
ANNUAL REPORT 2017**CONTENTS**

	<u>PAGE</u>
Company Information	02
Vision & Mission Statement &	
Statement of Ethics and Business Practices	03
Key Operating and Financial Data	04
Notice of Annual General Meeting	05
Chairman's Review	06
Directors' Report to the Member	07
Statement of Compliance with the Code of Corporate Governance	11
Review report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance	14
Auditor's Report to the Members	15
Balance Sheet	17
Statement of Comprehensive Income	18
Cash Flow Statement	19
Statement of Changes in Equity	20
Notes to the Accounts	21
Pattern of Shareholding	41
Pattern of the Holding of Shares	42
Form of Proxy	43

COMPANY INFORMATION

**CHAIRMAN
CHIEF EXECUTIVE**

Mr. Aurangzeb Khan
Mr. Adam Jadoon

DIRECTORS

Mr. Adam Jadoon
Mr. Aurangzeb Khan
Mr. Nasir Khan
Mr. Amanullah Khan
Mr. Omar Farid Jadoon
Mr. Muhammad Bahauddin
Mrs. Aamna Jadoon

AUDIT COMMITTEE

**CHAIRMAN
MEMBER
MEMEBER**

Mr. Nasir Khan
Mr. Aurangzeb Khan
Mrs. Aamna Jadoon

HR COMMITTEE

**CHAIRMAN
MEMBER
MEMBER**

Mr. Amanullah Khan
Mrs. Aamna Jadoon
Mr. Nasir Khan

COMPANY SECRETARY

Mr. Sadaqat Khan

C.F.O

Mr. Taj Muhammad

AUDITORS

Tanwir Arif and Company
Chartered Accountants

**REGISTERED OFFICE
& HEAD OFFICE**

Khyber Textile Mills Ltd.
Baldher, District Haripur,
Khyber Pakhtunkhawa

MILLS

Baldher, District Haripur,
Khyber Pakhunkhawa

Website address:- www.khybertextile.com

Email Address: info@khybertextile.com

VISION STATEMENT

To remain an important contributor in the home market to serve the needs of our valued customers and through them cater to the requirements of general public at large, with dedication.

MISSION STATEMENT

The Mills is situated in a remote area of Khyber Pakhtunkhwa, despite these odds it still has the following two missions:

Number one: to contribute to the economy of the country by producing quality products and to the extent of its maximum capacity, thereby making humble contribution to the exchequer and the national product.

Number two: to provide employment to the residents of the surrounding areas and:

- Take care of their health and safety problems
- Train them in their professional field to improve their efficiency through education, training and development of human resources.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

The Organization of Khyber Textile Mills will be guided by the following principles in all activities for achievement of the Organizational objectives.

- Ensure that the affairs of the Company are being carried out prudently within the frame work of existing laws & regulations and high business ethics.
- Accuracy of books and record of the Company and its safe custody.
- Admissible and genuine payment of amounts due to customers, employees, agents and suppliers.
- A drive to ensure that KTML succeeds as a business.
- Assurance of healthy & safe environment.
- Respect of employees, suppliers, agents, customers & shareholders.

The dealing of Khyber Textile Mills with all elements especially with the Government and Financial Institutions are based on honesty. In maintaining accounting and financing policies and procedures KTML is guided by corporate regulations, Companies Ordinance, 1984 and Code of Corporate Governance.

KEY OPERATING AND FINANCIAL DATA

	(Rupees in '000)					
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>OPERATING:</u>						
Net Sales	0	0	0	0	0	0
Gross (Loss) Profit	0	0	0	0	0	0
Operating Profit/(Loss)	(9,315)	(16,146)	(1,250)	(1,342)	(1,587)	(874)
Pre Tax Profit/(Loss)	(9,265)	(12,277)	(1,250)	(1,342)	(1,587)	(874)
After Tax Profit/(Loss)	(6,138)	(7,618)	3,900	(2,790)	(1,587)	(874)
Tangible Fixed Assets	438,544	448,558	460,716	473,953	488,376	30,684
Long Term Deposit	89	89	89	89	89	89
	<u>438,633</u>	<u>448,647</u>	<u>460,805</u>	<u>474,042</u>	<u>488,465</u>	<u>30,773</u>
Current Assets	3,345	3,372	3,322	3,318	3,313	6,650
Current Liabilities	(41,468)	(40,655)	(40,623)	(40,582)	(40,547)	(40,568)
Working Capital	<u>(38,123)</u>	<u>(37,283)</u>	<u>(37,301)</u>	<u>(37,264)</u>	<u>(37,234)</u>	<u>(33,968)</u>
Share Capital	12,275	12,275	12,275	12,275	12,275	12,275
Accumulated Losses	<u>(34,957)</u>	<u>(38,519)</u>	<u>(42,103)</u>	<u>(57,035)</u>	<u>(55,386)</u>	<u>(48,067)</u>

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 56th, Annual General Meeting of the Shareholders of KHYBER TEXTILE MILLS LIMITED will be held on Tuesday, the 31st October, 2017 at Registered Office of the Company, at Baldher, District Haripur, Khyber Pakhtunkhawa at 1:00pm to transact the following business.

1. To confirm the minutes of the 55th Annual General Meeting of the Shareholders held on 31st October, 2016.
2. To receive, consider, and adopt the Annual Audited Accounts of the Company for the year ended 30th June, 2017 together with Directors and Auditors Reports thereon..
3. To appoint auditors of the Company for the year 2017-2018 and to fix their remuneration. The Board of Directors has recommended M/s Tanwir Arif & Co, Chartered Accountants who consented to act as Auditors of the Company for the year 2017-2018.
4. To discuss continued stoppage of production, ongoing banking litigation, the credit restrictions facing the Company, possible rehabilitation of the textile unit and the current business climate for the industry.
5. To invite and discuss new initiatives and proposals regarding the utilization of available resources for generation of legitimate income for the Company e.g. usage of excess areas of the Mill's land & buildings for agriculture use, livestock rearing and rental of empty warehouses for storage etc.
6. To invite and discuss exploring of Joint Venture Business opportunities with investor in view of the opening of the CPEC.
7. To discuss the progress of the alternative business activities occurring on the Mills excess land and empty buildings; specifically the creation of a livestock farm, purchase & sale of livestock and the rental of warehouses for storage purposes.
8. To transact any other business of the Company with the permission of the Chair.

Baldher: 7th October, 2017
BY ORDER OF THE BOARD

For Khyber Textile Mills Limited


Sadaqat Khan
Company Secretary

NOTES:

1. The Share transfer books of the Company will remain closed from 22nd October, 2017 to 31st October 2017 (both days inclusive)
2. A member entitled to attend and vote at the Meeting may appoint another member as his / her proxy to attend and vote. In order to be effective proxies must be delivered at the Company's registered Office Baldher, District Haripur at least 48 hours before the time of Meeting and must be stamped, signed and witnessed.
3. Shareholders are required to promptly notify the Company any change in their address.

CHAIRMAN'S REVIEW

(In the Name of Allah the Magnificent the Merciful)

I welcome you with great pleasure to the 56th Annual General Meeting of your Company for the year ended 30th June, 2017.

Operating Results:

	2017	2016	2015	2014	2013	2012
-----Rupees in "000"-----						
Sales	0	0	0	0	0	0
Operating Profit / (Loss)	(9,315)	(16,146)	(1,250)	(1,342)	(1,587)	(874)
Profit / (Loss) after tax	(6,138)	(7,618)	3,900	(2,790)	(1,587)	(874)
Accumulated Loss	(34,957)	(38,519)	(42,103)	(57,035)	(55,386)	(48,067)

| During the period under review, the Mill's production remained closed. However I am pleased to note that during the financial year under review management has been successful in generating revenue through creating alternative legitimate business activity on the Company's premises.

ACKNOWLEDGEMENT:

I thank the management and staff for their hard work and devotion for the betterment of the Company.



