



ANNUAL REPORT

2016

KARIM COTTON MILLS LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Idrees Haji Ebrahim - Chief Executive

Mr. Saeed Uddin Hameed Uddin

Mr. Muhammad Arif Abdullah

Mr. Abu Talib Muhammad Yunus

Mr. Zain ul Abedin Muhammad Yunus

Mr. Adnan Muhammad Ahmed

Mr. Abdul Wahid Umer

AUDIT COMMITTEE

Mr. Arif Abdullah - Chairman

Mr. Abu Talib - Member

Mr. Abdul Wahid Umer - Member

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammad Siddique

REGISTERED OFFICE

14/E, 2nd Floor,

Writers Chambers,

Mumtaz Hassan Road,

Karachi - 74000.

AUDITORS:

Rahman Sarfaraz Rahim Iqbal Rafiq,

Chartered Accountants,

Plot # 180, Block - A, S.M.C.H.S.,

Karachi - 74400

SHARE REGISTRAR

Technology Trade (Pvt.) Ltd.

Dagia House, 241-C, Block-2, P.E.C.H.S.,

off. Shahrah-e-Qauideen, Karachi.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 46th, Annual General Meeting of KARIM COTTON MILLS LIMITED will be held on Saturday the 29th, October, 2016 at 12:45 pm at the 14/E, 2nd Floor, Writers Chambers, Mumtaz Hassan Road, Karachi to transact the following business:

1. To confirm the minutes of Annual General Meeting held on October 31, 2015.
2. To receive, consider, pass and adopt the audited accounts of the company for the year ended 30th June, 2016 together with Auditors reports thereon and the Directors report to the shareholders.
3. To appoint Auditors of the Company for the year 30th, June, 2017 and fix their remuneration.
4. To transact any other business as may be placed before the meeting with the permission of the Chair.

Karachi,
October 3, 2016

By Order of the Board
MUHAMMAD SIDDIQUE
Company Secretary

NOTES:

1. As per letter # SMD/SE/2(20/2010 dated August 13, 2010 issued by the Honorable Securities and Exchange Commission of Pakistan, regarding actions upon orders for suspension of trading in shares at the Stock Exchanges and complete restriction on physical transfer of shares, therefore Company have not declared any date of closure of share transfer of books of the company
2. A member eligible to attend and vote at the meeting may appoint another member his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be reach the company's Registered Office / Shares Department duly stamped signed, not later than 48 hour before the time for holding the meeting.
3. Representatives of corporate members should bring the usual documents required for such purpose.
4. Shareholders are requested to communicate to the Company immediately any change in their addresses.

KARIM COTTON MILLS LIMITED

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Dear Shareholders,

Asalam-o-Alaikum,

The Directors of the company welcome you to the 46th, annual general meeting of the company and present the annual report together with the audited accounts of the company for the year ended 30th June, 2016.

During the year under report there is no business activity as the Company has sold out all its fixed assets in December, 1999. Therefore, no dividend has been recommended.

The directors are pleased to inform you that in pursuant to order dated August 31, 2004 passed by Hon'ble Appellate Tribunal of the Commission, Islamabad in the year 2004 on Company's appeal suspending impugned winding up order passed on June 16, 2004 by Enforcement & Monitoring Department of SECP, the sponsors, holding majority shares executed an MOU on May 3, 2014 with M/s Agro Allianz (Private) Limited for the long awaited revival of the Company subject to the condition that a scheme shall be presented to shareholders of both Companies to merge M/s Agro Allianz (Private) Limited (AAPL) with the company against issuance of shares to shareholders of AAPL by the company Shareholders of both the companies have approved the scheme. Directors are pleased to inform you that by grace of all mighty ALLAH, Hon'ble High Court of Sindh sanctioned / approved the merger of the two companies i.e. to merge M/s Agro Allianz (Private) Limited (AAPL) with the company (KCML) against issuance of shares to shareholders of AAPL by the company.

The retiring auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants being eligible have consented to act as auditors for the year ending on June 30, 2017.

The pattern of shareholding is annexed with the annual report.

