for the year	-	-	-	3,247,145	3,247,145	3,247,145	3,247,145	1,639,621	4,886,766
Balance as at 30 June 2015	2,455,262	144,919	1,450,491	8,335,170	9,785,661	9,930,580	12,385,842	6,354,388	18,740,230

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

Notes to the Consolidated Financial Statements
For the year ended June 30, 2015

1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

Kohinoor Textile Mills Limited ("the Holding Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and listed on all Stock Exchanges of Pakistan. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Holding Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

The Holding Company holds 55.22% (2014: 58.06%) shares of Maple Leaf Cement Factory Limited and 66.01% (2014: Nil) shares of Maple Leaf Capital Limited.

1.2 Subsidiary companies

1.2.1 Maple Leaf Cement Factory Limited (MLCFL)

Maple Leaf Cement Factory Limited ("the Subsidiary") was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Ordinance, 1984) as a public company limited by shares and was listed on stock exchanges in Pakistan on 17 August 1994. The registered office of MLCFL is situated at 42-Lawrence Road, Lahore. MLCFL is engaged in production and sale of cement.

1.2.2 Maple Leaf Capital Limited (MLCL)

Maple Leaf Capital Limited ("the Subsidiary") was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance, 1984 as public company. The registered office of MLCL is situated at 42-Lawrence Road, Lahore. The principal objects of MLCL are to buy, sell, hold, or otherwise acquire or invest the capital in any sort of financial instruments.

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 the certain financial instruments, investment properties and freehold land which are carried at their fair values and certain employee retirement benefits which are carried at their present values.

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 the Group'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 Group's consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

Estimates with respect to residual values, useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Further, the Group reviews the value of assets for possible impairment 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.

Inventories

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

Future estimation of export sales

Deferred income tax calculation has been based on estimation of future ratio of export and local sales.

Taxation

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

Classification of investments

The management of the Group determines the appropriate classification of its investments at the time of purchase or increase in holding and classifies its investments at fair value through profit or loss, available for sale and held to maturity. The classification depends on the purpose for which the investments were acquired.

Employee benefits

The Subsidiary Company Maple Leaf Cement Factory Limited (MLCFL) operates approved funded gratuity scheme covering all its employees who have completed the minimum qualifying period of service as defined under the respective scheme. The gratuity scheme is managed by trustees. The calculation of the benefit requires assumptions to be made of future outcomes, the principal ones being in respect of increase in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used for the plan are determined by independent actuary on annual basis.

The amount of the expected return on plan assets is calculated using the expected rate of return for the year and the market - related value at the beginning of the year. Gratuity cost primarily represents the increase in actuarial present value of the obligation for benefits earned on employee service during the year and the interest on the obligation in respect of employee service in previous years, net of the expected return on plan assets. Calculations are sensitive to changes in the underlying assumptions.

Provisions for doubtful debts

The Group 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.

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 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 impact on profit or loss, other comprehensive income and total comprehensive income.

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

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

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:

Annual Improvements 2012 - 2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

IFRS 5 Non - current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

IFRS 7 'Financial Instruments - Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim 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 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) 'Consolidated and Separate Financial Statements' and IAS 28 (revised 2011) 'Investments in Associates'. 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 'Consolidated and Separate Financial Statements' 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 financial statements.

IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets / operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an 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.

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 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 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 recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The management of the Group is in the process of evaluating the impacts of the aforesaid standard on the Group’s financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for annual periods beginning on or after 01 January 2014) 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 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.

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 Group’s financial statements.

IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

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.

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

IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a Group can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self - constructed items of property, plant and equipment during construction.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on the Company's financial statements.

2.2 Basis of consolidation

Subsidiary Company is that entity in which 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 Companies are included in the consolidated financial statements from the date control commences until the date that control ceases.

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

Intra-group balances and transactions have been eliminated.

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

2.3 Employee benefit

i) Defined contribution plan

The Group operates an approved funded provident fund scheme covering all permanent employees. Equal monthly contributions are made both by the Group and employees to the fund. The Group's contributions to the fund are charged to consolidated profit and loss account.

ii) Defined benefit plan

The Subsidiary Company (MLCFL) operates approved funded gratuity scheme for all its employees who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation and is charged to profit and loss account.

The Subsidiary Company (MLCFL) net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

Calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Subsidiary Company (MLCFL), the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contribution to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if, any excluding interest), are recognized immediately in OCI. The Subsidiary Company (MLCFL) determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan is recognized in profit and loss account.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit and loss account. The Subsidiary Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Details of the scheme are given in note 11.2 to the financial statements.

iii) Liability for employees' compensated absences

The Subsidiary Company (MLCFL) accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations is made using the current salary level of employees.

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 the assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised 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 consolidated profit and loss account, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity. In this case the tax is also recognised in the other comprehensive income or directly in equity, respectively.

2.5 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made.

2.6 Property, plant, equipment and depreciation

Owned

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition. Freehold land is stated at revalued amount less any identified impairment loss. Capital work-in-progress is stated at cost less any recognised impairment loss. All cost or expenditure attributable to work-in-progress are capitalized and apportioned to buildings and plant and machinery at the time of commencement of commercial operations of the Subsidiary Company.

Cost in relation to certain plant and machinery of the Subsidiary Company (MLCFL) represents historical cost, exchange differences capitalized up to 30 June 2004 and the cost of borrowings during the construction period in respect of loans and finances taken for the specific projects.

Transactions relating to jointly owned assets of the Subsidiary Company with Pak American Fertilizers Limited (PAFL), are recorded on the basis of advices received from the housing colony.

Subsequent costs are included in the asset's carrying amount or recognised 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 consolidated profit and loss account during the period in which they are incurred.

Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by an independent professional valuer. Revalued amounts of non – depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years.

Leased

Leases where the Group has substantially all the risks 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 consolidated profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognised in the same manner as for owned assets. Depreciation of the leased assets is charged to consolidated profit and loss account.

Depreciation

Depreciation on property, plant and equipment is charged to consolidated profit and loss account applying the reducing balance method except that straight-line method is used for the plant and machinery and buildings of Subsidiary Company (MLCFL) relating to dry process plant after deducting residual value, so as to write off the cost / depreciable amount of the asset over their estimated useful lives at the rates given in Note 18.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which the assets are disposed off. The residual values and useful lives of assets are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated profit and loss account in the year the asset is derecognised.

2.7 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties are carried at fair value which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The valuation of the properties is carried out with sufficient regularity.

Gain or loss arising from a change in the fair value of investment properties is recognised in the consolidated profit and loss account for the year in which it arises.

2.8 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognised at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditure 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 is reviewed and adjusted, if appropriate, at each balance sheet date.

2.9 Investments

Classification of 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 Group assesses at the end of each reporting period whether there is any objective evidence that investments are impaired. If any such evidence exists, the Group applies the provisions of IAS 39 ‘Financial Instruments: Recognition and Measurement’ to all investments.

a) Investment 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 these are acquired for the purpose of selling in the short term. Gains or losses on investments held-for-trading are recognised 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 recognised minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognised amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognised in the consolidated profit and loss account when the investments are derecognised or impaired, as well as through the amortization process.

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has positive intention to hold to maturity. Investments classified as held to maturity are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortized cost using the effective interest method, less any impairment loss, if any.

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 recognised directly in the consolidated statement of other comprehensive income until the investment is sold, de-recognised or is determined to be impaired, at which time the cumulative gain or loss previously reported in the consolidated statement of other 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”.

2.10 Loans and receivables

Loans and receivables are recognized initially at fair value, plus attributable transaction costs. Subsequent to initial recognition, loans and receivables are stated at amortized cost with any difference between cost and redemption value being recognized in the profit and loss account over the period of the investments on an effective yield method less impairment loss, if any.

2.11 Inventories

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

Stores, spare parts and loose tools

Useable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Stock-in-trade

Cost of raw material, work-in-process and finished goods are determined as follows:

(i)	For raw materials:	Annual average basis.
(ii)	For work-in-process and finished goods:	Average manufacturing cost including a portion of production overheads.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock / rags 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.

2.12 Trade and other receivables

Trade debts and other receivables are carried at original invoice value less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

2.13 Borrowings

Borrowings are recognised initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognised in the consolidated profit and loss account over the period of the borrowings using the effective interest method.

2.14 Borrowing cost

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

2.15 Trade and other payables

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

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, 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.

2.17 Share capital

Ordinary shares of the Holding company are classified as share capital.

2.18 Revenue recognition

Revenue from different sources is recognised as under:

a) Revenue from local sales is recognised on dispatch of goods to customers while in case of export sales it is recognised on the date of bill of lading.

b) Dividend on equity investments is recognised when right to receive the dividend is established.

c) Profit on deposits with banks is recognised on time proportion basis taking into account the amounts outstanding and rates applicable thereon.

d) Realised capital gain / (losses) arising on sale of investments are included in the profit and loss account on the date at which the transaction takes place.

e) Unrealised capital gains / (losses) arising on making to market of investments classified as 'Financial assets at fair value through profit or loss' are included in the profit and loss account in the period in which they arise.

f) Income on long term loans, bank deposits and placements is recognized on accrual basis.

2.19 Foreign currencies

These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency. All monetary assets and liabilities denominated in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date, while the transactions in foreign currency during the year are initially recorded in functional currency at the rates of exchange prevailing at the transaction date. 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 are recorded in the consolidated profit and loss account.

2.20 Financial instruments

Financial instruments carried on the consolidated balance sheet include investments, deposits, trade debts, advances, accrued interest, other receivables, cash and bank balances, long-term financing, liabilities against assets subject to finance lease, short-term borrowings, accrued mark-up and trade and other payables etc. Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of instrument. Initial recognition is made at fair value plus transaction costs directly attributable to acquisition, except for "financial instrument at fair value through profit or loss" which are initially measured at fair value.

Financial assets are derecognised when the Group loses control of the contractual rights that comprise the financial asset. The Group loses such control if it realizes the rights to benefits specified in contract, the rights expire or the Group surrenders those rights. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on subsequent measurement (except available for sale investments) and derecognition is charged to the consolidated profit and loss currently. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

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

2.21 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 flows 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 assets is estimated. An impairment loss is recognised wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are recognised in consolidated profit and loss account except for impairment loss on revalued asset, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

The Company reviews the useful lives and residual values of Property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of Property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

2.22 Derivative financial instruments

Derivatives that do not qualify for hedge accounting are recognised in the consolidated balance sheet at estimated fair value with corresponding effect to consolidated profit and loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

2.23 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 makers 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 officer 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 Group has four reportable business segments. Spinning (Producing different quality of yarn using natural and artificial fibers), Weaving (Producing different quality of greige fabric using yarn), Processing and Home Textile (Processing greige fabric for production of printed and dyed fabric and manufacturing of home textile articles) and Cement.

Transaction 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.

2.24 Dividend and other appropriations

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

2.25 Off setting

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

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2015	2014		2015	2014
(Number of Shares)			(Rupees in thousand)	
1,596,672	1,596,672	Ordinary shares of Rupees 10 each allotted on reorganisation of Kohinoor Industries Limited	15,967	15,967
26,156,000	26,156,000	Ordinary shares allotted under scheme of arrangement of merger of Part II of Maple Leaf Electric Company Limited	261,560	261,560
26,858,897	26,858,897	Ordinary shares allotted under scheme of arrangement of merger of Kohinoor Raiwind Mills Limited and Kohinoor Gujar Khan Mills Limited	268,589	268,589
38,673,628	38,673,628	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	386,736	386,736
152,241,019	152,241,019	Ordinary shares of Rupees 10 each issued as fully paid in cash	1,522,410	1,522,410
245,526,216	245,526,216		2,455,262	2,455,262

3.1 Zimpex (Private) Limited which is an associated company held 45,496,057 (2014: 45,496,057) ordinary shares of Rupees 10 each as at 30 June 2015.

4. RESERVES

	Note	2015	2014
		(Rupees in thousand)	
Composition of reserves is as follows:			
Capital			
Share premium	4.1	144,919	144,919
		144,919	144,919
Revenue			
General reserve		1,450,491	1,450,491
Unappropriated profit		8,335,170	4,765,031
		9,785,661	6,215,522
		9,930,580	6,360,441

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

	Note	2015	2014
		(Rupees in thousand)	

5. NON-CONTROLLING INTEREST

Opening balance		4,088,973	2,403,674
Add / (less): Share during the year			
- Disposal of interest to non-controlling interest holders		332,267	596,558
- Non-controlling interest arising on investment in Maple Leaf Capital Limited		514,855	-
- Other comprehensive loss for the year		(7,087)	(4,962)
- Profit for the year		1,646,708	1,093,723
		2,486,743	1,685,319
Less : Dividend paid		(221,328)	(20)
		6,354,388	4,088,973

6. SURPLUS ON REVALUATION OF LAND AND INVESTMENT PROPERTIES

Investment properties		1,263,592	1,263,592
Freehold land		2,783,519	2,780,948
		4,047,111	4,044,540

7. LONG TERM FINANCING

From banking companies and other financial institutions - secured

Holding Company			
Long term loans	7.1	404,079	133,207
Long term musharika	7.2	-	17,500
		404,079	150,707
Subsidiary Company - Maple Leaf Cement Factory Limited			
Long term loans	7.3	588,757	1,853,003
		992,836	2,003,710
Less: Current portion shown under current liabilities	16	620,493	392,696
		372,343	1,611,014

LENDER	2015	2014	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	.....RUPEES IN THOUSAND.....							
7.1 Long term loans								
NIB Bank Limited	-	3,608	300,000	7.0%	Twenty four equal quarterly installments after expiry of grace period of one and a half year commenced from April 2005 and ended on September 2014.	-	Quarterly	First pari passu charge over fixed assets of Raiwind Division and personal guarantees of the sponsor directors.
The Bank of Punjab	86,399	129,599	135,000	3 Month KIBOR + 2.50%	Twelve equal quarterly installments after expiry of grace period of one year.	Quarterly	Quarterly	Bank's specific hypothecation charge over imported machinery with 25% margin and personal guarantees of the sponsor directors.
NIB Bank Limited	317,680	-	350,000	SBP rate for LTFF+2.5%	Twenty four equal quarterly installments after expiry of grace period of one year.	-	Quarterly	First pari passu charge over fixed assets of Raiwind Division and personal guarantees of the sponsor directors.
Total	404,079	133,207	785,000					
7.2 Long musharika								
Standard Chartered Bank (Pakistan) Limited	-	17,500	200,000	3 Month KIBOR + 1.50%	Nineteen equal quarterly installments commenced from October 2009 and ended on April 2014.	Quarterly	Quarterly	First pari passu charge on land at Rawalpindi Division of Rupees 266.66 million.
Total	-	17,500	200,000					
7.3 Long term loans								
Habib Bank Limited (Note 7.4)	-	23,391	1,160,000	9.70%	Nine semi annual installments commenced on June 2010 and ended on June 2013.	-	Quarterly	First pari passu equitable hypothecation/ mortgage charge of Rupees 2,250 million on all present and future fixed assets of Subsidiary Company, personal guarantees of the directors of Subsidiary Company and subordination of the entire sum of directors'/sponsors' loan outstanding at any point in time upto Rupees 150 million.
Habib Bank Limited (Note 7.5)	137,599	495,359	790,520	6 Month KIBOR + 3.00%	Three equal quarterly installments of Rupees 25 million each commenced on 01 January 2012 and ended on 30 June 2012 and twenty six equal quarterly installments of Rupees 27.52 million each commenced on 30 September 2012 and ending on 31 December 2018.	Semi - annually	Quarterly	First pari passu equitable hypothecation/ mortgage charge of Rupees 2,250 million over fixed of the Subsidiary Company (land, building and plant and machinery) and personal guarantee along with PNWS of the directors of Subsidiary Company and subordination of the entire sum of directors / sponsors loan outstanding at any point in time.