Mr. Aurangzeb Khan
Chairman

Baldher, Haripur
Dated: - 7th October 2017

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Members,

The Board of Directors welcomes you at the 56th Annual General Meeting of your Company and are pleased to present the Annual Accounts duly audited together with Auditors' Report along with other relevant statements as required by the Code of Corporate Governance of Stock Exchange for the year ended 30th June, 2017.

Financial Results:

During the period under review, the Mill's production remained closed, however there were revenue generation activities through rental income and other alternative business activity has commenced on the Mills premises.

	June 30th 2017	June 30th 2016
Administrative expenses	(13,237,814)	(16,610,606)
Other Operating Income - Rent	3,922,898	464,000
Operating loss	(9,314,916)	(16,146,606)
Other income	293,842	4,042,500
	(9,021,074)	(12,104,106)
Finance Cost - Bank charges	4,085	-
Other operating expenses	239,700	173,100
	243,785	173,100
Loss before taxation	(9,264,859)	(12,277,206)
Taxation		
Current	972,879	-
Prior	118,784	-
Deferred	(4,218,202)	(4,659,611)
	(3,126,539)	(4,659,611)
Loss after taxation	(6,138,320)	(7,617,595)
<i>Other comprehensive income:</i>		
Income from agriculture	454,000	1,178,500
Total comprehensive loss for the year	(5,684,320)	(6,439,095)
Loss per share	(4.63)	(5.25)

Chief Executive:-

Sadly, a vacancy of the Chief Executive position occurred due to the regrettable demise of Mr. Farid M Jadoon in December 2016. The Board expressed its great sorrow on the tragic loss of Mr. Farid M Jadoon,; the BOD voiced their appreciation for his leadership and guidance during his tenure as the Chief Executive Officer of the Company. May Allah Grant his soul peace and a place in a Jannat-ul-Firdos (Ameen). Due to this unexpected vacancy, the Board of Directors elected Mr. Adam Jadoon to serve as the new Chief Executive Officer of the Company.

Auditor's Reservation:

Regarding the auditors' observation / view about the company's ability to continue as going concern the same is fully explained in Note # 4 & #10 of these Accounts.

Concerning auditor qualification for creditors that remain un-verified it is stated that the creditors are more than 15 years old and none of the creditors are neither demanding their dues nor are in contact with the Company. The management is therefore, considering to write back the balances in coming years.

Statement of Corporate and Financial Reporting Framework:

The Board of Directors further state that:

1. The financial statements under review have been prepared in accordance with the provision of the Companies Ordinance, 1984 and the International Accounting Standards as applicable in Pakistan.
2. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
3. Proper books of account have been maintained by the Company accordingly the financial statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
4. The system of internal control of the Company is satisfactory in design and has been effectively implemented and continues to be monitored for improvement.
5. As a result of overall effort being made to control cost and maximize revenue, there are no significant doubts about the Company's ability to continue as a going concern and therefore no adjustment is required in the recorded assets and liabilities.
6. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations and as applicable to the company for the year ended 30th June, 2017.
7. The key operating and financial results for the last six years, in a summarized form, are annexed.
8. The Audit Committee assists the Board in discharging its duties and responsibilities ensuring good compliance with Code of Corporate Governance including review of reports, company's financial results and internal control procedures for management decisions and evolving strategy for safeguarding Company's assets and its business potentials.
9. The Audit Committee meets regularly before Board Meetings and its report is presented in the Board Meeting.
10. The Board is in the process of establishing also a Planning and Strategic committee to recommend and advise the Board from time to time on the matters of long term planning, evolving business improvement strategies, corporate affairs, budgetary controls, management reporting and monitoring.

11. The pattern of shareholding as required by the Code of Corporate Governance and shares held/traded by the Chief Executive, CFO, Company Secretary, Directors, Executives of the Company and their spouses and minor children is annexed with this report.

12. During the period under report 4 (four) meetings of the Board of Directors were held, Attendance of each Director is as under:

	<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
1	Mr. Adam Jadoon	4
2	Mr. Aurangzeb Khan	3
3	Mr. Nasir Khan	3
4	Mr. Amanullah Khan	3
5	Mr. M. Bahauddin	2
6	Mr. Omar Farid Jadoon	2
7	Mrs. Aamna Jadoon	4

13. Communications with the shareholders are given high priority. Annual, half yearly and quarterly reports are distributed amongst them within the time specified in the Company's Ordinance, 1984.

14. As required by the Code of Corporate Governance, the Audit Committee has suggested the name of M/s Tanwir Arif & Co. Chartered accountants as auditors, of the Company for the financial year 2017-2018, who have consented to act as auditors of the Company.

15. **Law Suits Against the Company:**

NBP vs. KTML:

We are pleased to inform you that the Banking Judge of Peshawar High Court has dismissed NBP's case and has decided it in favor of KTML on 17/03/2014. As per the Honorable Judges ruling the court determined that KTML had indeed paid all outstanding dues to NBP and no further amounts are outstanding. However, the Bank has filed an appeal against the High Court judgment and arguments are currently pending before the Hon'ble Peshawar High Court. KTML's management and legal department will continue to defend against NBP' appeal vigorously and are hopeful that it will be dismissed.

ICP, NBP & Others vs. KTML:

A Suit for recovery was filed by ICP, NBP & Others in the Sindh High Court Karachi. The Sindh High Court has allowed KTML's Leave to Defend Application on provision of the information that NBP had already instituted a previous suit in Peshawar for the same amount. KTML's Management and legal department are optimistic that a judgment on these issues in KTML's favor has already been decided by the Honorable Peshawar High Court, which will hopefully lead to the dismissal of ICP & NBP's suit in the Sindh High Court.

Business Activity & Usage of Excess Area:

Due to the on going court cases by NBP, KTML is facing a complete restriction on access to credit by the banks. As a result of NBP's discriminatory methods, KTML has been unable to initiate BMR and restart Textile Production. However, our Company has begun to take steps to secure other sources of legitimate revenue within our limited resources as a stopgap measure, in order to maintain the Company, its assets and create

business activity on the Mill's premises. As per the contents of KTML's Memorandum of association, the Board of Directors is authorized to carry on *any other legal business to enhance the value of the Company's property or rights & to improve, manage and develop any part of the property and rights of the Company*. During FY 2016 the BOD authorized the Management to explore all avenues of legitimate revenue generation by utilizing the excess area of the Mill's land and empty buildings for activities such as dairy farming, agricultural use, rearing of livestock, conversion of empty warehouses as storage units for rental purposes etc.

The BOD is pleased to inform the shareholders that in Financial Year 2017 despite complete credit restrictions, KTML has managed to stimulate other sources of legitimate revenue streams during the financial year and has significantly increased its income through alternative business. KTML's Management has negotiated the continued use and rental of its excess buildings as a storage facility for packaged food and milk items with a reputable organization. Furthermore, during the financial year under review KTML's Management has also negotiated a rental agreement with another reputable distributor for storage of bottled water and rented further empty units to other local distributors.

With this new stream of funding KTML has embarked upon investing in an alternative business, separate from and not affecting our textile unit, by utilizing the Company's excess land for the creation of an animal rearing livestock farm for the sale of cattle. During FY 2017 the Company has made a substantial investment in the livestock farm, which includes the construction of sheds that can house up to 100 cattle, the purchase of cattle, the complete up gradation of the Mills water piping system, water storage, tube well and irrigation systems throughout the Company's premises. In addition, the majority of agricultural land has been utilized to grow fodder for the cattle.

It is management's intention to continue the policy of repairing the empty warehouses located within the Mill for use of storage, thereby utilizing all the excess buildings for the generation of additional rental revenue for the Company. These funds will be used for the maintenance of the Mills, meeting the Company's day-to-day requirements and to expand KTML's agricultural livestock. Management and the BOD are pleased that the Company has generated revenue through alternative business activity during this financial year and hope to double the income in the coming financial year. Further more once the banking litigation has reached finality and funding is available from the banks. The Company is determine to rehabilitate the textile unit and for that purpose is making efforts to overcome the difficulties.

