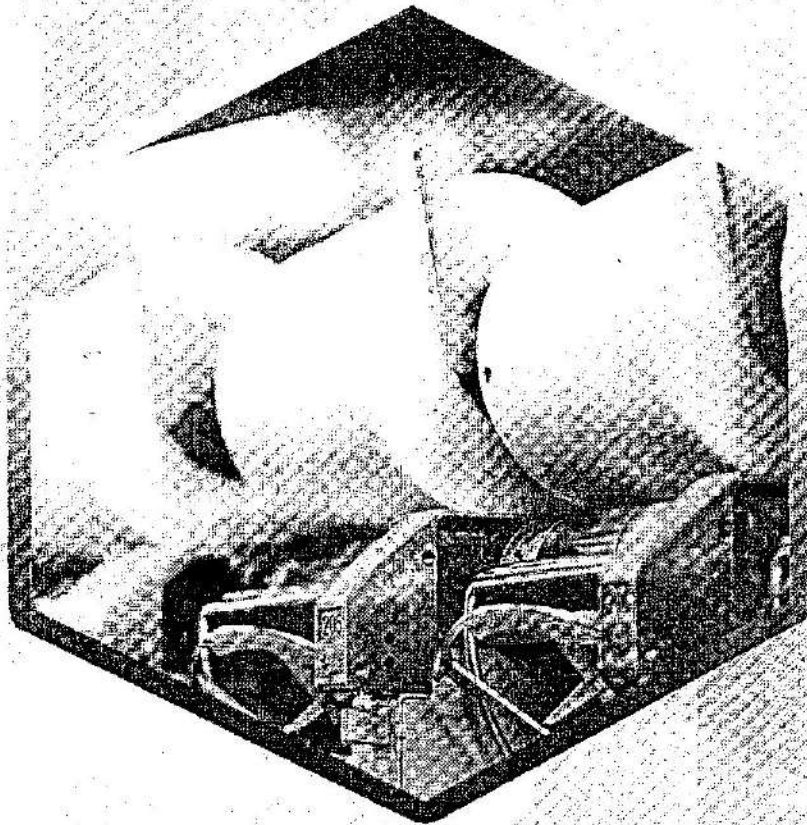


Annual Report

AUDITED
For the Year Ended
June 30, 2024



Kohinoor Spinning Mills Limited



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COMPANY INFORMATION

BOARD OF DIRECTOR

Khawaja Mohammad Jahangir	(Chairman)
Mohammad Naveed	(Chief Executive)
Khawaja Mohammad Kaleem	(Director)
Mohammad Hamza Yousaf	(Director)
Aqsa Jahangir	(Director)
Faisal Qaiyum	(Independent Director)
Abbas Ali	(Independent Director)

AUDIT COMMITTEE

Faisal Qaiyum	(Chairman)
Khawaja Mohammad Kaleem	(Member)
Aqsa Jahangir	(Member)

HR & REMUNERATION COMMITTEE

Faisal Qaiyum	(Chairman)
Khawaja Mohammad Jahangir	(Member)
Khawaja Mohammad Kaleem	(Member)

CORPORATE SECRETARY

Hasan Ahmad Khan ACA

CHIEF FINANCIAL OFFICER

Mr. Muhammad Saeed Zafar M.B.A

BANKERS

Habib Metro Bank Limited
MCB Bank Limited
National Bank of Pakistan
Allied Bank of Pakistan
Meezan Bank Limited
Askari Bank Limited
Saudi Pak Industrial and Agricultural Investment Company

AUDITOR

Nasir Javaid Maqsood Imran
Chartered Accountants
Office # 2, 3rd Floor, Pace Tower,
Plot # 27, Block H, M.M. Alam road, Extension,
Gulberg II, Lahore, Pakistan.

CORPORATE & REGISTERED OFFICE

7/1-E-3 Main Boulevard Gulberg III, Lahore
Tel : (042) 35717510
Fax : (042) 35755760.

SHARE REGISTRARS

Corplink (Pvt) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel : (042) 35839182
Fax : (042) 35869037

MILLS

Unit I & II

Aminabad, Chakwal
Tel : (0543) 644254 - 644281

Unit III

Yousaf Nagar, Bhoun Road,
Chakwal.
Tel: (0543)452070-71

VISION

A TEXTILE COMPANY THAT CATERS TO THE CLOTHING
NEEDS OF EVERYONE

MISSION

Kohinoor Spinning Mills Limited is a yarn manufacturing company
dedicated to provide premium quality yarn products to
the customers who value quality the most.

We intend to make profit to generate a sufficient return
for our investors.

We also maintain a friendly, fair and creative work environment,
which inculcates diversity, new ideas and diligence.

KOHINOOR SPINNING MILLS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd Annual General Meeting of KOHINOOR SPINNING MILLS LIMITED will be held on Monday, October 28, 2024 at 9:00 a.m. at 7/1 E-3 Main Boulevard Gulberg III, Lahore to deal with the following matters:-

Ordinary Business

- To receive and adopt the audited accounts of the Company for the year ended June 30, 2024 together with the reports of directors and auditors thereon.
- To appoint auditor for the year ending June 30, 2024 and to fix their remuneration. The Company has received a notice from a shareholder holding more than 10% shareholding that he intends to propose the name of M/S Saeed Ull Hassan & Co., Chartered Accountants as Company's auditors for the year ended June 30, 2025 in accordance with the provision of Section 246(3) of the Companies Act, 2017. The present auditors, retire and being eligible for re-appointment offer themselves for re-appointment.

Special Business

- To consider and, if deemed fit, to pass with or without modification, the following resolutions as special resolutions to lease out land, building together with plant and machinery of Unit-03 the Company:
"RESOLVED THAT approval of the members of the Company be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to lease out its land, building together with plant and machinery of Unit-3.
FURTHER RESOLVED THAT the Chief Executive and CFO be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements to effectuate and implement this resolution
RESOLVED FURTHER THAT the aforesaid special resolution shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by Registrar of Companies, Securities and Exchange Commission of Pakistan which suggestion, direction and advice shall be deemed to be part of this special resolution without the need of the shareholders to pass fresh Special Resolution."
- To approve the circulation of the Company's annual balance sheet, profit and loss account, auditor's report and directors' report, etc. ("Annual Report"), to the members of the Company through QR code and weblink, in terms of the S.R.O. 389(I)/2023 dated March 21, 2023 issued by Securities Exchange Commission of Pakistan (SECP), and if deemed fit, pass the following resolutions as Ordinary Resolutions with or without modifications:
"RESOLVED THAT the transmission/circulation of the Annual Report to the members of the Company through QR code and weblink, in terms of the Notification S.R.O. 389(I)/2023 dated March 21, 2023, issued by the Securities Exchange Commission of Pakistan, be and is hereby approved."
"RESOLVED FURTHER THAT the Chief Executive Officer and CFO of the Company be and are hereby singly authorized to do all acts, deeds and things in connection and ancillary thereto as may be required or expedient to give effect to the above resolution."

Other Business

To transact any other business which may be brought forward with the permission of the Chair.

Lahore,
October 07, 2024

BY ORDER OF THE BOARD
HASSAN AHMAD KHAN
Company Secretary

NOTES:

BOOK CLOSURE NOTICE

The Shares Transfer Books of the Company will remain closed from 22-10-2024 to 28-10-2024 (both days inclusive). Transfers received in order in all respect up to the close of business hours on October 21, 2024 at Share Registrar Office, M/S Corlink (Pvt.) Limited, Wing Arcade, 1 Commercial, Model Town, Lahore, will be considered in time for attending and voting at the meeting.

ATTENDANCE AT THE MEETING

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. The proxy form is available at the Company's website (<http://www.kohinoorspinningmills.com>). Members through book entry system under Central Depository Company of Pakistan Limited, are advised to must bring their original National Identity Cards/ Passport along with copy of their particulars of CDC Account duly authenticated by the concerned Participant/Investor Account Services for verification and also follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan under Circular No. 1 of 2000:

A. For Attending the Meeting

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with copy of CDC Account Registration details duly authenticated by the concerned Participant/Investor Account Services at the time of attending the Meeting.
- In case of corporate entity, the person attending the meeting on behalf of the corporate entity must produce Board Resolution duly certified by the Chief Executive Officer/Director and/or a duly notarized power of attorney in his favor along with copy of proxy form submitted with the Company, the Board Resolution/Power of Attorney must contain specimen signature of the person attending meeting.

B. For Appointing Proxies

- In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the passport of beneficial owners, proxy holder and witnesses shall be furnished with the proxy form.
- The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, Board Resolution duly certified by the Chief Executive Officer/Director and/or a duly notarized power of attorney in favor of proxy holder along with proxy form to the Company, the Board Resolution/Power of Attorney must contain specimen signature of proxy holder.

Video Conference Facility

If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of the video-link facility at least five days before the date of the general meeting along with complete information necessary to enable them to access the facility. In this regard, shareholders are requested to fill the following form and submit to the Registered Office of the Company seven days before the date of holding of the general meeting

I/We of being a member of Kohinoor Spinning Mills Limited, holder of ordinary shares as per Registered Folio No./CDC A/C if hereby opt for video conference facility at

Signature of Member

Video Link Facility for Meeting

The members can also attend the meeting via video link. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution/power of attorney (in case of corporate shareholders) through mail at saeed@chakwalgroup.com.pk by or before the close of business hours (05:00 pm) October 24, 2024

Name of Member / Proxy holder	CNIC No.	Folio No./CDC Account No.	Cell No./Whatsapp No.	Email ID

The video-link and login credentials will be shared with shareholders whose e-mails, containing all the required particulars, are received at the given e-mail address within above time frame.

Procedure for E-Voting:

- In accordance with the Companies (Postal Ballot Regulations) 2018 (the "Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all business classified as special business under the Companies Act, 2017 in the manner and subject conditions contained in the Regulations.
- Detail of e-voting facility will be shared through e-mail with those members of the Company who have valid cell numbers/e-mail addresses (Registered e-mail ID) available in the Register of Members of the Company by the end of business hours on October 21, 2024. Members who intend to exercise their right of vote through E-voting shall provide their valid cell numbers and e-mail addresses on or before October 21, 2024.
- Identity of the Members who intend to cast vote through e-voting shall be authenticated through electronic signatures or authentication for login.
- Members shall cast vote for the agenda online from October 25, 2024 to October 27, 2024 till 9:00 p.m. A vote once cast by a member shall not be allowed to be changed.

Procedure for Voting Through postal Ballot:

- Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.kohinoorspinningmills.com to download.
- The members must ensure that the duly filled and signed ballot paper, along with a copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's Registered Office, 7/1 E-3, Main boulevard Gulberg-3, Lahore, or e-mail at chairman@chakwalgroup.com.pk one day before the meeting, i.e. on October 27, 2024 before 5:00 p.m. In case, member is a corporate entity, the Board's resolution/power of attorney with specimen signatures shall also be furnished (unless it has been provided earlier) along with ballot paper to the Company. A postal ballot received after this time/date shall not be considered for voting. The signatures on ballot paper shall match with signatures on the CNIC.

E-Voting Service Provider

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting to be held on October 28, 2024.

1. To Lease Out Land, Building together with Plant & Machinery of Unit-03

The Company has suspended its operations since December 2022 due to heavy losses. The Board of Directors, after exhausting all its options, decided to lease out land, building together with plant and machinery of Unit 3.

The following information is relevant under SRO 423(I)/2018 of 03rd April 2018 to the members:

i.	Description/Name of the asset leased out	Land and building together with plant and machinery of Unit-03
ii.	Acquisition date of the asset	From 1992 till 2023
iii.	Cost	Rs. 3,379,041,585
iv.	Revalued amount	Rs. 3,359,035,000
v.	Date of Revaluation	28th June 2023
vi.	Book value	Rs. 3,089,534,363 (As on 30.06.24)
vii.	Approximate current market price/fair value	Please see vi above
viii.	Tenure of lease	One year
ix.	Lease rental	Rs. 2.5 M per month
x.	Increment rate	N/A
xi.	Mode/basis of determination of lease rental	Lease rentals will be determined as per market terms and conditions.
xii.	Other terms and conditions of lease	Lease Rental Agreement is extendable further with mutual consent
xiii.	Purpose of the lease	The transaction would allow the Company to generate operating cash flows and day to day business requirements.
xiv.	Utilization of the proceeds received from the transaction	The Company shall utilize the rental received to meet the day to day expenses and surplus funds, if any, to settle liabilities towards creditors.
xv.	Effect on operational capacity of the Company	Operational capacity of the Company shall not be affected as the operations of the Company are already suspended.
xvi.	Quantitative and qualitative benefits expected to accrue to the members.	As a result of the aforesaid transaction, if the Company obtains a lease rental will generate the income and the management expects to pay the dividend out of profits to its minority shareholders.

2. To approve the circulation of the Company's annual balance sheet, profit and loss account, auditor's report and directors' report, etc. ("Annual Report"), to the members of the Company through QR code and weblink, in terms of the S.R.O. 389(I)/2023 dated March 21, 2023 issued by Securities Exchange Commission of Pakistan (SECP), and if deemed fit, pass the following resolutions as Ordinary Resolutions with or without modification(s):

The Securities and Exchange Commission of Pakistan vide its S.R.O.389 (I)/2023 dated 21st March 2023, while considering technological advancements and obsolescence of old technologies, has allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink instead of CD / DVD / USB, subject to the conditions specified there for. Consent of the members is sought for transmission of the annual audited financial statements of the Company via QR enabled code and weblink.

INTEREST OF DIRECTORS AND THEIR RELATIVES

None of the directors or their relatives have any personal interest in above special businesses except to the extent that they are members of the Company.

BALLOT PAPER

Ballot paper for voting through post for the Special Business at the Annual General Meeting of the Company, to be held on Monday, October 28, 2024, at 7/1 E-3, Main Boulevard Gulberg-3, Lahore.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent: chairman@chakwalgroup.com.pk

Folio / CDS Account Number	
Name of shareholder/joint shareholders	
Registered Address	
Number of shares held	
CNIC Number / Passport No (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation and Federal Government.)	

INSTRUCTION FOR POLL

- Please indicate your Vote by ticking (✓) the relevant box.
- In case if both the boxes are marked as (✓), your poll shall be treated as "Rejected".
- I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below against the particular resolution:

Special Resolutions

1. To consider and, if deemed fit, to pass with or without modification, the following resolution as special resolution to lease out land, building together with plant and machinery of Unit-03 the Company:

"RESOLVED THAT approval of the members of the Company be and is hereby accorded in terms of Section 183(3)(a) of the Companies Act, 2017 to lease out its land, building together with plant and machinery of Unit-3

FURTHER RESOLVED THAT the Chief Executive and CFO be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies, Securities and Exchange Commission of Pakistan and complying with all other regulatory requirements to effectuate and implement this resolution.

RESOLVED FURTHER THAT the aforesaid special resolution shall be subject to any amendment, modification, addition or deletion as may be suggested, directed and advised by Registrar of Companies, Securities and Exchange Commission of Pakistan which suggestion, direction and advice shall be deemed to be part of this special resolution without the need of the shareholders to pass fresh Special Resolution."

2. To approve the circulation of the Company's annual balance sheet, profit and loss account, auditor's report and directors' report, etc. ("Annual Report"), to the members of the Company through QR code and weblink, in terms of the S.R.O. 389(I)/2023 dated March 21, 2023 Issued by Securities Exchange Commission of Pakistan (SECP), and if deemed fit, pass the following resolutions as Ordinary Resolutions with or without modification(s):

"RESOLVED THAT the transmission/circulation of the Annual Report to the members of the Company through QR code and weblink, in terms of the Notification S.R.O. 389(I)/2023 dated March 21, 2023, issued by the Securities Exchange Commission of Pakistan, be and is hereby approved."

"RESOLVED FURTHER THAT the Chief Executive Officer and CFO of the Company be and are hereby singly authorized to do all acts, deeds and things in connection and ancillary thereto as may be required or expedient to give effect to the above resolution."

I/we hereby exercise my/our vote in respect of the above resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below against the particular resolution.