FOR AND ON BEHALF OF THE BOARD
MUHAMMED IDREES HAJI EBRAHIM
Chief Executive
Karachi dated: October 3, 2016

مرکز برائے شہر

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈیر شیئر ہولڈرز

السلام علیکم!

کمپنی کے ڈائریکٹرز چھیالیسویں سالانہ اجلاس عام میں آپ کو خوش آمدید کہتے ہیں اور اپنی سالانہ رپورٹ کے ساتھ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے برائے اختتام سال جون 30ء 2016 پیش کرتے ہیں۔

زیر جائزہ سال کے دوران کوئی کاروباری عمل واقع نہیں ہوا کیونکہ کمپنی نے اپنے کل اثاثے دسمبر 1999 میں فروخت کر دیئے تھے۔ چنانچہ کوئی ڈیویڈنڈ تجویز نہیں کیا گیا۔

ڈائریکٹرز آپ کو مطلع کرتے ہیں کہ سال 2004 میں کمپنی کی جون 16، 2004 کو SECP کے انفورسمنٹ اینڈ مانیٹرنگ ڈیپارٹمنٹ کی جانب سے پاس کئے گئے آرڈر کے خلاف اپیل اعتراض برائے تحلیل کمپنی پر قابل احترام کسٹرنالٹی ٹریبیونل اسلام آباد کے آرڈر کی پاسداری کے تحت کسٹرنالٹی کے حامل ضامن کمپنی کا میسرز ایگروالائزمنٹ پرائیویٹ لمیٹڈ (AAPL) کے ساتھ انضمام کا 03 مئی 2014 میں ایک MOU عمل میں لایا گیا تھا جو کمپنی کی تجدید احیاء کی خاطر طویل انتظار کے بعد بشرطیکہ دونوں کمپنیوں کے شیئر ہولڈرز کے لئے میسرز ایگروالائزمنٹ پرائیویٹ لمیٹڈ (AAPL) کے ساتھ انضمام کے تحت ایک اسکیم پیش کی جائے جس میں (AAPL) کے حصص کے مقابل شیئرز جاری کئے جائیں اس اسکیم کی دونوں کمپنیوں کے شیئر ہولڈرز نے منظوری دے دی ہے۔

ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ اللہ کے فضل و کرم سے قابل احترام سندھ ہائی کورٹ نے AAPL کے شیئر ہولڈرز کو جاری کردہ شیئرز کے مقابل دونوں کمپنیوں یعنی میسرز ایگروالائزمنٹ پرائیویٹ لمیٹڈ (AAPL) اور (KCML) کے انضمام کی منظوری و اجازت دے دی ہے۔

سبکدوش ہونے والے آڈیٹرز میسرز جنرل سرفراز رحیم اقبال رینق چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کے لئے اہلیت کی بنیاد پر بورڈ آڈٹ کمیٹی نے سال 30 جون، 2017 کے لئے سفارش کی ہے۔

شیئر ہولڈنگ کے اسلوب کا نمونہ موجودہ مالیاتی گوشوارے کے ساتھ شامل کیا گیا ہے۔

بورڈ کی جانب سے

محمد ادریس حاجی ابراہیم

چیف ایگزیکٹو

کراچی: اکتوبر 03، 2016

KARIM COTTON MILLS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Karim Cotton Mills Limited** (herein after referred as 'the Company') as at **June 30, 2016**, and the related profit & loss account, statement of comprehensive income, statement of changes in equity and cash flow statement 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 the 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 accounts 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 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, statement of changes in equity and cash flow statement 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 June 30, 2016, of the loss, comprehensive loss, its changes in equity and cash flows for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

Without qualifying our opinion, we draw attention to the matter disclosed in note 1.2 in the financial statements which indicate that pursuant to order passed by the Appellate Tribunal of the Commission, management has executed a MOU dated May 3, 2014 with the party with the object of revival of the Company through a scheme of arrangement. The High Court of Sindh has passed the order on August 18, 2016 and allowed petition as prayed subject to compliance formalities of Pakistan Stock Exchange (formerly Karachi Stock Exchange).