The Management and BOD expects that due to our Company's location near the under construction E-35 Motorway, access to the CPEC will open up new opportunities for further business activity.

On behalf of the Boards of Directors



Adam Jadoon
Chief Executive

Baldher, Haripur
Dated:- 7th October, 2017

**STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE
GOVERNANCE**

Name of company: KHYBER TEXTILE MILLS LIMITED Year ending 30th June, 2017

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The company's representation includes independent, executive & non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	1:- Mr.Nasir Khan
Executive Directors	1:- Mr. Adam Jadoon 2:- Mr. M. Bahauddin
Non-Executive Directors	1:- Mr. Aurangzeb Khan 2:-Mr. Amanullah Khan 3:- Mr. Omar Farid Jadoon 4:- Mrs. Aamna Jadoon

The independent directors 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 (excluding the listed subsidiaries of listed holding companies where applicable).

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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Due to the Death of Mr. Farid M Jadoon Chief Executive, Mr Adam Jadoon was elected as a New Chief Executive of the Company in December 2016.

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

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

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of

employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

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

9. Three members of the board have carried out Director's Training Program, and two are exempted from Director Training Program. The remaining Directors will complete the Training Program in the near future.

10. The board has approved appointment of CFO, Company Secretary and Head of internal Audit, including their remuneration and terms and conditions of employment.

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. All transactions with related parties are placed before the Audit Committee on a quarterly basis and are approved by the Board along With the Methods for pricing.

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

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

16. The board has formed an Audit Committee. It comprises three (3) members; of whom two (2) are non-executive directors and the chairman of the committee is an independent director.

17. 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.

18. The board has formed an HR and Remuneration Committee.

19. The board has not set up an effective internal audit function..

20. 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.

21. 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.

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

23. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

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



ADAM JADOON
CHIEF EXECUTIVE OFFICER

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 **M/S. KHYBER TEXTILE MILLS LIMITED** (‘the Company’) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of Pakistan Stock Exchange Limited, where the Company is listed.

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

As part of our 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 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 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 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 June 30, 2017.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in the note where it is stated in the statement of compliance:

<u>Note/paragraph reference</u>	<u>Description</u>
i. Note No. 19	Internal Audit Function.



TANWIR ARIF & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner - Tanwir Arif

Auditors' Report to the Members

We have audited the annexed Balance Sheet of **Khyber Textile Mills Limited** (the Company) as at 30th June, 2017 and the related Profit and Loss account, Cash Flow Statement and Statement of Changes in Equity together with 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 purpose 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 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:

1. We have not received confirmations for balance appearing in trade creditors under note no. 9 to the accounts. Hence, their balances remained un-verified in spite of reminders.
 - (a) in our opinion, except for the effect of the matters referred to in para 1 above, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
 - (b) in our opinion, except for the effect of the matters referred to in para 1 above:
 - (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) Except for paragraph 1 above, 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, 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 June 30, 2017 and of the loss, its cash flows and changes in equity for the year then ended; and

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

Without further qualifying our opinion, we draw attention to note no. 4 to the financial statements. As stated in the note as at June 30, 2016, the operation of the Company are closed since 2007, the Company has incurred loss before tax of Rs. 9.265 million resulting in net negative equity of Rs. 22.424 million and the Company has not paid dividend to its shareholders for the last many years. Further, current liabilities of the Company exceed its current assets by Rs. 38.123 million. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.



TANWIR ARIF & CO.,
CHARTERED ACCOUNTANTS
Engagement Partner - Tanwir Arif

DATE: 7th October 2017
HYDERABAD

BALANCE SHEET
AS AT JUNE 30, 2017

CAPITAL AND LIABILITIES	Note	2017 (Rupees)	2016	PROPERTY & ASSETS	Note	2017 (Rupees)	2016
SHARE CAPITAL & RESERVE							
SHARE CAPITAL							
Authorised: 1,500,000 Ordinary Share of Rs. 10/- each		15,000,000	15,000,000				
Issued: 1,299,543 Ordinary Share of Rs. 10/- each		12,995,430	12,995,430				
Subscribed & paid-up	5	12,275,030	12,275,030				
RESERVE							
Capital - Statutory Reserve U/s 15-8B		257,782	257,782				
Unappropriated Loss Shareholders' Equity		12,532,812 (34,957,302) (22,424,490)	12,532,812 (38,518,895) (25,986,083)				
SURPLUS ON REVALUATION OF FIXED ASSETS	6	355,391,435	364,637,348				
NON CURRENT LIABILITIES							
Deferred Tax Liability	7	39,042,849	43,261,051				
Long Term Loans	8	28,500,475	26,450,475				
CURRENT LIABILITIES							
Trade & Other Payables Provision for taxation	9	40,494,772 972,879	40,655,814 -				
CONTINGENCIES & COMMITMENTS							
	10	441,977,920	449,018,605				
		441,977,920	449,018,605			441,977,920	449,018,605
CURRENT ASSETS							
Livestock	12	2,168,908	-				
Animal food - dhosa & daana	13	40,040	-				
Stores & Spares	14	860,247	266,327				
Taxes Refundable	15	275,644	105,429				
Cash and Bank Balances		3,344,839	371,756				
		438,544,098	448,557,866			438,544,098	448,557,866
		88,983	88,983			88,983	88,983
		438,633,081	448,646,849				

Notes:
1. Auditors' report is attached.
2. The annexed notes from 1 to 32 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017	2016
		(Rupees)	
Sales		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	16	13,237,814	16,610,606
		(13,237,814)	(16,610,606)
Other Operating Income - Rent		3,922,898	464,000
Operating loss		(9,314,916)	(16,146,606)
Other income	17	293,842	4,042,500
		(9,021,074)	(12,104,106)
Finance Cost - Bank charges		4,085	-
Other operating expenses	18	239,700	173,100
		243,785	173,100
Loss before taxation		(9,264,859)	(12,277,206)
Taxation			
Current	19	972,879	-
Prior	19	118,784	-
Deferred		(4,218,202)	(4,659,611)
		(3,126,539)	(4,659,611)
Loss after taxation		(6,138,320)	(7,617,595)
Other comprehensive income:			
Income from agriculture		454,000	1,178,500
Total comprehensive loss for the year		(5,684,320)	(6,439,095)
Loss per share	20	(4.63)	(5.25)

The annexed notes from 1 to 32 form an integral part of these financial statements.



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) after tax	(9,264,859)	(12,277,206)
Adjustment of Non Fund Items:		
Depreciation	11,195,605	12,157,669
Provision for bad and doubtful	266,327	-
Provision for diminution in value of stores and spares	-	3,000,000
Liabilities written back	(293,842)	-
Directors' Loan waived off	-	(4,042,500)
	11,168,090	11,115,169
	1,903,231	(1,162,037)
(Increase)/Decrease in Current Assets		
Livestock	(2,168,908)	-
Animal food - bhosa & daana	(40,040)	-
Increase/(Decrease) in Current Liabilities		
Trade & Other Payables	132,800	33,300
	(2,076,148)	33,300
Effect on Cash Flow due to changes in working capital	(172,917)	(1,128,737)
Sundry Income Received	454,000	1,178,500
Income Tax Paid	(979,031)	-
	(525,031)	1,178,500
Net cash from operating activities	(697,948)	49,763
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	(1,181,837)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Loans - Directors - net	2,050,000	-
Net Increase in Cash and Cash Equivalents	170,215	49,763
Cash and Cash Equivalents at the beginning of the year	105,429	55,666
Cash and Cash Equivalents as the end of the year	275,644	105,429