Sr. No.	Nature and Description of Resolutions	No. of Ordinary Share For Which Votes Cast	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Special Resolution as per the Special Business Agenda (Item No. 01 (as given above)			
2.	Special Resolution as per the Special Business Agenda (Item No. 02 (as given above)			

Signature of shareholder(s) / Proxy holder Signature / Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place:

Date:

NOTES:

- Duly filled postal ballot should be sent to Chairman, Kohinoor Spinning Mills Limited 7/1 E-3, Main Boulevard Gulberg-3, Lahore. Designated e-mail address: chairman@chakwalgroup.com.pk
- Copy of CNIC/Passport (in case of foreign shareholder) must be enclosed with the postal ballot form.
- Pastal ballot forms should reach chairman of the meeting on or before October 27, 2024 during business hours, (05:00pm closing time). Any postal ballot received after this date, will not be considered for voting.
- Signature on postal ballot should match with signature on CNIC/Passport.
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
- In case of representative of body corporate and corporation, postal ballot must be accompanied with copy of (NIC of authorized person, along with a duly attested copy of Board Resolution, Power of Attorney or Authorization Letter in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable. In case of foreign body corporate etc. all documents must be attested from the Counsel General of Pakistan having jurisdiction over the member.
- The Ballot paper form has also been placed on the website of the Company at www.kohinoorspinningmills.com.pk

REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Kohinoor Spinning Mills Limited (KOSM) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board achieved its objective by performing the following functions:

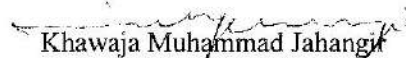
- The Board has actively participated in strategic planning process, enterprise risk management system, policy development and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the directors' report is published with the quarterly and annual financial statement of the Company and the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary and Head of Internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.

Necessary Board agenda and related supporting documents were duly made available to the Board and its committee meetings the non-executives and independent directors are equally involved in important decisions of the board.

The annual evaluation of the Board's performance is assessed based on the key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of KSML has played a key role in ensuring that the Company objectives are not only achieved, but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

October 07, 2024

Lahore


Khawaja Muhammad Jahangir

Chairman

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مسوثر کردار پر چیئر مین کی جائزہ رپورٹ

کوہ نور سٹینڈ ملز لمیٹڈ (KSML) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصہ داروں کے بہترین مفاد کو برقرار رکھنے میں اپنی ذمہ داریاں تندرہی سے انجام دی ہیں اور کمپنی کے امور کو موثر اور بروقت انداز سے منظم کیا ہے۔ بورڈ نے کمپنی ایکٹ اور سٹڈ کمپنیر (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں دیئے گئے اپنے اختیارات اور ذمہ داری کو بخوبی سرا انجام دیا ہے۔

بورڈ نے مندرجہ ذیل انجام دے کر مقاصد حاصل کئے۔

بورڈ نے اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو لاحق خطرات کا انتظامی نظام، پالیسی ڈویلپمنٹ اور مالیات ساخت کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔

سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے روبرو کاروباری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام متعلقہ پارٹی کے ساتھ لین دین کو آڈٹ کمیٹی کی سفارشات پر بورڈ نے منظوری دی۔

بورڈ نے اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور خود تشخیصی طریقہ کار اور یا انٹرنل آڈٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے جانچ پڑتال کی جاتی ہے۔

بورڈ نے مجلس نظاماء کی رپورٹ کی تیاری اور منظوری دی ہے اور اس بات کو یقینی بنایا ہے کہ مجلس نظاماء کی رپورٹ کمپنی کی سہ ماہی اور سالانہ مالیاتی حسابات کے ساتھ شائع ہوئی اور مجلس نظاماء کی رپورٹ کا مواد قابل اطلاق قوانین اور قواعد و ضوابط کے مطابق ہے۔

بورڈ نے چیف ایگزیکٹو سمیت دیگر اہم ایگزیکٹوز بشمول چیف فنانس آفیسر، کمپنی سیکرٹری اور انٹرنل آڈٹ کے سربراہ کی ملازمت اور معاوضہ سازی کو یقینی بنایا ہے۔

بورڈ نے اس کے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ کے بارے میں لمحہ بہ لمحہ باخبر رکھا گیا ہے اور

بورڈ نے کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد و ضوابط کی روشنی میں دیئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کو ترجیح دی ہے۔

بورڈ اور اس کی ذیلی کمیٹی کی میٹنگ سے قبل از وقت ضروری ایجنڈا اور اس سے متعلق دستاویزات بورڈ کو مہیا کئے گئے۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز بورڈ کے اہم فیصلوں میں براہر کے شریک ہیں

بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل، کلیدی کاروباری امور، سٹاک میٹنگ کی تعمیل، عالمی معاشی ماحول اور سابقہ سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو درپیش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور

پر کہا جاسکتا ہے کہ KSML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے اراکان کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ ٹیم کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھا جاسکتا ہے۔

خواجہ محمد جاوید

چیئر مین

لاہور

07 اکتوبر 2024

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have the honor to present annual report of your Company together with audited financial statements and auditors' report thereon for the year ended 30th June 2024.

The Directors' Report has been prepared in accordance with the Section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations 2019 and is being submitted to the shareholders for the Annual General Meeting held on October 28th, 2024.

Financial Highlights:

The financial highlights for the year ended 30th June 2024 and 30th June 2023 are as follows:

	2024	2023
	(Rupees)	(Rupees)
Gross Loss	-	172,601,007
Operating Loss	170,694,108	83,968,093
Taxation	(3,816,576)	(349,442,239)
Loss After Taxation	374,652,406	376,893,977

(Loss) Per Share:

The Basic loss per share of the Company for the year 2024 remained at Rs. 0.91 (2023: loss per share was Rs. 0.91).

Going Concern Assumption:

The auditors have emphasized that due to circumstances described in Note 1.2 to the financial statements the Company may not be able to continue as a going concern. However, the management has prepared the annexed financial statements on going concern basis due to reasons explained in Note 1.3 to the financial statements. The auditors have not qualified their opinion in this respect.

Performance Review:

During the year, no operational activity has taken place. The loss for the year is mainly attributable to depreciation, administration expenses, regulatory fees etc.

Your Company has sustained a net loss after tax of Rs. 375 million for the year ended 30th June 2024 as compared to a net loss after tax of Rs.377 million for the corresponding last year.

The management of your Company is making concerted efforts and continues to endeavor to achieve improved performance in the best interests of the shareholders.

Future Plan:

The management of the Company is pondering over different options for diversification as high energy costs, reduced consumer spending power, higher inflationary trends etc. have made, in our opinion, Pakistan's spinning sector unviable for the time being.

Subsequently, the shareholders have accorded approval in their EOGM held on 12th September 2024 to amend Articles and Memorandum of Association to make them in conformity with the Table B and Table A of the First Schedule of the Companies Act, 2017. This change, if approved by the Securities & Exchange Commission of Pakistan, would enable the Company to carry out any other profitable business (other than licensed businesses) in addition to primary business of spinning.

General Economic Review:

Businesses are increasingly pessimistic about their prospects because of the toxic mix of continued political turmoil and the new tax-heavy budget. The Government has not begun implementing the tough structural reforms. It has also not done what was possible to expand the tax net and increase revenue that would have created the necessary fiscal space. And it has definitely not done a thing to check its own expenditures. In fact, just when most Pakistanis are facing the worst inflation, unemployment and tax burdens in their history, the state has treated itself and its employees to higher salaries and more perks and privileges as if to rub salt in the wounds of middle- and lower-income classes that will pay extra pounds of flesh to support this extravagance and keep the IMF lifeline alive. No wonder we, as a business, see no light at the end of the tunnel.

Future Outlook:

The upcoming year is expected to be again challenging due to tough IMF program conditions. The economic outlook depends on factors like political stability, IMF suggested reforms, regionally competitive energy prices for industry, rational monetary policy by State Bank of Pakistan, reduction in inflation etc. Nevertheless, the Company is committed to strive for the betterment of shareholders.

Principal Activity:

The principal activity of the Company is manufacturing and sale of yarn.

Principal Risk and Uncertainty

Businesses face numerous risk and uncertainties which if not properly addressed might cause serious loss to the company. The Board of Directors of the company has carried out vigilant and thorough of both internal and external risks that the company might face. Following are some risks which the company is facing:

-Technological advancement making it more challenging for the company to compete on the national and international level;

- Non-renewal of financial facilities;
- Adverse rise in Pak Rupee/US \$ parity;
- Ever increasingly Government's apathy towards businesses' plight.

Significant Features of Directors' Remuneration:

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them. Non-executive directors including the independent directors are not entitled for any remuneration including fee for attending the Board and its committees' meetings. Remuneration of executive and non-executive directors was approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of Directors and CEO in 2023-24, please refer relevant notes to the Financial Statements.

Information about Defaults In Debt Payments:

All banks have filed recovery suit against the Company. The amount claimed in these suits have already been accounted for in financial statements. The reason for default in payments is liquidity crisis being faced by the Company since financial year 2015.

Subsequent Events:

No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

Directors' Loan:

The directors of the Company have always financially supported the Company. This support was extended to the Company by the directors in the shape of equity contribution and loans as and when required. During the year under review, we have received Rs. 226.144 million (2023: 343.715 million) from directors.

Internal Financial Controls

The directors are aware of their financial responsibility with respect to internal financial controls. Through discussion with management and auditors, they confirm that adequate controls have been implemented by the company.

Election of Directors

The shareholders of the Company in their extra ordinary general meeting (EOGM) held on 09th September 2023 elected new board of directors of the Company for a period of three years. Two directors of the Company (i.e. Khawaja Muhammad Tanveer and Ms. Fiza Farhan) did not opt for re-election.

Instead, a new director M. Abbas Ali was elected. It is worth while to mention that the Board of Directors in their meeting held on 11th August 2023 had fixed the number of directors at seven.

Approval of Issue of Further Shares (Other Than Right Offer)

The Securities and Exchange commission of Pakistan (SECP) has accorded approval to our application for further issue of shares by way of other than right offer under Section 83(1)(b) of the Companies Act, 2017 read with regulation 5 of the Companies (Further Issue of Shares) Regulations 2020 vide letter No. CSD/CI//28/2005/186 dated 30th August 2023.

On 13th October 2023, Central Depository Company of Pakistan Limited allotted 196,392,500 securities of Kohinoor Spinning Mills Limited in the name of Central Depository Company of Pakistan Limited vide letter No. OPS/CA/FI/001 dated 16th October 2023. These shares were issued to four persons namely, Mohammad Naveed, Mohammad Hamza Yousaf, Khawaja Muhammad Nadeem and Khawaja Shahzad Younas.

Composition of Board:

Total number of Directors (as at 30th June 2024):

- a) Male: 6 (Six)
- b) Female: 1 (One)

Composition (as at 30th June 2024):

- (i) Independent Directors: 2 (Two)
- (ii) Other Non-executive Directors 3 (Three)
- (iii) Executive Directors 2 (Two)

Name of Directors (as at 30th June 2024):

1. Khawaja Mohammad Jahangir (Chairman)
2. Khawaja Mohammad Kaleem
3. Mohammad Naveed (Chief Executive)
4. Mohammad Hamza Yousaf
5. Aqsa Jahangir
6. Faisal Qaiyum (Independent director)
7. Abbas Ali (Independent director)

Committee of The Board

In compliance with the Code of Corporate Governance, the Board of directors had formed the following committees:

-Audit Committee

Faisal Qaiyum

Khawaja Muhammad Kaleem

Aqsa Jahangir

-HR & Remuneration Committee

Faisal Qaiyum

Khawaja Muhammad Jahangir

Khawaja Muhammad Kaleem

Auditors:

The present auditors of the Company have completed the annual audit for the year ended 30 June 2024 and are due to retire and being eligible have offered themselves for reappointment for the year ending 30 June 2025. The Audit Committee has recommended for re-appointment of present auditors.

Statement of Compliance with the Code of Corporate Governance:

The requirements of the Code of Corporate Governance set out by the Pakistan Stock Exchange in its Listing Regulations relevant for the year ended June 30, 2024 have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the Report.

Statement of Ethics and Business Practices:

The Board has prepared and circulated the Statement of Ethics and Business Practices signed by every Director and employee of the Company as a token of acknowledgement of his / her understanding of the standards of conduct in relation to any body associated of dealing with the Company.

Corporate Governance & Financial Reporting Framework:

In compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Listed Companies (Code of Corporate Governance) Regulations, 2019 the Directors are pleased to report that:

- i) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained as required under the Companies Act, 2017.

iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and changes, wherever made, have been adequately disclosed. Accounting estimates are based on reasonable and prudent judgment.

iv) International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements, and any departure there from has been adequately disclosed and explained.

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

vi) The audit observation on going concern has been disclosed in Note no 1.2 of the financial statements.

vii) Key operating and financial data for the last six years is annexed.

viii) Outstanding taxes and levies are given in the notes to the financial statements.

ix) No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

x) The company has neither declared dividend nor issued bonus shares because of loss sustained by the Company for the year ended 30th June 2024.

xi) Subsequent to the adaptation by SECP of the revised auditing standards, the auditors are required to communicate key audit matters as part of the auditors' report. These key audit matters are annexed to the Annual Report.

xii) The figures in the financial statements for the year ending June 30, 2024, have been audited by external auditors of the Company

xiii) Details of trades in shares of the Company by Directors, CEO, CFO, Company Secretary, Head of Internal Audit, other executives and their spouses and minor children are annexed to the report.

xiv) The Company has fulfilled its major statutory and financial obligations except as disclosed in financial statements due to liquidity issues;

xv) The Statement of Compliance with the best practices of Code of Corporate Governance is annexed with this report.

Pattern of Shareholding:

The pattern of shareholding as on 30th June 2024 and its disclosures as required in the Code of Corporate Governance is annexed with this report.

Dividends:

The Board of Directors recommended that no dividend shall be declared for the year ended 30th June, 2024 as the Company has incurred loss during the year.

Corporate Social Responsibility:

The Company takes into account social, environmental and ethical concerns within the broader business landscape. We are dedicated to actively striving to take into account and harmonize the needs of all stakeholders with a special focus on local community and our essential workforce.

Web Reference:

In compliance with SRO 634 (1)/2014 dated July 10, 2014, the Company is maintaining a functional website. The Company's all periodic financial statements including Annual Reports are available on the Company's website. The Company's website address is as follows:

<http://www.kohinoorspinningmills.com>

Board Evaluation:

In compliance with Code of Corporate Governance Regulations 2019, the Board has put in place a mechanism for the annual evaluation of Board's performance. The evaluation of the performance of the Board is essentially an assessment of how the board has performed on all of the selected parameters.

Environment, Health and Safety:

We are committed to reduce adverse impacts caused due to environmental aspects as per standards of national and international environmental legislations. We provide and execute the business and operational activities in such a way to minimize the risk and to guarantee the safety of its employees, assets, premises and at the same time the risk to the environment. We constantly try and improve energy efficiencies both at production facilities and head office.

Acknowledgement:

The Board of Directors places on record its sincere appreciation for the support by its shareholders, and valued customers. The board also expresses its gratitude for the continued guidance and support by the Securities & Exchange Commission of Pakistan, Pakistan Stock Exchange and the Central Depository Company of Pakistan Limited.