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Engagement Partner: Muhammad Rafiq Dosani

Karachi.
Dated: October 3, 2016

11. The financial statements of the Company were duly endorsed by the Chief Executive and the Chief Financial Officer, before approval of the Board.
12. The Directors, Chief Executive and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding. The Board has reviewed and approved the threshold for executives for the purpose of disclosing trades in the shares of the Company.
13. The Company could not comply with most of the corporate and financial reporting requirements of the Code in the absence of operations pending completion of revival phase.
14. The Board has formed an Audit Committee. It comprises three members, including one independent director, one non-executive director and one executive director. The Chairperson of the committee is an independent director.
15. The meeting of the Audit Committee was held once during the year for approval of interim and final results of the Company and as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance. A meeting of the Audit Committee was subsequently held for the above purpose.
16. The Board intends to comply with the requirement of forming an HR and Remuneration Committee comprising of one executive and two non-executive Directors as soon as revival phase is completed.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
18. 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.
19. The requirement of 'closed period' prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of Company's securities, was not applicable as the trading on exchanges remained suspended.
20. Material price sensitive information has been disseminated among all market participants at once through stock exchanges.
21. There were no related party transactions with details of pricing methods to be placed before the Audit Committee and approved by the Board of Directors.
22. As stated above, we confirm that all other material principles contained in the Code have been complied with.

For and on behalf of the Directors
MUHAMMAD IDREES HAJI EBRAHIM
Chief Executive

Karachi

Dated October 03, 2016

BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2016 prepared by the Board of Directors of Karim Cotton Mills Limited ("the Company"), to comply with the Listing Regulation of the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited), where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance 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 of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of the audit of 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's statement on internal control covers all risks and control, or to form an opinion on the effectiveness of such internal controls, the company corporate governance procedures and risks.

Further Listing Regulations of the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in the arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before 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.

We report that the Company is not in operation since long and the only matter of material importance before the Board is that of addressing the going concern problem to which we have drawn attention in our audit report dated October 03, 2016 for the year ended June 30, 2016. As such mainly Board's compliances with the Code of Corporate Governance remained limited to meeting the applicable requirements related mainly to matters mentioned in the statements at S. No. 1, 2 and 11.

Based on our review, subject to the above, 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 of Corporate Governance as applicable to the Company for the year ended June 30, 2016.

Karachi.
Dated October 03, 2016

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Mr. Muhammad Rafiq Dosani

KARIM COTTON MILLS LIMITED
BALANCE SHEET
AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
CURRENT ASSETS			
Cash and bank balances	3	<u>14,027</u> 14,027	<u>13,452</u> 13,452
		<u>14,027</u>	<u>13,452</u>
CAPITAL AND LIABILITIES			
AUTHORIZED SHARE CAPITAL			
5,000,000 Ordinary shares of Rs. 10/- each		<u>50,000,000</u>	<u>50,000,000</u>
Issued, subscribed & paid-up capital 1,183,294 shares of Rs. 10/- each		11,832,940	11,832,940
Accumulated loss		<u>(12,887,828)</u> (1,054,888)	<u>(12,579,403)</u> (746,463)
CURRENT LIABILITIES			
Loan from directors'	4	184,000	-
Accrued and other liability	5	884,915	759,915
		1,068,915	759,915
Contingencies and commitments	6	<u>14,027</u>	<u>13,452</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

Muhammad Idress Haji Ibrahim
CHIEF EXECUTIVE

Abu Talib Muhammad Younus
DIRECTOR

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Operating Expenses			
Administrative expenses	7	(308,425)	(314,190)
Director Loan Waived		-	2,478,000
(Loss)/Profit before taxation		<u>(308,425)</u>	<u>2,163,810</u>
Taxation		-	-
(Loss)/Profit after taxation		<u>(308,425)</u>	<u>2,163,810</u>
Earning per share-basic and diluted	8	<u>(0.26)</u>	<u>1.83</u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

Muhammad Idress Haji Ibrahim
CHIEF EXECUTIVE

Abu Talib Muhammad Younus
DIRECTOR

KARIM COTTON MILLS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED ON JUNE 30, 2016