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Share Capital	Reserves	Unappropriated Profit & Loss	Total
(Rupees)				
Balance as on June 30, 2015 - Restated	12,275,030	257,782	(42,103,146)	(29,570,334)
Loss for the year 2015 - 2016	-	-	(7,617,595)	(7,617,595)
Other Comprehensive income			1,178,500	1,178,500
Total Comprehensive Loss for the year			(6,439,095)	(6,439,095)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation			10,023,346	10,023,346
Balance as on June 30, 2016	<u>12,275,030</u>	<u>257,782</u>	<u>(38,518,895)</u>	<u>(25,986,083)</u>
Loss for the year 2016 - 2017	-	-	(6,138,320)	(6,138,320)
Other Comprehensive income			454,000	454,000
Total Comprehensive Loss for the year			(5,684,320)	(5,684,320)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation			9,245,913	9,245,913
Balance as on June 30, 2017	<u>12,275,030</u>	<u>257,782</u>	<u>(34,957,302)</u>	<u>(22,424,490)</u>


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017****1 STATUS AND NATURE OF BUSINESS**

Khyber Textile Mills Limited is a Public Limited Company, incorporated on 26th August, 1961 under the Companies Act, 1913 (Now the Companies Act, 2017). Its shares are quoted on the Pakistan Stock Exchange Limited. The principal activities of the Company are to manufacture and sale of cotton/polyester yarn and cloth.

The Company has initiated alternative business activities of renting its building from 2016 and during the year livestock farming business is also started.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the requirements of the 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.

The Companies Ordinance 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its circular dated 20 July, 2017, these financial statements have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 Functional and Presentation Currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Company. All the financial information contained in these financial statements has been rounded-off to the nearest rupee.

2.3 New and amended standards and interpretations that are effective in the current year and are not relevant

New standards, amendments and interpretations that are mandatory for accounting periods beginning on July 1, 2016 are considered not to be relevant for the Company's financial statements and hence have not been detailed in these financial statements.

2.4 Standards, Amendments to Approved Accounting Standards and Interpretations that are published and has been considered but not yet effective.

The following new standards and interpretations have been issued by International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan.

Standard or interpretation

IFRS 9	Financial Instruments
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017****2.5 Basis of measurement**

These financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets and recognition and measurement of financial assets and financial liabilities, if any, in accordance with the criteria laid down in IAS - 39 (Financial Instruments: Recognition and measurement).

The preparation of financial statements in conformity with the applicable accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.6 Property, Plant and Equipment

All operating fixed assets except free hold land, building & civil works and plant & machinery are valued at cost less accumulated depreciation and depreciated at normal rates prescribed under the Income Tax Ordinance, 2001 using diminishing balance method.

Freehold land, building & civil works and plant & machinery are measured at revalued amounts, which is the fair value at the date of revaluation less accumulated depreciation and accumulated impairment losses, if any, recognized subsequent to the date of revaluation.

Revaluation is carried out so that the fair value and carrying value do not differ materially at the balance sheet date. Any revaluation increase arising on the revaluation of such assets is credited to "Surplus on Revaluation of Fixed Assets". A decrease in the carrying amount arising on revaluation is charged to the statement of comprehensive income to extent that it exceeds the balance, if any, held in the surplus on revaluation of fixed assets to a previous revaluation of that assets. The surplus on revaluation- net of deferred tax to the extent of incremental depreciation charged on the related revalued assets is transferred to unappropriated profit.

In case of additions to fixed assets depreciation is charged from the month addition is made and in case of disposal of items of fixed assets up to the month the asset has been in use of the Company.

The assets residual values and useful lives are reviewed and adjusted if appropriate at each financial year end. The effect of any adjustment in residual value and useful lives is recognized prospectively as a change of accounting estimates.

Repairs and maintenance of major amounts are capitalized, while normal repair and maintenance of assets are charged to the statement of comprehensive income as and when incurred.

Gain or Losses on disposal of assets, if any, are included in the statement of comprehensive income currently.

2.7 Biological assets - livestock

Livestock are measured at their fair value. Initially cost incurred in acquisition of biological assets is also added in cost likewise transportation, labor etc along with cost of feed and vaccination.

Loss arising, if any, from changes in fair value of livestock is recognized in profit and loss account.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017****2.8 Stores & Spares**

These are stated at lower of cost and net realizable value using moving average cost method except items in transit which are valued at cost accumulated up to the balance sheet date. Cost comprises purchase cost and other costs incurred in bringing the inventories to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less the cost necessarily to be incurred in order to make the sale. The Company reviews the carrying amount of stores on regular basis and provision is made for obsolescence, if any.

2.9 Trade debts / Account receivables

Trade receivables are recognized and carried at original invoice amount. Bad debts are adjusted against provisions for doubtful debts or written off against the profit of the company during the year in which these are deemed to be irrecoverable. Provision is made for debts which are considered doubtful of recovery.

2.10 Borrowing cost

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized as a part of the cost of that asset. All other borrowing costs are charged to income.

2.11 Surplus on Revaluation of Fixed Assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of Fixed Assets Account" shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984, the said section was subsequently amended through the Companies (Amendment) Ordinance, 2002. The Company has adopted following accounting treatment of depreciation on revalued assets, in accordance with Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

- Depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the statement of comprehensive income; and
- An amount equal to incremental depreciation for the year net of deferred taxation, if any, is transferred from "Surplus on Revaluation of Fixed Assets" account to accumulated profit or loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.12 Trade and Others Payable

Liabilities for trade and others payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services obtained, whether or not billed to the Company.

2.13 Provision

Provision is recognized when the Company has an obligation (legal or constructive) as a result of present or past events and it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017****2.14 Taxation****Current:**

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum taxation on the turnover under section 113 of the Income Tax Ordinance, 2001, whichever is higher.

The charge for current tax also includes adjustments, wherever considered necessary, to the provision for tax made in the previous years as a result of adjustments in assessments framed during the year for such years.

Deferred:

Deferred tax is provided using the liability method for all temporary difference at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial statements reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Accordingly the effect on deferred taxation relating to the portion of income falling under final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

2.15 Revenue Recognition

Sales are recognized on dispatch of goods to customers.

2.16 Financial Instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes party to contractual provisions of an instrument. All financial assets and liabilities are initially recognized at cost which is the fair value of the consideration given and received respectively. Financial assets are subsequently measured by de-recognizing when the contractual rights are realized or surrendered whereas financial liabilities are measured when the obligations are discharged or cancelled.

The gain or loss, if any, arising on the recognition and de-recognition of the financial instruments is included in the net profit or loss for the year in which it arises.

2.17 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists the assets recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in statement of comprehensive income.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017****2.18 Related Party Transactions and Transfer Pricing**

Transaction between the Company and related parties are priced at arm's length basis determined in accordance with the comparable uncontrolled price method which sets the price by reference to comparable goods sold in an economically comparable market to a buyer unrelated to seller.

2.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and net amount is reported in the balance sheet only if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

2.20 Cash and Cash Equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and current and deposit accounts with the commercial banks.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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.

3.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Trade debtors

The company reviews its receivable against provision required there against on an ongoing basis. The provision is made taking into consideration expected recoveries, if any.

Income taxes

In making the estimates for income taxes currently payable by the company the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

Impairment of assets

In accordance with the accounting policy, the management carries out an annual assessment to ascertain whether any of the company's assets are impaired. This assessment may change due to technological developments.

Biological assets - livestock

The fair value of biological assets (livestock) is determined annually by the management of the Company, which are based on market conditions and physical attributes of livestock existing at the end of each reporting period, which are subject to change at each period end due to market conditions.

Depreciable amount and useful lives of fixed assets

In accordance with the accounting policy, the management carries out an annual assessment of depreciable amount and useful lives of fixed assets. The company seeks advice from the technical department in this regard.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017****3.2 Critical judgments in applying the company's accounting policies**

During preparation of these financial statements, the significant judgments made by the management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the company for the year ended 30 June 2016.