On behalf of the Board

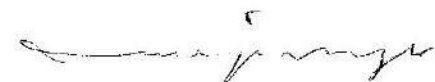
Date: 07 October 2024

Lahore:



Muhammad Naveed

Chief Executive Officer



Khawaja Muhammad Jahangir

Chairman

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کی جانب سے مورخہ 30 جون 2024 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی بیانات اور اس پر آڈیٹرز کی رپورٹ کے ساتھ کمپنی کی سالانہ رپورٹ بخوشی پیش کی جا رہی ہے۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے اور 28 اکتوبر 2024 کو ہونے والی سالانہ جنرل میٹنگ کے لیے شیئر ہولڈرز کو پیش کی جا رہی ہے۔

مالیاتی جھلکیاں:

30 جون 2024 کو ختم ہونے والے سال کی مالیاتی جھلکیاں حسب ذیل ہیں:

2023 (Rupees)	2024 (Rupees)	
172,601,007	-	مجموعی نقصان
256,569,100	170,694,108	آپریٹنگ نقصان
(349,442,239)	(3,816,576)	ٹیکس
376,893,977	374,652,406	نقصان بعد از ٹیکس

نقصان (فی شیئر):

سال 2024 کے لیے کمپنی کافی شیئر بنیادی نقصان 0.91 روپے پر رہا۔ (2023: نقصان فی حصص 0.91 روپے تھا)۔

تشویش کا مفروضہ:

آڈیٹرز نے اس بات پر زور دیا ہے کہ نوٹ 1.2 میں مالی بیانات میں بیان کردہ حالات کی وجہ سے کمپنی تشویشی مفروضہ کے طور پر جاری نہیں رکھ سکتی ہے۔ تاہم، انتظامیہ نے مالی بیانات کے نوٹ 1.3 میں بیان کردہ وجوہات کی وجہ سے تشویش کی بنیاد پر منسلک مالیاتی گوشوارے تیار کیے ہیں۔ آڈیٹرز نے اس سلسلے میں اپنی رائے کو حتمی نہیں کیا۔

کارکردگی کا جائزہ:

سال کے دوران کوئی آپریشنل سرگرمی نہیں ہوئی۔ سال کا نقصان بنیادی طور پر فرسودگی، انتظامیہ کے اخراجات، ریگولیٹری فیس وغیرہ سے منسوب ہے۔

آپ کی کمپنی نے مبلغ تین سو پچھتر ملین کے ٹیکس کے بعد خالص نقصان کو برقرار رکھا ہے۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے 375 ملین روپے گزشتہ سال کے اسی عرصے کے لیے 377 ملین روپے کے ٹیکس کے بعد خالص نقصان کے مقابلے میں۔

آپ کی کمپنی کی انتظامیہ ٹھوس کوششیں کر رہی ہے اور حصص یافتگان کے بہترین مفاد میں بہتر کارکردگی کے حصول کے لیے کوششیں جاری رکھے ہوئے ہے۔

مستقبل کا منصوبہ:

کمپنی کی انتظامیہ تنوع کے لیے مختلف آپشنز پر غور کر رہی ہے کیونکہ توانائی کی بلند قیمت، صارفین کے خرچ کرنے کی طاقت میں کمی، انفراسٹرکچر کے اعلیٰ رجحانات وغیرہ نے ہماری رائے میں، پاکستان کے اسپننگ سیکٹر کو اس وقت کے لیے ناقابل عمل بنا دیا ہے۔

اس کے بعد، شیئر ہولڈرز نے 12 ستمبر 2024 کو منعقدہ اپنے EOGM میں آرٹیکلز اور میمورنڈم آف ایسوسی ایشن میں ترمیم کرنے کی منظوری دی ہے تاکہ انہیں کمپنیز ایکٹ 2017 کے پہلے شیڈول کے ٹیبل بی اور ٹیبل اے کے مطابق بنایا جاسکے۔ یہ تبدیلی، اگر منظور ہو جاتی ہے۔ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے، کمپنی کو اس قابل بنائے گی کہ وہ اسپننگ کے بنیادی کاروبار کے علاوہ کوئی دوسرا منافع بخش کاروبار (لائسنس یافتہ کاروبار کے علاوہ) کر سکے۔

عمومی اقتصادی جائزہ: جاری سیاسی انتشار اور نئے ٹیکس بھاری بجٹ کے زہریلے مرکب کی وجہ سے کاروبار اپنے امکانات کے بارے میں مایوسی کا شکار ہو رہے ہیں۔ حکومت نے سخت ساختی اصلاحات پر عمل درآمد شروع نہیں کیا ہے۔ اس نے وہ کام بھی نہیں کیا جو ٹیکس نیٹ کو بڑھانے اور ریونیو بڑھانے کے لیے ممکن تھا جس سے ضروری مالیاتی گنجائش پیدا ہوتی اور اس نے یقینی طور پر اپنے اخراجات کو جانچنے کے لیے کوئی کام نہیں کیا۔ درحقیقت، جب زیادہ تر پاکستانی اپنی تاریخ کی بدترین مہنگائی، بے روزگاری اور ٹیکسوں کے بوجھ کا سامنا کر رہے ہیں، ریاست نے خود کو اور اپنے ملازمین کو زیادہ تنخواہوں اور زیادہ مراعات اور مراعات سے ایسا سلوک کیا ہے جیسے درمیانی اور نچلے طبقے کے زخموں پر نمک چھڑکنے کے لیے۔ آمدنی والے طبقے جو اس اسراف کو سپورٹ کرنے اور آئی ایم ایف کی لائف لائن کو زندہ رکھنے کے لیے گوشت کے اضافی پاؤنڈ ادا کریں گے۔ کوئی تعجب کی بات نہیں کہ ہم، بطور کاروبار، سرنگ کے آخر میں کوئی روشنی نہیں دیکھتے۔

مستقبل کا آؤٹ لک:

آئی ایم ایف کے پروگرام کی سخت شرائط کی وجہ سے آنے والا سال ایک بار پھر مشکل ہونے کی امید ہے۔ معاشی نقطہ نظر سیاسی استحکام، آئی ایم ایف کی تجویز کردہ اصلاحات، صنعت کے لیے علاقائی طور پر مسابقتی توانائی کی قیمتوں، اسٹیٹ بینک آف پاکستان کی معقول مانیٹری پالیسی، افراط زر میں کمی وغیرہ جیسے عوامل پر منحصر ہے۔ اس کے باوجود، کمپنی شیئر ہولڈرز کی بہتری کے لیے کوشش کرنے کے لیے پرعزم ہے۔

پرنسپل سرگرمی:

کمپنی کی بنیادی سرگرمی دھاگے کی تیاری اور فروخت ہے۔

بنیادی خطرہ اور غیر یقینی صورتحال

کاروباری اداروں کو بہت سے خطرات اور غیر یقینی صورتحال کا سامنا کرنا پڑتا ہے جن کا اگر مناسب طریقے سے ازالہ نہ کیا گیا تو کمپنی کو شدید نقصان ہو سکتا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کو درپیش اندرونی اور بیرونی خطرات سے چوکس اور مکمل طور پر کام کیا ہے۔ درج ذیل کچھ خطرات ہیں جن کا کمپنی کو سامنا ہے:

- تکنیکی ترقی کمپنی کے لیے قومی اور بین الاقوامی سطح پر مقابلہ کرنا مزید مشکل بناتی ہے۔

- مالی سہولیات کی تجدید نہ کرنا:

- پاک روپے / امریکی ڈالر کی برابری میں منفی اضافہ؛

کاروباروں کی حالت زار پر حکومت کی بے حسی

ڈائریکٹرز کے معاوضے کی اہم خصوصیات:

بورڈ آف ڈائریکٹرز نے کمپنی کے معاملات میں ان کی ذمہ داری کے لحاظ سے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لیے ایک رسمی پالیسی کی منظوری دی ہے۔ معاوضہ ان کی ذمہ داری اور مہارت کی سطح کے مطابق ہے جو کمپنی کو کامیابی سے چلانے اور ان سے قدر میں اضافے کی حوصلہ افزائی کے لیے درکار ہے۔ غیر ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس سمیت کسی بھی معاوضے کے حقدار نہیں ہیں۔ ایگزیکٹو اور نان ایگزیکٹو

ڈائریکٹرز کے معاوضے کی منظوری بورڈ نے دی تھی، جیسا کہ ہیومن ریسورس اینڈ ریوژنیشن کمیٹی نے سفارش کی تھی۔ 2023-24 میں ڈائریکٹرز اور سی ای او کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم مالیاتی گوشواروں میں متعلقہ نوٹس دیکھیں۔

قرض کی ادائیگی میں ڈیفالٹس کے بارے میں معلومات:

تمام بینکوں نے کمپنی کے خلاف ریکوری کا مقدمہ دائر کیا ہے۔ ان سوٹس میں دعویٰ کردہ رقم کا حساب پہلے ہی مالیاتی بیانات میں دیا جا چکا ہے۔ ادائیگیوں میں ڈیفالٹ کی وجہ کمپنی کو مالی سال 2015 سے لیکویڈیٹی بحر ان کا سامنا ہے۔

بعد کے واقعات:

مالی سال کے اختتام جس سے یہ بیلنس شیٹ متعلقہ ہے اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی منفی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

ڈائریکٹرز کا قرض:

کمپنی کے ڈائریکٹرز نے ہمیشہ کمپنی کی مالی مدد کی ہے۔ یہ تعاون کمپنی کو ڈائریکٹرز کی طرف سے ایکویٹی شراکت اور قرضوں کی شکل میں دیا گیا جب اور جب ضرورت ہو۔ زیر نظر سال کے دوران، ہمیں روپے موصول ہوئے ہیں۔ ڈائریکٹرز سے 226.144 ملین (343.715:2023 ملین)۔

داخلی مالیاتی کنٹرول

ڈائریکٹرز اندرونی مالیاتی کنٹرول کے حوالے سے اپنی مالی ذمہ داری سے آگاہ ہیں۔ انتظامیہ اور آڈیٹرز کے ساتھ بات چیت کے ذریعے، وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کیے گئے ہیں۔

ڈائریکٹرز کا انتخاب

کمپنی کے شیئر ہولڈرز نے 09 ستمبر 2023 کو منعقدہ اپنی غیر معمولی جنرل میٹنگ (EOGM) میں تین سال کی مدت کے لیے کمپنی کے نئے بورڈ آف ڈائریکٹرز کا انتخاب کیا۔ کمپنی کے دو ڈائریکٹرز (یعنی خواجہ محمد تنویر اور محترمہ فضا فرحان) نے دوبارہ انتخاب کا انتخاب نہیں کیا۔

ان کی جگہ نئے ڈائریکٹر ایم عباس علی کو منتخب کیا گیا۔ یہ بات قابل ذکر ہے کہ بورڈ آف ڈائریکٹرز نے 11 اگست 2023 کو ہونے والی اپنی میٹنگ میں ڈائریکٹرز کی تعداد سات مقرر کی تھی۔

مزید حصص کے اجراء کی منظوری (دائیں پیشکش کے علاوہ)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے کمپنیز ایکٹ 2017 کے سیکشن 83(1)(b) کے تحت رائٹ آفر کے علاوہ شیئرز کے مزید اجراء کے لیے ہماری درخواست کو کمپنیز کے ریگولیشن 5 کے ساتھ پڑھنے کی منظوری دے دی ہے۔ (حصص کا مزید مسئلہ) ضوابط 2020 بذریعہ خط نمبر 186/2005/CI//28/CSD مورخہ 30 اگست 2023۔

13 اکتوبر 2023 کو سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ نے کوہ نور اسپننگ ملز لمیٹڈ کی 196,392,500 سیکیورٹیز سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کے نام پر الاٹ کیں بذریعہ لیٹر نمبر OPS/CA/FI/001 مورخہ 16 اکتوبر 2023 کو ان شیئرز کو جاری کیا گیا۔ چار افراد یعنی محمد نوید، محمد حمزہ یوسف، خواجہ محمد ندیم اور خواجہ شہزاد یونس۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد (30 جون 2024 تک):

(a) مرد: 6 (چھ)

(ب) خواتین: 1 (ایک)

ساخت (30 جون 2024 تک):

(i) آزاد ڈائریکٹرز: 2 (دو)

(ii) دیگر نان ایگزیکٹو ڈائریکٹرز: 3 (تین)

(iii) ایگزیکٹو ڈائریکٹرز: 2 (دو)

ڈائریکٹرز کے نام (30 جون 2024 تک):

1. خواجہ محمد جہانگیر (چیئر مین)

2. خواجہ محمد کلیم

3. محمد نوید (چیف ایگزیکٹو)

4. محمد حمزہ یوسف

5. افضل جہانگیر

6. فیصل قیوم (آزاد ڈائریکٹر)

7. عباس علی (آزاد ڈائریکٹر)

بورڈ کی کمیٹی

کوڈ آف کارپوریٹ گورننس کی تعمیل میں، بورڈ آف ڈائریکٹرز نے درج ذیل کمیٹیاں تشکیل دی تھیں:

- آڈٹ کمیٹی

فیصل قیوم

خواجہ محمد کلیم

افضل جہانگیر

HR اور معاوضہ کمیٹی

فیصل قیوم

خواجہ محمد جہانگیر

خواجہ محمد کلیم

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز نے 30 جون 2024 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے اور وہ ریٹائر ہونے والے ہیں اور اہل ہونے کی وجہ سے 30 جون 2025 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ آڈٹ کمیٹی نے موجودہ کی دوبارہ تقرری کی سفارش کی ہے۔ آڈیٹرز

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان:

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2024 کو ختم ہونے والے سال کے لیے متعلقہ فہرست سازی کے ضوابط میں وضع کردہ ضابطہ کارپوریٹ گورننس کے تقاضوں کو کمپنی نے اپنایا ہے اور ان کی مناسب تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

اخلاقیات اور کاروباری طرز عمل کا بیان:

بورڈ نے کمپنی کے ہر ڈائریکٹر اور ملازم کی طرف سے دستخط شدہ اخلاقیات اور کاروباری طرز عمل کا بیان تیار کیا ہے اور اسے کمپنی کے ساتھ ڈیل کرنے سے وابستہ کسی بھی باڈی کے سلسلے میں طرز عمل کے معیارات کے بارے میں اس کی سمجھ کے اعتراف کے نشان کے طور پر جاری کیا ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے کارپوریٹ اور فنانشل رپورٹنگ فریم ورک کی تعمیل میں ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہو رہی ہے کہ:

(i) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات کمپنی کے آپریشنز، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ حالت کو پیش کرتے ہیں۔

(ii) کمپنی کے اکاؤنٹ کی مناسب کتابیں کمپنیز ایکٹ 2017 کے تحت ضرورت کے مطابق رکھی گئی ہیں۔

(iii) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور تبدیلیاں، جہاں کہیں بھی کی گئی ہیں، مناسب طور پر ظاہر کی گئی ہیں۔ اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔

(iv) بین الاقوامی اکاؤنٹنگ معیارات (IASs) اور بین الاقوامی مالیاتی رپورٹنگ کے معیارات

(IFRS)، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے، اور وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

(v) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

(vi) جاری تشویش پر آڈٹ مشاہدے کا انکشاف مالی بیانات کے نوٹ نمبر 1.2 میں کیا گیا ہے۔

(vii) پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔

(viii) بقایا ٹیکس اور لیویز مالی بیانات کے نوٹوں میں دیے گئے ہیں۔

(ix) مالی سال کے اختتام سے جس سے یہ بیلنس شیٹ متعلقہ ہے اور ڈائریکٹر کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی منفی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

(x) کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے نقصان کی وجہ سے نہ تو ڈیویڈنڈ کا اعلان کیا ہے اور نہ ہی بونس شیئرز جاری کیے ہیں۔

x یہ اہم آڈٹ معاملات سالانہ رپورٹ کے ساتھ منسلک ہیں۔

(xi) 30 جون 2024 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے اعداد و شمار کا کمپنی کے بیرونی آڈیٹرز کے ذریعہ آڈٹ کیا گیا ہے۔

(xiii) ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ، دیگر ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں کے ذریعے کمپنی کے حصص کی تجارت کی تفصیلات رپورٹ کے ساتھ منسلک ہیں۔

(xiv) کمپنی نے اپنی اہم قانونی اور مالی ذمہ داریوں کو پورا کیا ہے سوائے اس کے کہ لیکویڈیٹی مسائل کی وجہ سے مالی بیانات میں ظاہر کیا گیا ہو۔

(xv) کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں کی تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

شیئر ہولڈنگ کا پیٹرن:

30 جون 2024 تک شیئر ہولڈنگ کا پیٹرن اور کارپوریٹ گورننس کے ضابطہ کے مطابق اس کے انکشافات اس رپورٹ کے ساتھ منسلک ہیں۔

منافع:

بورڈ آف ڈائریکٹرز نے سفارش کی کہ 30 جون 2024 کو ختم ہونے والے سال کے لیے کسی بھی منافع کا اعلان نہیں کیا جائے گا کیونکہ کمپنی کو سال کے دوران نقصان ہوا ہے۔

