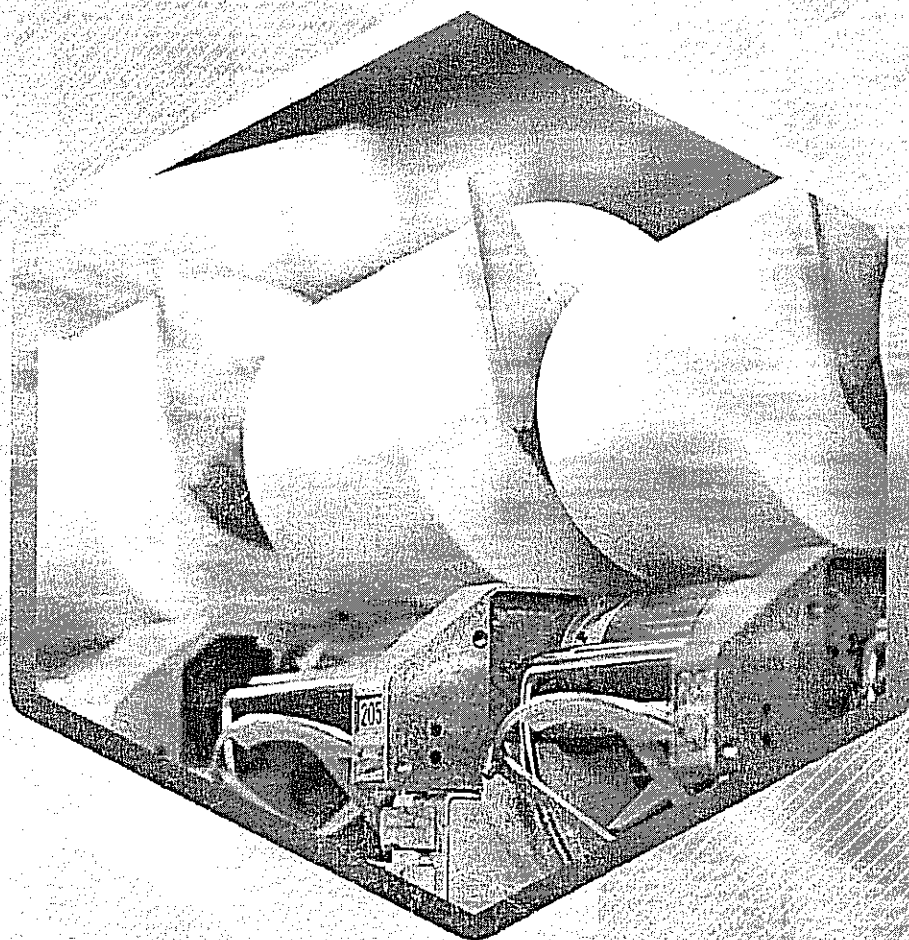


# Annual Report

AUDITED  
For the Year Ended  
June 30, 2025



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
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### **CHIEF FINANCIAL OFFICER**

Muhammad Saeed Zafar	M.B.A
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### **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**

Saeed Ul Hassan & Co.  
Chartered Accountants  
27-C, 1st Floor, TAMC Medical Complex,  
MM Alam Road,  
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 Annual General Meeting of KOHINOOR SPINNING MILLS LIMITED will be held on Tuesday, October 28, 2025 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, consider and adopt the audited financial statements of the Company for the year ended June 30, 2025 together with the reports of directors and auditors thereon.
- To appoint auditors for the financial year 2025-26 and to fix their remuneration. The present auditors, retire and being eligible for re-appointment offer themselves for re-appointment.

### Other Business:

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

Lahore:

October 02, 2025

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 22-10-2025 to 26-10-2025 (both days inclusive). Transfers received in order in all respect up to the close of business hours on October 21, 2025 at Share Registrar Office, M/S Corpink (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

Members whose names appear in the Register of Members as of 21st October 2025 are entitled to attend and vote at the AGM. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. Proxy form may be downloaded from the Company's website (<http://www.kohinoorspinningmills.com>).

An instrument of proxy and the power of attorney or other authority (if any) under which it is signed or a certified true copy of such power or authority duly notarized 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. Members are requested to submit, along with the proxy form, a copy of their and proxy's valid Computerized National Identity Card (CNIC) or Passport.

If a member appoints more than one proxy and more than one instrument of proxy is deposited by him/her, all such instruments of proxy shall be rendered invalid.

#### GUIDELINES FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED (CDC) INVESTOR ACCOUNT HOLDERS:

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 by the Securities and Exchange Commission of Pakistan (SECP):

##### A. For Attending the Meeting

- In case of Individuals, the account holder 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 at the time of attending the Meeting.
- In case of corporate entity, a Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

##### B. For Appointing Proxies

- In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- 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, a Board of Directors' resolution and/or a duly notarized power of attorney in favor of proxy holder with specimen signature of the nominee shall be produced along with proxy form to the Company.

#### 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 seven 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 # .....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](mailto:saeed@chakwalgroup.com.pk) not later than seven days before holding of the meeting.

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 upon authentication.

#### Availability of Audited Financial Statements on Company's Website:

In accordance with the provisions of Sections 223(7) of the Companies Act, 2017 and pursuant to S.R.O.389(I)/2023 dated March 21, 2023, the financial statements of the Company for the year ended 30th June 2025 can be accessed through the following weblink and QR enabled code.

WebLink  
[www.kohinoorspinningmills.com](http://www.kohinoorspinningmills.com)



#### Prohibition of Distribution of Gifts:

The SECP, vide Circular No. 2 of 2018 dated February 9, 2018, and S.R.O. 452(I)/2025 dated March 17, 2025, has strictly prohibited companies from offering or distributing gifts, incentives, or any similar benefits (including but not limited to tokens, coupons, meals, or takeaway packages) to Members at or in connection with general meetings. In accordance with Section 185 of the Companies Act, 2017, any non-compliance with these directives constitutes a punishable offence, and companies found in violation may be subject to enforcement actions and penalties.