4:- Going Concern

Despite of the uncertainties given here under, that may cast significant doubt about the company's ability to continue as a going concern, these financial statements have been prepared on going concern basis:

- the operations of the company were closed since July 1, 2007.
- there are accumulated losses amounting to Rs. 34.957 million and current liabilities of the company exceed its current assets by Rs. 38.123 million and the financial ratios are adverse.

These accounts have been prepared on going concern basis by the management for the reasons and considerations as discussed below:

As repeatedly identified, other reasons for these unfavorable conditions are the increase in prices of cotton and polyester, constant electrical load shedding, low electrical voltage, increasing power tariff, ban on installation and use of industrial gas meters and generators. Therefore, most employees were laid off and production of yarn was stopped since FY2008 and could not yet be resumed. However, in spite of this, the Board of Directors & the CEO are continuing to maintain staff, whose primary responsibility are maintaining the security of the Company's tangible assets, working towards rehabilitating the textile unit, creating and managing new sources of legitimate revenue generation through alternative business, assisting the legal department with our outstanding litigation, and upholding the Company's statutory responsibilities as required under the Companies Ordinance 1984.

It is important to understand that due to the ongoing litigation instituted by the banks (Reference note no. 10), a complete credit restriction has been imposed by these institutions on KTML. The Company cannot open a single letter of credit unless 100% margin is deposited with the banks. The Company in the past had repeatedly approached various commercial banks for financing its BMR and for working capital, but the same was declined due to the outstanding banking litigation. It would not be out of place to mention here that due to ongoing litigation by the banks the company cannot dispose-off any of its agricultural land to meet the working capital requirement. Nonetheless, to enable the Company to overcome working capital constraints, efforts continue to be made by Management to convince the State Bank of Pakistan to lift restrictions on KTML so that the financial institutions can once again extend financing to the Company. It may be noted that the plant conditions and most of the capacities are available to convert the facility into a viable unit once again. Possibility of exports being there, there is an opportunity to explore the international market particularly when the European market is ready to extend concessions. This will help in enhancing productivity and attaining satisfactory current ratio, level of profitability and meeting other operational requirements particularly the purchase of polyester and raw cotton during season.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017**

Though there are accumulated losses to the tune of Rs. 34.957 million, the directors have supported the company by way of interest free loan to the Company of Rs. 28.5 million that covers approximately 82% of the losses in addition to loans waived off by the directors in previous years that totals to Rs. 7.043 million. The Directors further ensure to support the Company, if needed.

The management of the company has no plan to liquidate its assets other than under normal course of business. The ability of the Company to continue as a going concern currently is based on the followings:

- i) Continued financial support from directors;
- ii) Revival of the manufacturing activities after outcome of the litigations in favor of the Company;
- iii) Start of other alternative profitable business activities with available financial resources;
- iv) There is a need to keep the entity in existence till the final decision of the litigation cases by the banks as disclosed under Contingencies and Commitments note; and
- v) The Company has no such assets and liabilities that require adjustments relating to the recoverability of recorded assets amount and reclassification of liabilities.

Assets Revaluation:

In the financial year 2013, the Management in compliance with the order dated April 29, 2013 issued by the Securities & Exchange Commission of Pakistan carried out a formal assessment of the fair value of the fixed assets of the Company. The fair values were assessed by an independent evaluator based on the most reliable evidence available at the time of valuation in accordance with the requirements of IAS- 36 "Impairment of Assets" and IAS-2 "Inventories". The value of assets appreciated to Rs.473 million as compared to the carrying amount of Rs.26 million, accounted for on a historical cost basis. The exercise of revaluation as repeatedly emphasized by Management has proved the worth of the Company as an economically viable industrial undertaking. It would not be out of place to mention that the 2013 revaluation of KTML assets proves that the Company is able to pay all its liabilities, subject to the continued favorable outcome of the outstanding litigation cases with NBP.

Management is also of the opinion that with the construction of E-35 Motorway, access to the CPEC, will considerably step-up the value of the land of the Company when compared with the revalued amount that was incorporated in the books of the Company in 2013.

Usage of un-utilized land and buildings for alternate Business:

In FY 2016 KTML received a show cause under section 309 read with clause (c) of section 305, in which the SECP conveyed to KTML's Management that due to the closure of the textile production and the lack of business activity on the Mill's premises, action shall be taken under the provisions of the Company's Ordinance, 1984. KTML Management in response to the show cause notice communicated that due to the ongoing litigation instituted by the banks and a credit restriction imposed by the SBP on KTML, all avenues to access the credit required to undertake BMR in order to restart the textile unit have been blocked. Nonetheless, the majority shareholders are against the liquidation of the Company and also do not see closure of textile production as a discontinued operation, as proper maintenance of the Company's general assets are being carried out periodically and income from these assets are being

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017**

generated on regular basis. Consequently, the SECP expressed in meetings that business activity whether textile or other alternative business activity should commence at KTML in order to avoid a negative outcome in regards to the show cause notice.

Following these meetings with the SECP, KTML's Board of Directors reviewed the contents of its Memorandum of Association, and noted that the Board of Directors is authorized to carry on any other legal business *to enhance the value of the Company's property or rights and to improve, manage and develop any part of the property and rights of the Company*. During FY 2016 the BOD authorized Management to explore all avenues of legitimate revenue generation on excess land such as agricultural use, rearing of livestock and conversion of excess empty warehouses as storage units for rental etc.

Consequently, Management's endeavors were successful and KTML negotiated the renting of empty warehouses as a storage facility to reputable organizations that are distributors of packaged food, milk and bottled water beginning in FY 2016 and expanding rentals throughout FY2017 to local distributors. Due to Management's efforts KTML has increased its rental income approximately by a factor of 9 and overall tripled its total revenue in FY2017. In addition, KTML has substantially increased its Advance Income Tax payments to the Federal Board of Revenue thereby once again becoming an active taxpayer and contributor to the National Exchequer.

During FY 2017 the Company has made an investment in a Livestock Farm, which includes the purchase of cattle, the complete up gradation of the Mills water piping system, water storage, Tube well and irrigation systems throughout the Company's premises. Furthermore, Animal Sheds & a Livestock Farm have been constructed on our Company's excess land that is not a part of the Textile Unit. These constructed animal sheds have a housing capacity of up to 100 cattle. Management has also repurposed the majority of its agricultural land in order to grow fodder for the livestock thereby reducing the costs of feeding the cattle.

Management intends to continue the policy of repairing excess warehouses located within the Mill for use of storage by reputable distributors, thereby utilizing excess empty buildings for the generation of additional revenue for the Company. Funds so generated will be reinvested into the up gradation of the infrastructure of the Company, the expansion of the Livestock Farm on the Company's excess land, the general maintenance of our assets, payment of salaries, meeting our day to day expenditures and other legal requirements.

It would be pertinent to repeat that the management is determined to rehabilitate the Unit and for that purpose is making efforts to overcome these difficulties. Furthermore, the Company's main effort is to restart the textile unit once funding is available from the Banks, for which KTML's management is pursuing a BMR proposal.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

5 SHARE CAPITAL

2017	2016
(Rupees)	

SUBSCRIBED & PAID UP CAPITAL:

a) Issued for Cash

i) 517,813 Ordinary Shares (2016:517813)
of Rs. 10/- each fully paid up

5,178,130	5,178,130
1,750,000	1,750,000
6,928,130	6,928,130

ii) 200,000 Ordinary Shares of
Rs.10/- each, Rs.8.75 paid up

b) Issued for Consideration other than cash
64,897 ordinary shares of Rs. 10/-each
fully paid for acquisition of assets

648,970 648,970

c) Issued as Bonus Shares

i) 444,793 Ordinary Shares of
Rs. 10/- each, fully paid-up

4,447,930	4,447,930
250,000	250,000
4,697,930	4,697,930

ii) 200,000 Ordinary Shares of Rs. 10/each
Rs. 1.25 paid-up to make these shares as
fully paid up.