	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(308,425)	2,163,810
Operating profit before working capital changes	<u>(308,425)</u>	<u>2,163,810</u>
WORKING CAPITAL CHANGES		
Increase / (decrease) in current liabilities		
Accrued and other liabilities	<u>125,000</u>	<u>125,000</u>
Cash generated from operations	<u>125,000</u>	<u>125,000</u>
Net cash (used in)/generated from operating activities	<u>(183,425)</u>	<u>2,288,810</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan received/(waived) from director	<u>184,000</u>	<u>(2,289,500)</u>
Net cash generated from/(used in) investing activities	<u>184,000</u>	<u>(2,289,500)</u>
Increase/(Decrease) in cash and cash equivalents during the year	575	(690)
Cash and cash equivalents at the beginning of the year	13,452	14,142
Cash and cash equivalents at the end of the year	<u><u>14,027</u></u>	<u><u>13,452</u></u>

The annexed notes from 1 to 13 form an integral part of these financial statements.

Muhammad Idress Haji Ibrahim
CHIEF EXECUTIVE

Abu Talib Muhammad Younus
DIRECTOR

FOR THE YEAR ENDED JUNE 30, 2016

	Issued, Subscribed & Paid up Capital	Accumulated Losses Rupees	Total
Balance as at July 01, 2014	11,832,940	(14,743,213)	(2,910,273)
Total comprehensive income for the year ended on June 30, 2015	-	2,163,810	2,163,810
Balance as at June 30, 2015	11,832,940	(12,579,403)	(746,463)
Balance as at July 01, 2015	11,832,940	(12,579,403)	(746,463)
Total comprehensive loss for the year ended on June 30, 2016	-	(308,425)	(308,425)
Balance as at June 30, 2016	11,832,940	(12,887,828)	(1,054,888)

The annexed notes form 1 to 13 from an integral part of these financial statements

**KARIM COTTON MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016**

	Rupess 2016	Rupess 2015
(Loss)/Profit after taxation	(308,425)	2,163,810
Other comprehensive income for the year	-	-
Total comprehensive (loss)/income for the year	(308,425)	2,163,810

The annexed notes 1 to 13 from an integral part of these financial statements.

Muhammad Idress Haji Ibrahim
CHIEF EXECUTIVE

Abu Talib Muhammad Younus
DIRECTOR

KARIM COTTON MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED ON JUNE 30, 2016

1 STATUS AND NATURE OF BUSINESS

Karim Cotton Mills Limited (the Company) was originally incorporated as a private limited company, on March 28, 1968 and was later converted into a public limited company, on December 14, 1968. Its shares are quoted on stock exchanges of Karachi and Lahore. It remained engaged in the manufacturing of yarn and fabrics, till its operations were closed on 30th April 1995. The registered office of the Company is situated at 14/E, writers chamber Mumtaz Hassan Road, Karachi.

1.1 Subsequent to the closure of its operations on April 30, 1995 it sold its operating assets in 1999 and the management is making continuous efforts to revive its operations. Since then directors have been meeting its expenses from own resources.

1.2 Pursuant to order dated August 31, 2004 passed by Appellate Tribunal of the Commission in the year 2004 on Company's appeal suspending impugned winding up order passed on June 16, 2004 by Enforcement & Monitoring Department of SECP, the sponsors holding majority shares executed a MOU dated May 3, 2014 with M/s Agro Allianz (Private) Limited for the long awaited revival of the company subject to the condition that a scheme shall be presented to shareholders of both companies to merge Agro Allianz (Private) Limited (AAPL) with the company against issuance of shares to shareholders of AAPL by the company. Shareholders of both the companies have approved the scheme and the matter is before the High Court of Sindh for necessary sanction. Subsequent to year end, the High Court of Sindh has passed the order on August 18, 2016 and allowed petition as prayed subject to compliance of objections as referred in statement of PSX. (refer also note 6). The management expect that it shall be able to satisfactorily comply with the requirements of Pakistan Stock Exchange (formerly Karachi Stock Exchange) as for the merger petition allowed by the High Court in due course of time. In view of the above, these financial statements have been prepared under going concern basis.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 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 Standard 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.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention.

2.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupees, which is the functional and presentation currency of the Company and rounded off to the nearest rupee.