## نوٹس برائے سالانہ اجلاس عام

تعمومي امور:

- وَقَدْ رَامُوا



02 أكتوبر 2025

تجارب و افکار و اندیشه

— ۱۶ —

احدای میں شرکت

ns.com

 $\frac{1}{2} \times \frac{1}{2} = \frac{1}{4}$ 

سید علی قزوینی

UNIT -A

(a)

(b)

(c)

وہ جو غلط فہمی سے اس بات پر

— ۱۱۱ —

اسی بابہ میں ہے:

المؤلف

## اجلاس کے لیے

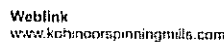
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کئی کئی عجب

بے گناہی



حجرات کی تعمیر و مرمت

اس کی بنیادی تاریخ 2016ء کے گزشتہ 20 جولائی، 2016ء اور 452 (1) 2025ء کے مابین کی مدت میں ہے۔

**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 UNDER SECTION 192(4) OF THE COMPANIES ACT, 2017**

It is my immense pleasure to present the Review Report in accordance with the requirements of Section 192(4) of the Companies Act, 2017 for the year ended 30th June 2025. During the year, the Board of Directors (the Board) played an effective role in managing the affairs of the Company in the following manner:

- All the significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision making process;
- The Board has ensured that the adequate system of internal control is in place;
- 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 recognizes that well defined corporate governance processes is vital in enhancing corporate accountability and is committed to ensure high standards of corporate governance to preserve and maintain stakeholder value;
- \*The Board has ensured that members of the Board and its respective committees possess adequate skills, experience and knowledge to manage the affairs of the Company.
- 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.
- \*Necessary Board agenda and related supporting documents were duly made available to the Board and its committee meetings and the non-executives and independent directors are equally involved in important decisions of the board.

The Board's annual performance evaluation conducted against the established criteria was assessed as satisfactory.

Being the Chairman of the Board, I would like to thank all our Board members for their commitment and contribution. I will remain firmly committed to ensure that the Company complies with all the relevant provisions of the Companies Act 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other regulations and ensuring that our management team continues to take decisions that will create value for you in the short, medium and long term.



Khawaja Muhammad Jahangir

Chairman

October 02, 2025

Lahore

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے کردار پر چیئرمین کی جائزہ رپورٹ

(سیکشن 192(4) کمپنیز ایکٹ، 2017 کے تحت)

مجھے یہ رپورٹ پیش کرتے ہوئے بے حد خوشی محسوس ہو رہی ہے جو کمپنیز ایکٹ 2017 کے سیکشن 192(4) کے تقاضوں کے مطابق سال ختم شدہ 30 جون 2025 کے لیے مرتب کی گئی ہے۔ دوران سال، بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے امور کو مندرجہ ذیل انداز میں مؤثر طور پر سرانجام دیا:

- تمام اہم معاملات بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے تاکہ کارپوریٹ فیصلہ سازی کے عمل کو مزید مضبوط اور باضابطہ بنایا جاسکے؛
- بورڈ نے اس امر کو یقینی بنایا کہ کمپنی میں اندرونی کنٹرول کا مناسب نظام موجود ہے؛
- بورڈ نے ڈائریکٹرز کی رپورٹ تیار اور منظور کی اور اس بات کو یقینی بنایا کہ ڈائریکٹرز کی رپورٹ کمپنی کے سہ ماہی اور سالانہ مالیاتی بیانات کے ساتھ شائع کی گئی ہے، اور ڈائریکٹرز کی رپورٹ کا مواد متعلقہ قوانین و ضوابط کے تقاضوں کے مطابق ہے؛
- بورڈ اس امر کو تسلیم کرتا ہے کہ واضح کارپوریٹ گورننس طریقہ کار کارپوریٹ احتساب کو بہتر بنانے کے لیے نہایت اہم ہے اور بورڈ اس بات کا پابند ہے کہ اسٹیک ہولڈرز کی قدر کو محفوظ رکھنے اور بڑھانے کے لیے اعلیٰ معیار کا کارپوریٹ گورننس کو یقینی بنایا جائے؛
- بورڈ نے یہ امر یقینی بنایا کہ بورڈ اور اس کی متعلقہ کمیٹیوں کے اراکین کمپنی کے امور کو چلانے کے لیے ضروری مہارت، تجربہ اور علم رکھتے ہوں؛
- بورڈ نے یہ امر یقینی بنایا کہ بورڈ کے اراکین کے درمیان بروقت مناسب معلومات کا تبادلہ کیا جائے اور اجلاسوں کے دوران اور اجلاسوں کے درمیان اراکین کو تازہ ترین پیش رفت سے آگاہ رکھا جائے؛
- بورڈ نے اپنے اختیارات کو ان اختیارات کی روشنی میں استعمال کیا جو متعلقہ قوانین اور کمپنی پر لاگو ضوابط کے مطابق بورڈ کو تفویض کیے گئے ہیں؛
- بورڈ ایجنڈا اور متعلقہ معاون دستاویزات بروقت بورڈ اور اس کی کمیٹی میٹنگز کے لیے مہیا کی گئیں اور غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو بھی اہم فیصلوں میں برابر شریک کیا گیا۔

بورڈ کی سالانہ کارکردگی کا جائزہ طے شدہ معیار کے مطابق کیا گیا اور اسے اطمینان بخش قرار دیا گیا۔

بطور چیئرمین، میں تمام بورڈ ممبران کا ان کی وابستگی اور تعاون پر شکریہ ادا کرتا ہوں۔ میں اس بات پر پختہ عزم رکھتا ہوں کہ کمپنی کمپنیز ایکٹ 2017، لسٹڈ کمپنیز (کارپوریٹ گورننس کا ضابطہ) ریگولیشنز 2019 اور دیگر متعلقہ ضوابط کی مکمل تعمیل جاری رکھے گی اور یہ کہ ہماری مینجمنٹ ٹیم ایسے فیصلے کرتی رہے گی جو قلیل، درمیانی اور طویل مدتی بنیادوں پر آپ کے لیے قدر پیدا کریں۔



02 اکتوبر 2025ء، لاہور

خواجہ محمد جالیل

چیئرمین



## 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 2025.

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, 2025:

### Financial Highlights:

The financial highlights for the year ended 30th June 2025 and 30th June 2024 are as follows:

	2025	2024
	(Rupees)	(Rupees)
Operating Loss	202,951,575	170,694,108
Taxation	16,598,506	(3,816,576)
Loss After Taxation	494,210,669	374,652,406

### (Loss) Per Share:

The Basic loss per share of the Company for the year 2025 remained at Rs. 1.13 (2024: 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 1.2 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. 494 million for the year ended 30th June 2025 as compared to a net loss after tax of Rs.375 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 shareholders had accorded approval in their EOGM held on 12th September 2024 to amend Memorandum and Articles 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 has been approved by the Securities & Exchange Commission of Pakistan, enabling the Company to carry out any other profitable business (other than licensed businesses) in addition to primary business of spinning.