12,275,030 12,275,030

6 SURPLUS ON REVALUATION OF FIXED ASSETS

This represents revaluation surplus relating to Freehold Land, Building and Civil Works and Plant & Machinery of the company (Reference Note 11).

Opening Balance as on July 01

364,637,348 374,660,694

Transfer to unappropriated loss through statement of changes in
equity in respect of incremental depreciation for the year.

(9,245,913) (10,023,346)

355,391,435 364,637,348

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

2017	2016
(Rupees)	

7 DEFERRED TAX LIABILITY

Representing related deferred tax liability arising on revaluation of property plant & equipment.

Opening balance	43,261,051	47,920,662
Deferred Tax Liability arising in respect of surplus on revaluation	-	-
Less: Deferred Tax Liability relating to incremental depreciation for the year, recognized in profit & loss account	(4,218,202)	(4,659,611)
	<u>39,042,849</u>	<u>43,261,051</u>

8 LONG TERM LOANS

Loan from Directors - unsecured

Opening Balance	26,450,475	30,492,975
Received	2,350,000	-
	<u>28,800,475</u>	<u>30,492,975</u>
Returned	(300,000)	
Waived off	-	(4,042,500)
	<u>(300,000)</u>	<u>(4,042,500)</u>
	<u>28,500,475</u>	<u>26,450,475</u>

It represents the amount received from directors of the Company for the purpose of meeting day to day expenses and other pressing payments. The loan is interest free and repayable on demand.

9 TRADE AND OTHER PAYABLES

Trade Creditors	40,202,714	40,202,714
Advance against rent	67,000	-
Accrued Liabilities	196,500	424,542
Other Liabilities	28,558	28,558
	<u>40,494,772</u>	<u>40,655,814</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017****10: CONTINGENCIES & COMMITMENTS****NBP vs. KTML:**

During the 1990's, NBP's policy towards KTML of denial of working capital and placing restrictions on access to long-term modernization funds that KTML required in order to stay competitive in the textile market, contrary to the Baig Committee's report, led to year on year losses for the Company. Due to the banks coercive methods, KTML agreed to the Bank's offer of placing the outstanding dues for consideration initially before the Revival of Sick Units Committee No.6 Islamabad and thereafter to Committee No. 5. These Committees had been formed in June of 1997 on the directives of the Prime Minister of Pakistan and given a mandate by the State Bank of Pakistan to assist industries in genuine distress due to credit restrictions. The Committee's authority and binding nature of recommendations was confirmed through issuance of SBP Circular No. 19, which stated that after a decision is made by the Committee, "in case no clearance of objection is received within seven days from the date of decision of the Committee, it will be deemed as final." Furthermore, SBP Circulars 20 & 21 were also issued, directing NBP and other commercial banks to follow the decisions of the Government mandated Committee.

The Committee checked and examined the facts and determined that KTML's case was genuine and hence accepted KTML's case for review. In addition, NBP's Senior Management also requested that KTML's case be transferred to Committee No.5 Islamabad, for deliberation on all outstanding issues between both parties. The Bank's Senior Management nominated Executive Vice President/Deputy Regional Chief Executive of National Bank of Pakistan who took part in the proceedings of Committee No.5 vigorously; the positions of both sides were laid bare before the Committee. NBP pitched its outstanding capital funds at Rs.7.4 Million, which were accepted by the Committee. The Committee recommended repayment of the liability in installments and determination of debenture loan in accordance with Baig Committee recommendations. The recommendations were appropriately conveyed to NBP for confirmation indicating that in case no response is received within 7 days, the recommendations shall become final. After receiving 3 installments from KTML in accordance with Committee recommendations, NBP issued a letter after 9 months of receipt of Committee recommendations, stating that it was instituting suit for recovery of liabilities. Despite this, KTML continued to abide by the binding decisions of the Committee and repaid NBP's entire loan including interest amounting to Rs.9.57 million. Although the decisions of the Committee were applicable and binding, in 1998 NBP filed a lawsuit against the Company in the Peshawar High Court for recovery of Rs.437 Million erroneously calculated on basis of outstanding loans from the 1970s and 1980s, thereby ignoring the binding decisions of the IRC (1982/1986) and Committee Number 5 (1997).

KTML's Management and Legal Team are pleased to inform you that the National Bank of Pakistan versus Khyber Textile Mills Ltd. Suit 14/98 has been decided in favor of KTML and against NBP by the Hon'able Peshawar High Court on 17/03/2014. The judgment is based on the legal and factual aspects, in which the Banking Judge has determined that KTML had indeed paid all outstanding dues to NBP, in accordance with the decision of Committee No.5 constituted by Federal Government in 1997 and that the entire outstanding loan amounting to Rs.9.5 Million has been paid by KTML, which had been duly acknowledged by NBP in the High Court. It was also held by the Court that the matter originally being heard by Committee

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017**

Number 6 was referred to Committee No. 5 on NBP's request and that the State Bank of Pakistan had issued Circulars 19, 20, and 21 constituting these Committees, in which SBP directed the Banks, including NBP, to follow the decisions of the Committee. Consequently, based on these above-mentioned facts NBP's suit was dismissed. However, in order to coerce the Company to submit to its illegal demands, NBP filed an appeal in the Peshawar High Court, and arguments regarding the appeal are pending. Nonetheless, KTML's management and legal department will continue to defend against NBP's appeal vigorously.

ICP, NBP & Others vs. KTML:

The Hon'ble Sindh High Court vide its order dated 24/02/2010 has set aside the ex-parte Judgment and Decree passed in favor of ICP, NBP & Others in Suit B-05/2005 based on observing that the Banks had fraudulently not served legal notice to KTML's registered address in Baldher, Haripur, NWFP (now KPK). Subsequently the Sindh High Court Judge ordered KTML to file a Leave to Defend application so that the case may proceed with both sides present. KTML's legal attorney had consequently filed a Leave to Defend application and the Sindh High Court on 10/01/2016 has accepted KTML's Leave to Defend Application for the case. In July 2017 the Banking Consortium has filed Affidavits in Evidence and list of documents to be relied upon in which the Banking Consortium has revised its claim to Rs.50 Million against KTML. Currently the suit's decisions are pending on issues of res judicata, jurisdiction and limitation raised by KTML's Attorney in the Sindh High Court.

KTML's Management and legal department are optimistic that this suit has no standing and will be dismissed once again as NBP has filed two cases for recovery of the same amount in two different High Courts. Additionally, KTML's legal department is of the view that this suit is time barred as these loans were issued in 1970's and 1980's and all outstanding loans determined by Baig Committee and Committee Number 5 have been repaid to the banking consortium. Finally, a judgment on these issues in KTML's favour has already been decided by the Honorable Peshawar High Court on 17/03/2014, which has been submitted by our attorney to the Sindh High Court.