کارپوریٹ سماجی ذمہ داری:

کمپنی وسیع تر کاروباری منظر نامے میں سماجی، ماحولیاتی اور اخلاقی خدشات کو مد نظر رکھتی ہے۔ ہم مقامی کمیونٹی اور اپنی ضروری افرادی قوت پر خصوصی توجہ کے ساتھ تمام اسٹیک ہولڈرز کی ضروریات کو مد نظر رکھنے اور ان کو ہم آہنگ کرنے کے لیے فعال طور پر کوشش کرنے کے لیے وقف ہیں۔

ویب حوالہ:

SRO 634 (1)/2014 مورخہ 10 جولائی 2014 کی تعمیل میں، کمپنی ایک فعال ویب سائٹ کو برقرار رکھتی ہے۔ کمپنی کے تمام متواتر مالی بیانات بشمول سالانہ رپورٹس کمپنی کی ویب سائٹ پر دستیاب ہیں کمپنی کی ویب سائٹ کا پتہ درج ذیل ہے:

<http://www.kohinoorspinningmills.com>

بورڈ کی تشخیص:

کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کی تعمیل میں، بورڈ نے بورڈ کی کارکردگی کی سالانہ جانچ کے لیے ایک طریقہ کار وضع کیا ہے۔ بورڈ کی کارکردگی کا جائزہ بنیادی طور پر اس بات کا اندازہ ہے کہ بورڈ نے تمام منتخب کردہ پیرامیٹرز پر کس طرح کارکردگی دکھائی ہے۔


ماحولیات، صحت اور حفاظت:

ہم قومی اور بین الاقوامی ماحولیاتی قانون سازی کے معیارات کے مطابق ماحولیاتی پہلوؤں کی وجہ سے ہونے والے منفی اثرات کو کم کرنے کے لیے پرعزم ہیں۔ ہم کاروبار اور آپریشنل سرگرمیوں کو اس طرح فراہم کرتے اور انجام دیتے ہیں کہ خطرے کو کم سے کم کیا جاسکے اور اس کے ملازمین، اثاثوں، احاطے اور ساتھ ہی ساتھ ماحول کو لاحق خطرے کی حفاظت کی ضمانت دی جاسکے۔ ہم پیداواری سہولیات اور ہیڈ آفس دونوں جگہ توانائی کی افادیت کو مسلسل بہتر بنانے کی کوشش کرتے ہیں۔ اعتراف:


بورڈ آف ڈائریکٹرز اپنے شیئر ہولڈرز، اور قابل قدر صارفین کے تعاون کے لیے اپنی مخلصانہ تعریف کو ریکارڈ پر رکھتا ہے۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، پاکستان اسٹاک ایکسچینج اور سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ کی جانب سے مسلسل رہنمائی اور تعاون کا بھی شکریہ ادا کرتا ہے۔

تاریخ: 107 اکتوبر 2024

لاہور:


محمد نوید

چیف ایگزیکٹو آفیسر


خواجہ محمد جاگیر
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


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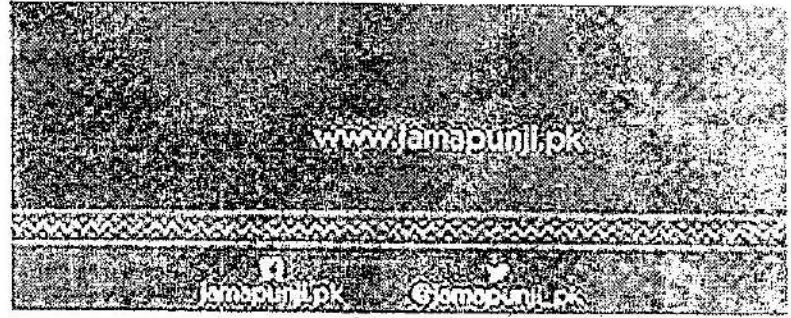
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*Mobile apps are also available for download for android and ios devices

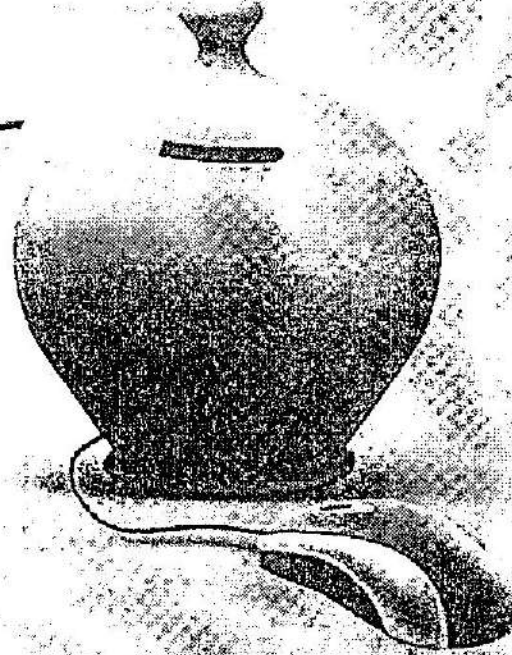


جمع
بیونسی

سرمایہ کاری سے چھٹاری کے ساتھ



سرمایہ کاری کی آگاہی کے لیے انتقلا بی اقدام



جہاں رہیں، آگاہ رہیں

SECP کی جانب سے پیش کی جانے والی ایک ایسا ایب ہارل نوڈل سرماہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے۔ تاکہ آپ ایک ایسی سرمایہ کاری کا فیصلہ کر سکیں۔ جس پر اپنی سہ ماہی خزانہ، پینشن خزانہ، سونے، ڈائمنڈ، گیسٹل بریکٹ، پوزیشن گولڈ اور انویسٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپ کے سوالات کے جوابات فراہم کرتا ہے۔ اور ساتھ ہی آپ کو لائی ٹوٹ کے ذریعے کھلی کی کھلی میں سزا میں نئے سرمایہ کاری کے سلسلے میں آگاہی برائی کی فراہم کرتا ہے۔

وقت آن ہونے پر:

- گھنٹہ بھر
- ہفت روزہ
- روزانہ
- ہفت روزہ
- روزانہ
- ہفت روزہ

کھیلانی کھیل
میں سیکھیں
سرمایہ کاری کا پتہ



Jama Puri is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

KEY FINANCIAL DATA OF LAST SIX YEARS

		Year ended June 30					
		2024	2023	2022	2021	2020	2019
Profit and Loss Summary							
Sales-Net	Pak-Rs.	-	115,435,392	2,630,587,061	2,807,075,051	1,662,982,360	4,260,538,818
Gross (Loss)/Profit	Pak-Rs.	-	(172,601,007)	(269,065,948)	(213,386,403)	(134,845,574)	1,632,745
(Loss) after tax	Pak-Rs.	(377,767,372)	(376,893,977)	(483,908,135)	(569,335,887)	(245,041,618)	(339,402,781)
Balance Sheet Summary							
Share Capital	Pak-Rs.	2,060,533,925	1,078,571,425	1,078,571,425	1,078,571,425	1,078,571,425	1,078,571,425
Accumulated (Loss)	Pak-Rs.	(1,500,889,632)	(1,148,021,845)	(2,606,110,373)	(2,170,842,000)	(1,801,334,702)	(1,555,812,643)
Share Holder's Equity	Pak-Rs.	559,644,293	(64,450,420)	(1,527,538,948)	(1,092,270,575)	(722,763,277)	(477,241,218)
Non Current Liabilities (Excluding loan from directors)	Pak-Rs.	30,810,537	30,597,599	48,292,487	45,064,213	49,523,071	64,593,059
Loan From Directors	Pak-Rs.	556,151,269	1,311,969,419	968,254,259	575,210,259	503,649,521	470,149,521
Property, plant and Equipment	Pak-Rs.	3,475,084,383	3,608,194,635	1,512,275,386	1,594,114,680	1,652,107,503	1,738,573,442
Other Non Current Assets	Pak-Rs.	44,221,312	44,221,312	44,221,312	44,221,312	39,325,312	39,325,312
Total Assets	Pak-Rs.	4,244,446,733	4,593,793,277	3,031,830,674	2,618,028,990	2,824,856,050	2,899,859,631
Total Liabilities (Excluding loan from directors)	Pak-Rs.	3,128,651,171	3,346,274,278	3,591,115,363	3,135,089,305	3,043,969,806	2,906,951,328
Profitability and Operating Ratios							
Gross Profit Margin	%	0.00	(149.52)	(10.23)	(7.60)	(8.11)	0.04
Net Profit to sales	%	0.00	(326.90)	(16.49)	(13.16)	(14.74)	(7.97)
Liquidity Ratios							
Current	Times	0.23	0.28	0.42	0.32	0.38	0.39
Quick/Acid test	Times	0.04	0.04	0.12	0.05	0.06	0.10
Activity/Turnover Ratios							
Inventory Turnover	Times	-	0.31	3.12	3.40	2.00	5.05
Debtors Turnover	Times	-	0.97	6.71	24.89	11.41	20.40
Creditors Turnover	Times	-	0.34	2.91	9.64	7.41	85.21
Investment/Market Ratios							
Earning Per share	Times	(0.92)	(1.98)	(2.01)	(1.71)	(1.14)	(1.57)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company: Kohinoor Spinning Mills Limited

Year ending: 30th June 2024

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors is given below,-

A) From 01st July 2023 to 09th September 2023 (Before election of Directors)

a. Male: 06

b. Female: 02

B) From 10th September 2023 to 30th June 2024 (After election of Directors)

a. Male: 06

b. Female: 01

2. The composition of the Board is as follows:

A) From 01st July 2023 to 09th September 2023 (Before election of Directors)

Category	Name
Independent Directors	1. Faisal Qaiyum
Female Independent Director	1. Fiza Farhan
Non-Executive Directors	1. Khawaja Muhammad Jahangir 2. Khawaja Muhammad Kaleem 3. Khawaja Muhammad Tanveer
Female Non-Executive Director	1. Ms. Aqsa Jahangir

Executive directors	1. Muhammad Naveed 2. Khawaja Muhammad Hamza Yousaf
---------------------	--

A) From 10th September 2023 to 30th June 2024 (After election of Directors)

Category	Name
Independent Directors	1. Faisal Qaiyum 2. Abbas Ali
Non-Executive Directors	1. Khawaja Muhammad Jahangir 2. Khawaja Muhammad Kaleem
Female Non-Executive Director	1. Ms. Aqsa Jahangir
Executive directors	1. Muhammad Naveed 2. Khawaja Muhammad Hamza Yousaf

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

4. 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;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. 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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. Out of Seven Directors. three directors are exempt from Directors' Training program as they qualify the criteria of having a minimum of 14 years of education and 15 years of experience on the Board of a listed Company. One Director has already completed Director's Training program. The Board shall arrange the Directors' Training program for the remaining directors in due course of time;

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

a) Audit Committee

Name	Designation
Faisal Qaiyum	Chairman
Khawaja Muhammad Kaleem	Member
Aqsa Jahangir	Member

b) HR and Remuneration Committee

Name	Designation
Faisal Qaiyum	Chairman
Khawaja Muhammad Jahangir	Member
Khawaja Muhammad Kaleem	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

Committees	Frequency of Meeting
-------------------	-----------------------------

Audit Committee	04--on quarterly basis
HR and Remuneration Committee	01-annual basis

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3,7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Regulation Ref.	Requirement	Explanation of Non-Compliance
5	The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	No one intended to contest election as director representing minority shareholders.
6(1)	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.	The Company currently has two elected independent directors out of total seven directors on the Board.. Fractional requirement for Independent directors have not been rounded up as both

		independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director..
18	All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	Currently, the Company has not made any arrangement for orientation program. However, the Company is considering to carry out in-house orientation training program in due course.
19(1)	It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Out of seven, three Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program. One Director has already completed Director's training program. However, remaining directors will attain the certification in due course.
19(3)	Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training program from July 2022.	The Company has not arranged any training under Directors' Training Program for female executive or head of the department during the year
29(1)	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its	Currently the board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration

	circumstances	committee
30(1)	The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a separate Risk Management Committee and the function are being performed by the Board
35	The company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the director's remuneration policy.	Although, these were circulated among the relevant employees and directors, the Board shall consider positing such policies and synopsis on its website in near future



(KHAWAJA MUHAMMAD JAHANGIR)
Chairman



To the members of Kohinoor Spinning Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Regulations of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Regulations of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Kohinoor Spinning Mills Limited for the year ended June 30, 2024 in accordance with the requirements of Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in Regulations as applicable to the Company for the year ended June 30, 2024.

Place: Lahore

Date: October 07, 2024

UDIN: CR202410122y1YnzHSTL

Nasir Javid Maqsood Imran
Nasir Javid Maqsood Imran

Chartered Accountants

Offices also at:

KARACHI: OFFICE # 807, 8TH FLOOR, Q.M. HOUSE, PLOT NO. 11/2, ELLANDER ROAD, OPP. SHAAHEEN COMPLEX,
OFF. I.I. CHUNDRIGAR ROAD, KARACHI - PAKISTAN.
Tel: +92-21-32212382, +92-21-32212383, +92-21-32211516 +92-21-32211515
Email: khi@njmi.net

ISLAMABAD: OFFICE # 17, 2nd FLOOR, HILL VIEW PLAZA, ABOVE FRESKO SWEETS, BLUE AREA JINNAH AVENUE ISLAMABAD, PAKISTAN.
Tel: +92-51-2228138, Fax: +92-51-2228139, Email: islamabadoffice@njmi.net



INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Spinning Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements Kohinoor Spinning Mills Limited (the Company), which comprises the statement of financial position as at June 30, 2024 and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2024 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 of the financial statements which indicates that company incurred net loss of Rs. 374,652,406 (2023: 376,893,977) with total negative equity of Rupees 419,203,240/- (2023: 64,450,420) excluding the impact of shares issued against Directors' loan amounting to Rs. 981,962,500 representing excess of total liabilities over total assets as at 30 June 2024. Further, the current liabilities exceed current assets by Rs. 2,369,782,550/- (2023: 2,374,497,270). These events or conditions along with the other matters as set forth in note 1.2 indicate that material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. Our opinion is not modified in this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be

communicated in our report.