### **General Economic & Spinning Industry Review:**

The Economic Survey of Pakistan for 2024-25 indicated a positive shift, with a real GDP growth of 2.68% and a significant decrease in inflation. Key developments include a stable external account with a current account surplus, an increase in foreign exchange reserves, and a strengthened debt profile. However, due to catastrophic monsoon floods of 2025, we are staring down the barrel of a food security emergency that could ripple through every layer of its economy. The loss of this year's harvest will not just hurt farmers; it will force Pakistan to import vast quantities of wheat, vegetables, and cotton, straining foreign exchange reserves and driving up the import bill. At the same time, export earnings will collapse as rice and cotton surpluses disappear. This dangerous combination, higher imports and falling exports, threatens to widen the current account deficit and weaken the rupee.

Our spinning industry is still reeling from crisis. The plight of the spinning industry is not due to a single factor but a confluence of severe external and macroeconomic headwinds that have created a "perfect storm."

1. **Catastrophic Cotton Shortfall:** Pakistan's cotton production has plummeted to multi-decade lows due to climate-induced floods, pest attacks, and a reduction in cultivation area. This has forced the industry to become critically dependent on imported cotton, which is not only expensive but also subjects us to volatile international prices and supply chain disruptions.
2. **Foreign Exchange Liquidity Crisis:** The severe constraint on the availability of foreign exchange (USD) is the most critical bottleneck. The State Bank of Pakistan's (SBP) measures to prioritize essential imports have created significant delays and hurdles in opening Letters of Credit (LCs) for the import of raw cotton and essential machinery parts. This has directly constrained our ability to operate at full capacity and fulfill export orders.
3. **Historic Hike in Energy Costs:** The cost of energy—both electrical and gas—has skyrocketed to uncompetitive levels. The massive increases in tariffs, coupled with punitive fuel price adjustments, have eroded our profit margins to a breaking point. Energy is a primary cost component in spinning, and these increases have made our products significantly more expensive on the global market.

4. Global Economic Slowdown & Demand Compression: Rising global inflation and economic uncertainty in key export markets, particularly in Europe, have led to a contraction in demand for textiles. International buyers are reducing inventory levels, leading to order cancellations, deferred shipments, and intense pressure on pricing.

5. Uncompetitive Regional Landscape: Our regional competitors, notably Bangladesh, India, and Vietnam, benefit from more stable energy supplies, predictable government policies, and, in some cases, preferential trade agreements. The cumulative effect of Pakistan's challenges has severely dented our competitive advantage.

The sector-wide result of these challenges has been devastating i.e. widespread plant shutdowns, massive layoffs, a sharp decline in exports, and a threat to the entire textile value chain.

### **Future Outlook:**

The future outlook for Pakistan's spinning mills is uncertain, marked by a severe crisis of declining local cotton production, high energy costs, and increased yarn imports. While the industry has potential for growth through modernization, value addition, and government policy support, overcoming energy limitations and fostering a competitive environment for local raw materials are crucial for its survival and to prevent the collapse of the entire textile value chain.

### **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. Following are some risks which the company and spinning industry are facing:

-Spinning mills heavily rely on local cotton, but both production and quality have declined considerably, forcing dependence on expensive imports.

-High energy costs for gas and electricity are a significant burden, and supply disruptions like load shedding hinder operations.

-Many mills operate with outdated equipment, limiting their competitiveness and the ability to adopt new technologies.

-High volumes of imported yarn from countries like China flood the local market, driving down prices for local yarn and reducing revenue for mills.

-The sector's focus on cotton restricts its ability to adapt to global demand shifts towards products made from man-made fibers (MMF), which offers greater potential for customization and reduced waste.

### **Significant Features of Directors' Remuneration:**

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors. 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 was approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of executive directors including CEO in 2024-25, 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. 135.880 million (2024: 226.144 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.

### **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 21st March 2025.

On 11th April 2025, Central Depository Company of Pakistan Limited allotted 23,607,500 securities of Kohinoor Spinning Mills Limited in the name of Central Depository Company of Pakistan Limited vide letter No. OPS/CA/FI/001 dated 14th April 2025. These shares were issued to Khawaja Muhammad Jahangir.

#### **Composition of Board:**

##### **Total number of Directors (as at 30th June 2025):**

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

##### **Composition (as at 30th June 2025):**

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

##### **Name of Directors (as at 30th June 2025):**

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 2025 and are due to retire and being eligible have offered themselves for reappointment for the year ending 30 June 2026. 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, 2025 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 anybody associated of dealing with the Company.

**Gender Pay Gap Statement Under Circular 10 of 2024 Issued By SECP:**

Following is gender pay gap calculated for the year ending 2025:

(i) Mean gender Pay Gap 100%

(ii) Median gender Pay Gap 100%

We draw your kind attention towards the fact that the Company has no female employee during the year ending 30th June 2025.

It is important to mention that the remuneration philosophy at Kohinoor Spinning Mills Limited does not differentiate based on gender. Employee pay is determined by multiple factors, including

professional experience, tenure, education, job role, performance, market dynamics, and geographical location.

### **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 levis 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 2025.
- 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, 2025, 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 2025 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, 2025 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 environmental risk.

We prioritize the health and safety of our employees and are proactively managing risks associated with our manufacturing process. Our goal is to minimize the likelihood of accidents and injuries. To ensure a safe working environment, we provide all plant employees with essential safety appliances and equipment,

Our company is committed to providing comprehensive medical facilities and other necessary amenities to support the health and well-being of our employees. In addition to these medical facilities, we encourage healthy lifestyle activities, including sports at the factory.

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 employees. The board also expresses its gratitude for the continued guidance and support by the Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange (PSX).

The Director Report have been signed by two directors as the Chief Executive of the company is out of the country.