LENDER	2015	2014	TOTAL FACILITY	RATE OF INTEREST PER ANNUM	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	.....RUPEES IN THOUSAND.....							
HSBC Bank Middle East Limited (Note 7.6)	-	114,249	200,000	6 Month KIBOR + 1.25%	Twenty one equal quarterly installments commenced on 23 May 2012 and ending on 23 May 2017.	Semi-annually	Semi-annually	First pari passu equitable hypothecation charge of Rupees 200 million over present and future assets of the Subsidiary Company, ranking hypothecation charge for Rupees 120 million over present and future current assets and personal guarantees of directors of the Subsidiary Company.
Islamic Corporation for Development of Private Sector (Note 7.7)	17,658	24,004	40,669	-	Twenty four equal quarterly installments commenced from December 2012.	Quarterly	1st four installments on Monthly basis and remaining twenty instalments on Quarterly basis	Fixed charge on the Escrow accounts maintained with Allied Bank Limited, Corporate Branch at Kashmir Road, Lahore, against US$ 14.500 million.
Allied Bank Limited (Note 7.8)	433,500	1,196,000	1,500,000	3 Month KIBOR + 1.00%	Twenty six quarterly installments commenced on September 2012 and ending on December 2018 as per following schedule: **Period** **(Rupees in thousand)** September 2012 - June 2015 37,500 September 2015 - June 2016 44,500 September 2016 - June 2017 56,000 September 2017 - June 2018 70,000 September 2018 - December 2018 182,500	Quarterly	Quarterly	First pari passu charge over all present and future fixed assets of Subsidiary Company amounting to Rupees 3,333 million.
Total	588,757	1,853,003	3,691,189					

7.4 During the financial year 2010, the Subsidiary Company entered into restructuring agreement with HBL for Rupees 791 million. Tenor of this LTFF is four and a half years.

7.5 During the financial year 2011, the Subsidiary Company entered into restructuring agreement with HBL for Rupees 790.52 million. The purpose of this loan was to restructure the existing loans for import of Waste Heat Recovery Plant. As per the terms of restructuring agreement, the principal balance is repayable in nine years including the grace period of twenty four months applicable from cut off date 31 December 2009. As per the financing document, the Subsidiry Company (MLCFL) is required to comply with certain financial covenants which mainly include current ratio, minimum debt service bedt service coverage eratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio. Further the Subsidiary Company (MLCFL) is required to comply with certain conditions imposed by the providers of finance to make dividend payments.

7.6 During the financial year 2012, the Subsidiary Company restructured its existing short term loan of Rupees 160 million and running finance of Rupees 50 million from HSBC Bank Middle East Limited into a medium term loan of Rupees 200 million. The restructuring referred above did not result in an overall basis in substantial modifications of the original financing terms.
During the current year, loan from HSBC Bank Middle East Limited, amounting to Rupees 104.73 million was converted from long term loan to redeemable capital - Sukuk in consequence of acquisition of HSBC Bank Middle East Limited by Meezan Bank Limited. This has been fully repaid during the year. The converted facility carried profit at the rate of 1 Year KIBOR + 0.93% per annum.

7.7 As per terms of rescheduling agreement with Islamic Corporation for Development of Private Sector (ICD), the overdue mark-up of USD 416,693 for the period from 15 December 2009 to 15 March 2011 is transferred to deferred mark-up loan to be paid in twenty four installments. As per the financing document, the Subsidiry Company (MLCFL) is required to comply with certain financial covenants which mainly include current ratio, minimum debt service bedt service coverage eratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio.

7.8 Syndicated term finance facility was arranged by Allied Bank Limited as lead arranger and investment agent. Mark-up on syndicated loan will be increased to 3M KIBOR + 1.7% after 5 years or complete settlement of deferred mark-up, whichever is later.

	Note	2015	2014
		(Rupees in thousand)	

8. REDEEMABLE CAPITAL - SECURED

Islamic Sukuk Certificates under Musharaka agreement	8.1		
As at beginning of the year		6,183,000	7,215,869
Less: Sukuk certificates paid during the year		(2,749,989)	(1,032,869)
		3,433,011	6,183,000
Less: Current portion shown under current liabilities	16	1,500,000	600,000
As at end of the year		1,933,011	5,583,000

8.1 The Subsidiary Company (Maple Leaf Cement Factory Limited) has issued Islamic Sukuk Certificates under Musharika agreement amounting to Rupees 8,000 million during the year ended 30 June 2008.

8.2 The salient terms and conditions of secured Sukuk issue of Rupees 8,000 million made by the Subsidiary Company are detailed below:

- Lead Arranger — Pak Brunei Investment Company Limited

- Shariah Advisor — Meezan Bank Limited

- Purpose — Balance sheet re-profiling and replacement of conventional debts with Shariah Compliant Financing.

- Investors — Banks, DFIs, NBFI and any other person.

- Tenor of Sukuk issue of: — 9 Years including grace period of 2.75 years and repayment is to be made in 6.25 years commencing from September 2012 and ending on December 2018.

- Mark-up rate — 3 months KIBOR plus a spread of 1%

Mark-up will be increased to 3 months KIBOR plus a spread of 1.70% per annum after 5 years or complete settlement of deferred mark-up, whichever is later.

- Principal and mark-up payments — Twenty six outstanding quarterly installments are to be repaid as per following schedule:

Period	Rupees in thousand
September 2012 - June 2015	200,000
September 2015 - June 2016	237,500
September 2016 - June 2017	300,000
September 2017 - June 2018	375,000
September 2018 - December 2018	966,500

Mark-up is payable quarterly in arrears. Mark-up during the year has been calculated at rates ranging from 8.43% to 11.35% (2014: 10.06% to 11.18%) per annum.

- Form & delivery of Sukuk	The Sukuk have been issued under section 120 "issue of securities and redeemable capital not based on interest" of the Companies Ordinance, 1984. The Sukuk Certificates have been registered and inducted into the Central Depository System ("CDS") of the Central Depository Company of Pakistan ("CDC").
- Security	Sukuk issue of Rupees 8,000 million is secured against first Pari passu charge over all present and future fixed assets of the Company amounting to Rupees 10,667 million.
- Trustee / investors' agent	Pak Brunei Investment Company Limited

As per the financing document the Company is required to comply with certain financial covenants which mainly include current ratio, minimum debt service coverage ratio, minimum interest coverage ratio, gearing ratio and maximum leverage ratio.

9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	2015	2014
		(Rupees in thousand)	
Future minimum lease payments		887,043	925,258
Less: Un-amortized finance charges		61,089	74,057
Present value of future minimum lease payments		825,954	851,201
Less: Current portion shown under current liabilities	16	149,761	108,074
		676,193	743,127

9.1 The future minimum lease payments have been discounted at implicit interest rates which range from 11.38% to 14.95% (2014: 10.80% to 17.40%) per annum to arrive at their present values. The lease rentals are payable in monthly and quarterly installments. In case of any default, an additional charge at the rate of 0.1 percent per day shall be payable. Taxes, repairs, replacements and insurance costs are to be borne by the Group. The lease agreements carry renewal and purchase option at the end of the lease term. There are no financial restrictions in lease agreements. These are secured by deposit of Rupees 16.208 million (2014: Rupees 2.050 million) included in long term deposits, demand promissory notes and personal guarantees.

9.2 The Subsidiary Company, Maple Leaf Cement Company Limited had entered into restructuring agreement of lease facility outstanding amount with Islamic Corporation for the Development of Private Sector (ICD) on 17 December 2012 ("the Effective Date") to acquire power generation plant Wartsila.

As per terms of restructuring agreement, the outstanding principal amounting to USD 10.67 million is to be repaid in twenty five (25) installments. The first installment amount of USD 0.56 was paid to ICD on the Effective Date and remaining twenty four (24) quarterly installments are to be paid as per following schedule terms:

Period	No. of Installments	Amount (USD)	Total Amount (USD)
15 March 2013 - 15 June 2015	10	266,665	2,666,650
15 September 2015 - 15 June 2016	4	316,665	1,266,660
15 September 2016 - 15 June 2017	4	400,000	1,600,000
15 September 2017 - 15 June 2018	4	500,000	2,000,000
15 September 2018 - 15 December 2018	2	1,288,643	2,577,286

9.3 According to revised terms, the aggregate outstanding mark-up including penalized mark-up amounting to USD 2,541,529 due upto 15 December 2012 was rescheduled as follows:

The initial period outstanding profit USD 201,543 for the period from 15 June 2009 to 15 December 2009 is now payable to ICD within 30 days of the effective date of the agreement.

The second period outstanding profit USD 418,787 from 15 December 2009 to 15 March 2011 shall be paid to ICD as follows:

(i) An amount of USD 2,094 being 0.5% of the second period profit shall be paid within 30 days of the effective date.

(ii) The mark-up amount of USD 416,693 being 99.5% of the second period profit will be paid to ICD in twenty four (24) equal quarterly installments of USD 17,362 each with first four (4) installments already been paid within 30 days from the effective date and remaining twenty (20) installments from 15 March 2013 and ending on 15 December 2017.

Moreover, the aggregate variable mark-up amounting to USD 596,877 for the period from 15 March 2011 to 15 December 2012 was now payable to ICD within 30 days of the effective date.

Islamic Corporation for the Development of Private Sector (ICD) further agreed to waive the penalty amount payable by the Subsidiary Company to ICD pursuant to transaction documents, being an aggregate amount of USD 1,324,322 provided the Subsidiary Company agree to effecting payment of the lease facility outstanding amount in accordance with the provision of the repayment schedule.

This facility carries mark-up rate at six month USD LIBOR plus 2.50% per annum. During the current year mark-up has ranged from 2.83% to 2.95% (2014: 2.83% to 2.91%).

9.3.1 The Subsidiary Company entered into an interest rate swap agreement with Standard Chartered Bank in respect of this lease finance facility. The agreement became effective from 02 February 2009 and has the following significant terms:

Notional amount	As per amortization schedule starting from USD 11.54 million in accordance with repayment schedule of the facility.
Maturity	16 June 2014
Mark-up to be paid by the Subsidiary Company on notional amount	2.45% per annum.
Mark-up to be received by the Subsidiary Company on notional amount	USD-LIBOR-BBA six months except for the initial calculation period which shall be the linear interpolation of the 4 months and 5 months floating rate option.

The interest rate swap agreement matured on 16 June 2014.

9.4 Future minimum lease payments and their present values are regrouped as under:

	2015		2014	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
	-----------------(Rupees in thousand)---------------			
Future minimum lease payments	176,410	710,633	132,139	793,119
Less: Unamortized finance charge	26,649	34,440	24,065	49,992
Present value of future minimum lease payments	149,761	676,193	108,074	743,127

10. LONG TERM DEPOSITS

These represent deposits received from dealers and are being utilized by the Subsidiary Company - MLCFL in accordance with the terms of dealership agreements.