Offices also at:

KARACHI: OFFICE # 807, 8TH FLOOR, Q.M. HOUSE, PLOT NO. 11/2, ELLANDER ROAD, OPP. SHAHEEN COMPLEX,
OFF. II, CHUNDRIGAR ROAD, KARACHI - PAKISTAN.
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Tel: +92-51-2228138, Fax: +92-51-2228139, Email: islamabadoffice@njmi.net



cpaai MEMBER
mgj worldwide

Following are the Key audit matter(s):

S.NO	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Litigations</p> <p>The company has significant amounts of borrowings from banks and other financial institutions amounting to Rs. 1.948 billion at the reporting date in respect of which various legal cases are pending adjudication before the Lahore High Court.</p> <p>Given the significant amounts of borrowings and related finance costs, this is considered to be a key audit matter.</p>	<p>Our audit procedures in this respect included the following:</p> <ul style="list-style-type: none"> • Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee. • Obtaining confirmation from the legal counsel of the Company to evaluate the status of the pending litigations and view point of the Company's legal counsel thereon. • Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed. • Re-computing the amounts of obligations and recorded liabilities based on available underlying information. • Assessing the appropriateness of the related disclosures to be made in the accompanying financial statements in light of IAS 37 "Provisions and Contingencies".
2.	<p>Stock in trade</p> <p>The Company has significant levels of stock in trade amounting to Rs. 587,518,736 million as at the reporting date, being more than 13% of total Assets of the Company. A number of estimates and judgments are involved in valuation of stock in trade.</p> <p>The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock in trade being considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Attending the year end stock taking to gain comfort over existence and condition of inventories and internal controls designed by the company. • Understanding the internal controls designed by the company over recording of purchases and valuation and costing of inventories. • Obtaining the valuation sheets of the inventories and tracing / reconciling quantities from working papers to observation of physical stock taking including NRV assessment. • Considering the adequacy of the Company's disclosures in respect of inventories.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

45/11



continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of accounts and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Maqsood

Place: Lahore

UDIN: AR2024101222hjxL4oD5

Date: October 07, 2024

Nasir Javaid Maqsood Imran
NASIR JAVAID MAQSOOD IMRAN
CHARTERED ACCOUNTANTS

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital:			
440,000,000 ordinary shares of Rupees 5/- each		<u>2,200,000,000</u>	<u>2,200,000,000</u>
Issued, subscribed and paid up capital			
412,107,285 (2023: 215,714,285) ordinary shares of Rupees 5/- each	3	2,060,533,925	1,078,571,425
Surplus on revaluation of fixed assets	4.3	1,797,379,209	1,840,155,759
Reserves	4	(3,295,153,875)	(2,983,177,604)
		562,759,260	(64,450,420)
NON-CURRENT LIABILITIES			
Long term loans	5	556,151,269	1,311,969,419
Deferred liabilities	6	30,810,537	30,597,599
		586,961,806	1,342,567,018
CURRENT LIABILITIES			
Trade and other payables	7	535,147,587	742,061,329
Accrued Interest on loans and borrowings	8	471,877,939	471,877,939
Short-term borrowings	9	1,463,142,972	1,463,142,972
Current portion of long term loan	10	364,705,882	364,705,882
Supplier's credit	11	264,455,108	253,371,914
Un-claimed dividend		1,915,116	1,915,116
Tax payable	28	-	19,053,059
		3,101,244,604	3,315,676,679
CONTINGENCIES AND COMMITMENTS			
	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>4,250,965,670</u>	<u>4,593,793,277</u>


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



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	13	3,475,084,383	3,608,194,635
Long term deposits	14	44,221,312	44,221,312
Long term investments	15	197,921	197,921
		3,519,503,616	3,652,613,868
CURRENT ASSETS			
Stores and spares	16	12,937,933	12,937,933
Stock-in-trade	17	587,518,736	793,861,294
Trade debtors	18	112,585,760	119,095,124
Tax refundable		3,480,829	-
Short term advances	19	13,847,528	13,162,925
Cash and bank balances	20	1,091,267	846,470
		731,462,054	941,179,409
TOTAL ASSETS		<u>4,250,965,670</u>	<u>4,593,793,277</u>

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



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
Sales - net	21	-	115,435,392
Cost of sales	22	-	(288,036,399)
GROSS (LOSS)		-	(172,601,007)
OPERATING EXPENSES:			
Administrative	24	(170,694,108)	(83,968,093)
		(170,694,108)	(83,968,093)
OPERATING (LOSS)		(170,694,108)	(256,569,100)
Finance cost	25	(23,269,608)	(20,458,023)
Other operating expenses	26	(220,694,874)	(460,244,140)
Other operating income	27	36,189,609	12,377,989
		(207,774,874)	(468,324,174)
(LOSS) BEFORE TAXATION AND LEVY		(378,468,982)	(724,893,273)
Levy	28.1	-	(1,442,942)
(LOSS) BEFORE TAX		(378,468,982)	(726,336,215)
TAXATION			
Current	28.2	21,288,688	-
Deferred	6.2	(17,472,112)	349,442,239
		3,816,576	349,442,239
(LOSS) AFTER TAXATION		(374,652,406)	(376,893,977)
(LOSS) PER SHARE - BASIC & DILUTED	29	(0.91)	(0.91)

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



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

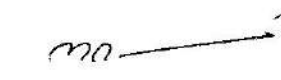
KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 (Rupees)	2023 (Rupees)
(Loss) after taxation	(374,652,406)	(376,893,977)
Other comprehensive income		
Items that may not be reclassified subsequently to profit and loss:		
Experience adjustment due to actuarial valuation (Note 6.1.1)	2,427,473	(48,514)
Gain on Revaluation Surplus		2,189,597,998
Deferred tax relating to revaluation amount		(349,442,239)
Deferred tax income	-	-
Unrealized loss/gain due to change in fair value of long term investments	-	-
	2,427,473	1,840,107,245
Total comprehensive (loss) for the year	<u>(372,224,933)</u>	<u>1,463,213,269</u>

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


CHAIRMAN


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KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	1,078,571,425	171,428,570	(2,776,861,604)	(677,339)	(1,527,538,948)
Balance as on July 01, 2022	-	-	(376,893,977)	-	(376,893,977)
(Loss) after taxation for the year	-	-	(48,514)	-	(48,514)
Experienced adjustment due to actuarial valuation	-	-	-	(124,740)	(124,740)
Unrealized (loss) due to change in fair value of long term investment	-	-	-	-	-
Revaluation Surplus net of tax	1,840,155,759	-	-	-	1,840,155,759
Balance as on June 30, 2023	1,078,571,425	171,428,570	(3,153,804,095)	(802,079)	(64,450,420)
Balance as on July 01, 2023	1,078,571,425	171,428,570	(3,153,804,095)	(802,079)	(64,450,420)
(Loss) after taxation for the year	-	-	(374,652,406)	-	(374,652,406)
Shares issued during the year	981,962,500	-	-	-	981,962,500
Experienced adjustment due to actuarial valuation	-	-	2,427,473	-	2,427,473
Unrealized (loss) due to change in fair value of long term investment	-	-	-	-	-
Incremental Depreciation net of deferred tax	-	(42,776,550)	42,776,550	-	-
Change in deferred tax	-	-	17,472,112	-	17,472,112
Balance as on June 30, 2024	2,060,533,925	171,428,570	(3,465,780,366)	(802,079)	562,759,260

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

CHAIRMAN

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
CASH GENERATED FROM OPERATIONS			
Cash generated from operations	30	(230,236,669)	(321,521,665)
Finance cost paid		(136,908)	(541,128)
Income tax paid		(1,245,200)	(3,678,571)
Gratuity paid		(953,125)	(22,292,614)
Net cash outflow from operating activities		<u>(232,571,903)</u>	<u>(348,033,978)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		-	(8,860,000)
Proceeds from disposal of property, plant and equipment		6,672,350	12,325,770
Net cash (used in)/generated from investing activities		<u>6,672,350</u>	<u>3,465,770</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Increase in directors loan		226,144,350	343,715,160
Net cash generated from financing activities		<u>226,144,350</u>	<u>343,715,160</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		244,797	(853,048)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		846,470	1,699,518
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	<u>1,091,267</u>	<u>846,470</u>

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



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Kohinoor Spinning Mills Limited was incorporated on 23rd July, 1970 as a public limited company in Pakistan under the Companies Act, 1913 (Now Companies Act 2017) and is quoted on Karachi stock exchange. The company is engaged in the business of textile spinning.

Geographical Location of Head office and business units:

Registered Office	7-E, 3/1 Main Boulevard, Gulberg III, Lahore.
Unit 01 / 02	Ameenabad 8 Km Pindi Road, Chakwal.
Unit 03	8 Km Bhoun road Chakwal

- 1.2 The company has been incurring losses since financial year 2015 with current year loss of Rs. 377,767,372 (2023: 376,893,977) with total negative equity of Rupees 422,318,207/- (2023: 64,450,420) excluding the impact of shares issued against Directors' loan amounting to Rs. 981,962,500 representing excess of total liabilities over total assets as at 30 June 2024. Further, the current liabilities exceed current assets by Rs. 2,372,897,518/- (2023: 2,374,497,270). This situation casts doubtfulness over the going concern of the company and company may be unable to realize its assets and discharge its liabilities in the normal course of business.
- 1.3 These financial statements have been prepared on going concern assumptions owing to continued financial support assurance from the directors in the shape of equity contribution and loans as and when required. Total loan provided to company by the directors Rs. 226 million (2023: 343 million) together with expected negotiation and favorable terms of engagement with financial institutions. Also the company has leased out its production facilities to earn cash surplus. The contract is for one year and renewable upon mutual consent of both parties.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved International Accounting Standards as applicable in Pakistan. Approved International Accounting Standards comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as are notified under the Company's Act 2017, and
- Provisions of and directives issued under the Company's Act 2017.

In case requirements differ, the provisions of, or directives issued under Company's Act 2017 shall prevail.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Income Taxes

In making the estimates for income taxes payable by the Company, the management considers current Income Tax law and the decisions of appellate authorities on certain cases issued in past.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, probability of default and key macro-economic factors.

2.5 New accounting pronouncements

2.5.1 Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2024.

During the year following certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, these updates were not considered to be relevant to these financial statements except for certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practise Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies.

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates

Amendments to IAS 12 'Income Taxes' – Deferred Tax related to Assets and Liabilities arising from a single transaction and Temporary exception to the requirements Deferred tax assets and liabilities related to pillar two income taxes.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2.5.2 New / revised accounting standards, amendments to published accounting standards and interpretations that are not yet effective.

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods. These standards, interpretations and amendments are either not relevant to company's operations or are not expected to have significant impact on the company's financial statements other than certain additional disclosures:

Amendments to IFRS 7 'Financial Instruments: Disclosures' – supplier financing arrangements	January 01, 2024
Amendments to IFRS 7 and 9 'Financial Instruments: Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 Leases-Amendments to clarify how a seller lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 Presentation of Financial Statements Classification of liabilities as current or non-current and Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 Statement of Cash Flows Supplier finance arrangements	January 01, 2034
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates-Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026

IFRS 18, and IFRS 19 are not adopted by SECP

2.6 TAXATION

Current

The Charge for current taxation is based on taxable income at current tax rates after considering all tax credits and rebates available, if any in excess of levy.

Levy

The amount of minimum taxes and final tax chargeable under the provisions of Income Tax Ordinance, 2001 are recognized as levy and excess amount over and above minimum tax chargeable is recognized as current income tax.

Deferred

Deferred tax is provided in full using the liability method on all temporary differences arising at the statement of financial position date, between the tax bases of the assets and liabilities and their carrying amounts.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits, if any to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and unused tax credits can be utilized.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

The carrying amount of all deferred tax assets is reviewed at each statement of financial position date and adjusted to the appropriate extent, if it is probable that sufficient taxable profits will not be available to allow all or part of the deferred tax assets to be utilized.

The tax rates enacted at the statement of financial position date are used to determine deferred income tax.

2.7 PROPERTY, PLANT AND EQUIPMENT

Owned assets

During the year company change its accounting policy from cost model to revaluation model.

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

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

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

Depreciation on additions is charged from the month in which the assets become available for use, while on disposal depreciation is charged up to the month of disposal. Reducing balance method is applied for depreciation.

Gains or losses on disposal of property plant and equipment are charged to income during the period in which they are incurred.

2.8 STORES AND SPARES

These are valued at cost, applying moving average method except for stock-in-transit which are valued at cost.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2.9 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument and assets and liabilities are stated initially at cost which is the fair value of consideration given or received. The financial

assets are subsequently measured at fair value, amortized cost or cost as the case may be with classifications into i) at fair value through profit or loss (FVTPL), ii) at fair value through other comprehensive income (FVTOCI) and iii) at amortized cost. Subsequently:

(i) Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

(ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

(iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income / (loss). Currently, there are no financial liabilities designated at FVTPL.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

De-recognition of financial instruments

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.10 STOCK-IN-TRADE

These are valued at the lower of average cost and net realizable value, except waste stock which is valued at the net realizable value. Average cost signifies, in relation to raw material annual average cost, for work-in-process and finished goods average manufacturing cost including a proportion of related overheads. Net realizable value signifies the prevailing market prices in the ordinary course of business less selling expenses incidental to sales. Stocks of raw material in transit are valued at cost.

2.11 TRADE DEBTS

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

2.12 STAFF RETIREMENT BENEFITS

The company operates an unfunded and unapproved gratuity scheme for its employees, which is a defined benefit plan based upon the last salary drawn by an employee. Present value of defined benefit obligation is calculated on the basis of actuarial valuation at the end of the year. The valuation in these accounts is worked out on the Projected Unit Credit Actuarial Cost method.

2.13 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing on the date of transactions. Assets and liabilities in foreign currencies are translated into Pak rupees at the exchange rates prevailing on the statement of financial position date except where forward exchange rates are booked, which are translated at the contracted rates.

2.14 REVENUE RECOGNITION

Sales revenue is recognized when the goods are dispatched and significant risks and rewards of ownership are transferred to the customer, which is the only performance obligation. Dividend income on equity investments is recognized as income when the right of receipt is established. Profit on short-term deposits is accounted for on time-apportioned basis on the principal outstanding by using the rate applicable.

2.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

The company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets, if any, may have been impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of initial cost of the asset. Reversal of impairment loss is recognized as income.

2.16 TRADE AND OTHERS PAYABLES

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

2.17 PROVISIONS

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

2.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash and bank balances.

2.19 BORROWING COST

Borrowing costs are charged to income as and when incurred except to the extent costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of asset.

2.20 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.21 TRANSACTIONS WITH RELATED PARTIES AND TRANSFER PRICING

Transactions with related parties are accounted for using arm's length price in ordinary course of business in accordance with uncontrolled price method except in exceptional circumstances as decided by board of directors.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

2.22 DIVIDEND

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

2.23 SEGMENT REPORTING

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the approved accounting standards, is presented in note 37 to these financial statements.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees)	2023 (Rupees)
3 SHARE CAPITAL			
Issued, subscribed and paid up			
127,725,000 ordinary shares of Rupees 5/- each fully paid in cash		638,625,000	638,625,000
282,106,785 (2023: 85,714,285) ordinary shares of Rupees 5/- each issued against director's loan	3.2	1,410,533,925	428,571,425
2,275,000 ordinary shares of Rupees 5/- each issued as fully paid bonus shares.		11,375,000	11,375,000
		<u>2,060,533,925</u>	<u>1,078,571,425</u>
3.1 Reconciliation of number of shares			
Number of shares at 1 July		215,714,285	215,714,285
Shares issued against directors loan		196,392,500	-
Number of shares at 30 June		<u>412,106,785</u>	<u>215,714,285</u>

3.2 During the year, the company issued shares of Rupees 981,962,500 against a loan, of which 297,742,500 pertains to subordinated loans, and 684,219,552 pertains to free loans as follows:

Name	Relationship	Free Loan	Sub Ordinated loan	Total
KHAWAJA MUHAMMAD NADEEM	Relative of director	2,086,000	18,495,000	20,581,000
KHAWAJA MUHAMMAD NAVEED	CEO	558,795,060	260,752,500	819,547,560
KHAWAJA SHAHZAD YOUNAS	Relative of director	5,830,000	-	5,830,000
KHAWAJA MOHAMMAD HAMZA YOUS	Directors	117,508,492	18,495,000	136,003,492
		<u>684,219,552</u>	<u>297,742,500</u>	<u>981,962,052</u>

4 RESERVES			
Accumulated (loss)		(3,446,621,558)	(3,132,217,814)
Share Premium	4.1	171,428,570	171,428,570
Cash dividend		(12,612,848)	(12,612,848)
Unrealized (loss) on long term investments		(802,079)	(802,079)
Actuarial re-measurement-experience adjustments		(6,545,960)	(8,973,433)
Revaluation Surplus On PPE	4.2 & 4.3	1,797,379,209	1,840,155,759
		<u>(1,497,774,665)</u>	<u>(1,143,021,845)</u>

- 4.1** This reserve can be utilized by the company only for the purposes specified in section 81 of the Companies Act 2017.
- 4.2** This surplus is not available for distribution to member as per companies Act 2017

	Note	2024 (Rupees)	2023 (Rupees)
4.3 SURPLUS ON REVALUATION OF FIXED ASSETS			
Revaluation surplus net of deferred tax opening		2,189,597,998	2,189,597,998
Revaluation surplus realized during the year		(60,248,662)	-
		<u>2,129,349,336</u>	<u>2,189,597,998</u>
Deferred tax relating to surplus opening		349,442,239	349,442,239
Deferred tax realized on incremental depreciation		(17,472,112)	-
		<u>331,970,127</u>	<u>349,442,239</u>
Net surplus		<u>1,797,379,209</u>	<u>1,840,155,759</u>

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

The latest revaluation of property, plant and equipment was carried out on June 30, 2023 by independent valuer M/s Diamond Surveyors Pakistan (Private) Limited using market based approach. The incidence of deferred tax doesn't arise on revaluation of land.