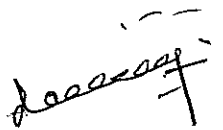
On behalf of the Board

**Date: 02 October 2025**

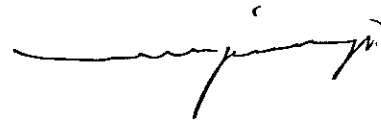
**Lahore:**

**Khawaja Muhammad Kaleem**

**Khawaja Muhammad Jahangir**



**DIRECTOR**



**Chairman**

## ڈائریکٹرز رپورٹ برائے حصص یافتگان

ڈائریکٹرز کو آپ کی کمپنی کی سالانہ رپورٹ پیش کرنے کا اعزاز حاصل ہے جو 30 جون 2025 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی بیانات اور اس پر آڈیٹرز کی رپورٹ کے ساتھ منسلک ہے۔

ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) رگولیشنز 2019 کے مطابق تیار کی گئی ہے اور 28 اکتوبر 2025 کو منعقد ہونے والے سالانہ جنرل میٹنگ کے لیے حصص ہولڈرز کو پیش کی جا رہی ہے۔

مالی نمایاں نکات:

30 جون 2025 اور 30 جون 2024 کو ختم ہونے والے سال کے مالی نمایاں نکات درج ذیل ہیں:

2024 (روپے)	2025 (روپے)	
170,694,108	202,951,575	آپریٹنگ نقصان
(3,816,576)	16,598,506	ٹیکسیشن
374,652,406	494,210,669	ٹیکسیشن کے بعد نقصان

(نقصان) فی حصص:

سال 2025 کے لیے کمپنی کا بنیادی نقصان فی حصص 1.13 روپے رہا (2024: نقصان فی حصص 0.91 روپے تھا)۔

جاری کاروبار کا مفروضہ:

آڈیٹرز نے زور دیا ہے کہ مالی بیانات کے نوٹ 1.2 میں بیان کردہ حالات کی وجہ سے کمپنی جاری کاروبار کے طور پر کام جاری رکھنے کے قابل نہیں ہو سکتی۔ تاہم، انتظامیہ نے منسلک مالی بیانات کو جاری کاروبار کی بنیاد پر مالی بیانات کے نوٹ 1.2 میں بیان کردہ وجوہات کی بناء پر تیار کیا ہے۔ آڈیٹرز نے اس سلسلے میں اپنی رائے کو مشروط (qualify) نہیں کیا ہے۔

کارکردگی کا جائزہ:

سال کے دوران، کوئی بھی عملی سرگرمی انجام نہیں دی گئی۔ سالانہ نقصان بنیادی طور پر اثاثہ جات کی قدر میں کمی، انتظامی اخراجات، ریگولیٹری فیسز وغیرہ کی وجہ سے ہوا ہے۔

آپ کی کمپنی نے 30 جون 2025 کو ختم ہونے والے سال کے لیے 494 ملین روپے کا بعد از ٹیکس خالص نقصان اٹھایا ہے، جو کہ گزشتہ سال کے مساوی مدت میں 375 ملین روپے کے خالص نقصان کے مقابلے میں ہے۔

آپ کی کمپنی کی انتظامیہ حصص یافتگان کے بہترین مفادات میں بہتر کارکردگی کے حصول کے لیے متحدہ کوششیں کر رہی ہے اور مسلسل کوشش جاری رکھے ہوئے ہے۔

### مستقبل کا منصوبہ:

حصص یافتگان نے 12 ستمبر 2024 کو منعقدہ اپنے غیر معمولی اجلاس میں میمورنڈم اور آرٹیکلز آف ایسوسی ایشن میں ترمیم کرنے کی منظوری دی تھی تاکہ انہیں کمپنیز ایکٹ 2017 کے پہلے شیڈول کے مطابق بنایا جاسکے۔ اس تبدیلی کو سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے بھی منظور کر لیا ہے، جس سے کمپنی کو اسپینگ کے بنیادی کاروبار کے علاوہ کوئی بھی دوسرا منافع بخش کاروبار (لائسنس یافتہ کاروبار کے علاوہ) کرنے کے قابل بنادیا گیا ہے۔

### عمومی معاشی اور سپنگ صنعت کا جائزہ:

پاکستان کے 2024-25 کے معاشی سروے میں ایک مثبت تبدیلی کی نشاندہی کی گئی ہے، جس میں حقیقی جی ڈی پی کی نمو %2.68 اور مہنگائی میں نمایاں کمی واقع ہوئی ہے۔ اہم پیش رفتوں میں موجودہ اکاؤنٹ سرپلس کے ساتھ مستحکم بیرونی اکاؤنٹ، غیر ملکی زرمبادلہ کے ذخائر میں اضافہ، اور مضبوط قرضوں کے پروفائل شامل ہیں۔ تاہم، 2025 کے مون سون کے سیلاب کی تباہ کاریوں کی وجہ سے، ہمیں خوراک کے تحفظ کی ہنگامی حالت کا سامنا ہے جو اس کی معیشت کی ہر پرت میں رسائی کر سکتی ہے۔ اس سال کی فصل کے نقصان سے نہ صرف کسانوں کو نقصان پہنچے گا؛ یہ پاکستان کو گندم، سبزیوں، اور کپاس کی بڑی مقدار درآمد کرنے پر مجبور کرے گا، جس سے غیر ملکی زرمبادلہ کے ذخائر پر دباؤ پڑے گا اور درآمدی بل میں اضافہ ہوگا۔ اسی وقت، برآمدی آمدنی اس وقت تباہ ہو جائے گی جب چاول اور کپاس کے سرپلس ختم ہو جائیں گے۔ درآمدات میں اضافہ اور برآمدات میں کمی کا یہ خطرناک امتزاج، موجودہ اکاؤنٹ خسارے کو وسیع کرنے اور روپے کو کمزور کرنے کا خطرہ ہے۔

ہماری سپنگ صنعت اب بھی بحران سے دوچار ہے۔ سپنگ صنعت کی مشکل صورت حال کسی ایک عنصر کی وجہ سے نہیں بلکہ شدید بیرونی اور میکرو اکنامک مخالف حالات کے مجموعے کی وجہ سے ہے جس نے ایک "کامل طوفان" پیدا کر دیا ہے۔

1۔ تباہ کن کپاس کی قلت: موسمیاتی سیلاب، کیڑوں کے حملوں، اور کاشت کے رقبے میں کمی کی وجہ سے پاکستان میں کپاس کی پیداوار کئی دہائیوں سے نچلے سطح پر آگئی ہے۔ اس نے صنعت کو درآمدی کپاس پر انحصار کرنے پر مجبور کر دیا ہے، جو نہ صرف مہنگی ہے بلکہ ہمیں غیر مستحکم بین الاقوامی قیمتوں اور سپلائی چین میں رکاوٹوں کا بھی سامنا ہے۔

2۔ غیر ملکی زرمبادلہ کی نقد رقم (لکویڈیٹی) کا بحران: غیر ملکی زرمبادلہ (امریکی ڈالر) کی دستیابی پر سخت پابندی سب سے اہم رکاوٹ ہے۔ اسٹیٹ بینک آف پاکستان (SBP) کے ضروری درآمدات کو ترجیح دینے کے اقدامات نے خام کپاس اور ضروری مشینری کے پرزوں کی درآمد کے لیے لیٹرز آف کریڈٹ (LCs) کھولنے میں نمایاں تاخیر اور رکاوٹیں پیدا کر دی ہیں۔ اس نے برآمدی آرڈرز پورے کرنے اور مکمل گنجائش کے ساتھ کام کرنے کی ہماری صلاحیت کو براہ راست محدود کر دیا ہے۔