11. RETIREMENT BENEFITS

	Note	2015	2014
		(Rupees in thousand)	
Accumulated compensated absences	11.1	41,138	34,421
Gratuity	11.2	68,550	45,233
		109,688	79,654

11.1 Accumulated compensated absences

Balance at the beginning of the year	34,421	26,307
Provision made during the year	15,184	17,543
Payments made during the year	(8,467)	(9,429)
Balance at the end of the year	41,138	34,421

11.2 Gratuity

The latest actuarial valuation of the Subsidiary Company's (MLCFL) defined benefit plan, was conducted on 30 June 2015 using projected unit credit method. Detail of obligation for defined benefit plan is as follows:

	Note	2015	2014
		(Rupees in thousand)	
The amounts recognized in the balance sheet are as follows:			
Present value of defined benefit obligation	11.2.1	137,998	114,868
Fair value of plan assets	11.2.2	(69,448)	(69,635)
Liability at end of the year		68,550	45,233
Net liability at beginning of the year		45,233	32,578
Charge for the year to profit and loss account		10,175	8,640
Charge for the year to other comprehensive income	11.2.3	22,638	16,323
Contribution made during the year		(9,496)	(13,335)
Amount transferred to the Subsidiary Company		-	1,027
Net liability at end of the year		68,550	45,233

11.2.1 Movement in the present value of defined benefit obligation is as follows:

	2015	2014
Present value of defined benefit obligation at beginning of the year	114,868	108,128
Current service cost	4,809	4,594
Interest cost	14,591	10,651
Benefits paid	(9,496)	(13,371)
Actuarial loss	13,226	4,866
Present value of defined benefit obligation as at end of the year	137,998	114,868

11.2.2 Movement in the fair value of plan assets is as follows:

	2015	2014
Fair value of plan assets at beginning of the year	69,635	62,903
Expected return on plan assets	9,225	6,605
Contributions made during the year	9,496	13,335
Benefits paid during the year	(9,496)	(13,371)
Transferred to the Subsidiary Company	-	(1,027)
Actuarial gain	(9,412)	1,190
Fair value of plan assets at end of the year	69,448	69,635

Fair value of plan assets is as follows:

	2015	2014
NIB Bank including accrued interest	37,000	35,630
NAFA Government Securities Liquid Fund	13,875	10,072
Trust Investment Bank including accrued interest	15,000	21,935
Cash at bank	3,573	1,998
	69,448	69,635

	2015	2014
Plan assets comprise of:		
Bond	94.80%	97.10%
Cash at bank	5.20%	2.90%
	100.00%	100.00%

	2015	2014
	(Rupees in thousand)	
11.2.3 Charge for the year:		
In profit and loss account		
Current service cost	4,809	4,594
Interest cost	14,591	10,651
Expected return on plan assets	(9,225)	(6,605)
	10,175	8,640
In other comprehensive income		
Acturial gain on retirement benefits - net	22,638	16,323
	32,813	24,963
11.2.4 Movement in actuarial gain is as follows:		
As at beginning of the year	-	12,647
Actuarial loss / (gain) on plan assets	9,412	(1,190)
Actuarial loss on defined benefit obligation	13,226	4,866
Un recognized actuarial gain on defined benefit obligation recognized in othe comprehensive income	(22,638)	(16,323)
As at end of the year	-	-

	2015	2014
Actuarial assumptions:		
The following are the principal actuarial assumptions at 30 June:		
Discount rate used for year end obligation	9.75%	13.25%
Expected return on plan assets	9.75%	13.25%
Expected rate of growth per annum in future salaries	8.75%	12.25%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Retirement assumption	60 years	60 years

Historical Information

Comparison of present value of defined benefit obligation, the fair value of plan assets and the surplus of gratuity fund for five years is as follows:

	2015	2014	2013	2012	2011
	(---------------- Rupees in thousand				---------------)
Present value of defined benefit obligation	137,998	114,868	108,128	(84,902)	(82,275)
Fair value of plan assets	(69,448)	69,635	62,903	52,099	50,914
Deficit / (gain) in the plan assets	68,550	184,503	171,031	(32,803)	(31,361)
Experience adjustment on obligation	13,226	4,866	15,306	(10,190)	(4,215)
Experience adjustment on plan assets	(9,412)	1,190	15,306	2,932	2,529

The Subsidiary Company expects to charge Rupees 11.77 million to profit and loss account of defined benefit plan in 2016.

Sensitivity analysis

If the significant actuarial assumptions used to estimate the defined benefit obligation at the reporting date, had fluctuated by 100 bps with all other variables held constant, the present value of the defined benefit obligation as at 30 June 2015 would have been as follows:

	Gratuity Impact on present value of / define benefit obligation	
	Increase	Decrease
	(Rupees in thousand)	
Discount rate + 100 bps	130,508	146,271
Future salary increase + 100 bps	146,271	130,376

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions has been performed using the same calculation techniques as applied for calculation of defined benefit obligation reported in the balance sheet.

The average duration of the defined benefit obligation is six years (2014: six years).

	Note	2015	2014
		(Rupees in thousand)	

12. DEFERRED INCOME TAX LIABILITY

This comprises of following :

	2015	2014
Deferred tax liability on taxable temporary differences in respect of:		
- Accelerated tax depreciation	3,526,891	3,678,438
- Surplus on revaluation of investments	10,420	1,320
	3,537,311	3,679,758
Deductible temporary differences:		
- Tax losses carry forward	(706,403)	2,152,272
- Lease finances	(79,645)	43,646
- Provision for doubtful debts	(1,027)	2,774
- Provision for slow moving stores and spares	(221)	-
- Employees' compensated absences	(29,287)	21,922
- Minimum tax recoverable against normal tax charge in future years	(1,248,602)	651,412
	(2,065,185)	2,872,026
	1,472,126	807,732

13. TRADE AND OTHER PAYABLES

	Note	2015	2014
Creditors		1,759,464	1,306,328
Bills payable - secured		1,170	621,824
Accrued liabilities		1,181,018	680,530
Security deposits, repayable on demand	13.1	125,534	55,348
Advances from customers		182,349	298,132
Contractors' retention money		24,815	8,709
Royalty and excise duty payable		29,002	28,848
Workers' profit participation fund	13.2	586,394	379,983
Workers' welfare fund		7,062	7,686
Excise duty payable		189,039	233,315
Other taxes payable		47,165	58,311
Unclaimed dividend		8,497	3,905
Withholding tax payable		7,751	6,651
Payable to employees' provident fund trust		5,804	11,006
Sales tax payable		386,416	426,964
Others		63,148	58,175
		4,604,628	4,185,715

13.1 This represents interest free security deposits received from distributors and contractors of the Subsidiary Company. Distributors and contractors have given the Subsidiary Company a right to utilize deposits in ordinary course of business.

	2015	2014
	(Rupees in thousand)	
13.2 Workers' profit participation fund		
Balance as on 01 July	379,983	248,959
Add: Allocation and Interest for the year	306,264	232,107
	686,247	481,066
Less: Payments during the year	(99,853)	(101,083)
	586,394	379,983

13.2.1 The outstanding WPPF liability includes Rupees 235.63 million being the left over amount out of the total WPPF liability of Rupees 304.44 million pertaining to the financial year ended 30 June 2012 and 30 June 2013. According to the Companies Profits (Workers' Participation) Act, 1968, the left over amount is to be transferred to the Workers Welfare Fund. After the 18th amendment to the Constitution of Pakistan in 2010, all labor / labor welfare laws have become provincial subject, and accordingly the aforesaid left over amount is now payable to the Provincial Government. Federal Government through its letter dated 07 July 2012 demanded the payment of left over amount of Workers' Profit Participation Fund ("WPPF"). Both the permanent workers and the Workers of the contractors filed separate Writ Petitions bearing No. 1716/2013 and 5039/2013 in the Honorable Lahore High Court and challenged the legality of the said letter of the Government, the operation of which was suspended by the Honorable High Court vide Order Dated 24 January 2013.

In view of the above order the payment of left over amount should not be made to the Government during the pendency of the said Writ Petitions as Federal Government is not competent to ask for the payment of the Profit Fund. On the other hand, the Provincial Government has not so far legislated any law after the 18th amendment in the Constitution of Pakistan to regulate the payment of Profit Fund required to be deposited in the Welfare Fund created by the Government through legislation, which it has a mandatory obligation to do and has failed to discharge its onus so far. Therefore the Subsidiary Company stands handicapped to deposit the amount of Fund either to the Federal Government or for that matter to the Provincial Government.

The left over amount of Profit Fund after distribution to the Workers stands retained by the Subsidiary Company as a compulsion in view of the said Stay Order of the Lahore High Court.

	2015	2014
	(Rupees in thousand)	
14. ACCRUED MARK-UP		
Long term financing	32,407	39,161
Redeemable capital	23,672	55,826
Short term borrowings	115,174	164,825
Liabilities against assets subject to finance lease	1,040	8,428
	172,293	268,240

15. SHORT TERM BORROWINGS

	Note	2015	2014
		(Rupees in thousand)	
From banking companies - secured			
Short term running finances	15.1 & 15.2	2,482,932	490,196
Other short term finances	15.1 &15.3	2,092,623	5,240,503
State Bank of Pakistan (SBP) refinances	15.1 & 15.4	1,565,000	1,365,000
		6,140,555	7,095,699
Temporary bank overdraft - unsecured	15.5	11,775	98,145
		6,152,330	7,193,844

15.1 These finances are obtained from banking companies under mark-up arrangements and are secured by pledge of raw material, charge on current assets of the Company including hypothecation of work-in-process, stores and spares, letters of credit, firm contracts, book debts and personal guarantees of the sponsor directors. These form part of total credit facilities of Rupees 10,334 million (2014: Rupees 10,363 million).

15.2 The rates of mark-up range from 9.86% to 12.71% (2014: 11.09% to 12.15%) per annum on balance outstanding.

15.3 The rates of mark-up range from 2.50% to 24.00% (2014: 2.09% to 24.00%) per annum on balance outstanding.

15.4 The rates of mark-up range from 6.00% to 7.5% (2014: 9.20% to 9.4%) per annum on balance outstanding.

15.5 This represents temporary overdraft due to cheques issued by the Subsidiary Company in excess of balance with banks which will be presented for payment in subsequent period.

16. CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2015	2014
		(Rupees in thousand)	
Long term financing	7	620,493	392,696
Redeemable capital	8	1,500,000	600,000
Liabilities against assets subject to finance lease	9	149,761	108,074
		2,270,254	1,100,770

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

Holding Company

a) The Company filed an appeal before Appellate Tribunal Inland Revenue, Lahore for tax year 2003 against order of Commissioner Inland Revenue (Appeals) (CIR(A)) passed under section 122 (5A) of the Income Tax Ordinance, 2001 wherein the order of the Assessing Officer creating demand of Rupees 20.780 million was upheld. In addition to above, another appeal for tax year 2003 was filed by the tax department before Appellate Tribunal Inland Revenue against the order of CIR (A) passed under section 221 through which order of the Assessing Officer regarding disallowance of depreciation expense amounting to Rupees 62.666 million and penalty levied amounting to Rupees 17.484 million had been annulled. No provision has been made in these financial statements as the Company is hopeful of favourable outcome of these cases.

b) The Company filed appeals before Appellate Tribunal Inland Revenue, Lahore for tax year 2004 and tax year 2005. The loss for the tax year 2004 was assessed at Rupees 255.684 million reducing refund to Rupees 7.499 million while the income for tax year 2005 was assessed at Rupees 113.439 million creating payable amounting to Rupees 74.576 million. The matter was decided in favour of the Company in a consolidated order. However, department filed an appeal in the Honorable Lahore High Court, Lahore against the decision. No provision has been made in these financial statements since the Company is confident about favourable outcome of the cases.

c) The Company filed an appeal before Commissioner Inland Revenue (Appeals) against order passed under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2006, reducing the loss to Rupees 104.481 million and creating a demand of Rupees 18.590 million. The appeal was decided against the Company. However, the Company has filed an appeal before the Appellate Tribunal Inland Revenue against the impugned order. No provision has been made in these financial statements as the Company is hopeful of a favourable outcome.

d) The Company has filed an appeal before Commissioner Inland Revenue (Appeals) against order passed under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2008, wherein taxable income was assessed at Rupees 226.128 million, creating a demand of Rupees 120.827 million. The appeal is pending for adjudication. No provision has been made in these financial statements as the Company is hopeful of a favourable outcome.

e) The Company and the tax authorities have filed appeals before different appellate authorities regarding sales tax and custom duty matters. Pending the outcome of appeals filed by the Company and tax authorities, no provision has been made in these financial statements which on the basis adopted by the authorities would amount to Rupees 89.616 million (2014: Rupees 89.313 million), since the Company has strong grounds against the assessments framed by the relevant authorities.

f) The Company has filed recovery suits in Civil Courts amounting to Rupees 15.203 million (2014: Rupees 16.922 million) against various suppliers and customers for goods supplied by / to them. Pending the outcome of the cases, no provision has been made in these financial statements since the Company is confident about favourable outcome of the cases.

g) The Company has filed suits before Civil Court, Rawalpindi and Lahore High Court against demands raised by Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rupees 72.811 million. No provision has been made in these financial statements, since the Company is confident about favourable outcome.

h) The Company has filed an appeal before Supreme Court of Pakistan against an order of Lahore High Court, Rawalpindi Bench on an appeal filed by supplier for non-payment by the Company. The Company has provided a guarantee of Rupees 4.246 million on the directions of Supreme Court of Pakistan. Appeal is pending adjudication and the Company expects a favourable outcome.

i) The Company and employees have filed one (2014: three) case before Punjab Labour Court and six cases before Punjab Labour Appellate Tribunal regarding reinstatement into service of three employees (2014: seven) dismissed from their jobs. No provision has been made in these financial statements, since the Company is confident about favourable outcome of the cases.

j) Guarantees issued by various commercial banks, in respect of financial and operational obligations of the Company, to various institutions and corporate bodies aggregate to Rupees 242.068 million (2014: Rupees 241.821 million).

Subsidiary Company - Maple Leaf Cement Factory Limited

a) The Company has filed writ petitions before the Honorable Lahore High Court against the legality of judgment passed by the Customs, Excise and Sales Tax Appellate Tribunal whereby the Company was held liable on account of wrongful adjustment of input sales tax on raw materials, the amount involved pending adjudication before the Honorable Lahore High Court is Rupees 10.01 million. No provision has been made in these financial statements in respect of the matter as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

b) The Company has filed an appeal before the Customs, Central Excise and Sales Tax Appellate Tribunal, Karachi against the order of the Deputy Collector Customs whereby the refund claim of the Company amounting to Rupees 12.35 million was rejected and the Company was held liable to pay an amount of Rupees 37.05 million by way of 10% customs duty allegedly leviable in terms of SRO 584(I)/95 and 585(I)/95 dated 01 July 1995. The impugned demand was raised by the department on the alleged ground that the Company was not entitled to exemption from payment of customs duty and sales tax in terms of SRO 279(I)/94 dated 02 April 1994.