11. PROPERTY, PLANT AND EQUIPMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2017

PARTICULARS	C O S T / R E V A L U A T I O N				D E P R E C I A T I O N				WRITTEN DOWN VALUES AS ON 30/06/2017
	AS ON 01/07/2016 Rs.	ADDITIONS/ (DISPOSALS) Rs.	AS ON 30/06/2017 Rs.	RATE	AS ON 01/07/2016 Rs.	DEPRECIATION FOR THE YEAR Rs.	DEPRECIATION ON REVALUATION FOR THE YEAR Rs.	ACCUMULATED DEPRECIATION AS ON 30/06/2017 Rs.	
Free Hold Land	292,800,000	-	292,800,000	-	-	-	-	-	292,800,000
Building and Civil Works	133,278,335	-	133,278,335	5%	45,228,210	4,402,406	-	49,630,616	83,647,719
Sheds for livestock	-	1,181,837	1,181,837	10%	-	22,242	-	22,042	1,159,795
Plant & Machinery	254,654,814	-	254,654,814	10%	107,983,834	6,079,990	-	194,542,932	60,111,882
Tools & Equipment	1,200,730	-	1,200,730	10%	1,075,499	12,524	-	1,088,023	112,715
Electric Fittings	7,933,823	-	7,933,823	10%	7,226,716	67,811	-	7,323,526	610,297
Furniture & Fixture	877,824	-	877,824	10%	824,742	5,208	-	830,051	47,773
Telephone Filing	238,000	-	238,000	10%	221,173	1,583	-	222,856	15,144
Office Equipment	408,665	-	408,665	10%	394,569	1,410	-	395,979	12,686
Electric, Gas & Home Appliance	433,488	-	433,488	10%	403,872	2,960	-	406,832	26,658
Motor Vehicles	907,904	-	907,904	20%	906,090	963	-	906,453	1,451
Total - 2017	992,731,671	1,181,837	993,913,508		244,723,705	11,195,095	-	255,969,318	438,544,698

The management of the Company in compliance with the Order dated April 29, 2013 issued by the Securities & Exchange Commission of Pakistan has carried out a formal assessment of the fair value of fixed assets of the Company. Revaluation of fixed assets was carried out in June 2013 on the instructions of the Securities and Exchange Commission of Pakistan by an independent valuer, M/s Impulse (Pvt) Ltd., 1081, 4th Floor, Rehman Building, Saddar Road, Peshawar. Surplus arising on revaluations has been credited to the Revaluation Surplus account in accordance with the requirements of section 235 of the Companies Ordinance, 1984, further amended vide the Companies (Amendment) Ordinance 2002.

The fair values of assets have been determined with reference to market-based evidences, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location and conditions of the specific property and in case where market-based evidences are not available or not applicable due to the specialized nature of asset, then it were based on depreciated replacement cost method. The details are as under:

	Surplus on Revaluation	Accumulated Depreciation	Written Down Values
Freehold Land	292,800,000	-	107,574
Building and Civil Works	104,826,028	25,854,347	2,465,082
Plant and Machinery	75,792,043	183,525,006	15,366,095
	473,417,295	189,379,353	17,914,501
		2017	2016
Cost	107,574	11,195,095	12,167,669
Freehold Land	28,350,309	11,195,095	12,167,669
Building and Civil Works	178,861,971	11,195,095	12,167,669
Plant and Machinery	207,313,854	11,195,095	12,167,669
		2017	2016
Depreciation charge for the year has been allocated as under:		11,195,095	12,167,669
Cost of goods manufactured grouped in Other comprehensive expenses		11,195,095	12,167,669
Administrative Expenses		11,195,095	12,167,669

Had there been no revaluation, the values of specific classes of freehold land, building & civil works and plant & machinery in June 30, 2017 would have been as follows:

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2017

PARTICULARS	C O S T / R E V A L U A T I O N			D E P R E C I A T I O N			W R I T T E N D O W N		
	AS ON 01/07/2015 Rs.	ADDITIONS/ (DISPOSALS) Rs.	AS ON 30/06/2016 Rs.	RATE	AS ON 01/07/2015 Rs.	DEPRECIATION FOR THE YEAR Rs.	DEPRECIATION ON REVALUATION FOR THE YEAR Rs.	ACCUMLATED DEPRECIATION AS ON 30/06/2016 Rs.	VALUES AS ON 30/06/2016 Rs.
Free Hold Land	292,800,000	-	292,800,000	-	-	-	-	-	292,800,000
Building and Civil Works	133,276,335	-	133,276,335	5%	40,594,098	4,634,112	-	45,228,210	88,048,125
Plant & Machinery	254,654,814	-	254,654,814	10%	180,442,614	7,421,220	-	187,863,834	66,790,980
Tools & Equipment	1,200,738	-	1,200,738	10%	1,061,584	13,915	-	1,075,499	125,239
Electric Fittings	7,933,823	-	7,933,823	10%	7,180,370	75,545	-	7,255,915	678,108
Furniture & Fixture	877,824	-	877,824	10%	818,945	5,898	-	824,743	53,081
Telephone Fitting	238,000	-	238,000	10%	219,303	1,670	-	221,173	16,827
Office Equipment	408,865	-	408,865	10%	303,003	1,566	-	304,569	14,006
Electric, Gas & Home Appliances	433,468	-	433,468	10%	400,583	3,289	-	403,872	29,596
Motor Vehicles	907,904	-	907,904	20%	905,636	654	-	906,090	1,814
Total : 2016	692,731,571	-	692,731,571		204,355,215	12,157,669	-	244,173,795	448,557,866

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees)	
12 LIVESTOCK		
<i>Acquisition of livestock</i>		
Mature animals	1,344,000	-
Immature animals	411,000	-
	1,755,000	-
<i>Additional costs incurred</i>		
Animal food and medicines		
Opening	-	-
Purchase	217,948	-
Closing	(40,040)	-
Consumed	177,908	-
Transportation	58,100	-
Labor hired	177,900	-
	2,168,908	-
13 STORES & SPARES		
General Stores	3,000,000	3,000,000
Less: Provision for diminution in value	(3,000,000)	(3,000,000)
	-	-
14 TAXES REFUNDABLE		
Considered good	860,247	266,327
Considered doubtful	266,327	-
	1,126,574	266,327
Less: Provision for bad and doubtful	(266,327)	-
	860,247	266,327
15 CASH & BANK BALANCES		
Cash in hand	28,168	21,036
Cash at Bank		
In Current Accounts	247,476	84,393
	275,644	105,429
16 ADMINISTRATIVE EXPENSES		
Salaries and Allowances	877,500	811,200
Conveyance, Traveling & Entertainment	33,430	-
Postage, Telegram & Telephone	45,840	52,837
Membership Fee & Subscription	127,595	77,415
Legal and professional charges	120,000	-
Printing & Stationery	7,000	30,397
Provision for bad and doubtful	266,327	-
Provision for diminution in value of stores and spares	-	3,000,000
Fuel and Power	388,413	177,138
Advertisement	14,900	24,950
Repairs & Maintenance	161,204	279,000
Depreciation Expenses	11,195,605	12,157,669
	13,237,814	16,610,606

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	(Rupees)	
17 OTHER INCOME		
Liabilities written back	293,842	-
Directors' Loan waived off	-	4,042,500
	<u>293,842</u>	<u>4,042,500</u>

18 OTHER OPERATING EXPENSES

Auditors' Remuneration

Annual Audit Fee	162,000	108,000
Half Yearly Review Fee	43,200	42,400
Out of pocket expenses	34,500	22,700
	<u>239,700</u>	<u>173,100</u>

19 TAXATION

19.1 CURRENT

19.1.1 Income Tax assessments of the Company have been finalized upto and including the tax year 2016 under section 120 of the Income Tax Ordinance, 2001.

19.1.2 The charge for the year is reconciled to the profit or loss account as under:

Accounting loss before tax	(9,264,859)	(12,277,206)
Add: Inadmissible Deductions		
Liabilities written back	293,842	-
Directors' Loan waived off	-	4,042,500
Provision for bad and doubtful	266,327	-
Provision for diminution in value of stores and spares	-	3,000,000
	560,169	7,042,500
Less: admissible Deductions		
Property income subject to separate block of income	3,922,898	464,000
Exempt agricultural income	454,000	1,178,500
	4,376,898	1,642,500
Taxable profit /(loss)	<u>(13,081,588)</u>	<u>(6,877,206)</u>
- Tax applicable rate	31%	32%
- Taxable income / loss	(4,055,292)	(2,200,706)
Property income	3,922,898	464,000
1/5th Deductions in computing income chargeable under the head Income from Property U/S 15A (1) (a)	(784,580)	(92,800)
Taxable property income	3,138,318	371,200
- Tax at the applicable income tax rate	972,879	118,784
Less: Advance tax u/s 147	850,000	-
Less: Tax on PTCL Bills	3,380	-
Less: Tax on Cash Withdrawals from banks	6,867	-
	860,247	-
Net tax payable	<u>112,632</u>	<u>118,784</u>

19.2 DEFERRED

Due to suspension of business activities since July 01, 2007 and available brought forward assessed losses of the Company the effect of temporary differences both taxable and deductible are not likely to arise.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

2017	2016
(Rupees)	

20 EARNING PER SHARE

Weighted average number of ordinary shares outstanding during the year	(Numbers)	<u>1,227,503</u>	<u>1,227,503</u>
Loss after taxation	(Rupees)	(5,684,320)	(6,439,095)
Loss per share	(Rupees)	<u>(4.63)</u>	<u>(5.25)</u>

There is no dilutive effect on the basic earning per share during the year.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. The carrying value of all the financial assets and financial liabilities of the Company reflected in the financial statements approximate their fair values.