3- توانائی کی لاگت میں تاریخی اضافہ: بجلی اور گیس دونوں کی توانائی کی لاگت غیر مسابقتی سطحوں پر بڑھ گئی ہے۔ ٹیرفوں میں بڑے پیمانے پر اضافے، کے ساتھ ساتھ سزائی ایندھن کی قیمت ایڈجسٹمنٹس نے ہمارے منافع کے مارجن کو توڑنے کی حد تک کم کر دیا ہے۔ سہنگ میں توانائی ایک بنیادی لاگت کا جزو ہے، اور ان اضافوں نے ہمارے مصنوعات کو عالمی مارکیٹ پر نمایاں طور پر مہنگا بنا دیا ہے۔

4- عالمی معاشی سست رفتاری اور طلب میں کمی: اہم برآمدی مارکیٹس، خاص طور پر یورپ میں، بڑھتی ہوئی عالمی مہنگائی اور معاشی غیر یقینی صورتحال کی وجہ سے ٹیکسٹائل کی طلب میں کمی واقع ہوئی ہے۔ بین الاقوامی خریدار اپنے انوینٹری کے ذخائر کو کم کر رہے ہیں، جس کی وجہ سے آرڈرز کی متنوعی، ترسیل میں تاخیر، اور قیمتوں پر شدید باؤ پیدا ہو رہا ہے۔

5- غیر مسابقتی علاقائی منظر نامہ: ہمارے علاقائی حریفوں، خاص طور پر بنگلہ دیش، بھارت، اور ویت نام، مستحکم توانائی کی فراہمی، قابل پیشین گوئی حکومتی پالیسیوں، اور کچھ معاملات میں، ترجیحی تجارتی معاہدوں سے فائدہ اٹھاتے ہیں۔ پاکستان کے چیلنجوں کے مجموعی اثر نے ہمارے مسابقتی فائدے کو شدید نقصان پہنچایا ہے۔

ان چیلنجوں کے نتیجے میں پوری صنعت کے لیے تباہ کن نتائج برآمد ہوئے ہیں، یعنی پلانٹس کے وسیع پیمانے پر بند ہونا، بڑے پیمانے پر ملازمین کی برطرفی، برآمدات میں نمایاں کمی، اور پوری ٹیکسٹائل ویلیو چین کو خطرہ لاحق ہو گیا ہے۔

### مستقبل کے امکانات:

پاکستان کی سہنگ ملز کے مستقبل کے امکانات غیر یقینی ہیں، جس میں مقامی کپاس کی پیداوار میں کمی، توانائی کی اعلیٰ لاگت، اور سوت کی درآمدات میں اضافہ کا شدید بحران نمایاں ہے۔ اگرچہ جدید کاری، ویلیو ایڈیشن، اور حکومتی پالیسی کی حمایت کے ذریعے صنعت میں ترقی کی صلاحیت موجود ہے، لیکن توانائی کی حدود پر قابو پانا اور مقامی خام مال کے لیے ایک مسابقتی ماحول کو فروغ دینا اس کے بقا اور پوری ٹیکسٹائل ویلیو چین کے خاتمے کو روکنے کے لیے اہم ہے۔

### بنیادی سرگرمی:

کمپنی کی بنیادی سرگرمی سوت کی تیاری اور فروخت ہے۔

### بنیادی خطرات اور غیر یقینی صورتحال:

کاروبار کو متعدد خطرات اور غیر یقینی صورت حال کا سامنا ہوتا ہے جن پر اگر صحیح طریقے سے توجہ نہ دی جائے تو کمپنی کو سنگین نقصان ہو سکتا ہے۔ درج ذیل کچھ خطرات ہیں جن کا کمپنی اور سہنگ صنعت کو سامنا ہے:

- سہنگ ملز مقامی کپاس پر بہت زیادہ انحصار کرتی ہیں، لیکن پیداوار اور معیار دونوں میں نمایاں کمی واقع ہوئی ہے، جس نے مہنگی درآمدات پر انحصار پر مجبور کر دیا ہے۔
- گیس اور بجلی کی اعلیٰ توانائی کی لاگت ایک اہم بوجھ ہے، اور لوڈ شیڈنگ جیسی سپلائی میں رکاوٹیں آپریشنز میں رکاوٹ پیدا کرتی ہیں۔

- بہت سی ملز پرانی مشینری کے ساتھ چلتی ہیں، جو ان کی مسابقت اور نئی ٹیکنالوجیز اپنانے کی صلاحیت کو محدود کرتی ہیں۔
- چین جیسے ممالک سے درآمدی سوت کی بڑی مقدار مقامی مارکیٹ میں آتی ہے، جس سے مقامی سوت کی قیمتیں کم ہوتی ہیں اور ملز کی آمدنی کم ہوتی ہے۔
- کپاس کے شعبے کی توجہ اس کی عالمی طلب میں مصنوعات کی طرف منتقلی کے مطابق ڈھالنے کی صلاحیت کو محدود کرتی ہے، خاص طور پر ایسی مصنوعات جو مین میڈ فائبرز (MMF) سے بنی ہوں، جو حسب ضرورت تیاری اور فضلہ کو کم کرنے کے لیے زیادہ صلاحیت رکھتی ہیں۔

### ڈائریکٹرز کے معاوضوں کی اہم خصوصیات:

بورڈ آف ڈائریکٹرز نے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لیے ایک رسمی پالیسی منظور کی ہے۔ نان ایگزیکٹو ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کسی بھی معاوضے بشمول بورڈ اور اس کی کمیٹیوں کی میٹنگز میں شرکت کی فیس کے حقدار نہیں ہیں۔ ایگزیکٹو ڈائریکٹرز کا معاوضہ ہیومن ریسورس اینڈ ریمونریشن کمیٹی کی سفارش پر بورڈ نے منظور کیا۔ ایگزیکٹو ڈائریکٹرز بشمول CEO کے معاوضے کی معلومات 2024-25 کے لیے مالی بیانات کے متعلقہ نوٹس میں دی گئی ہیں۔

### قرضوں کی ادائیگیوں میں ڈیفالٹ کے بارے میں معلومات:

تمام بینکوں نے کمپنی کے خلاف وصولی کی دعوے دائر کر رکھے ہیں۔ ان مقدمات میں دعویٰ کردہ رقم پہلے ہی مالی بیانات میں شامل کر لی گئی ہے۔ ادائیگیوں میں ڈیفالٹ کی وجہ مالی سال 2015 سے کمپنی کے سامنے موجود نقد رقم (لکویڈیٹی) کا بحران ہے۔