The Honorable Lahore High Court, upon the Company's appeal, vide its order dated 06 November 2001, has decided the matter in favor of the Company. However, the Collector of Customs has preferred a petition before the Honorable Supreme Court of Pakistan, which is pending adjudication. No provision has been made in these financial statements in respect of the above stated amount as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

c) The Federal Board of Revenue (FBR) has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment delivered by the Honorable Lahore High Court in favor of the Company in a writ petition. The Company, through the said writ petition, had challenged the demand raised by the FBR for payment of duties and taxes on the plant and machinery imported by the Company pursuant to the exemption granted in terms of SRO 484 (I) / 92 dated 14 May 1992. The FBR, however, alleged that the said plant & machinery could be locally manufactured and duties and taxes were therefore not exempted. A total demand of Rupees 1,386.72 million was raised by the FBR out of which an amount of Rupees 269.33 million was deposited by the Company as undisputed liability. No provision has been made in these financial statements in respect of the above stated amount as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

d) The Customs Department has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment of Honorable Sindh High Court, which held that dump trucks were part of plant and machinery and the Tribunal had rightly subjected them to concessionary rate of duty. The Company had paid excess custom duties amounting to Rupees 7.350 million on these trucks. The appeal is pending adjudication before the Honorable Supreme Court of Pakistan. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

e) The Company has filed an appeal before the Honorable Supreme Court of Pakistan against the judgment of the Division Bench of the Honorable High Court of Sindh at Karachi. The Division Bench, by judgment dated 15 September 2008, has partly accepted the appeal by declaring that the levy and collection of infrastructure cess / fee prior to 28 December 2006 was illegal and ultra vires and after 28 December 2006, it was legal and the same was collected by the Excise Department in accordance with the law. The appeal has been filed against the declaration that after 28 December 2006, the Excise Department has collected the infrastructure cess / fee in accordance with law. The Province of Sindh and Excise and Taxation Department has also preferred an appeal against the judgment decided against them. The Honorable Supreme Court consolidated both the appeals and were set aside. Thereafter, law has been challenged in constitution petition in the Honorable Sindh High Court Karachi. Stay has been granted by the Honorable High Court on 31 May 2011 on payment of 50% of the cess to the Excise Department and on furnishing of bank guarantee for remaining 50% to them. The petition is pending for hearing and stay is continuing.

The management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

f) Competition Commission of Pakistan, vide order dated 27 August 2009, has imposed penalty on twenty cement factories of Pakistan at the rate of 7.5% of the turnover value. The Commission has imposed penalty amounting to Rupees 586.19 million on the Company. The Commission has alleged that provisions of section 4(1) of the Competition Commission Ordinance, 2007 have been violated. However, after the abeyance of Honorable Islamabad High Court pursuant to the judgment of Honorable Supreme Court of Pakistan dated 31 July 2009, the titled petition has become infructuous and the Company has filed a writ petition no. 15618/2009 before the Honorable Lahore High Court. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

g) The Additional Collector, Karachi has issued show cause notice alleging therein that the Company has wrongly claimed the benefits of SRO No. 575(I)/2006 dated 05 June 2006 on the import of pre-fabricated buildings structure. Consequently, the Company is liable to pay Government dues amounting to Rupees 5.55 million. The Company has submitted reply to the show cause notice and currently proceedings are pending before the Additional Collector. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

h) The customs department has filed an appeal against the judgment dated 19 May 2009, passed in favor of the Company pursuant to which the Company is not liable to pay custom duty amounting to Rupees 0.59 million relating to import of some machinery vide L/C No. 0176-01-46-518-1201 in terms of SRO 484(1)/92 dated 14 May 1992, and SRO 978(1)/95 dated 04 October 1995. The appeal is pending before the Honorable Lahore High Court. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

i) The Company has preferred an appeal against the order in original No. 576/99 dated 18 September 1999, whereby the Company was denied the benefit of SRO 484(1)/92 dated 14 May 1992, and SRO 978(1)/95 dated 04 October 1995. Accordingly the demand of Rupees 0.81 million was raised against the Company. Appeal was dismissed by Central Excise and Sales Tax Tribunal on 19 May 2009. The Company has filed petition before the Honorable Lahore High Court, which is pending adjudication. A rectification application under section 194 is also pending before the Customs, Federal Excise and Sales Tax Appellate Tribunal beside the customs reference. No provision has been made in these financial statements as the management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

j) Surcharge of Rupees 154 million has been imposed by Mines and Minerals Department, Government of the Punjab under Rule 68(2) of Punjab Mining Concession Rules, 2002 ("Rules") against which the Company has filed writ petition against Government of Punjab via writ petition No. 1008/2014 to challenge the basis of Rules. The titled petition is currently pending before the Honorable Lahore High Court. Management and the Company's legal advisor are confident that the ultimate outcome of this case will be in favor of the Company.

k) The Honorable Sindh High Court through its order dated 01 March 2013 declared the amendments made in the WWF Ordinance, 1971 through Finance Act, 2008 applicable through which WWF is applicable on accounting profits rather than on the taxable income computed after incorporating the brought forward losses. In the light of the above order, the provision to date based on accounting profit comes to Rupees 235.65 million (2014: Rupees 145.63 million). However, these financial statements does not include any adjustment to this effect since the Company is of the opinion that it does not come under the purview of the order of the Honorable Sindh High Court and that the Honorable Lahore High Court had already declared the above amendments unconstitutional via the case reported as 2011 PLD 2643.

l) The deemed assessment earlier made under section 120(1) of the Ordinance has been rectified through order dated 10 May 2011 passed u/s 221 of the Ordinance on the grounds that minimum tax liability payable u/s 113 of the Ordinance of Rupees 34.60 million for the tax year 2010 was leviable in addition to taxes payable under various final tax regimes. The Company has contested the rectification order in appeal before the Appellate Tribunal of Inland Revenue, which has been disposed through appellate order dated 09 July 2014 in favour of the Company. The appeal order has not yet been issued by the department in this respect.

m) The deemed assessment earlier made under section 120(1) of the Ordinance has been rectified through order dated 02 February 2011 passed u/s 221 of the Ordinance on the grounds that minimum tax liability payable u/s 113 of the Ordinance of Rupees 35.69 million was also leviable in addition to taxes payable under various final tax regimes. The Company has contested the rectification order in appeal before the Appellate Tribunal of Inland Revenue, which has not been taken up for hearing to date.

n) Through Order-In-Original (ONO) .18/2009 dated 24 December 2009, the tax department finalized the adjudication proceedings in respect of audit conducted by the department auditors and raised a demand of principal sales tax and FED aggregating to Rupees 336.74 million along with applicable default surcharges and penalties. The Company preferred appeal against such ONO under the applicable provisions of Sales Tax Act, 1990 and Federal Excise Act, 2005 before the Commissioner of Inland Revenue (appeals).

It is, however, appropriate to highlight that the Company has also filed a writ petition with the Honorable Lahore High Court against the above referred Order-In-Original demand.

o) Through ONO No. 10/2011 dated 30 July 2011, Company's refund claim of Central Excise Duty (CED) of Rupees 913.01 million representing the excess payment of duty based on an inadvertent computation of related 'retail price' of cement products manufactured and supplied by the Company, was rejected principally on the grounds that related incidence of duty has been passed on to the consumers and hence the resultant refund claim is hit by the mischief of provisions of then applicable section 3(d) of the Central Excise Act, 1944.

The preferred appeal against the said order before the CIR(A) both on legal as well as factual grounds, however, such appeal was not entertained by the Commissioner of Inland Revenue (Appeals) and accordingly, the matter has been further agitated in appeal by the Company before the Appellate Tribunal Inland Revenue.

p) The Company filed an appeal before Commissioner Inland Revenue (CIR) (appeals) against the impugned order passed by Additional Commissioner Inland Revenue under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2009, creating a demand of Rupees 1.17 million. The appeal of said hearing is pending before CIR (appeal). The Company is confident about favourable outcome of the case.

q) The Company filed an appeal before Commissioner Inland Revenue (appeals) against the impugned order passed by Additional Commissioner Inland Revenue under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2010, creating a refund of Rupees 0.60 million. The appeal of said hearing is pending before CIR (appeal). The Company is confident about favourable outcome of the case.

r) The Company filed an appeal before Commissioner Inland Revenue (appeals) against the impugned order passed by Additional Commissioner Inland Revenue under section 122(5A) of the Income Tax Ordinance, 2001 for tax year 2014, creating a demand of Rupees 16.25 million. The appeal of said hearing is pending before CIR (appeal). The Company is confident about favourable outcome of the case.

Based on opinion of the Company's legal counsel, management is confident of favourable outcome in all aforementioned matters, hence no provision is being recognized in respect of these matters in the financial statements.

s) Guarantees given by banks on behalf of the Company are of Rs. 412.75 million (2014: Rs. 399.71 million) in favor of Sui Northern Gas Pipeline Limited and Government Institutions.

17.2 Commitments in respect of:

a) Letters of credit for capital expenditure amount to Rupees 83.738 million (2014: Rupees 404.311 million).

b) Letters of credit other than for capital expenditure amount to Rupees 1,089.298 million (2014: Rupees 641.131 million).

18. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	(Rupees in thousand)	
Operating fixed assets (Note 18.1)		
Owned	23,621,130	23,611,710
Leased	566,890	720,424
Capital work in progress (Note 18.5)	129,582	55,815
	24,317,602	24,387,949

18.1 Operating Fixed Assets

	Owned Assets													Leased Assets
	Freehold land	Office building	Factory and other building	Residential and other building	Plant and machinery	Services and other equipment	Computer and IT installations	Furniture and fixture	Office equipment	Vehicles	Quarry equipment	Share of joint assets	Total	Plant and machinery
	(Rupees in thousand)													
At 30 June 2013														
Cost / revalued amount	2,849,494	33,668	5,447,955	112,690	29,513,425	43,707	67,574	263,432	34,039	238,529	226,905	6,000	38,837,418	1,058,333
Accumulated depreciation	-	(6,812)	(2,037,638)	(50,672)	(12,067,382)	(25,864)	(56,589)	(182,956)	(17,186)	(143,760)	(181,268)	(4,061)	(14,774,188)	(245,383)
Net book value	2,849,494	26,856	3,410,317	62,018	17,446,043	17,843	10,985	80,476	16,853	94,769	45,637	1,939	24,063,230	812,950
Year ended 30 June 2014														
Opening net book value	2,849,494	26,856	3,410,317	62,018	17,446,043	17,843	10,985	80,476	16,853	94,769	45,637	1,939	24,063,230	812,950
Additions	3,100	-	78,758	1,674	903,851	293	2,118	60,402	2,957	57,342	1,879	-	1,112,374	12,060
Transfer out:														
Cost	-	-	-	-	98,655	-	-	-	-	-	-	-	98,655	(98,655)
Accumulated depreciation	-	-	-	-	(32,136)	-	-	-	-	-	-	-	(32,136)	32,136
	-	-	-	-	66,519	-	-	-	-	-	-	-	66,519	(66,519)
Disposals:														
Cost	-	-	(1,346)	-	(18,446)	-	-	(10)	(120)	(12,623)	(30,989)	-	(63,534)	-
Accumulated depreciation	-	-	1,105	-	14,502	-	-	5	99	10,042	30,520	-	56,273	-
	-	-	(241)	-	(3,944)	-	-	(5)	(21)	(2,581)	(469)	-	(7,261)	-
Depreciation charge	-	(389)	(228,786)	(3,501)	(1,335,271)	(2,965)	(3,694)	(16,852)	(1,870)	(22,169)	(7,480)	(175)	(1,623,152)	(38,067)
Closing net book value	2,852,594	26,467	3,260,048	60,191	17,077,198	15,171	9,409	124,021	17,919	127,361	39,567	1,764	23,611,710	720,424
At 30 June 2014														
Cost / revalued amount	2,852,594	33,668	5,525,367	114,364	30,497,485	44,000	69,692	323,824	36,876	283,248	197,795	6,000	39,984,913	971,738
Accumulated depreciation	-	(7,201)	(2,265,319)	(54,173)	(13,420,287)	(28,829)	(60,283)	(199,803)	(18,957)	(155,887)	(158,228)	(4,236)	(16,373,203)	(251,314)
Net book value	2,852,594	26,467	3,260,048	60,191	17,077,198	15,171	9,409	124,021	17,919	127,361	39,567	1,764	23,611,710	720,424
Year ended 30 June 2015														
Opening net book value	2,852,594	26,467	3,260,048	60,191	17,077,198	15,171	9,409	124,021	17,919	127,361	39,567	1,764	23,611,710	720,424
Additions	147,840	-	285,736	-	1,030,650	1,726	2,286	65,949	3,876	92,151	-	-	1,630,214	74,495
Transfer out:														
Cost	-	-	-	-	280,000	-	-	-	-	-	-	-	280,000	(280,000)
Accumulated depreciation	-	-	-	-	(81,065)	-	-	-	-	-	-	-	(81,065)	81,065
	-	-	-	-	198,935	-	-	-	-	-	-	-	198,935	(198,935)
Disposals:														
Cost	-	-	(30,714)	-	(185,132)	-	(221)	(8,952)	(502)	(26,895)	-	-	(252,416)	-
Accumulated depreciation	-	-	18,296	-	112,794	-	170	6,757	214	20,175	-	-	158,406	-
	-	-	(12,418)	-	(72,338)	-	(51)	(2,195)	(288)	(6,720)	-	-	(94,010)	-
Depreciation charge	-	(370)	(230,108)	(3,381)	(1,426,936)	(1,661)	(3,332)	(21,678)	(2,016)	(29,992)	(6,088)	(157)	(1,725,719)	(29,094)
Closing net book value	3,000,434	26,097	3,303,258	56,810	16,807,509	15,236	8,312	166,097	19,491	182,800	33,479	1,607	23,621,130	566,890
At 30 June 2015														
Cost / revalued amount	3,000,434	33,668	5,780,389	114,364	31,623,003	45,726	71,757	380,821	40,250	348,504	197,795	6,000	41,642,711	766,233
Accumulated depreciation	-	(7,571)	(2,477,131)	(57,554)	(14,815,494)	(30,490)	(63,445)	(214,724)	(20,759)	(165,704)	(164,316)	(4,393)	(18,021,581)	(199,343)
Net book value	3,000,434	26,097	3,303,258	56,810	16,807,509	15,236	8,312	166,097	19,491	182,800	33,479	1,607	23,621,130	566,890
Depreciation rate (%)	-	5 - 10	5 - 10	5 - 10	5 - 20	10	30	10	10	20	20	10	10	10 - 20

18.1.1 Freehold land of Holding Company was revalued by an independent valuer Messers ARCH-e'-decon (Evaluators, Surveyors, Architects and Engineers) as at 30 March 2010. Freehold land of Subsidiary Company was revalued by Empire Enterprises (Private) Limited as at 31 December 2010. Book value of land on cost basis is Rupees 68.546 million (2014: Rupees 68.546 million) as on 30 June 2015. Had there been no revaluation, the value of land would have been lower by Rupees 2,780.948 million (2014: Rupees 2,780.948 million).