Cash in hand	655	80
Cash at banks-current	<u>13,372</u>	<u>13,372</u>
	<u>14,027</u>	<u>13,452</u>

4 LOAN FROM DIRECTOR-UNSECURED 4.1 184,000 -

4.1 This represents loan obtained from the director of the company which is interest free and repayable on demand

5 ACCRUED AND OTHER LIABILITIES

Audit remuneration payable	875,000	750,000
Un claimed dividend	9,915	9,915
	<u>884,915</u>	<u>759,915</u>

6 CONTINGENCIES AND COMMITMENTS

The company has complied with the requirement of law in respect of holding of meetings and filing of accounts with Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange). However, there was some delay in filing of accounts for the year 2011 and 2012 with the PSX on which penalty @ Rs. 5,000 per day (aggregate Rs. 4.05 million) is leviable. The management has applied to PSX for waiver since the delay was not intentional and there being to assets and liabilities left so it had no financial implication. The company expect that PSX shall not burden the company with penalty in view of successful revival of the company expected to be completed in the near future and has not recognized any provision.

7 ADMINISTRATIVE EXPENSES	2016	2015
	Note----- Rupees -----	
Office rent	57,600	57,600
Postage expenses	10,300	11,100
Fees and subscription	8,550	9,940
Printing and stationery	92,575	84,550
Advertisement expenses	14,400	26,000
Audit fees	7.1 <u>125,000</u>	<u>125,000</u>
	<u>308,425</u>	<u>314,190</u>
7.1 Audit fees		
Annual audit	75,000	75,000
Half yearly review	<u>50,000</u>	<u>50,000</u>
	<u>125,000</u>	<u>125,000</u>

	2016	2015
	----- Rupees -----	
8 EARNING PER SHARE-Basic and diluted		
<u>Basic</u>		
(Loss)/Profit after taxation-Rupees	<u>(308,425)</u>	<u>2,163,810</u>
Number of weighted average shares	<u>1,183,294</u>	<u>1,183,294</u>
(Loss)/Earning per share - Rupees	<u>(0.26)</u>	<u>1.83</u>

Diluted

There is no effect of dilution on the shares of the company.

9 **TRANSACTIONS WITH RELATED PARTIES**

There have been no transactions with related parties during the year except loan extended by directors to the Company amounting to Rs. 184,000 (June 30, 2015: 188,500).

10 **REMUNERATION OF DIRECTORS AND CHIEF EXECUTIVE**

No remuneration was paid to Chief Executive or Directors of the Company. Moreover there is no Executive of the Company.

11 **PLANT CAPACITY AND PRODUCTION**

Due to sale of Company's entire fixed assets, the Company have no production facilities

12 **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on October 03, 2016 Board of Directors of the Company.

13 **GENERAL**

Figures have been rounded off to the nearest rupees.

Muhammad Idress Haji Ibrahim
CHIEF EXECUTIVE

Abu Talib Muhammad Younus
DIRECTOR

**PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT 30TH JUNE, 2016**

NUMBER OF SHAREHOLDER		SHAREHOLDING				TOTAL SHARES	PERCENTAGE
491	FROM	1	To	100	Shares	26,511	2.24
66	FROM	101	To	500	Shares	15,868	1.34
11	FROM	501	To	1,000	Shares	9,650	0.82
12	FROM	1,001	To	5,000	Shares	32,350	2.73
1	FROM	5,001	To	10,000	Shares	5,900	0.50
1	FROM	15,001	To	20,000	Shares	16,800	1.42
1	FROM	70,001	To	75,000	Shares	69,515	5.87
1	FROM	115,001	To	120,000	Shares	119,158	10.07
1	FROM	190,001	To	195,000	Shares	194,019	16.40
1	FROM	225,001	To	230,000	Shares	225,300	19.04
1	FROM	465,001	To	470,000	Shares	468,223	39.57
587						1,183,294	100.00