5 LONG TERM LOANS

From directors and relatives

5.1 & 5.2	99,257,500	397,000,000
5.1 & 5.3	456,893,769	914,969,419
	<u>556,151,269</u>	<u>1,311,969,419</u>

From banking companies - secured

Demand finance	5.4	364,705,882	364,705,882
Less:			
Overdue installment		(364,705,882)	(364,705,882)
Current portion		-	-
	10	<u>(364,705,882)</u>	<u>(364,705,882)</u>
		-	-
		<u>556,151,269</u>	<u>1,311,969,419</u>

5.1 The directors and their relatives have injected unsecured and interest free loans for the repayment of the liabilities of the banks, working capital and BMR of the Company. The directors of the company and their relatives have confirmed that they would not demand repayment of loan for a period of 12 months of the statement of financial position date. Hence the loan has been classified as long term liability.

5.2 This loan is sub-ordinate to the finance facilities together with mark up, additional mark, damages, liquidated damages, costs, charges, fees costs of funds, commissions and expenses thereon or related thereto to the extent provided in the sub-ordinate agreements.

5.3 This loan is not sub-ordinate to any finance facility.

5.4 This loan is secured by a first pari passu charge with 25% margin fixed assets of unit-3 of the company. It carries mark up based on six months KIBOR plus 2.75%. The loan was repayable in 17 equal quarterly installments of Rs.23.53 million each commencing from December, 2015 and ending on December 2019.

6 DEFERRED LIABILITIES	Note	2024 (Rupees)	2023 (Rupees)
Gratuity	6.1	30,810,537	30,597,599
Deferred tax liability	6.2	-	-
		<u>30,810,537</u>	<u>30,597,599</u>

Company operates unfunded gratuity scheme for its employees that pays a lump sum gratuity to members on leaving company's service after completion of one year of continuous service. The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method based on below mentioned significant assumptions used for valuation of this scheme. The latest actuarial valuation was carried out by M/S Nauman Associates as on June 30, 2024

The main risk of Gratuity Benefit Scheme is that the accrued benefits may not be paid when they fall due.

The Gratuity benefit scheme is a defined benefit.

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• **Interest rate Risk-** The present value of defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on Government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.

• **Salary risk-** The present value of the defined benefit liability is calculated by reference to the future salaries of Plan Participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.

• **Withdrawal Rate Risk-** The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase/ decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

• **Mortality rate risk-** The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase/decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

6.1 Staff Gratuity-Defined Benefit Plan

The amounts recognized in financial statements are determined as follows :-

	Note	2024 (Rupees)	2023 (Rupees)
6.1.1 Movement in liability recognized in the statement of financial position			
At the beginning of the year		30,597,599	48,292,487
Amount recognized during year - as shown above		3,593,536	4,549,212
Experience adjustment		(2,427,473)	48,514
Benefit payments		(953,125)	(22,292,614)
		<u>30,810,537</u>	<u>30,597,599</u>
6.1.2 Expense charged to statement of profit or loss			
Current service cost		983,065	746,709
Interest cost		2,610,471	3,802,503
		<u>3,593,536</u>	<u>4,549,212</u>
	Note	2024 (Rupees)	2023 (Rupees)
6.1.3 Allocation of charge for the year			
Cost of sales	22	-	3,096,842
Administrative expenses	24	3,593,536	1,452,370
		<u>3,593,536</u>	<u>4,549,212</u>

6.1.4 The principal actuarial assumptions used were as follows

Discount rate	14.75%	13.25%
Expected rate of increase in salary	13.75%	12.25%
Average expected remaining working life of employees	-	8 years
Average duration of liability	5 years	8 years

The mortality rate used for an active employees are based on SLIC(2001-05) mortality table

6.1.5 Sensitivity analysis as at 30.06.2024

	Discount Rate + 1%	Discount Rate - 1%	Salary Increase + 1%	Salary Increase - 1%
PVDBO	16,333,572	18,209,350	18,218,767.0	16,309,843

Sensitivity analysis as at 30.06.2023

	Discount Rate + 1%	Discount Rate - 1%	Salary Increase + 1%	Salary Increase - 1%
PVDBO	15,133,613	17,052,892	17,052,515	15,133,427

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	Note	2024 (Rupees)	2023 (Rupees)
6.2 Deferred tax			
On temporary differences arising on:			
Property, plant and equipment		324,994,856	324,395,710
Surplus on revaluation on fixed assets		331,970,127	349,442,239
Gratuity		(8,935,056)	(8,873,304)
Tax losses and credits		(573,604,434)	(554,418,618)
Impairment		(74,425,493)	(110,546,027)
Deferred Tax (Asset) / Liability		-	-

6.2.1 Due to year over year tax losses, the company is only recognizing deferred tax asset to the extent of available taxable temporary differences from previous years. The excess deferred tax asset amounting to Rs. 70,918,099 (2023: 237,270,247) from tax losses and credits has not been recognized.

6.2.2 Business Losses and tax credits will expire as follows:

Year of Expiry	Business Losses (Rupees)	Minimum Tax (Rupees)
2030	344,711,607	-
2029	187,213,770	-
2028	316,999,114	-
2027	157,082,043	32,882,338
2026	122,544,713	43,549,068
2025	209,897,318	24,944,735

6.2.3

	30-6-2022	Statement of Profit and loss	STATEMENT OF OTHER COMPREHENSIVE INCOME	30-06-2023	Statement of Profit and loss	STATEMENT OF OTHER COMPREHENSIVE INCOME	Equity	30-6-2024
On temporary differences arising on:								
Property, plant and equipment	350,053,018	(25,657,309)		324,395,710	599,146	-	-	324,994,856
Surplus on revaluation on fixed assets	-		349,442,239	349,442,239	-	-	(17,472,112)	331,970,127
Gratuity	(14,004,821)	5,131,517		(8,873,304)	(61,752)	-	-	(8,935,056)
Tax losses and credits	(336,048,197)	(218,370,421)		(554,418,618)	(19,185,816)			(573,604,434)
Impairment		(110,546,027)		(110,546,027)	36,120,534			(74,425,493)
Deferred Tax (Asset) / Liability	-	(349,442,239)	349,442,239	-	17,472,112	-	(17,472,112)	-

	Note	2024 (Rupees)	2023 (Rupees)
7 TRADE AND OTHER PAYABLES			
Un-secured:			
Creditors		221,638,962	448,606,240
Accrued expenses		77,775,499	123,103,933
Sales tax payable		83,633,881	41,384,612
Payable to employees		451,533	451,533
Workers' profit participation fund	7.1	151,647,711	128,515,011
		535,147,587	742,061,329
7.1 Workers' profit participation fund			
Opening balance		128,533,011	108,598,116
Interest recognized during the year	7.1.1	23,132,700	19,934,895
		151,665,711	128,533,011

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

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	Note	2024 (Rupees)	2023 (Rupees)
8 ACCRUED INTEREST ON LOANS AND BORROWINGS			
Accrued interest / mark up on:			
Long term loans (Secured)		103,765,431	103,765,431
Short term finances (Secured)		368,112,508	368,112,508
		471,877,939	471,877,939
9 SHORT-TERM BORROWINGS			
Banking companies - Secured			
Running finance	9.1/9.2	168,248,211	168,248,211
Others	9.1	1,010,530,280	1,010,530,280
Export finance	9.1	284,364,481	284,364,481
		1,463,142,972	1,463,142,972

9.1

NATURE OF FACILITY	LIMIT	MARK UP / COMMISSION	Expiry	Security
Running Finance	169,452,613	3 Months KIBOR plus 2.00 % to 2.50%	Ranges from 9/30/2016 to 12/31/2016	PP charge on Current Assets of the company and Personal Guarantee of the Sponsoring Directors of the Company.
Others	1,150,000,000	3 Months KIBOR plus 2.00 % to 3.50%		Pledge of stock of raw material and finished goods under the supervision and control of Bank Mucaddam. Personal Guarantee of the Sponsoring Directors of the Company.
Export Finance	285,000,000	3 Months KIBOR plus 2.00 % to 3.50%		Lien on contract / export documents. 1st PP Charged over Fixed Assets of Company . Personal Guarantees of the Sponsoring Directors of the Company

9.2 In October 2017, SNGPL encashed bank guarantee amounting to Rs. 32,725,004/- against detection bill of the company. After adjusting for guarantee margin of Rs. 5,272,391/-, balance amount of Rs. 27,452,613/- was added to the running finance.

	Note	2024 (Rupees)	2023 (Rupees)
10 CURRENT PORTION OF LONG TERM LOAN			
Long term loans	5	364,705,882	364,705,882
		364,705,882	364,705,882
11 SUPPLIER'S CREDIT-UNSECURED			
Loan for machinery - Overdue installments	11.1	264,455,108	253,371,914
		264,455,108	253,371,914

11.1 This loan is unsecured and interest free. This loan is repayable in 6 equal half year installments of Rs. 25.761 million (Euro 221,486.69) each commencing from August 2014 and ending on August, 2017 with 15% payment at the time of presentation of shipping documents of machinery.

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12 CONTINGENCIES AND COMMITMENTS

12.1 CONTINGENCIES

- 12.1.1 There are pending litigations against the company by various banks/financial institutions before Lahore High Court wherein they claimed recovery of Rs 1,948.923 million (2023: Rs. 1,948.923 million) inclusive of principal, markups and other claims. These cases are being vigorously and diligently contested by the company and there are good chances of a favorable result. Related provisions amounting to Rs 2,299.726 million (2023: Rs 2,299.726 million) in respect of principal and markups has been made in these accounts.
- 12.1.2 During the year 2023, the buildings of unit 1 & 2 were demolished along with related infrastructure. The plant and machinery of unit 1 & 2 were shifted to unit 3 along with stock in trade. Due to pending litigation with financial institutions the related amendment in charges have not been made.

13 PROPERTY, PLANT AND EQUIPMENT	Note	2024 (Rupees)	2023 (Rupees)
Fixed assets:			
Owned assets	13.1	3,475,084,383	3,608,194,635
		3,475,084,383	3,608,194,635

13.1 PROPERTY AND EQUIPMENT

	COST										Total
	Land (Freehold)	Building (Freehold)	Plant and Machinery	Tube Wells	Electric Installation	Tools and Equipment	Telephone Installation	Office Equipment	Furniture and Fixture	Vehicles	
(Rupees)											
Year ended June 30, 2023											
Opening net book amount	11,675,239	262,603,171	1,205,040,852	112,144	19,138,500	139,323	64,036	4,974,915	1,248,553	7,238,658	1,512,275,387
Additions										8,860,000	8,860,000
Revaluation Surplus	984,624,763	676,955,808	528,017,433								2,189,597,998
Disposal/Deficit										(13,945,619)	(13,945,619)
Impairment		(9,302,083)		(100,926)	(9,634,828)	(37,501)	(37,988)	(4,428,095)	(271,623)		(13,809,046)
Depreciation charge	(13,130,154)		(60,254,051)	(11,218)	(1,913,843)	(13,934)	(6,403)	(497,492)	(124,865)	(2,776,748)	(78,728,704)
Adjustment/Transfer from leased asset										13,944,618	13,944,618
Transfer	996,300,000	917,120,735	1,672,844,234	-	7,599,829	87,887	19,645	49,328	852,069	13,320,904	3,608,194,635
At June 30, 2023											
Cost	996,300,000	1,215,496,874	3,325,316,830	-	44,110,249	2,370,645	433,215	3,336,512	6,174,643	55,378,839	5,843,812,801
Accumulated depreciation	-	288,376,136	1,852,472,596	-	36,510,414	2,282,758	413,570	3,787,184	5,823,524	42,057,935	2,241,223,167
Net book amount	996,300,000	917,120,735	1,672,844,234	-	7,599,829	87,887	19,645	49,328	852,069	13,320,904	3,608,194,635
Year ended June 30, 2024											
Opening net book amount	996,300,000	917,120,735	1,672,844,234	-	7,599,829	87,887	19,645	49,328	852,069	13,320,904	3,608,194,635
Additions											
Revaluation Surplus											
Disposal/Deficit										(5,605,000)	(5,605,000)
Impairment											
Depreciation charge	(45,856,040)		(83,642,164)	-	(756,984)	(8,788)	(1,964)	(1,933)	(85,207)	(2,227,577)	(132,566,657)
Adjustment/Transfer from leased asset										5,081,406	5,081,406
Transfer											
Closing net book amount	950,443,960	871,264,698	1,589,202,070	-	6,839,845	79,099	17,681	44,395	766,862	10,569,733	3,475,084,383
At June 30, 2024											
Cost	950,443,960	1,215,496,874	3,325,316,830	-	44,110,249	2,370,645	433,215	3,336,512	6,174,643	49,378,839	5,843,812,801
Accumulated depreciation	-	344,232,176	1,936,114,760	-	37,270,828	2,291,546	415,534	3,792,117	5,407,781	39,204,106	2,368,728,416
Net book amount	950,443,960	871,264,698	1,589,202,070	-	6,839,845	79,099	17,681	44,395	766,862	10,569,733	3,475,084,383
Rate of depreciation in %		5	5	10	10	10	10	10	10	10	20

13.1.1 PARTICULARS OF IMMOVABLE PROPERTIES

Manufacturing Units	Address	Area of Land (Kanals)	Covered Area (sq foot)
Unit 1/2	Ameenabad 8 Km Pindi Road, Chakwal.	385.55	-
Unit 3	8 Km Bhoun road Chakwal	244.00	372,236

13.2 Allocation of Depreciation

Administration Expense	132,566,657
Cost of sales	-

13.2 Freehold land, building and plant and machinery are stated at revalued amounts. Forced sale value of land, building and plant and machinery was Rs. 896,670,000/-, 1,450,485,000/- and 414,498,420 respectively as on the date of revaluation. Had there been no revaluation, related figures of these assets as at June 30, 2024 would have been as follows:

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	Cost	Accumulated depreciation Rupees	Written down value
Freehold land	11,675,239	-	11,675,239
Freehold building	603,599,123	375,442,436	228,156,687
Plant and machinery	2,997,299,397	1,909,713,936	1,087,585,461
As at 2024	3,612,573,759	2,285,156,372	1,327,417,388
As at 2023	3,612,573,759	2,215,906,785	1,396,666,974
		2024	2023
	Note	(Rupees)	(Rupees)
14 LONG-TERM DEPOSITS			
Security deposits:			
Utilities	14.1	44,071,312	44,071,312
Others		150,000	150,000
		44,221,312	44,221,312
14.1			
In October 2017, SNGPL encashed bank guarantee amounting to Rs. 32,725,004/- against detection bill of the company of Rs. 35,164,844. The company filed a complaint to OGRA relating to the encashment in which OGRA decided that detection charges and late payment charges shall be set aside and the amount of encashed bank guarantee will be treated as cash security with SNGPL after adjusting outstanding dues of Rs. 3,961,034.			
	Note	2024	2023
		(Rupees)	(Rupees)
15 LONG TERM INVESTMENTS			
At fair value through other comprehensive income - Quoted			
* First Prudential Modaraba 102,666 modaraba certificates of Rupees 10 each.		197,921	197,921
16 STORES AND SPARES			
Stores		7,212,319	7,212,319
Spares		5,725,614	5,725,614
		12,937,933	12,937,933
17 STOCK-IN-TRADE			
Raw material	17.1 & 17.2	719,225,138	1,025,840,468
Finished goods	17.1	71,447,356	71,447,356
Waste		-	3,188,746
Provision for impairment	26	(203,153,758)	(306,615,276)
		587,518,736	793,861,294
17.1			
This include raw material and finished goods amounting Rs.247 Million (2023: 247 Million) pledged against cash finance facility.			
17.2			
During the year raw materials have been written off by Rs. 306,615,276 to nil.			
17.3			
During the year waste material have been written down by Rs. 3,188,746 to nil net realizable value.			
	Note	2024	2023
		(Rupees)	(Rupees)
18 TRADE DEBTORS - CONSIDERED GOOD			
Local - Unsecured		166,071,632	170,186,874
Allowance for expected credit loss	18.1	(53,485,872)	(51,091,750)
		112,585,760	119,095,124