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

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Particulars of purchasers
	---------------(Rupees in thousand) ---------------						
Plant and Machinery							
Crossrol Carding Machines Mk-4 with Chute feed	936	736	200	1,686	1,486	Negotiation	Abdullah Fibers (Private) Limited
Crossrol Carding Machines Mk-4.5 with Chute feed	3,549	2,877	672	2,597	1,925	Negotiation	Fanz Spinning Mills Limited
Crossrol Carding Machines Mk-4.5 with Chute feed	1,451	1,203	248	1,370	1,122	Negotiation	Ihsan Cotton Products (Private) Limited
Hydraulic Cotton Bailing Press	1,187	846	341	350	9	Negotiation	Ansar Traders
Caterpillar Genset 1400 KVA	5,746	4,430	1,316	5,000	3,684	Negotiation	Efu Insurance Company Limited
Crossrol Carding Machines Mk-4 with Chute feed	4,576	3,897	679	2,700	2,021	Negotiation	Bombal Textile Mills (Private) Limited
Stentring Heat Setting and Drying	8,016	6,532	1,484	1,000	(484)	Negotiation	Suchy Mehrban Traders
Transformer 500 KVA	1,149	757	392	350	(42)	Auction	S.N International Lahore
Blockage clearing system and top element	19,360	8,145	11,215	8,476	(2,739)	Auction	S.N International Lahore
Cement mill	74,115	56,864	17,251	11,434	(14,755)	Auction	S.N International Lahore
Magnesite majkor - B	8,355	4,114	4,241	3,735	(506)	Auction	S.N International Lahore
Rotary blower	2,369	330	2,039	2,822	783	Insurance Claim	EFU General Insurance Ltd
Bearings	9,573	1,990	7,583	5,868	(1,715)	Insurance Claim	EFU General Insurance Ltd
Normal element part	9,486	5,052	4,434	3,431	(1,003)	Insurance Claim	EFU General Insurance Ltd
Outlet and inlet sector	6,812	2,826	3,986	3,084	(902)	Insurance Claim	EFU General Insurance Ltd
Cooler	5,134	1,155	3,979	3,079	(900)	Insurance Claim	EFU General Insurance Ltd
Movable and stationary cross bar	5,511	2,858	2,653	2,052	(601)	Insurance Claim	EFU General Insurance Ltd
SO_2 analyzer	3,698	1,043	2,655	2,054	(601)	Insurance Claim	EFU General Insurance Ltd
Grate protection plate, electric hilti machine, spreader plate, welding plant, low energy grate, centrifugal pump and gear wheel part	10,539	5,246	5,293	4,095	(1,198)	Insurance Claim	EFU General Insurance Ltd
Grizzly bar	2,361	1,261	1,100	851	(249)	Insurance Claim	EFU General Insurance Ltd
U-Profile	1,207	632	575	445	(130)	Insurance Claim	EFU General Insurance Ltd
	185,130	112,794	72,336	66,479	(5,857)		
Vehicles							
Toyota Vitz LEC-11-3680	1,041	489	552	568	16	Negotiation	Ms. Noshaba Khalid
Toyota Vitz LEF-1687	613	437	176	377	201	Negotiation	Mr. Ghulam Mouhiuddin, employee
Suzuki Cultus LWL-9472	620	462	158	255	97	Negotiation	Mr. Muhammad Imran, employee
Santro LEA-08-9247	466	325	141	284	143	Negotiation	Mr. Abdul Rauf, employee
Suzuki Cultus LWE-7671	633	490	143	323	180	Negotiation	Mr. Umer Zubair, employee
Motor Cycle LRL-8755	68	58	10	16	6	Negotiation	Mr. Liaqat Ali Qadri, employee
Motor Cycle LXD-8789	61	54	7	8	1	Negotiation	Mr. Sohail Sadiq
Toyota Corolla XLI LEH-5411	842	614	228	234	6	Negotiation	Mr. Salman Moin, employee

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain/ (Loss)	Mode of disposal	Particulars of purchasers
	---------------	(Rupees in thousand)		---------------			
Toyota Corolla LEE-13-320	1,821	546	1,275	1,400	125	Negotiation	Mr. Khizar Hayat
KIA Sportage RIY-6700	1,594	1,359	235	738	503	Negotiation	Mr. Shahid Baig
Cuore RLC-8846	432	328	104	415	311	Negotiation	Mr. Shahid Baig
Toyota Camry LWH -6000	2,911	2,140	771	2,010	1,239	Negotiation	Syed Mudassar Hussain Naqvi
Cuore RLC-8936	419	310	109	445	336	Negotiation	Mr. Muhammad Nasir
Suzuki Baleno RLB-6305	879	773	106	465	359	Negotiation	Ch. Qaiser Ali
Suzuki Cultus	599	473	126	602	476	Auction	Mr. Ahmad Hassan
Suzuki Cultus	568	464	104	532	428	Auction	Mr. Zafar Iqbal
Suzuki Cultus	570	503	67	450	383	Auction	Mr. Muhammad Akbar
Suzuki Cultus	578	471	107	591	484	Auction	Mr. Muhammad Arshad
Suzuki Cultus	641	508	133	471	338	Auction	Mr. Shah Jehan
Suzuki Cultus	787	528	259	721	462	Auction	Mr. Fazal Dad
Suzuki Cultus	787	528	259	753	494	Auction	Mr. Shah Jehan
Suzuki Cultus	419	283	136	479	343	Auction	Syed Rahbar Abbas Zadi
Toyota Corolla	1,111	982	129	762	633	Auction	Mr. Hassan Ali Mansoor
Mitsubishi Pajero	4,220	3,672	548	2,200	1,652	Auction	Ms. Maqbool Babi
Honda Civic	1,953	1,156	797	903	106	Negotiation	Ms. Fozia Aisha Gulzar
	24,633	17,953	6,680	16,002	9,322		
Buildings on freehold land							
Drawing office stores and Tpt shop	255	211	44	162	118	Auction	Mr. Aftab Yousaf
Cement mill	29,424	17,635	11,789	5,466	(7,053)	Auction	S.N International Lahore
Blower room	238	133	105	144	39	Insurance Claim	EFU General Insurance Ltd
Six Rooms in bachelor hostel	797	318	479	500	21	Insurance Claim	EFU General Insurance Ltd
	30,714	18,297	12,417	6,272	(6,145)		
Office equipment:							
Samsung Mobile	69	7	62	18	(44)	Negotiation	Mr. Ahmad
Chairs, beds, table and sofa set	5,517	3,856	1,661	1,208	(453)	Auction	S.N International Lahore
Air conditioner	687	560	127	92	(35)	Auction	S.N International Lahore
Burners, oven and cooking range	730	608	122	88	(34)	Auction	S.N International Lahore
Room cooler and heaters	757	616	141	103	(38)	Auction	S.N International Lahore
IT equipment	965	885	80	1,000	920	Insurance Claim	EFU General Insurance Ltd
	8,725	6,532	2,193	2,509	316		
	249,202	155,576	93,626	91,262	(2,364)		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 50,000	3,214	2,830	384	1,348	964	Negotiation	
	252,416	158,406	94,010	92,610	(1,400)		

	Note	2015	2014
		(Rupees in thousand)	
18.3 Depreciation charged during the year has been allocated as follows:			
Cost of sales	31	1,698,729	1,614,214
Administrative expenses	33	56,084	47,006
		1,754,813	1,661,220

18.4 Ownership of the housing colony's assets included in the operating fixed assets is shared by the Subsidiary Company jointly with Agritech Limited (formerly Pak American Fertilizer Limited) in ratio of 101:245 since the time when both the companies were managed by Pakistan Industrial Development Corporation (PIDC). These assets are in possession of the housing colony establishment for mutual benefits.

	2015	2014
	(Rupees in thousand)	
18.5 Capital work in progress		
Tangible assets		
Plant and machinery	100,523	40,071
Expenditure	13,093	5,154
Un-allocated capital expenditure	1,001	1,001
Advances to suppliers against:		
Plant and machinery	9,788	2,310
Purchase of land	2,000	2,000
Vehicles	3,177	5,279
	129,582	55,815

19. INVESTMENT PROPERTIES

	2015	2014
Opening net book amount	1,781,133	1,729,843
Fair value gain	2,000	51,290
Closing net book amount	1,783,133	1,781,133

19.1 The fair value of investment properties comprising land, situated at Lahore and Rawalpindi have been determined at 30 June 2015 by an independent valuer having relevant professional qualifications. The fair value was determined on the basis of professional assessment of the current prices in an active market for similar properties in the same location and condition.

	Note	2015	2014
		(Rupees in thousand)	
20. LONG TERM LOANS TO EMPLOYEES - SECURED			
House building		3,677	3,427
Vehicles		2,628	2,195
Others		4,096	1,620
		10,401	7,242
Less: Current portion of long term loans to employees	25	3,888	2,802
		6,513	4,440

20.1 These loans are secured against employees' retirement benefits of Subsidiary Company and carry interest at the rates ranging from 6.00% to 12.00% per annum (2014: 6.00% to 12.00% per annum). These loans are recoverable in 30 to 120 monthly installments.

20.2 No amount was due from directors, chief executive officer and executives at the year end (2014: Rupees Nil).

	Note	2015	2014
		(Rupees in thousand)	
21. LONG TERM DEPOSITS			
Security deposits		120,814	104,066
Less: Current portion shown under current assets		(5,598)	(3,416)
		115,216	100,650
22. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores	22.1	2,294,649	2,128,400
Spare parts		2,316,768	2,080,310
Loose tools		43,309	31,743
		4,654,726	4,240,453
Less: Provision against slow moving items	22.2	(2,552)	(42,895)
		4,652,174	4,197,558

22.1 This includes stores in transit of Rupees 721.310 million (2014: Rupees 851.930 million).

	Note	2015	2014
		(Rupees in thousand)	
22.2 Provision against slow moving items			
As at 01 July		42,895	42,617
Add: Provision for the year	34	690	278
Less: Provision reversed during the year		(41,033)	-
As at 30 June		2,552	42,895
23. STOCK-IN-TRADE			
Raw materials	23.1	925,821	1,022,490
Packing materials		141,816	113,354
Work-in-process		1,343,587	1,236,314
Finished goods		851,637	706,951
		3,262,861	3,079,109
Less: Cement stock written off		68,685	39,472
		3,194,176	3,039,637

23.1 Raw materials include stock in transit of Rupees 117.880 million (2014: Rupees 107.718 million).

23.2 Stock in trade of Rupees 454.378 million (2014: Rupees 43.807 million) is being carried at net realizable value.

23.3 The aggregate amount of write-down of inventories to net realizable value recognized during the year was Rupees 81,479 million (2014: Rupees 10.128 million).

23.4 Stock in trade includes stock of Rupees 69.355 million (2014: Rupees 45.513 million) with external parties for processing.

24. TRADE DEBTS

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
Considered good:			
Secured (against letters of credit)		502,716	433,670
Unsecured		1,198,168	1,308,679
		1,700,884	1,742,349
Considered doubtful:			
Others - unsecured		3,423	11,517
		1,704,307	1,753,866
Provision for doubtful debts		3,423	11,517
		1,700,884	1,742,349
Movement in provision for doubtful debts			
As at 01 July		11,517	11,429
Add: Provision for the year	34	23,273	6,034
		34,790	17,463
Written off during the year		31,367	5,946
As at 30 June		3,423	11,517

24.1 As at 30 June 2015, trade debts of Rupees 855.911 million (2014: Rupees 924.755 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 ageing analysis of these trade debts is as follows:

	2015 (Rupees in thousand)	2014 (Rupees in thousand)
Upto 1 month	484,329	710,182
1 to 6 months	274,893	145,510
More than 6 months	96,689	69,063
	855,911	924,755

24.2 As at 30 June 2015, trade debts of Rupees 34.790 million (2014: Rupees 17.463 million) were impaired and provided for / written off. The ageing of these trade debts was more than three years.

	Note	2015	2014
		(Rupees in thousand)	

25. LOANS AND ADVANCES - Unsecured, considered good

	Note	2015	2014
Loans and advances to employees:			
- Executives		23,381	2,901
- Other employees		1,536	8,825
- Current portion of long term loans to employees	20	3,888	2,802
		28,805	14,528
Advances to Suppliers	25.1	1,047,445	1,026,947
Letters of credit		25,608	24,552
		1,101,858	1,066,027

25.1 This includes an amount of Rupees 698.540 million (2014: 642.07) advanced to Ministry of Railways for transportation of coal and cement.

26. SECURITY DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2015	2014
		(Rupees in thousand)	
Short term deposits including current portion of long term deposits		6,720	4,295
Margin against:			
- Letters of credit		6,891	3,082
- Bank guarantees		59,104	58,014
Prepayments		41,178	25,526
		113,893	90,917

27. OTHER RECEIVABLES

	Note	2015	2014
Considered good:			
Sales tax refundable	27.1	490,000	321,356
Custom duty receivable		15,993	15,993
Mark-up rate support receivable from financial institutions		30,363	2,373
Export rebate		83,963	56,581
Insurance claims		3,300	8,141
Duty draw back receivable		48,262	63,213
Others		116,520	157,536
		788,401	625,193

27.1 It includes Rupees 16.797 million paid to Government under protest for various cases which have been decided in favor of the Subsidiary Company (MLCFL).