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	PERCENTAGE
Individuals			
Holding less than 10%	569	64,928	5.49
Holding more than 10%	-	-	-
Investment Companies			
National Bank of Pakistan (Trusted Deptt.)	1	225,300	19.04
Investment Corporation of Pakistan.	1	69,515	5.87
Insurance Companies			
Adamjee Insurance Company	1	2,500	0.21
Pakistan Insurance Corporation	1	200	0.02
Joint Stock Companies			
Fateh Textile Mills Ltd.	1	50	0.00
Financial Institutions			
Pakistan Industrial Credit & Investment Corporation Ltd	1	16,800	1.42
Directors, their Spouse & family members			
Mr. Muhammad Idress Haji Ebrahim	1	468,223	39.57
Mr. Muhammad Farooque Ebrahim	1	3,000	0.25
Mr. Saeed-U-din Hameed-u-ddin	1	3,400	0.29
Mr. Muhammad Hanif Abdul Ghaffar	1	2,500	0.21
Mr. Abdul Wahab Haji Muhammad	1	2,500	0.21
Mr. Abdul Wahid Umer	1	2,500	0.21
Mst. Maimoona Noor Muhammad	1	194,019	16.40
Mr Yusuf Haji Ebrahim	1	119,158	10.07
Mr. Abu Talib Muhammad Yunus	1	3,000	0.25
Mr. Zainul Abedin Muhammad Yunus	1	2,500	0.21
Haji Muhammad H.A. Karim	1	3,200	0.27
Securities & Exchange Commission of Pakistan, Islamabad. (Formerly Corporate Law Authority) (Corporate Regulation Wing)	1	1	0.00
587		1,183,294	100.00

KARIM COTTON MILLS LTD.

KEY OPERATION & FINANCIAL DATA FOR THE LAST SIX YEARS

PARTICULARS	30 th, J U N E						
	2016	2015	2014	2013	2012	2011	2010
	Rupess	Rupess	Rupess	Rupess	Rupess	Rupess	Rupess
Operating income	-	-	-	-	-	-	-
Operating expenses	(308,425)	2,163,810	(1,067,442)	(180,670)	(304,207)	(247,530)	247,053
Operating (Loss)	(308,425)	2,163,810	(1,067,442)	(180,670)	(304,207)	(247,530)	(247,053)
Taxation	-	-	-	-	-	-	-
NET (LOSS) FOR THE YEAR	(308,425)	2,163,810	(1,067,442)	(180,670)	(304,207)	(247,530)	(247,053)
Earning / (Loss) per share RS.	(0.26)	1.83	(0.90)	(0.15)	(0.26)	(0.21)	(0.21)
FINANCIAL							
Paid up Capital	11,832,940	11,832,940	11,832,940	11,832,940	11,832,940	11,832,940	11,832,940
Un-appropriated profit / (Loss)	(12,887,828)	(12,579,403)	(14,743,213)	(13,675,771)	(13,495,101)	(13,190,894)	(12,943,364)
	(1,054,888)	(746,463)	(2,910,273)	(1,842,831)	(1,662,161)	(1,357,954)	(1,110,424)
Current Liabilities	1,068,915	759,915	2,924,415	1,856,915	1,676,915	1,439,415	1,191,915
	14,027	13,452	14,142	14,084	14,754	81,461	81,491
Long Term Deposits	-	-	-	-	-	63,380	63,380
Current Assets	14,027	13,452	14,142	14,084	14,754	18,081	18,111
	14,027	13,452	14,142	14,084	14,754	81,461	81,491

KARIM COTTON MILLS LTD.

FORM OF PROXY

I. _____
of _____
member of KARIM COTTON MILLS LTD and a holder of _____ Ordinary shares
as per share register Folio No _____
_____ of _____ hereby appoint
Share Register Folio No. _____ Who is also member of
KARIM COTTON MILLS LIMITED as my proxy to vote for me and my
behalf at 46th Annual General Meeting of the Company to held on 29th, October, 2016 or any
adjournement there of.

Signed this _____ day October, 2016

Witness _____

Signature

Two Rupees
Revenue Stamp

(Signature should agree with the specimen
Signature registered with the Company)

IMPORTANT

A member entitled to vote at this meeting any appoint a proxy, Proxies, in order to be effective, must be received at the office of the Company duly stamped and signed not later than 48 hours before the meeting