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	Note	2024 (Rupees)	2023 (Rupees)
18.1 Allowance for expected credit loss			
Opening balance		51,091,750	322,874
Less: Written off		-	-
Add: Charge during the year		2,394,122	50,768,876
Closing balance		<u>53,485,872</u>	<u>51,091,750</u>
19 SHORT TERM ADVANCES			
Advances to suppliers - considered good			
Suppliers		120,400	1,727,195
Advances to employees - considered good			
Executive		7,411,680	6,362,000
Non-executive		6,315,448	6,800,925
		<u>13,847,528</u>	<u>13,162,925</u>
20 CASH AND BANK BALANCES			
Cash in hand		71,600	-
Cash at bank:			
In current accounts		968,018	841,141
In saving accounts	20.1	51,650	5,329
		<u>1,091,267</u>	<u>846,470</u>
20.1 Saving account carries interest @ 20.5% p.a (2023: 25.35% p.a)			
21 SALES			
Local			
Yarn		-	119,225,893
Waste		-	2,910,572
Coal		-	12,980,590
Less: Sales tax		-	(19,681,663)
		-	<u>115,435,392</u>
22 COST OF SALES			
Raw material consumed	22.1	-	62,853,160
Salaries, wages and benefits	22.2	-	70,625,423
Fuel and power		-	57,757,074
Insurance		-	4,661,067
Packing material		-	2,133,099
Repairs and maintenance		-	712,218
Stores and spares consumed		-	2,363,366
Vehicle running and maintenance		-	1,653,425
Communication		-	368,680
Travelling and Conveyance		-	317,370
Miscellaneous		-	1,569,890
Depreciation	13.2	-	75,951,957
		-	<u>280,966,729</u>
Work-in-process			
Opening		-	23,599,059
Closing		-	-
Cost of goods manufactured		-	<u>304,565,788</u>
Finished goods and waste			
Opening stock		74,636,102	58,106,713
Impairment	26	(3,188,746)	-
Closing stock		<u>(71,447,356)</u>	<u>(74,636,102)</u>
		-	<u>288,036,399</u>

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	Note	2024 (Rupees)	2023 (Rupees)
22.1 RAW MATERIAL CONSUMED			
Opening stock		1,025,840,468	936,297,081
Purchases		-	152,709,594
		<u>1,025,840,468</u>	<u>1,089,006,675</u>
Cost of raw material sold			(313,047)
		<u>1,025,840,468</u>	<u>1,088,693,628</u>
Provision written off		(306,615,330)	
Closing stock		(719,225,138)	(1,025,840,468)
		<u>-</u>	<u>62,853,160</u>

22.2 It includes Rs. nil (2023: Rs. 3,096,842) in respect of gratuity.

	Note	2024 (Rupees)	2023 (Rupees)
24 ADMINISTRATIVE			
Salaries, wages and benefits	24.1	16,105,070	37,860,936
Travelling and conveyance		343,690	684,790
Rent, rates and taxes		123,360	699,782
Printing and stationery		181,860	151,515
Communications		1,074,461	1,242,913
Entertainment		1,268,222	1,023,740
Electricity and gas		1,995,068	9,517,822
Vehicles running		970,707	15,416,219
Fee and subscription		9,506,531	2,881,058
Legal and Professional		3,815,000	3,355,000
Repairs and maintenance		687,580	849,436
Miscellaneous		2,035,902	8,894,365
Depreciation	13.2	132,586,657	1,315,517
Donations	24.2	-	75,000
		<u>170,694,108</u>	<u>83,968,093</u>

24.1 It includes Rs. 3,593,536 (2023: Rs.4,549,912) in respect of gratuity.

24.2 None of the directors or their spouses had any interest in any of the donees.

25 FINANCE COST

Interest / mark-up on:

Bank charges and commissions
Workers profit participation fund

Bank charges and commissions	136,908	541,128
Workers profit participation fund	23,132,700	19,916,895
	<u>23,269,608</u>	<u>20,458,023</u>

26 OTHER OPERATING EXPENSES

Auditors' remuneration	26.1	875,000	875,000
Exchange loss		11,083,194	78,175,943
Expected credit loss		2,394,122	50,768,876
Impairment Loss	22 & 17	206,342,558	330,424,320
		<u>220,694,874</u>	<u>460,244,140</u>

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	Note	2024 (Rupees)	2023 (Rupees)
26.1 Auditors' remuneration			
Statutory audit		700,000	700,000
Half yearly review and review of code of corporate governance		175,000	175,000
		<u>875,000</u>	<u>875,000</u>
27 OTHER OPERATING INCOME			
Income from non financial assets:			
Gain on sale of fixed asset		6,148,756	12,324,769
Gain on sale of raw material		-	53,220
Rental income		30,000,000	-
Interest income		40,853	-
		<u>36,189,609</u>	<u>12,377,989</u>
28 TAX PAYABLE/ (REFUNDABLE)			
Levies	28.1	-	1,442,942
withholding adjusted against levies		-	(1,442,942)
		-	-
Tax			
Opening balance		19,053,059	21,288,688
Current year	28.2	-	-
Prior year		(21,288,688)	-
		(21,288,688)	-
Less: Paid / adjusted		(1,245,200)	(2,235,629)
		<u>(3,480,829)</u>	<u>19,053,059</u>

28.1 This represents portion of the minimum tax chargeable under Income Tax Ordinance, 2001.

28.2 This represents liability provided under Section 113 of the Income Tax Ordinance, 2001 on the basis of gross turnover from all sources.

28.3 The income tax assessment of the company has been finalized up to and including tax year 2023 by deeming provisions of Income Tax Ordinance, 2001.

28.4 No numeric tax rate reconciliation is presented in these financial statements as the Company is liable to pay minimum tax under Section 113 of the Income Tax Ordinance, 2001.

	Note	2024 (Rupees)	2023 (Rupees)
29 (LOSS) PER SHARE - Basic			
(Loss) after taxation		(374,652,406)	(376,893,977)
Weighted average number of ordinary shares		412,106,785	412,106,785
(Loss) per share - Basic	29.1	(0.91)	(0.91)

29.1 Diluted earning per share

There is no dilution effect on the basic earning per share of the Company as the company has no such commitments.

KOHINOOR SPINNING MILLS LIMITED
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	Note	2024 (Rupees)	2023 (Rupees)
30 CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		(378,468,982)	(724,893,273)
Adjustments of non cash charges and other items			
Depreciation		132,586,657	78,728,704
Gratuity		3,593,536	4,549,212
Expected credit loss		2,394,122	50,768,876
Gain on sale of fixed assets		(6,148,756)	(12,324,769)
Finance cost		23,269,608	20,458,023
Exchange loss/(gain)		11,083,194	78,175,943
Impairment Loss		206,342,558	330,424,320
Operating cash flows before working capital changes		(5,348,062)	(174,112,964)
(Increase)/decrease in current assets			
Stores and spares		-	4,303,519
Stock-in-trade		-	(82,473,717)
Trade debts		4,115,242	222,372,227
Loan and advances		(684,604)	31,392,676
		3,430,638	175,594,705
(Decrease)/increase in current liabilities			
Trade and other payables		(228,319,245)	(323,003,406)
		(230,236,669)	(321,521,665)

30.1 Reconciliation of movement of liabilities to cash flows arising from financing activities:

2024

	Liabilities from financing activities				TOTAL
	Long term loans (Directors)	Short term borrowings	Finance Lease	Supplier's Credit	
	Rupees				
Balance at 1 July, 2023	1,311,969,419	1,463,142,972	-	253,371,914	3,028,484,305
Long term loan obtained	226,144,350	-	-	-	226,144,350
Shares issued against loan	(981,962,500)	-	-	-	(981,962,500)
Exchange loss	-	-	-	11,083,194	11,083,194
Balance at 30 June, 2024	556,151,269	1,463,142,972	-	264,455,108	2,283,749,349

2023

	Liabilities from financing activities				TOTAL
	Long term loans (Directors)	Short term borrowings	Finance Lease	Supplier's Credit	
	Rupees				
Balance at 1 July, 2022	968,254,259	1,463,142,972	-	175,195,971	2,606,593,202
Long term loan obtained	343,715,160	-	-	-	343,715,160
Exchange loss	-	-	-	78,175,943	78,175,943
Balance at 30 June, 2023	1,311,969,419	1,463,142,972	-	253,371,914	3,028,484,305

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31 CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND EXECUTIVES REMUNERATION

	2024 (Rupees)			2023 (Rupees)		
	CHIEF EXECUTIVE	EXECUTIVE DIRECTORS	EXECUTIVES	CHIEF EXECUTIVE	EXECUTIVE DIRECTORS	EXECUTIVES
Remuneration	-	-	2,360,000	4,600,000	1,400,000	12,950,420
House rent	-	-	1,062,000	2,070,000	630,000	5,827,690
Gratuity	-	-	295,000	-	-	1,618,800
Interest on lease rentals	-	-	-	-	-	-
Utilities	-	-	118,000	230,000	70,000	647,520
	-	-	3,835,000	6,900,000	2,100,000	21,044,430
Number of persons	1	1	1	1	1	6

31.1 The Chief Executive Officer and Executive Director have foregone their right to receive remuneration and other related benefits for the year 2023-24

32 TRANSACTIONS WITH RELATED PARTIES

32.1	Name of Related Party	Basis of relationship	Transactions during the year	Percentage of Shareholding
	(Chakwal Spinning Mills)	Common Directorship	No	No

32.1 Transactions with related parties comprise associated undertakings and other related parties through directorship and close family members and relatives of the directors of the company.

Transactions with related parties undertaken during the year were as follows:-

Loam from director

Related Parties	As at 30 June, 2023	Movement During the year			As at 30 June, 2024
		Shares issued	Transfer Out	Transfer In	
KHAWAJA MUHAMMAD JAWED	-	-	-	-	-
KHAWAJA MUHAMMAD JAHANGIR	127,668,518	-	-	-	127,668,518
KHAWAJA MUHAMMAD KALEEM	-	-	-	6,750,000	6,750,000
KHAWAJA MUHAMMAD NADEEM	35,491,499	20,581,000	-	-	14,910,499
KHAWAJA MUHAMMAD NAVEED	960,262,964	819,547,560	-	179,369,000	320,084,404
KHAWAJA MUHAMMAD TANVEER	28,435,000	-	-	23,975,350	52,410,350
KHAWAJA DANISH TANVEER	-	-	-	500,000	500,000
KHAWAJA SHAHZAD YUNAS	5,830,000	5,830,000	-	9,550,000	9,550,000
KHAWAJA MOHAMMAD HAMZA YOUSAF	154,281,438	136,003,940	-	6,000,000	24,277,498
Total	1,311,969,419	981,962,500	-	226,144,350	556,151,269

Related Parties	As at 30 June, 2022	Movement During the year			As at 30 June, 2023
		Transfer Out	Transfer In	Addition	
KHAWAJA MUHAMMAD JAWED	232,355,500	232,355,500	-	-	-
KHAWAJA MUHAMMAD JAHANGIR	41,697,500	-	85,971,018	-	127,668,518
KHAWAJA MUHAMMAD KALEEM	48,696,018	85,971,018	-	37,275,000	-
KHAWAJA MUHAMMAD NADEEM	35,491,499	-	-	-	35,491,499
KHAWAJA MUHAMMAD NAVEED	518,902,304	-	232,355,500	209,005,160	960,262,964
KHAWAJA MUHAMMAD TANVEER	76,603,438	145,603,438	-	97,435,000	28,435,000
KHAWAJA DANISH TANVEER	8,678,000	8,678,000	-	-	-
KHAWAJA SHAHZAD YUNAS	5,830,000	-	-	-	5,830,000
KHAWAJA MOHAMMAD HAMZA YOUSAF	-	-	154,281,438	-	154,281,438
Total	968,254,259	472,607,956	472,607,956	343,715,160	1,311,969,419

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		2024 (Rupees)	2023 (Rupees)
32.1.2	Aggregate maximum balance due at the end of any month during the year.		
	Directors loan	1,538,113,769	1,311,969,419

32.1.3 The company's head office premises is being provided free of cost by the Director of the Company.

33 FINANCIAL RISK MANAGEMENT

33.1 The company has exposures to the following risks from its use of financial instruments:

Market Risk
Credit Risk
Liquidity Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

a) **Market Risk**

i) **Currency Risk**

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

The Company is exposed to currency risk arising from various currency exposures. Primarily with respect to Euros. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. The Company's exposure to currency risk was as follows:

	Note	2024 (Rupees)	2023 (Rupees)
Supplier's credit-EURO		885,947	885,947

The following significant exchange rates were applied during the year.

	2024	2023
Average rate (Rupees per Euro)	N/A	N/A
Reporting date rate (Rupees per Euro)	298.5	285.99

Foreign Exchange Risk Management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However the company is not materially exposed to foreign currency risk on assets and liabilities. As at June 30, 2024, financial liabilities include Rs. 264 million (2023: Rs. 253 million) which are subject to foreign currency risk against Euros.

Foreign Currency Sensitivity Analysis

At June 30, 2024 if the Rupee had weakened / strengthened by 5% against the Euro with all other variables held constant, loss for the year would have been lower / higher by Rs. 13.2 million (2022: Rs. 12.668 million) mainly as a result of foreign exchange gains / losses on translation of foreign currency Euro denominated borrowings.

KOHINOOR SPINNING MILLS LIMITED
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FOR THE YEAR ENDED JUNE 30, 2024

ii) Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is exposed to other price risk only in respect of investment in First Prudential modular certificates amount to Rs. 197,921 (2023: Rs. 197,921).

Sensitivity analysis

At June 30, 2024 if the price had decreased/increased by 5% against with all other variable held constant, loss for the year would have been lower/higher by Rs. 9,876 (2024: Rs.9,876) mainly as a result of price variations.

iii) Interest Rate Risk

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

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from long term financing, lease liabilities and short term borrowings. As the borrowings are obtained at variable rates, these expose the Company to cash flow interest rate risk.

At the statement of financial position date the interest rate profile of the Company's interest bearing financial instruments was:

Note	2024 (Rupees)	2023 (Rupees)
Floating rate instruments		
Financial Liabilities:		
Short term borrowings	1,463,142,972	1,463,142,972
Financial Assets:		
Bank balance - Saving account	51,650	5,329

b) Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:-

Long term deposits	44,221,312	44,221,312
Trade debts	112,585,760	119,095,124
Loans and advances	13,847,528	13,162,925
Bank balance	1,019,667	846,470

The credit risk on liquid funds (cash and bank balances) is limited because the counter parties are banks with a reasonably high credit rating. The names and credit rating of major banks where the Company maintains its bank balances are as follows.