	Note	2015	2014
		(Rupees in thousand)	
28. SHORT TERM INVESTMENTS			
Held-to-maturity investment	28.1	49,645	-
Investments carried at fair value through profit or loss	28.2	2,375,404	982,019
		2,425,049	982,019

28.1 Held-to-maturity investment

Subsidiary Company - MLCL

This represents commercial papers issued by Pak Electron Limited in the form of unsecured promissory notes for the period of six months. These carry profit at the rate of 6 months KIBOR plus 2.5% per annum.

	2015			2014		
	Carrying Value	Unrealized Gain / (Loss)	Market Value	Carrying Value	Unrealized Gain / (Loss)	Market Value
	------------ (Rupees in thousand) ------------					
28.2 Investments carried at fair value through profit or loss						
Holding Company						
Mutual fund						
ABL Government Securities Fund Nil (2014: 97,000,487) units	-	-	-	970,000	4,001	974,001
	-	-	-	970,000	4,001	974,001
Shares in listed companies						
Pak Reinsurance Company Limited 25,000 (2014: 25,000) fully paid ordinary shares of Rupees 10 each	648	75	723	591	56	647
Samin Textile Limited 30,000 (2014: 30,000) fully paid ordinary shares of Rupees 10 each	405	(133)	272	237	168	405
D.S. Industries Limited 20,000 (2014: 20,000) fully paid ordinary shares of Rupees 10 each	82	(2)	80	101	(19)	82
Pervez Ahmed Securities Limited 25,000 (2014: 25,000) fully paid ordinary shares of Rupees 10 each	104	(44)	60	111	(7)	104
Attock Petroleum Limited 119,600 (2014: Nil) fully paid ordinary shares of Rupees 10 each	63,954	3,886	67,840	-	-	-
Bank AL-Habib Limited 1,542,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	72,644	(4,873)	67,771	-	-	-
Biafo Industries Limited 15,500 (2014: Nil) fully paid ordinary shares of Rupees 10 each	2,909	168	3,077	-	-	-
D.G. Khan Cement Company Limited 900,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	120,588	7,905	128,493	-	-	-
Engro Corporation Limited 100,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	29,467	213	29,680	-	-	-
Honda Atlas Cars (Pakistan) Limited 296,100 (2014: Nil) fully paid ordinary shares of Rupees 10 each	65,736	(985)	64,751	-	-	-
The Hub Power Company Limited 1,779,500 (2014: Nil) fully paid ordinary shares of Rupees 10 each	160,515	5,993	166,508	-	-	-
IGI Insurance Limited 105,900 (2014: Nil) fully paid ordinary shares of Rupees 10 each	23,929	(2,231)	21,698	-	-	-
International Industries Limited 100,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	7,106	(392)	6,714	-	-	-
Kot Addu Power Plant Company Limited 1,055,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	88,548	2,224	90,772	-	-	-
Kohinoor Energy Limited 276,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	13,455	483	13,938	-	-	-
Nishat Chunnian Power Limited 997,000 (2014: Nil) fully paid ordinary shares of Rupees 10 each	59,910	(689)	59,221	-	-	-
	710,000	11,598	721,598	1,040	198	1,238
	710,000	11,598	721,598	971,040	4,199	975,239

	2015			2014		
	Carrying value	Unrealized gain / (loss)	Market value	Carrying value	Unrealized gain / (loss)	Market value
	- - - - - - - - - - - - (Rupees in thousand) - - - - - - - - - - - -					
Subsidiary Company - MLCL						
Mutual fund						
ABL Cash Fund 25,698,387 (2014: Nil) units	257,064	392	257,456	-	-	-
	257,064	392	257,456	-	-	-
Shares in listed companies						
HUM Network Limited 6,036,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	85,647	11,472	97,119	-	-	-
JS Bank Limited 4,054,501 (2014: Nil) fully paid ordinary shares of Rupees 10 each	28,169	1,753	29,922	-	-	-
The Hub Power Company Limited 2,406,501 (2014: Nil) fully paid ordinary shares of Rupees 10 each	193,932	31,245	225,177	-	-	-
Kohinoor Energy Limited 1,376,501 (2014: Nil) fully paid ordinary shares of Rupees 10 each	67,528	1,986	69,514	-	-	-
Nishat Chunnian Power Limited 1,249,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	66,131	8,059	74,190	-	-	-
Bank AL Habib Limited 1,100,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	50,350	(2,005)	48,345	-	-	-
JS Investments Limited 1,006,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	14,468	440	14,908	-	-	-
Kot Addu Power Company Limited 1,000,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	81,967	4,073	86,040	-	-	-
DG Khan Cement Company Limited 943,501 (2014: Nil) fully paid ordinary shares of Rupees 10 each	125,782	8,922	134,704	-	-	-
Standard Chartered Modaraba 596,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	15,777	2,103	17,880	-	-	-
IGI Insurance Limited 589,401 (2014: Nil) fully paid ordinary shares of Rupees 10 each	147,640	(26,877)	120,763	-	-	-
International Industries Limited 512,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	39,309	(4,933)	34,376	-	-	-
Honda Atlas Cars (Pakistan) Limited 468,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	100,285	2,058	102,343	-	-	-
Biafo Industries Limited 263,401 (2014: Nil) fully paid ordinary shares of Rupees 10 each	51,680	613	52,293	-	-	-
Attock Petroleum Limited 189,101 (2014: Nil) fully paid ordinary shares of Rupees 10 each	103,802	3,460	107,262	-	-	-
Engro Corporation Limited 172,901 (2014: Nil) fully paid ordinary shares of Rupees 10 each	50,846	471	51,317	-	-	-
United Bank Limited 100,701 (2014: Nil) fully paid ordinary shares of Rupees 10 each	15,356	1,856	17,212	-	-	-
Mirpurkhas Sugar Mills Limited 90,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	6,698	(173)	6,525	-	-	-
Ghandhara Nissan Limited 75,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	7,551	(134)	7,417	-	-	-
Faran Sugar Mills Limited 75,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	5,291	184	5,475	-	-	-
Millat Tractors Limited 50,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	31,859	2,433	34,292	-	-	-
Shahmurad Sugar Mills Limited 46,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	2,397	87	2,484	-	-	-
Sitara Chemical Industries Limited 14,601 (2014: Nil) fully paid ordinary shares of Rupees 10 each	5,227	(843)	4,384	-	-	-
Colgate-Palmolive (Pakistan) Limited 11,360 (2014: Nil) fully paid ordinary shares of Rupees 10 each	21,685	(4,452)	17,233	-	-	-
Bata Pakistan Limited 6,461 (2014: Nil) fully paid ordinary shares of Rupees 10 each	21,628	2,494	24,122	-	-	-
Mehran Sugar Mills Limited 3,201 (2014: Nil) fully paid ordinary shares of Rupees 10 each	386	33	419	-	-	-
Crescent Steel and Allied Products Limited 1,001 (2014: Nil) fully paid ordinary shares of Rupees 10 each	52	-	52	-	-	-
Other Listed companies 375 (2014: Nil) fully paid ordinary shares of Rupees 10 each	52	(1)	51	-	-	-
	1,341,495	44,324	1,385,819	-	-	-
	1,598,559	44,716	1,643,275	-	-	-
Subsidiary Company - MLCFL						
Shares in listed company						
Next Capital Limited 1,500,000 (2014: 1,500,000) fully paid ordinary shares of Rupees 10 each	6,780	3,751	10,531	15,000	(8,220)	6,780
	2,315,339	60,065	2,375,404	986,040	(4,021)	982,019

	Note	2015	2014
		(Rupees in thousand)	
29. CASH AND BANK BALANCES			
Cash in hand	29.1	2,836	6,595
Cash at bank:			
- On current accounts	29.2	219,251	168,883
- On saving accounts	29.2	163,774	132,303
		383,025	301,186
		385,861	307,781

29.1 The balances in current and deposit accounts include US $ 212,207 (2014: US $ 301,805)

29.2 The balances in saving accounts carry interest ranging from 0.1% to 10.50% (2014: 3.50% to 9.92%) per annum.

	Note	2015	2014
		(Rupees in thousand)	
30. SALES			
Export		12,134,040	11,713,798
Local	30.1	24,360,619	22,496,822
Export rebate		59,559	57,833
		36,554,218	34,268,453
30.1 Local sales		29,242,156	26,981,427
Less:			
Sales tax		3,799,189	3,514,309
Excise duty		935,201	838,618
Commission		147,147	131,678
		24,360,619	22,496,822

30.2 Exchange gain due to currency rate fluctuations relating to export sales of Holding Company amounting to Rupees 86.132 million (2014: Rupees 32.452 million) has been included in export sales.

31. COST OF SALES

	Note	2015	2014
		(Rupees in thousand)	
Raw materials consumed	31.1	8,607,567	8,987,911
Salaries, wages and other benefits	31.2	1,755,969	1,536,909
Processing charges		6,028	7,942
Stores, spare parts and loose tools consumed		2,019,938	2,392,354
Packing materials consumed		1,869,039	1,617,108
Fuel and power		9,344,801	8,870,058
Repair and maintenance		605,193	318,553
Insurance		81,899	77,263
Other factory overheads		283,106	348,923
Depreciation	18.3	1,698,729	1,614,214
		26,272,269	25,771,235
Work-in-process			
Opening stock		1,236,313	1,085,034
Closing stock		(1,343,587)	(1,236,313)
		(107,274)	(151,279)
Cost of goods manufactured		26,164,995	25,619,956
Finished goods			
Opening stock		667,479	576,975
Closing stock		(851,637)	(706,951)
		(184,158)	(129,976)
Cost of sales		25,980,837	25,489,980

31.1 Raw materials consumed

	2015	2014
Opening stock	1,022,490	931,120
Add: Purchased during the year	8,510,898	9,079,281
	9,533,388	10,010,401
Less: Closing stock	(925,821)	(1,022,490)
	8,607,567	8,987,911

31.2 Salaries, wages and other benefits include provident fund contribution of Rupees 47.356 million (2014: Rupees 38.523 million), gratuity and compensated absences amounting to Rupees 18.620 million (2014: Rupees 17.250 million).

32. DISTRIBUTION COST

	Note	2015	2014
		(Rupees in thousand)	
Salaries and other benefits	32.1	121,915	103,206
Outward freight and handling		34,715	41,710
Clearing and forwarding		1,439,065	1,214,591
Commission to selling agents		134,315	95,980
Travelling and conveyance		67,044	41,417
Insurance		312	283
Vehicles' running		14,436	16,390
Electricity, gas and water		1,910	1,294
Postage, telephone and fax		10,583	7,382
Sales promotion and advertisement		79,451	59,332
Miscellaneous		30,230	46,343
		1,933,976	1,627,928

32.1 Salaries, wages and other benefits include provident fund contribution of Rupees 4.503 million (2014: 3.988 million), gratuity and compensated absences amounting to Rupees 2.760 million (2014: Rupees 4.350 million).

33. ADMINISTRATIVE EXPENSES

	Note	2015	2014
		(Rupees in thousand)	
Salaries and other benefits	33.1	346,038	259,490
Travelling and conveyance		53,350	37,448
Repair and maintenance		31,534	32,598
Rent, rates and taxes		6,290	10,656
Insurance		9,781	8,017
Vehicles' running		35,727	33,877
Printing, stationery and periodicals		22,533	18,757
Electricity, gas and water		4,653	4,236
Postage, telephone and fax		16,933	14,897
Legal and professional		55,474	27,694
Security, gardening and sanitation		31,499	25,976
Amortization		-	3,006
Depreciation	18.3	56,084	47,006
Miscellaneous		101,819	82,423
		771,715	606,081

33.1 Salaries, wages and other benefits include provident fund contribution of Rupees 10.279 million (2014: Rupees 8.187 million), gratuity and compensated absences amounting to Rupees 3.980 million (2014: Rupees 4.590 million).

	Note	2015	2014
		(Rupees in thousand)	

34. OTHER EXPENSES

	Note	2015	2014
Auditors' remuneration	34.1	3,855	3,245
Donations	34.2	3,146	2,834
Loss on disposal of property, plant and equipment		1,400	-
Loss on disposal of investment		-	2,198
Provision for doubtful debts	24	23,273	6,034
Provision for slow moving stores and spares	22.2	690	278
Workers' profit participation fund		301,382	223,443
Miscellaneous		7,062	787
		340,808	238,819

34.1 Auditors' remuneration

	2015	2014
Riaz Ahmad and Company		
Audit fee	2,015	1,400
Reimbursable expenses	30	145
Certifications	60	-
	2,105	1,545
KPMG Taseer Hadi and Company		
Annual statutory audit	1,200	1,200
Interim audit and other certification	350	150
Out of pocket expenses	200	350
	1,750	1,700
	3,855	3,245

34.2 Donations for the year have been given to:

	2015	2014
Gulab Devi Hospital, Lahore	400	200
Pakistan Air Force (PAF) Mianwali	1,403	-
Miscellaneous donations in the form of cement	910	1,711
Lahore University of Management Sciences (LUMS)	100	-
Internally Displaced Persons (IDP), Swat	-	600
National Tennis Academy	333	323
	3,146	2,834

34.2.1 None of the directors and their spouses have any interest in the donee's fund.

	Note	2015	2014
		(Rupees in thousand)	
35. OTHER INCOME			
Income from financial assets:			
Gain on disposal of investments at fair value through profit or loss - net		324	141
Gain on remeasurement of fair value of investments at fair value through profit or loss		60,065	3,629
Amortization of held to maturity investment		2,421	-
Return on bank deposits		18,351	25,248
Dividend income		49,788	6,946
		130,949	35,964
Income from non-financial assets:			
Scrap sales		57,513	80,135
Gain on disposal of property, plant and equipment		-	24,197
Gain on disposal of short term investments		252,432	-
Gain on remeasurement of investment property		2,000	51,290
Underwriting fee		1,500	-
Miscellaneous		9,444	4,193
		322,889	159,815
		453,838	195,779
36. FINANCE COST			
Mark-up / finance charges / interest on:			
Long term financing		184,677	272,495
Redeemable capital		524,240	735,036
Short term borrowings		708,230	815,212
Liabilities against assets subject to finance lease		22,111	29,861
Workers' profit participation fund		4,882	8,664
Employees' provident fund trust		40	7,119
		1,444,180	1,868,387
Loss on derivative cross currency interest rate swap		-	3,292
Exchange loss		47,213	55,881
Bank charges and commission		84,587	83,180
		1,575,980	2,010,740
37. TAXATION			
Current year			
Current tax	37.1	890,555	645,973
Deferred tax		671,106	461,675
		1,561,661	1,107,648
Prior year			
Current tax		(59,612)	(40,252)
		1,502,049	1,067,396

37.1 Provision for current tax represents final tax on export sales, minimum tax on local sales and tax on income from other sources under the relevant provisions of the Income Tax Ordinance, 2001. Numeric tax reconciliation has not been presented, being impracticable.