### بعد کے واقعات: (Subsequent Events)

مالی سال کے اختتام، جس سے یہ بیلنس شیٹ متعلقہ ہے، اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والے کوئی ناموافق مادی تبدیلیاں اور وعدے (commitments) پیش نہیں آئے ہیں۔

### ڈائریکٹرز کے قرضے:

کمپنی کے ڈائریکٹرز نے ہمیشہ مالی طور پر کمپنی کی حمایت کی ہے۔ یہ حمایت ڈائریکٹرز کی جانب سے کمپنی کو ضرورت کے مطابق حصص کی سرمایہ کاری اور قرضوں کی شکل میں فراہم کی گئی۔ زیر جائزہ سال کے دوران، ہمیں ڈائریکٹرز سے 135.880 ملین روپے (2024: 226.144 ملین) موصول ہوئے ہیں۔

اندرونی مالی کنٹرولز:

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

مزید حصص جاری کرنے کی منظوری (رائٹ آفر کے علاوہ):

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے کمپنیز ایکٹ 2017 کے سیکشن 83 (b)(1) کے تحت پڑھے جانے والے کمپنیز (فرورڈ ایشو آف حصص) رگولیشنز 2020 کے ریگولیشن 5 کے مطابق رائٹ آفر کے علاوہ دیگر طریقوں سے مزید حصص جاری کرنے کی ہماری درخواست پر 21 مارچ 2025 کے خط نمبر CSD/CI//28/2005/186 کے ذریعے منظوری دیدی ہے۔

11 اپریل 2025 کو، سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ نے کوہ نور سپنگ ملز لمیٹڈ کے 23,607,500 سیکیورٹیز سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے نام سے 14 اپریل 2025 کے خط نمبر OPS/CA/FI/001 کے ذریعے الاٹ کیں۔ یہ حصص خواجہ محمد جہانگیر کو جاری کیے گئے تھے۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد (30 جون 2025 تک):

(ا) مرد: 6

(ب) خواتین: 1

تشکیل (30 جون 2025 تک):

(i) آزاد ڈائریکٹرز: 2

(ii) دیگر نان ایگزیکٹو ڈائریکٹرز: 3

(iii) ایگزیکٹو ڈائریکٹرز: 2

ڈائریکٹرز کے نام (30 جون 2025 تک):

1. خواجہ محمد جہانگیر (چیئر مین)

2. خواجہ محمد کلیم

3. محمد نوید (چیف ایگزیکٹو)

4. محمد حمزہ یوسف

5. اقصیٰ جہانگیر

6. فیصل قیوم (آزاد ڈائریکٹر)

7. عباس علی (آزاد ڈائریکٹر)

بورڈ کی کمیٹیاں:

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

آڈٹ کمیٹی:

فیصل قیوم  
خواجہ محمد کلیم  
اقصی جہانگیر

ایچ آر اور معاوضہ کمیٹی

فیصل قیوم  
خواجہ محمد جہانگیر  
خواجہ محمد کلیم

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز نے 30 جون 2025 کو ختم ہونے والے سال کی سالانہ آڈٹ مکمل کر لیا ہے اور وہ ریٹائر ہونے والے ہیں اور اہل ہونے کی وجہ سے خود کو 30 جون 2026 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے پیش کر رہے ہیں۔ آڈٹ کمیٹی نے موجودہ آڈیٹرز کی دوبارہ تقرری کی سفارش کی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان:

پاکستان سٹاک ایکسچینج کی لسٹنگ رگولیشنز میں 30 جون 2025 کو ختم ہونے والے سال کے لیے مقرر کردہ کوڈ آف کارپوریٹ گورننس کی ضروریات کو کمپنی نے اپنایا ہے اور ان کی مکمل تعمیل کی گئی ہے۔ اس اثر کے لیے ایک بیان رپورٹ کے ساتھ منسلک ہے۔

اخلاقی اور کاروباری طریقوں کا بیان:

بورڈ نے اخلاقیات اور کاروباری طریقوں کا بیان تیار کیا ہے اور کمپنی کے ہر ڈائریکٹر اور ملازم نے دستخط کر کے اسے تسلیم کیا ہے کہ وہ کمپنی کے ساتھ معاملات کرنے والے کسی بھی شخص کے ساتھ سلوک کے معیارات کو سمجھتے ہیں۔

ایس ای سی پی کے جاری کردہ 2024 کے سرکلر 10 کے تحت صنفی تنخواہ کے فرق کا بیان:  
30 جون 2025 کو ختم ہونے والے سال کے لیے حساب کردہ صنفی تنخواہ کا فرق درج ذیل ہے:

i. مین (اوسط) صنفی تنخواہ کا فرق: 100%

ii. میڈین (درمیانی) صنفی تنخواہ کا فرق: 100%

ہم آپ کی مہربان توجہ اس حقیقت کی طرف مبذول کرواتے ہیں کہ 30 جون 2025 کو ختم ہونے والے سال کے دوران کمپنی میں کوئی خاتون ملازم نہیں تھی۔

یہ ذکر کرنا ہم ہے کہ کوہ نور سپنگ ملز لمیٹڈ میں معاوضے کا فلسفہ صنف کی بنیاد پر فرق نہیں کرتا۔ ملازم کی تنخواہ کا تعین متعدد عوامل سے ہوتا ہے، بشمول پیشہ ورانہ تجربہ، ملازمت کی مدت، تعلیم، کام کا کردار، کارکردگی، مارکیٹ کی حرکیات، اور جغرافیائی محل وقوع۔