22 FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management policy focuses on the impact of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management frame work and for developing and monitoring the Company's risk management policies. The Board regularly meets and any changes and compliance issues are reported to the Board through the audit committee.

23 MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks interest rate risk, foreign currency risk, and other price risk.

23.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date the interest rate profile of Company's interest-bearing financial instruments is as under:

	Carrying amount in rupees	
	2017	2016
Financial Assets	-	-
Financial Liabilities	<u>28,500,475</u>	<u>26,450,475</u>

Sensitivity Analysis

The Company is not exposed to interest rate risk. (refer note-8)

23.2 Foreign Currency risk

Foreign currency risk is the risk that the fair value of future cash flows relating to a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Sensitivity Analysis

The Company is not materially exposed to foreign currency risk on its financial assets and liabilities as there are no transaction involving such risk in the current year.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

(Rupees)

PARTICULARS	2017			
	Chief Executive	Executive Directors	Non Executive Directors	Executive
Managerial Remuneration	-	-	-	-
Directors' Meeting Fee	-	-	-	-
Directors' Travelling & Halting	-	-	-	-
Total	-	-	-	-
Number of persons	1	2	4	0

(Rupees)

PARTICULARS	2016			
	Chief Executive	Executive Directors	Non Executive Directors	Executive
Managerial Remuneration	-	-	-	-
Directors' Meeting Fee	-	-	-	-
Directors' Travelling & Halting	-	-	-	-
Total	-	-	-	-
Number of persons	1	3	3	0

29 PRODUCTION CAPACITY

PARTICULARS	CAPACITY	ACTUAL PRODUCTION	ACTUAL PRODUCTION
	Kgs	Kgs	IN 20 Kgs
YARN:			
Coarse	431,267	-	-
Medium	3,780,187	-	-
Fine	206,570	-	-
Year 2015	4,418,024	-	-
Year 2014	4,418,024	-	-

Capacity in 20/s = 6,585,921 Kgs (2016: 6,585,921 Kgs)

a. Number of spindles installed in the factory is 26,460 (2016: 26,460)

b. Number of shifts worked per day is NIL (2016: NIL)

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2017

30 RECLASSIFICATION OF CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. Significant reclassification for purposes of correct and better representation are as under:

Reclassification from components	Reclassification to components	Note	Amount in Rupees
Balance sheet			
Income Tax Refundable		14	(60,542)
Sales Tax Recoverable		14	(205,785)
	Considered doubtful	14	268,327
Profit and loss account			
Other Comprehensive Loss:			
Depreciation relating to cost of goods manufactured			(12,150,490)
Provision for diminution in value of stores and spares			(3,000,000)
Directors' Loan waived off			4,042,500
	Administrative expenses:		
	Provision for diminution in value of stores and spares	16	3,000,000
	Depreciation Expenses	16	12,150,490
	Other income:		
	Directors' Loan waived off	17	(4,042,500)

31 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 7th October, 2017 by the Board of Directors of the Company.

32 NUMBER OF EMPLOYEES

Number of employees at the end of the year was 7 (2016 : NIL)
Average number of employees during the year were 5 (2016 : NIL).



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

**PATTERN OF SHAREHOLDING AS AT JUNE 30, 2017
ADDITIONAL INFORMATION**

Shareholders' Category		Number of Shareholders	Number of Shares Held	Percentage
<u>Associated Companies, Undertaking and Related Parties</u>				
		0	-	-
<u>Directors, CEO and their spouses and minor children</u>				
Mr. Adam Jadoon	Chief Executive	1	232,077	18.91%
Mr. Amanullah Khan	Director	1	3,085	0.25%
Mr. Nasir Khan	Director	1	3,950	0.32%
Mr. Aurangzeb Khan	Director	1	5,298	0.43%
Mr. Omar Farid Jadoon	Director	1	133,069	10.84%
Mr. M. Bahuddin	Director	1	2,800	0.23%
Mrs. Aamna Jadoon	Director	1	64,106	5.22%
			444,385	36.20%
<u>Executives</u>				
		0	-	-
<u>Banks, Development Finance Institution, Non Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds</u>				
		16	22,925	1.87%
<u>Individuals</u>				
		420	760,193	61.93%
		443	1,227,503	
<u>Shareholders holding 5% or more voting rights</u>				
Mr. Adam Jadoon			232,077	18.91%
Mr. Zaffar Iqbal Jadoon			187,439	15.27%
Mr. Omar Farid Jadoon			133,069	10.84%
Miss Sara Jadoon			111,700	9.10%
Mrs. Aamna Jadoon			64,106	5.22%
			728,391	59.34%

Details of transactions in the shares by the Directors, Executives and their spouses and minor children:

The following transactions in shares made during the year:

	Gift Received/ buy No. of shares	Gift Given/ Sell No. of shares
Mr. Adam Jadoon	62,115	-
Mr. Omar Farid Jadoon	45,471	-
Mrs. Aamna Jadoon	10,480	-

**PATTERN OF HOLDING OF SHARES
HELD BY THE SHARE HOLDERS AS AT 30TH JUNE, 2017**

S. No.	NO OF SHARE HOLDERS	SHARE FROM	HOLDING TO	TOTAL SHARES HELD
1	130	1	100	6691
2	162	101	500	40159
3	59	501	1000	45023
4	69	1001	5000	153894
5	13	5001	10000	88235
6	0	10001	15000	0
7	0	15001	20000	0
8	2	20001	30000	45861
9	2	30001	40000	68876
10	0	40001	50000	0
11	2	50001	100000	114479
12	2	100001	150000	244769
13	1	150001	200000	187439
14	1	200001	250000	232077
	443			1227503

CATEGORIES OF SHARES-HOLDERS AS ON 30TH JUNE, 2017

S. No.	SHARE HOLDING	NUMBER OF SHARE HELD	TOTAL SHARES	PERCENTAGE
1	INDIVIDUAL	426	1204019	98.09%
2	INVESTMENT COMPANIES	6	5956	0.49%
3	INSURANCE COMPANIES	2	12598	1.03%
4	PUBLIC LIMITED COMPANIES	2	400	0.03%
5	FINANCIAL INSTITUTIONS	4	3863	0.31%
6	TRUST	1	100	0.01%
7	ABOUNDED PROPERTIES	1	559	0.05%
8	PRIVATE COMPANIES	1	8	0.00%
		443	1227503	100.00%

FORM OF PROXY

I/WE _____ OF _____

being shareholders(s) OF Khyber Textile Mills Limited, Shares Nos _____

Of _____

(or-failing him _____

Of _____

(another member of the Company) to attend, act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday the 31st October 2017 at 01 .00 pm noon at the Registered Office of the Company, Baldher District Haripur and at any adjournment thereof.

As witness my hand this _____ day of _____

Affix Re. 8.00
Revenue
Stamp

Signature of Shareholder

IMPORTANT:-

- (A) Signature must be in accordance with the specimen filed with the Company.*
- (B) A proxy should also be a member of the Company.*
- (C) The Form of Proxy duly completed must be deposited at the Company Registered Office Khyber Textile Mills Ltd, Baldher, Haripur at least 48 hours before the time of Meeting.*