38. CASH GENERATED FROM OPERATIONS

	Note	2015	2014
		(Rupees in thousand)	
Profit before taxation		6,404,740	4,490,684
Adjustment for non-cash charges and other items:			
Depreciation		1,754,813	1,661,219
Amortization		-	3,006
Finance cost		1,575,980	2,030,156
Loss / (Gain) on sale of property, plant and equipment		1,400	(24,197)
Gain on disposal of investments at fair value through profit or loss		(252,432)	-
Gain on remeasurement of investment properties		(2,000)	(51,290)
Amortization of held to maturity investment		(2,421)	-
Dividend income		(49,788)	(6,946)
Provision for doubtful debts		23,273	5,441
Stock in trade written off		68,685	-
Provision for slow moving stores and spares		690	871
Provision for slow moving stores and spares reversed		(41,033)	-
Employees' retirement benefits		261,683	31,395
Return on bank deposits		(18,351)	(25,248)
Gain on remeasurement of investments at fair value through profit or loss		(60,065)	(3,629)
Working capital changes	38.1	(613,612)	(955,400)
		9,051,562	7,156,062

38.1 Working capital changes

	2015	2014
(Increase) / decrease in current assets:		
Stores, spare parts and loose tools	(414,273)	(81,169)
Stock-in-trade	(223,224)	(332,535)
Trade debts	18,193	76,285
Loans and advances	(84,652)	(681,051)
Security deposits and short term prepayments	(22,976)	16,476
Other receivables	88,360	(280,862)
	(638,572)	(1,282,856)
Increase in trade and other payables	24,960	327,456
	(613,612)	(955,400)

39. REMUNERATION OF CHIEF EXECUTIVE OFFICERS, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements in respect of remuneration including certain benefits to the Chief Executive Officers, Directors and Executives of the Group are given below:

	Chairman		Chief Executive Officer		Directors		Executives	
	2015	2014	2015	2014	2015	2014	2015	2014
	--------------------(Rupees in Thousand)------------------							
Managerial remuneration	7,776	5,832	20,521	12,168	13,396	9,664	186,250	124,376
Allowances								
House rent	1,152	864	1,320	364	565	446	52,740	34,520
Conveyance	-	-	1,327	1,478	647	705	24,340	20,668
Medical	-	-	175	636	520	292	11,071	7,411
Utilities	672	504	1,085	440	559	285	21,821	14,825
Special allowance	-	-	2,760	1,522	2,292	1,801	24,296	17,458
Contribution to provident fund	643	-	1,621	1,068	695	488	15,308	10,655
	10,243	7,200	28,809	17,676	18,674	13,681	335,826	229,913
Number of persons	1	1	3	2	4	5	178	119

The Chief Executive Officers, Directors and some of the Executives are provided with the Group's maintained vehicles, free medical facilities and residential telephone facilities for both business and personal use.

Executives are provided with the vehicles in accordance with the Group's policy.

The aggregate amount charged in these consolidated financial statements in respect of directors' meeting fee paid to 4 (2014: 3) non-executive directors was Rupees 240,000 (2014: Rupees 330,000).

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

40. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries, associated undertakings, directors of the Group and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2015	2014
	(Rupees in thousand)	
Associated company - Zimpex (Private) Limited		
Dividend paid	45,496	-
Post employment benefit plan		
Contribution to provident fund	101,309	78,640
Contribution to gratuity fund	9,496	13,320

41. EARNINGS PER SHARE - BASIC AND DILUTED

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

		2015	2014
Profit attributable to ordinary shareholders of the Holding Company	(Rupees in thousand)	3,255,983	2,329,565
Weighted average number of ordinary shares	(Numbers)	245,526,216	245,526,216
Earnings per share	(Rupees)	13.26	9.49

42. PLANT CAPACITY AND ACTUAL PRODUCTION

	2015	2014
SPINNING:		
- Rawalpindi Division	**(Numbers)**	
Spindles (average) installed / worked	85,680	85,680
	(Kilograms in thousand)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	41,869	39,540
Actual production converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	38,270	32,415
- Gujjar Khan Division	**(Numbers)**	
Spindles (average) installed / worked	70,848	70,848
	(Kilograms in thousand)	
100% plant capacity converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	34,283	33,113
Actual production converted into 20s count based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	30,524	25,726

	2015	2014
WEAVING:		
- Raiwind Division	**(Numbers)**	
Looms installed / worked	252	204
	(Square meters in thousand)	
100% plant capacity at 60 picks based on 3 shifts per day for 1,095 shifts (2014: 1,095 shifts)	82,480	72,568
Actual production converted to 60 picks based on 3 shifts per day for 1,017 shifts (2014: 1,033 shifts)	68,228	61,958

	2015	2014
PROCESSING OF CLOTH :		
- Rawalpindi Division	**(Meters in thousand)**	
Capacity at 3 shifts per day for 1,095 shifts (2014: 1,092 shifts)	41,975	41,975
Actual production at 3 shifts per day for 1,095 shifts (2014: 1,092 shifts)	19,747	19,235
POWER PLANT:		
- Rawalpindi Division	**(Mega watts)**	
Annual rated capacity based on 365 days (2014: 365 days)	207,787	207,787
Actual generation		
Main engines	29,757	23,121
Gas engines	8,840	19,101
- Raiwind Division		
Annual rated capacity based on 365 days (2014: 365 days)	42,048	42,048
Actual generation - Gas engines	8,622	8,441

Stitching

The plant capacity of this division is indeterminable due to multi product plant involving varying processes of manufacturing and run length of order lots.

CEMENT:	**(Metric Ton in thousand)**	
Clinker:		
Annual rated capacity (Based on 300 days)	3,360	3,360
Annual production for the year	2,825	2,695

REASONS FOR LOW PRODUCTION

- Due to stoppage for normal maintenance, doffing, change of spin plans and cloth quality and interruption in gas and electricity supply.
- Cloth processing units working capacity was limited to actual export / local orders in hand.
- The generation of power was limited to actual demand.
- Lower capacity utilization of cement plant is due to gap between demand and supply of cement. The capacity of plant has been determined on the basis of 300 days.

43. SEGMENT INFORMATION

43.1

	Spinning		Weaving		Processing and home textile		Cement		Investment		Elimination of inter-segment transactions		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(R u p e e s in t h o u s a n d)													
SALES :														
EXTERNAL	5,807,099	5,362,611	2,744,779	2,969,470	7,310,865	6,970,161	20,691,475	18,966,211	-	-			36,554,218	34,268,453
INTER-SEGMENT	889,164	1,141,426	1,028,302	942,988	2,001	-	28,579	2,336	-	-	(1,948,046)	(2,086,750)	-	-
	6,696,263	6,504,037	3,773,081	3,912,458	7,312,866	6,970,161	20,720,054	18,968,547	-	-	(1,948,046)	(2,086,750)	36,554,218	34,268,453
COST OF SALES	(5,734,800)	(5,756,726)	(3,453,212)	(3,489,215)	(5,864,209)	(6,233,552)	(12,876,662)	(12,097,237)	-	-	1,948,046	2,086,750	(25,980,837)	(25,489,980)
GROSS PROFIT	961,463	747,311	319,869	423,243	1,448,657	736,609	7,843,392	6,871,310	-	-	-	-	10,573,381	8,778,473
DISTRIBUTION COST	(15,215)	(13,683)	(75,778)	(100,403)	(529,288)	(459,506)	(1,313,695)	(1,054,336)	-	-	-	-	(1,933,976)	(1,627,928)
ADMINISTRATIVE EXPENSES	(117,025)	(96,886)	(126,585)	(106,026)	(123,144)	(113,240)	(357,057)	(289,929)	(47,904)	-	-	-	(771,715)	(606,081)
	(132,240)	(110,569)	(202,363)	(206,429)	(652,432)	(572,746)	(1,670,752)	(1,344,265)	(47,904)	-	-	-	(2,705,691)	(2,234,009)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	829,223	636,742	117,506	193,710	796,225	163,863	6,172,640	5,527,045	(47,904)	-	-	-	7,867,690	6,544,464
UNALLOCATED INCOME AND EXPENSES														
FINANCE COST													(1,575,980)	(2,010,740)
OTHER EXPENSES													(340,808)	(238,819)
OTHER INCOME													453,838	195,779
TAXATION													(1,502,049)	(1,067,396)
													(2,964,999)	(3,121,176)
PROFIT AFTER TAXATION													4,902,691	3,423,288

43.2 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and home textile		Cement		Investment		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(R u p e e s in t h o u s a n d)											
TOTAL ASSETS FOR REPORTABLE SEGMENT	2,919,686	2,925,108	3,159,064	2,781,885	3,071,730	2,971,908	22,354,910	25,673,871	1,748,827	-	33,254,217	34,352,772
UNALLOCATED ASSETS											7,331,506	4,176,419
TOTAL ASSETS AS PER BALANCE SHEET											40,585,723	38,529,191
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.												
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	204,114	703,393	1,128,778	1,180,739	2,800,841	2,721,802	7,523,927	15,061,810	63,968	-	11,721,628	19,667,744
UNALLOCATED LIABILITIES											6,076,754	1,912,231
TOTAL LIABILITIES AS PER BALANCE SHEET											17,798,382	21,579,975

All segment liabilities are allocated to reportable segments other than trade and other payables, current and deferred tax liabilities.

43.3 Geographical Information

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

	2015	2014
	(Rupees in thousand)	
Europe	3,509,384	3,035,902
America	4,739,710	4,963,871
Asia, Africa, Australia	3,944,505	3,771,858
Pakistan	24,360,619	22,496,822
	36,554,218	34,268,453

43.3.2 All non-current assets as at reporting date are located and operated in Pakistan.

43.4 Revenue from major customers

Revenue from major customers whose revenue accounts for more than 10% of the Segment's revenue of the Spinning segment was Nil (2014: Rupees 1,383 million), of Weaving segment was Rupees 721 million (2014: Rupees 341 million) where as in the Processing and Home Textile segment was Rupees 3,251 million (2014: Rupees 3,225 million).

43.5 Based on the judgment made by the management, printing, dyeing and home textile operating segments of the Company have been aggregated into a single operating segment namely 'Processing and Home Textile' as these segments have similar economic characteristics in respect of nature of the products, nature of production process, type of customers, method of distribution and nature of regulatory environment.

44. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on the latest un-audited financial statements of the Fund:

	2015	2014
	(Rupees in thousand)	
Size of the fund - total assets	979,574	810,924
Cost of investments made	913,655	732,688
Percentage of investments made	93%	90%
Fair value of investments	925,927	774,653

44.1 The break-up of fair value of investments is:

	2015		2014	
	%	(Rs in '000)	%	(Rs in '000)
Shares in listed companies	8.61%	79,734	0.00%	-
Bank balances	26.96%	249,633	9.45%	73,213
Term deposit receipts	25.50%	236,103	36.92%	286,000
Government securities	36.15%	304,374	32.00%	247,891
Mutual funds	6.06%	56,083	21.63%	167,549
	100.00%	925,927	100.00%	774,653

44.2 The investment 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.

45. NUMBER OF EMPLOYEES

	2015	2014
Number of employees as on 30 June	5,936	5,660
Average number of employees during the year	5,816	5,748

46. FINANCIAL RISK MANAGEMENT

46.1 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 minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors. The Group's finance department evaluates and hedges financial risks. 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, liquidity risk, use of derivative financial instruments and non derivative financial instruments and investment of excess liquidity.

(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), Euro, CHF and Yen. Currently, the Group's foreign exchange risk exposure is restricted to bank balances and the amounts receivable / payable from / to the foreign entities. The Group's exposure to currency risk was as follows:

	2015	2014
Cash at banks - USD	212	302
Trade debts - USD	9,426	6,572
Trade debts - Euro	-	-
Trade and other payable - USD	11	5,559
Short Term borrowing - USD	1,085	1,810
Trade and other payable - Euro	23	24
Finance lease liability - USD	7,444	8,511
Outstanding letter of credits - USD	4,188	259
Outstanding letter of credits - Euro	1,899	1,359
Outstanding letter of credits - CHF	1,485	-
Outstanding letter of credits - Yen	8,600	-
Net exposure - USD	(3,090)	(9,265)
Net exposure - Euro	(1,922)	(1,383)
Net exposure - CHF	(1,485)	-
Net exposure - Yen	(8,600)	-

The following significant exchange rates were applied during the year:

	2015	2014
Rupees per US Dollar		
Average rate	101.66	102.70
Reporting date rate	101.50	98.55
Rupees per Euro		
Average rate	122.37	131.00
Reporting date rate	113.57	134.46
Rupees per Yen		
Average rate	0.88	0.96
Reporting date rate	0.83	0.97
Rupees per CHF		
Average rate	107.68	114.24
Reporting date rate	109.42	110.59

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, Euro, Yen and CHF with all other variables held constant, the impact on profit after taxation for the year would have been Rupees 14.898 million, Rupees 10.368 million, Rupees 0.339 million and Rupees 7.718 million (2014: Rupees 43.371 million, Rupees 8.833 million, Rupees Nil million and Rupees Nil million) respectively higher / lower, 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 instruments traded in the market. The Group is not exposed to commodity price risk.