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 مالی رپورٹنگ فریم ورک کی تعمیل میں ڈائریکٹرز خوشی سے رپورٹ کرتے ہیں کہ:

i. کمپنی کی انتظامیہ کے ذریعے تیار کردہ مالیاتی بیانات کمپنی کے آپریشنز، کیش فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ صورت حال پیش کرتے ہیں۔

ii. کمپنیز ایکٹ 2017 کے تحت مطلوبہ کمپنی کے مناسب کھاتوں کی کتابیں برقرار رکھی گئی ہیں۔

iii. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مسلسل لاگو کی گئی ہیں اور جہاں کہیں بھی تبدیلیاں کی گئی ہیں، ان کا مناسب طور پر انکشاف کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

iv. مالی بیانات کی تیاری میں بین الاقوامی اکاؤنٹنگ سٹینڈرڈز (IASs) اور بین الاقوامی مالی رپورٹنگ سٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں لاگو ہیں، کی پیروی کی گئی ہے، اور ان سے کسی بھی انحراف کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

v. اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ اور مانٹر کیا گیا ہے۔

vi. جاری کاروبار پر آڈٹ کے مشاہدے کا انکشاف مالی بیانات کے نوٹ نمبر 1.2 میں کیا گیا ہے۔

vii. پچھلے چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار منسلک ہیں۔

viii. واجب الادا ٹیکس اور لیویز مالی بیانات کے نوٹس میں دیے گئے ہیں۔

ix. مالی سال کے اختتام، جس سے یہ بیلنس شیٹ متعلقہ ہے، اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والے کوئی ناموافق مادی تبدیلیاں اور وعدے (commitments) پیش نہیں آئے ہیں۔

x. کمپنی نے 30 جون 2025 کو ختم ہونے والے سال کے دوران ہونے والے نقصان کی وجہ سے نہ تو ڈویڈنڈ کا اعلان کیا ہے اور نہ ہی بونس حصص جاری کیے ہیں۔



xi. ایس ای سی پی کے جانب سے نظر ثانی شدہ آڈیٹنگ سٹینڈرز اپنانے کے بعد، آڈیٹرز کو کلیدی آڈٹ معاملات (key audit matters) کو آڈیٹرز رپورٹ کے حصے کے طور پر بیان کرنا ضروری ہے۔ یہ کلیدی آڈٹ معاملات سالانہ رپورٹ کے ساتھ منسلک ہیں۔

xii. 30 جون 2025 کو ختم ہونے والے سال کے مالی بیانات کے اعداد و شمار کو کمپنی کے بیرونی آڈیٹرز نے آڈٹ کیا ہے۔

xiii. ڈائریکٹرز، CEO، CFO، کمپنی سیکرٹری، ہیڈ آف انٹرئل آڈٹ، دیگر ایگزیکٹوز اور ان کے اہل خانہ اور نابالغ بچوں کی جانب سے کمپنی کے حصص میں تجارت کی تفصیلات رپورٹ کے ساتھ منسلک ہیں۔

xiv. کمپنی نے نقد رقم (کلویڈیٹی) کے مسائل کی وجہ سے مالی بیانات میں انکشاف کے علاوہ، اپنے بڑے قانونی اور مالی فراخس پورے کیے ہیں۔

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

#### حصص داری کا نمونہ:

30 جون 2025 تک کی حصص داری (حصص ہولڈنگ) کا پیٹرن اور کارپوریٹ گورننس کے ضابطے کے تحت درکار انکشافات اس رپورٹ کے ساتھ منسلک ہیں۔

#### منافع کی تقسیم:

بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ 30 جون 2025 کو ختم ہونے والے سال کے لیے کوئی منافع کی تقسیم کا اعلان نہیں کیا جائے گا کیونکہ کمپنی نے سال کے دوران نقصان اٹھایا ہے۔

#### کارپوریٹ سوشل ذمہ داری:

کمپنی وسیع تر کاروباری منظر نامے میں سماجی، ماحولیاتی اور اخلاقی خدشات کو مد نظر رکھتی ہے۔ ہم تمام اسٹیک ہولڈرز کی ضروریات کو خاص طور پر مقامی کمیونٹی اور اپنے ضروری افرادی قوت پر توجہ مرکوز کرتے ہوئے فعال طور پر مد نظر رکھنے اور ہم آہنگ کرنے کے لیے پرعزم ہیں۔

#### ویب ریفرنس:

10 جولائی 2014 کے SRO 634 (I)/2014 کی تعمیل میں، کمپنی ایک فعال ویب سائٹ برقرار رکھ رہی ہے۔ کمپنی کی تمام ادواری مالی بیانات بشمول سالانہ رپورٹس کمپنی کی ویب سائٹ پر دستیاب ہیں۔ کمپنی کا ویب سائٹ ایڈریس درج ذیل ہے:

<http://www.kohinoorspinningmills.com>

## بورڈ کی تشخیص:

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

## ماحولیات، صحت اور حفاظت:

ہم قومی اور بین الاقوامی ماحولیاتی قوانین کے معیارات کے مطابق ماحولیاتی پہلوؤں کی وجہ سے ہونے والے منفی اثرات کو کم کرنے کے پابند ہیں۔ ہم کاروباری اور عملی سرگرمیاں اس طرح سے فراہم کرتے اور انجام دیتے ہیں کہ ماحولیاتی خطرے کو کم سے کم کیا جاسکے۔ ہم اپنے ملازمین کی صحت اور حفاظت کو ترجیح دیتے ہیں اور اپنے مینوفیکچرنگ عمل سے وابستہ خطرات کا فعال طور پر انتظام کر رہے ہیں۔ ہمارا مقصد حادثات اور چوٹوں کے امکانات کو کم سے کم کرنا ہے۔ ایک محفوظ کام کرنے کے ماحول کو یقینی بنانے کے لیے، ہم تمام پلانٹ کے ملازمین کو ضروری حفاظتی آلات اور سامان فراہم کرتے ہیں۔

ہماری کمپنی اپنے ملازمین کی صحت اور بہبود کو سپورٹ کرنے کے لیے جامع طبی سہولیات اور دیگر ضروری سہولیات فراہم کرنے کے لیے پرعزم ہے۔ ان طبی سہولیات کے علاوہ، ہم فیکٹری میں کھیلوں سمیت صحت مند طرز زندگی کی سرگرمیوں کی حوصلہ افزائی کرتے ہیں۔ ہم مسلسل پیداواری سہولیات اور ہیڈ آفس دونوں میں توانائی کی کارکردگی کو بہتر بنانے کی کوشش کرتے ہیں۔

شکریہ:

بورڈ آف ڈائریکٹرز اپنے حصص ہولڈرز اور ملازمین کی حمایت کا خلوص کے ساتھ شکریہ ادا کرتا ہے۔ بورڈ سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور پاکستان سٹاک ایکسچینج (PSX) کی مسلسل رہنمائی اور تعاون کا بھی شکریہ ادا کرتا ہے۔

ڈائریکٹر رپورٹ کو دو ڈائریکٹرز نے دستخط کیا ہے کیونکہ کمپنی کے چیف ایگزیکٹو آفیسر ملک سے باہر گئے ہوئے ہیں۔