Name of Bank	Rating Agency	Credit Rating		2024	2023
		Short term	Long term		
MCB Bank Limited	PACRA	A1+	AAA	10,203	6,885
Habibmetro Politan Bank Limited	PACRA	A1+	AA+	826,250	826,250
Meezan Bank Limited	VIS	A1+	AAA	0	2,176
Allied Bank Limited	PACRA	A1+	AAA	51,650	5,329
Bank Al Falah Limited	PACRA	A1+	AA+	131,565	2,064
J S Bank Limited	PACRA	A1+	AA-	(1)	3,766
				<u>1,019,667</u>	<u>846,470</u>

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The Company's exposure to credit risk and impairment losses related to trade debts is as follow:

The impairment analysis of trade debts at the reporting date was:

2024		2023	
Gross	Impairment	Gross	Impairment
-----Rupees-----			

Trade Debtors

0-30 days

31-60 days

61-90 days

>90 days

166,071,632	53,485,872	170,186,874	51,091,750
166,071,632	53,485,872	170,186,874	51,091,750

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through working capital and from contribution from sponsors. As at the statement of financial position date, the Company had Rs. 1.09 (2023: 0.84 million) million cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Contractual maturities of financial liabilities as at June 30, 2024:

	Carrying Amount	Contractual cash flows	Less than 1 year	More than 1 year
	Rupees	Rupees	Rupees	Rupees
Gratuity	30,810,537	-	-	30,810,537
Supplier's credit	264,455,108	264,455,108	264,455,108	-
Long-term finances	364,705,882	364,705,882	364,705,882	-
Director's loan	556,151,269	-	-	556,151,269
Trade and other payables	537,062,703	537,062,703	537,062,703	-
Accrued interest	471,877,939	471,877,939	471,877,939	-
Short term finances	1,463,142,972	1,463,142,972	1,463,142,972	-

Contractual maturities of financial liabilities as at June 30, 2023:

	Carrying Amount	Contractual cash flows	Less than 1 year	More than 1 year
	Rupees	Rupees	Rupees	Rupees
Gratuity	30,597,599	-	-	30,597,599
Supplier's credit	253,371,914	253,371,914	253,371,914	-
Long-term finances	364,705,882	364,705,882	364,705,882	-
Director's loan	1,311,969,419	-	-	1,311,969,419
Trade and other payables	743,524,913	743,524,913	743,524,913	-
Accrued interest	471,877,939	471,877,939	471,877,939	-
Short term finances	1,463,142,972	1,463,142,972	1,463,142,972	-

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

KOHINOOR SPINNING MILLS LIMITED
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33.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Financial assets as per statement of financial position

	At amortized cost		Fair value through profit or loss		Fair value through other comprehensive income	
	2024	2023	2024	2023	2024	2023
	Rupees					
Long term deposits	44,221,312	44,221,312	-	-	-	-
Long term investments	-	-	-	-	197,921	197,921
Trade debts	112,585,760	119,095,124	-	-	-	-
Loans and advances	13,727,128	13,162,925	-	-	-	-
Cash and bank balances	1,091,267	846,470	-	-	-	-
	<u>171,625,467</u>	<u>177,325,831</u>	-	-	<u>197,921</u>	<u>197,921</u>

Financial liabilities as per statement of financial position

	At amortized cost		Fair value through profit or loss	
	2024	2023	2024	2023
Long term finance	364,705,882	364,705,882	-	-
Supplier's credit	264,455,108	253,371,914	-	-
Trade and other payable	534,696,054	741,609,796	-	-
Accrued interest on loans and borrowings	471,877,939	471,877,939	-	-
Short term borrowings	1,463,142,972	1,463,142,972	-	-
	<u>3,098,877,955</u>	<u>3,294,708,503</u>	-	-

33.3 Capital Risk Management

The Company's prime object when managing capital to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	Note	2024 (Rupees)	2023 (Rupees)
Total borrowings		<u>2,648,455,231</u>	3,393,190,187
Less: Cash and bank balances		<u>1,091,267</u>	846,470
Net debt		<u>2,647,363,963</u>	3,392,343,717
Total equity		<u>562,759,260</u>	(153,869,067)
Total capital employed		<u>3,210,123,223</u>	<u>3,238,474,650</u>
Gearing ratio		0.8	1.05

34 RECOGNIZED FAIR VALUE MEASUREMENT

(i) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

(ii) Fair value hierarchy

Judgments and estimates are made for financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial assets into the following three levels.

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As at June 30, 2024	Level 1	Level 2	Level 3	Total
	Rupees.....		
Property, plant & equipment		2,189,597,998		2,189,597,998
Modaraba Certificate:	197,921			197,921
Total	197,921	# 2,189,597,998	-	# 2,189,795,919

2023	Level 1	Level 2	Level 3	Total
	Rupees.....		
Property, plant & equipment		2,189,597,998		2,189,597,998
Modaraba Certificate:	197,921			197,921

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

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

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

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

There was no transfer between any level during the year.

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

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

(iv) Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's items of property, plant and equipment carried at revalued amounts. As at 30 June 2023, the fair values of the items of property, plant and equipment were determined by Messer's Diamond Surveyors Pakistan (Private) Limited, the approved valuer.

KOHINOOR SPINNING MILLS LIMITED
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	2024 (Rupees)	2023 (Rupees)
35 PLANT CAPACITY AND PRODUCTION		
Number of spindles installed	78,492	78,492
Installed capacity in 20's count based on triple shift for 365 (2023 - 365) days (kgs) - Approximately	35,331,147	35,331,147
Actual production after conversion into 20's count (kgs)	-	498,659

As the Company's production facilities are suspended, no production took place during the year under review. The conversion into 20's count depicts the approximate efficiency as it fluctuates with changes in count of yarn spun and count mix in a particular period.

Under utilization of available capacity was due to normal maintenance power outages and time cost in shifting of counts together with decrease in sales.

	<u>2024</u>	<u>2023</u>
36 NUMBER OF EMPLOYEES		
Average during the year	18	380
As at 30 June	18	18

37 OPERATING SEGMENT

- These financial statements have been prepared on the basis of single reportable segment.
- Yarn sales represent nil% (2023: 86%) of the total sales of the Company.
- Nil (2023: 100%) of the Company's sales relate to customers in Pakistan.
- All non-current assets of the Company as at June 30, 2024 are located in Pakistan.
- The Company have nil (2023: Two) major customers having sales of ten percent or more during the year.

38 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on October 07, 2024 by the Board of Directors of the Company.

39 RE-ARRANGEMENTS

The following rearrangements were made owing to change in accounting policy of recognizing minimum and final taxes as levy instead of current tax under the guidance for taxes issued by ICAP as per IAS 8 resulting in disclosing minimum taxes as levies without any restatement effect in prior years due to immaterial impact, also deferred tax for better presentation.

	This year disclosed as	Last year shown in
39.1 Current tax (2023: Rs 1,442,942)	Levies	Current Tax
39.2 Deferred tax income (2023: Rs. 349,442,239)	Profit or loss	Other comprehensive income
Provision for taxation	Tax payable/(refundable)	Provision for taxation

40 GENERAL

Figures have been rounded off to the nearest rupees.



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company

KOHINOOR SPINNING MILLS LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2024

2.2 No. of Sharehold	-----Shareholdings-----		Total Shares Held
	From	To	
284	1	100	7,116
521	101	500	233,831
577	501	1,000	558,755
1492	1,001	5,000	4,720,602
757	5,001	10,000	6,460,075
330	10,001	15,000	4,394,863
255	15,001	20,000	4,823,652
215	20,001	25,000	5,153,920
127	25,001	30,000	3,641,141
72	30,001	35,000	2,408,068
89	35,001	40,000	3,444,918
56	40,001	45,000	2,436,050
163	45,001	50,000	8,091,413
34	50,001	55,000	1,811,551
54	55,001	60,000	3,186,106
21	60,001	65,000	1,334,773
37	65,001	70,000	2,540,519
37	70,001	75,000	2,742,118
22	75,001	80,000	1,739,001
16	80,001	85,000	1,326,503
20	85,001	90,000	1,775,833
10	90,001	95,000	935,000
124	95,001	100,000	12,369,600
15	100,001	105,000	1,541,494
15	105,001	110,000	1,618,500
5	110,001	115,000	565,800
8	115,001	120,000	954,423
13	120,001	125,000	1,615,788
9	125,001	130,000	1,166,500
5	130,001	135,000	670,000
7	135,001	140,000	974,510
6	140,001	145,000	861,500
18	145,001	150,000	2,686,700
1	150,001	155,000	150,500
10	155,001	160,000	1,585,400
4	160,001	165,000	657,050
5	165,001	170,000	841,500
6	170,001	175,000	1,045,000
4	175,001	180,000	716,600
6	180,001	185,000	1,099,500
3	185,001	190,000	562,005
4	190,001	195,000	779,000
40	195,001	200,000	7,993,500
4	200,001	205,000	810,619
4	205,001	210,000	834,500
1	210,001	215,000	215,000

1	215,001	220,000	216,000
5	220,001	225,000	1,122,000
3	225,001	230,000	684,500
5	230,001	235,000	1,171,510
2	235,001	240,000	477,000
2	240,001	245,000	484,000
14	245,001	250,000	3,486,745
2	250,001	255,000	503,010
3	260,001	265,000	782,500
3	275,001	280,000	830,599
1	285,001	290,000	290,000
13	295,001	300,000	3,900,000
1	305,001	310,000	307,000
1	315,001	320,000	319,900
1	325,001	330,000	330,000
2	345,001	350,000	700,000
3	355,001	360,000	1,074,855
2	365,001	370,000	739,500
2	370,001	375,000	748,000
1	380,001	385,000	385,000
4	395,001	400,000	1,597,000
1	405,001	410,000	407,000
1	410,001	415,000	410,640
2	415,001	420,000	836,371
1	420,001	425,000	423,500
1	425,001	430,000	430,000
3	435,001	440,000	1,317,675
1	440,001	445,000	442,000
4	445,001	450,000	1,793,500
1	450,001	455,000	455,000
1	455,001	460,000	459,500
1	480,001	485,000	485,000
14	495,001	500,000	6,994,500
2	500,001	505,000	1,003,827
1	510,001	515,000	514,500
2	515,001	520,000	1,040,000
1	530,001	535,000	534,000
1	535,001	540,000	540,000
1	545,001	550,000	550,000
2	555,001	560,000	1,114,200
1	570,001	575,000	571,000
2	580,001	585,000	1,168,500
4	595,001	600,000	2,400,000
1	610,001	615,000	615,000
1	645,001	650,000	650,000
1	650,001	655,000	653,000
2	670,001	675,000	1,348,500
1	700,001	705,000	704,000
1	735,001	740,000	736,000
1	750,001	755,000	754,000
1	775,001	780,000	780,000
1	845,001	850,000	848,283
1	905,001	910,000	905,945
2	945,001	950,000	1,897,000
1	965,001	970,000	970,000
1	980,001	985,000	985,000
6	995,001	1,000,000	6,000,000
2	1,005,001	1,010,000	2,013,500

1	1,070,001	1,075,000	1,073,000
2	1,095,001	1,100,000	2,200,000
1	1,165,001	1,170,000	1,166,000
1	1,270,001	1,275,000	1,275,000
1	1,445,001	1,450,000	1,448,800
1	1,495,001	1,500,000	1,500,000
1	1,520,001	1,525,000	1,525,000
1	1,565,001	1,570,000	1,568,500
1	1,655,001	1,660,000	1,660,000
1	1,695,001	1,700,000	1,700,000
1	1,825,001	1,830,000	1,826,550
1	1,995,001	2,000,000	2,000,000
1	2,160,001	2,165,000	2,165,000
1	2,435,001	2,440,000	2,437,500
1	2,660,001	2,665,000	2,665,000
1	4,115,001	4,120,000	4,116,200
1	20,685,001	20,690,000	20,689,078
1	27,200,001	27,205,000	27,200,788
1	163,905,001	163,910,000	163,909,512

5668

412,106,785

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	193,131,754	46.8645
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	-
2.3.3 NIT and ICP	506,613	0.1229
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	5,539	0.0013
2.3.5 Insurance Companies	53,100	0.0129
2.3.6 Modarabas and Mutual Funds	257,000	0.0624
2.3.7 Shareholders holding 10% or more	191,144,900	46.3824
2.3.8 General Public		
a. Local	185,278,075	44.9588
b. Foreign	65,000	0.0158
2.3.9 Others (to be specified)		
- Joint Stock Companies	32,647,805	7.9222
- Foreign Companies	14,900	0.0036
- Pension Funds	55,067	0.0134
- Others	91,932	0.0223

KOHINOOR SPINNING MILLS LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2024

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail)

Mutual Funds (Name Wise Detail)

1	GOLDEN ARROW SELECTED STOCK FUND	500	0.0001
2	PRUDENTIAL STOCK FUND LTD. (CDC)	6,000	0.0015
3	PRUDENTIAL STOCKS FUND LTD (03360) (CDC)	50,000	0.0121
4	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND (CDC)	200,000	0.0485

Directors and their Spouse and Minor Children (Name Wise Detail):

1	KHAWAJA MOHAMMAD JAHANGIR (CDC)	181,500	0.0440
2	KHAWAJA MOHAMMAD KALEEM	1,803,854	0.4377
3	MR. MOHAMMAD NAVEED	163,942,612	39.7816
4	MR. MOHAMMAD HAMZA YOUSAF	27,202,288	6.6008
5	MR. FAISAL QAIYUM	500	0.0001
6	MRS. AQSA JAHANGIR	500	0.0001
7	MR. ABBAS ALI	500	0.0001

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

114,206 0.0277

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	Name	Holding	%Age
1	MR. MOHAMMAD NAVEED (CDC)	163,942,612	39.7816
2	MR. MOHAMMAD HAMZA YOUSAF (CDC)	27,202,288	6.6008
3	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	20,689,078	5.0203

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S. No.	Name	Share Issue against Loan	Purchase	Sales/Gift
1	MOHAMMAD NAVEED	163,909,512	8,212,500	58,972,428
2	KHAWAJA MOHAMMAD KALEEM	-	-	42,285,714
3	MOHAMMAD HAMZA YOUSAF	27,200,788	1,705,500	3,204,500
4	ABBAS ALI	-	500	-
5	KHAWAJA MUHAMMAD TANVEER	-	-	500

Form of Proxy - Annual General Meeting

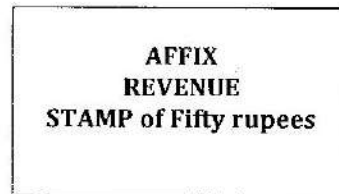
The Corporate Secretary
 Kohinoor Spinning Mills Limited
 7/1 E-3 Main Boulevard Gulberg III, Lahore

Folio # / CDC A/C #.	
Participant I.D	
Account #	
Shares held	

I/We _____ of _____
 being a member (s) of Kohinoor Spinning Mills Limited hold _____ ordinary
 shares hereby appoint Mr./Mrs./Miss _____ of
 _____ or failing him/her _____ of
 _____ as my /our Proxy to attend and vote for me/us and on
 my/our behalf at the 52th Annual General Meeting of the Company to be held on
 Monday October 28, 2024 at 09:00 a.m. at 7/1 E-3 Main Boulevard Gulberg III,
 Lahore and at every adjournment thereof.

Signed this _____ day of _____ 2024.

1. Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____



2. Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____

Signature _____
 (Signature appended above
 should agree with the
 specimen signatures
 registered with the
 Company.)

IMPORTANT

1. This Form of proxy, duly completed and signed, must be received at the registered office of the company, at 7/1 E-3 Main Boulevard Gulberg III, Lahore Pakistan, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

مختار نامہ

فولیو نمبر اسی ڈی سی اکاؤنٹ نمبر:
ملکیتی حصص

کمپنی بیکروٹی
کوہ نور سینک ملز لمیٹڈ
E-3، 7/1 مین بلیوارڈ، گلبرگ III،
لاہور

میں اہم _____ کا/کے _____ کو اپنے/ہمارے ایماء پر بروز پیر مورخہ 28 اکتوبر 2024ء بحیثیت رکن کوہ نور سینک ملز لمیٹڈ بذریعہ ہذا محترم/محترمہ _____ کو اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔
صبح 09:00 بجے، بمقام E-3، 7/1 مین بلیوارڈ، گلبرگ III، لاہور میں منعقد ہونے والے کمپنی کے سالانہ اجلاس میں شرکت اور حق رائے وہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

رسیدی ٹکٹ یہاں چسپاں کریں

آج بروز تاریخ 2024ء کو دستخط کئے گئے۔

دستخط: _____

گواہان

(دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں)

-1

دستخط: _____

نام: _____

پتہ: _____

-2

دستخط: _____

نام: _____

پتہ: _____

نوٹ:

- 1۔ ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا اہل ہو، اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔
- 2۔ پراکسی تقرری کے آلات پر رکن یا اس کے باقاعدہ بااختیار انارنی کی طرف سے دستخط شدہ ہونے چاہئیں۔ اگر رکن ایک کارپوریشن ہے، تو اس کی مشترکہ ممبر آلات پر ثبت ہونی چاہئے۔
- 3۔ سی ڈی صی حصص داران سے التماس ہے کہ متعلقہ حصص داران کی شناخت کی سہولت کے لئے غیر معمولی اجلاس عام میں شرکت کے وقت اپنے کمپیوٹرائزڈ قومی شناختی کارڈ مع پارٹنیشنس کا آئی ڈی نمبر ز اور اپنے اکاؤنٹ نمبر ز لازماً ہمراہ لائیں۔
- 4۔ پراکسی تقرری کے آلات، مع پاور آف انارنی، اگر کوئی ہو، جس کے تحت یہ دستخط شدہ ہے یا اس کی فوٹو بلی کاپی، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے دفتر میں جمع کرائے جانے چاہئیں۔