Sensitivity analysis

The table below summarises the impact of increase / decrease in the Karachi Stock Exchange (KSE) Index on the Group's profit after taxation for the year and on equity (fair value reserve). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index:

Index	Impact on profit after taxation		Impact on statement of other comprehensive income	
	2015	2014	2015	2014
	-------------- (RUPEES IN THOUSAND) -----------------			
KSE 100 (5% increase)	108,500	401	-	-
KSE 100 (5% decrease)	(108,500)	(401)	-	-

The Group's investment in mutual fund amounting to Rupees 257.457 million (2014: Rupees 974.001 million) is exposed to price risk due to change in Net Asset Value (NAV) of such fund.

As at 30 June 2015, if fair value (NAV) had been 1% higher / lower with all other variables held constant, profit before tax for the year would have been higher / lower by Rupees 2.446 million (2014: Rupees 9.253 million).

(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. The Group's interest rate risk arises from long term financing, redeemable capital, liabilities against assets subject to finance lease and short term borrowings. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments 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	2014
	(Rupees in thousand)	
Fixed rate instruments		
Financial Assets		
Loans to employees	10,401	7,242
Long tern investment	-	1,625
Short term investments	49,645	-
Bank balances at PLS account	115,965	98,524
Financial liabilities		
Long term financing	317,680	3,608
Short term borrowings	2,913,000	1,915,000
Floating rate instruments		
Financial assets		
Bank balances- saving accounts	47,809	33,779
Financial liabilities		
Long term financing	675,156	2,000,102
Redeemable capital	3,433,011	6,183,000
Liabilities against assets subject to finance lease	825,954	851,201
Short term borrowings	3,227,555	5,180,699

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 of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rupees 77.082 million (2014 : Rupees 134.722 million) lower / higher, mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments 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	2014
	(Rupees in thousand)	
Investments	2,425,049	983,644
Deposits	187,931	166,041
Trade debts	1,700,884	1,742,349
Accrued interest	963	2,352
Other receivables	119,820	165,677
Loans and advances	31,430	16,166
Bank balances	383,025	301,186
	4,849,102	3,377,415

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
	Short term	Long term	Agency	(Rupees in thousand)	
Banks					
Al-Baraka Bank (Pakistan) Limited	A-1	A	JCR-VIS	3,668	2,828
Allied Bank Limited	A1+	AA+	PACRA	28,012	3,360
Askari Bank Limited	A-1+	AA	JCR-VIS	1,883	6,512
Bank Alfalah Limited	A1+	AA	PACRA	17,969	3,792
Bank Al-Habib Limited	A1+	AA+	PACRA	84,920	41,894
Bank Islami Pakistan Limited	A1	A	PACRA	72,802	55,923
Burj Bank Limited	A-2	A-	JCR-VIS	21	21
Faysal Bank Limited	A-1+	AA	JCR-VIS	1,296	2,834
First Women Bank Limited	A2	BBB+	PACRA	18	18
Habib Bank Limited	A-1+	AAA	JCR-VIS	5,253	23,347
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	12,955	2
KASB Bank Limited	A-3	BBB	PACRA	16	357
HSBC Bank Middle East Limited	P-2	A3	Moody's	-	63
MCB Bank Limited	A1+	AAA	PACRA	19,565	47,393
Meezan Bank Limited	A-1+	AA	JCR-VIS	31,591	4,168
National Bank of Pakistan	A1+	AAA	PACRA	7,899	438
NIB Bank Limited	A1+	AA-	PACRA	40,562	23,235
Silkbank Limited	A-2	A-	JCR-VIS	874	1,137
Soneri Bank Limited	A1+	AA-	PACRA	1,402	3,816
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	4,070	20,746
Summit Bank Limited	A-1	A	JCR-VIS	72	73
The Bank of Punjab	A1+	AA-	PACRA	32,048	18,431
U Micro finance Bank Limited	A-2	A-	JCR-VIS	1,000	-
United Bank Limited	A-1+	AA+	JCR-VIS	14,388	40,057
Dubai Islamic Bank Pakistan Limited	A-1	A+	JCR-VIS	741	741
				383,025	303,200

	Rating			2015	2014
	Short term	Long term	Agency	(Rupees in thousand)	
Holding Company					
Investments					
ABL Government Securities Fund	A+(f)		JCR-VIS	-	974,001
Pak Reinsurance Company Limited	AA		JCR-VIS	723	647
Samin Textile Limited	Unknown			272	405
D.S. Industries Limited	Unknown			80	82
Pervez Ahmed Securities Limited	Unknown			60	104
Next Capital Limited	Unknown			-	6,780
Attock Petroleum Limited	Unknown			67,840	-
Bank AL-Habib Limited	Unknown			67,771	-
Biafo Industries Limited	Unknown			3,077	-
D.G. Khan Cement Company Limited	Unknown			128,493	-
Engro Corporation Limited	Unknown			29,680	-
Honda Atlas Cars (Pakistan) Limited	Unknown			64,751	-
The Hub Power Company Limited	Unknown			166,508	-
IGI Insurance Limited	Unknown			21,698	-
International Industries Limited	Unknown			6,714	-
Kot Addu Power Plant Company Limited	Unknown			90,772	-
Kohinoor Energy Limited	Unknown			13,938	-
Nishat Chunnian Power Limited	Unknown			59,221	-
				721,598	982,019

(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 and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2015, the Group had Rupees 5,173 million (2014: Rupees 3,169 million) available borrowing limits from financial institutions and Rupees 385.861 million (2014: Rupees 307.781 million) cash and bank balances. The management believes the liquidity risk to be low. 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

Holding Company

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	------------------- (Rupees in thousand) --------------------					
Non-derivative financial liabilities:						
Long term financing	404,079	421,039	32,774	51,199	98,984	238,082
Liabilities against assets subject to finance lease	68,905	77,202	13,277	13,277	27,744	22,904
Trade and other payables	1,226,355	1,226,355	1,226,355	-	-	-
Accrued mark-up	64,161	64,161	64,161	-	-	-
Short term borrowings	3,596,588	3,658,037	3,658,037	-	-	-
	5,360,088	5,446,794	4,994,604	64,476	126,728	260,986

Subsidiary Companies

Non-derivative financial liabilities:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 year	5 years and above
	(Rupees in thousand)				
Long term loans from banking companies	155,257	167,505	128,799	38,706	-
Redeemable capital	3,433,011	3,760,573	1,754,490	2,006,083	-
Syndicated term finances	433,500	455,029	455,029	-	-
Liabilities against assets subject to finance lease	757,049	802,603	150,879	651,724	-
Long term deposits	6,619	6,619	-	6,619	-
Trade and other payables	1,863,400	1,863,400	1,863,400	-	-
Accrued profit / interest / mark-up	108,132	108,132	108,132	-	-
Short term borrowings	2,555,742	2,555,742	2,555,742	-	-
	9,312,710	9,719,603	7,016,471	2,703,132	-

Contractual maturities of financial liabilities as at 30 June 2014

Holding Company

Non-derivative financial liabilities:

	Carrying amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(Rupees in thousand)					
Long term financing	150,707	180,773	50,935	28,630	53,304	47,904
Liabilities against assets subject to finance lease	10,778	12,766	1,930	1,930	3,862	5,044
Trade and other payables	960,402	960,402	960,402	-	-	-
Accrued mark-up	93,615	93,615	93,615	-	-	-
Short term borrowings	4,575,316	4,707,562	4,707,562	-	-	-
	5,790,818	5,955,118	5,814,444	30,560	57,166	52,948

Subsidiary Companies

Non-derivative financial liabilities:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 year	5 years and above
	(Rupees in thousand)				
Long term loans from banking companies	657,003	820,680	245,726	574,954	-
Redeemable capital	6,183,000	8,200,196	1,460,901	6,739,295	-
Syndicated term finances	1,196,000	1,592,829	278,040	1,314,789	-
Liabilities against assets subject to finance lease	840,423	912,492	128,278	784,214	-
Long term deposits	6,879	6,879	-	6,879	-
Trade and other payables	2,031,782	2,031,782	2,031,782	-	-
Accrued profit / interest / mark-up	174,625	174,625	174,625	-	-
Short term borrowings	2,618,528	2,618,528	2,618,528	-	-
	13,708,240	16,358,011	6,937,880	9,420,131	-

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, note 8, note 9 and note 15 to these financial statements.

46.2 Financial instruments by categories

	Loans and receivables	Through profit or loss	Available for sale	Total
	-------------(Rupees in thousand)-------------			
As at 30 June 2015				
Assets as per balance sheet				
Investments	-	2,425,049	-	2,425,049
Deposits	187,931	-	-	187,931
Trade debts	1,700,884	-	-	1,700,884
Accrued interest	963	-	-	963
Other receivables	119,820	-	-	119,820
Loans and advances	31,430	-	-	31,430
Cash and bank balances	385,861	-	-	385,861
	2,426,889	2,425,049	-	4,851,938

	Financial liabilities at amortized cost
	(Rupees in thousand)
Liabilities as per balance sheet	
Long term financing	992,836
Redeemable capital	3,433,011
Liabilities against assets subject to finance lease	825,954
Short term borrowings	6,152,330
Trade and other payables	3,089,755
Accrued mark-up	172,293
	14,666,179

	Loans and receivables	Through profit or loss	Available for sale	Total
	-------------(Rupees in thousand)-------------			
As at 30 June 2014				
Assets as per balance sheet				
Investments	1,625	982,019	-	983,644
Deposits	166,041	-	-	166,041
Trade debts	1,742,349	-	-	1,742,349
Accrued interest	2,352	-	-	2,352
Other receivables	165,677	-	-	165,677
Loans and advances	16,166	-	-	16,166
Cash and bank balances	307,781	-	-	307,781
	2,401,991	982,019	-	3,384,010

	Financial liabilities at amortized cost
	(Rupees in thousand)
Liabilities as per balance sheet	
Long term financing	2,003,710
Redeemable capital	6,183,000
Liabilities against assets subject to finance lease	851,201
Short term borrowings	7,193,844
Trade and other payables	2,739,591
Accrued mark-up	268,240
	19,239,586

46.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders 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 shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, redeemable capital, liabilities against assets subject to finance lease and short term borrowings obtained by the Group as referred to in note 7, note 8, note 9 and note 15 respectively. Total capital employed includes 'total equity' as shown in the balance sheet plus 'borrowings'. The gearing ratio as at year ended 30 June 2015 and 30 June 2014 is as follows:

	2015	2014
	(Rupees in thousand)	
Borrowings	11,404,131	16,231,755
Total equity	18,740,230	12,904,676
Total capital employed	30,144,361	29,136,431
Gearing ratio	37.83%	55.71%

The decrease in gearing ratio resulted primarily from decrease in borrowings of the Group.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 10, 2015 by the Board of Directors of the Holding Company.

48. NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

48.1 The Board of Directors of the Holding Company in their meeting held on 10 September 2015 has proposed a final cash dividend of Rupees 2.50 per share (25%) amounting to Rupees 613.816 million (2014: Rupee Nil) for the year ended 30 June 2015.

The Board of Directors of the Subsidiary Company (MLCFL) in their meeting held on 09 September 2015 has proposed a final cash dividend of Rupees 1.00 per share (10%) amounting to Rupees 527.734 million (2014: Rupee Nil) for the year ended 30 June 2015.

Approval of the Members of both the Companies for the final dividend shall be obtained at Annual General Meeting to be held on 31 October 2015. The consolidated financial statements for the year ended 30 June 2015 do not include the effect of the proposed final cash dividend which shall be accounted for in the period ending 30 June 2016.

48.2 Under Section 5A of the Income Tax Ordinance, 2001, introduced through the Finance Act, 2015, the Holding Company and its Subsidiary Company (MLCFL) are required to pay tax at the rate of 10% of so much of their undistributed profits as exceed 100% of their paid up capitals unless they distribute profits equal to 40% of their after tax profits or 50% of their paid up capitals, whichever is less, by due date for filing of income tax return for the tax year 2015.

The Holding Company and its Subsidiary Company (MLCFL) paid an interim cash dividend of Rupee 1.00 per share (10%) amounting to Rupees 245.526 million and Rupees 527.734 million respectively during the year and the remaining requisite cash dividend has been proposed by the Board of Directors of both the Companies in their meetings held on 10 September 2015 and on 09 September 2015 respectively (Refer Note 48.1), which will be distributed within the prescribed time limit. Therefore, the recognition of any income tax liability in this respect is not considered necessary.

49. CORRESPONDING FIGURES

No significant reclassification / rearrangement of corresponding figures has been made.

50. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless stated otherwise.

CHIEF EXECUTIVE OFFICER　　　　DIRECTOR

KOHINOOR TEXTILE MILLS LIMITED

42-LAWRENCE ROAD, LAHORE

PROXY FORM

I/We____

of ____

being a member of **KOHINOOR TEXTILE MILLS LIMITED** hereby appoint ______________________________

____

(Name)

of ____another member of the Company

or failing him/her ____

(Name)

of ____another member of the Company

as my/our proxy to attend, speak and vote for and on my/our behalf, at the Annual General Meeting of the Company to be held at its Registered Office, 42-Lawrence Road, Lahore, on **Saturday, October 31, 2015 at 12:30 PM** and any adjournment thereof.

As witnessed given under my/our hand(s) _______________ day of October, 2015.

1. Witness:

Signature : ______________________

Name : ______________________

CNIC : ______________________

Address : ______________________

: ______________________

Affix
Revenue
Stamp of Rs. 5/-

2. Witness:

____

Signature of Member / Attorney

Signature : ______________________

Name : ______________________

CNIC : ______________________

Address : ______________________

: ______________________

Shares Held: ___________________________

Folio No.	**CDC Account No.**	
	Participant I.D.	**Account No.**

CNIC No. | | | | | | – | | | | | | | – | |

Notes:

1. Proxies, in order to be effective, must reach at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

2. CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Cards (CNIC) /Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

AFFIX

CORRECT

POSTAGE

The Company Secretary

KOHINOOR TEXTILE MILLS LIMITED

42-LAWRENCE ROAD, LAHORE

Tel: 042-36302261-62

KTM

Kohinoor Textile Mills Limited

A Kohinoor Maple Leaf Group Company

42-Lawrence Road, Lahore, Pakistan