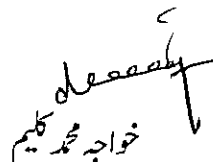
بورڈ کی جانب سے

مورخہ: 02 اکتوبر 2025، لاہور



خواجہ محمد جاگیر

چیئرمین



خواجہ محمد کلیم








ڈائریکٹر










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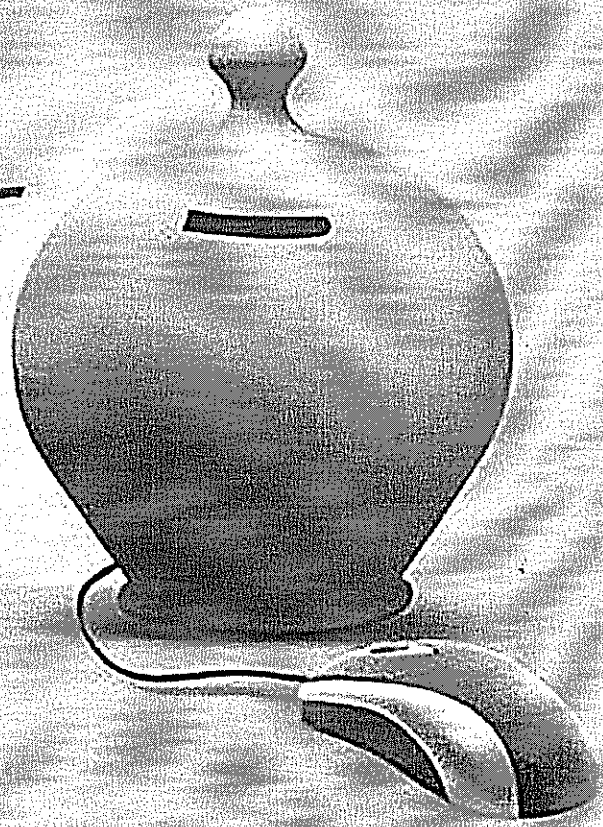
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## جہاں رہیئے، آگاہ رہیئے

SECP کی جانب سے پیش ہے "جمع پونجی" ایک ایسا ویب پورٹل جو آپ کو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے، تاکہ آپ ایک اچھی سرمایہ کاری کا فیصلہ کر سکیں۔ جمع پونجی میڈیٹل فنڈز، پیمنٹ فنڈز، سٹاک فنڈز، کیپٹل مارکیٹ، ریٹرن کیپٹل اور انویسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپ کے سوالات کے جوابات فراہم کرتا ہے، اور ساتھ ہی آن لائن ٹور کے ذریعے کیل ای میل میں منافع بخش سرمایہ کاری کے سلسلے میں آپ کو رہنمائی بھی فراہم کرتا ہے۔

مفت آن لائن ٹور:

- سکیم مینز
- ایک ٹریڈنگ
- ایک پروڈاکٹر
- ڈیجیٹل سیکر
- کیلکولیٹر
- نیوویٹر سیکریشن



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

## KEY FINANCIAL DATA OF LAST SIX YEARS

		Year ended June 30					
		2025	2024	2023	2022	2021	2020
<b>Profit and Loss Summary</b>							
Sales-Net	Pak-Rs.	-	-	115,435,392	2,630,587,061	2,807,075,051	1,662,982,360
Gross (Loss)/Profit	Pak-Rs.	-	-	(172,601,007)	(269,065,048)	(213,386,403)	(134,845,574)
(Loss) after tax	Pak-Rs.	(494,210,669)	(374,652,406)	(376,893,977)	(433,908,135)	(369,335,887)	(245,041,618)
<b>Balance Sheet Summary</b>							
Share Capital	Pak-Rs.	2,178,571,425	2,060,533,925	1,078,571,425	1,078,571,425	1,078,571,425	1,078,571,425
Accumulated (Loss)	Pak-Rs.	1,973,041,313	1,497,774,665	(1,143,021,945)	(2,606,110,373)	(2,170,842,000)	(1,801,334,702)
Share Holder's Equity	Pak-Rs.	205,530,112	562,759,260	(64,450,420)	(1,527,538,948)	(1,092,270,575)	(722,763,277)
Non Current Liabilities (Excluding loan from directors)	Pak-Rs.	31,624,931	30,810,537	30,597,599	48,292,487	45,064,213	49,523,071
Loan From Directors	Pak-Rs.	692,031,360	556,151,269	1,311,969,419	968,254,259	575,210,259	503,649,521
Property, plant and Equipment	Pak-Rs.	3,349,172,308	3,475,084,383	3,608,194,635	1,512,275,386	1,594,114,680	1,652,107,503
Other Non Current Assets	Pak-Rs.	10,561,342	44,221,312	44,221,312	44,221,312	44,221,312	39,325,312
Total Assets	Pak-Rs.	3,830,061,428	4,250,965,670	4,593,793,277	3,031,830,674	2,618,028,990	2,824,856,050
Total Liabilities (Excluding loan from directors)	Pak-Rs.	2,932,499,955	3,132,055,141	3,346,274,278	3,591,115,363	3,135,089,305	3,043,969,806
<b>Profitability and Operating Ratios</b>							
Gross Profit Margin	%	0.00	0.00	(149.52)	(10.23)	(7.60)	(8.11)
Net Profit to sales	%	0.00	0.00	(326.50)	(16.49)	(13.16)	(14.74)
<b>Liquidity Ratios</b>							
Current	Times	0.16	0.24	0.28	0.42	0.32	0.38
Quick/Acid test	Times	0.05	0.04	0.04	0.12	0.05	0.06
<b>Activity/Turnover Ratios</b>							
Inventory Turnover	Times	-	-	0.31	3.12	3.40	2.00
Debtors Turnover	Times	-	-	0.97	6.71	24.89	11.41
Creditors Turnover	Times	-	-	0.34	2.91	9.64	7.41
<b>Investment/Market Ratios</b>							
Earning Per share	Times	(1.13)	(0.91)	(1.98)	(2.01)	(1.71)	(1.14)

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

**Name of company: Kohinoor Spinning Mills Limited**

**Year ending: 30th June 2025**

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

1. The total number of directors are 07 as per the following:

a. Male: 06

b. Female: 01

2. The composition of the Board is as follows:

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. No new appointment of chief financial officer, company secretary and head of internal audit was made during the year;
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

<b>Name</b>	<b>Designation</b>
Faisal Qaiyum	Chairman
Khawaja Muhammad Kaleem	Member
Aqsa Jahangir	Member

b) HR and Remuneration Committee

<b>Name</b>	<b>Designation</b>
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,-

<b>Committees</b>	<b>Frequency of Meeting</b>
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	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

	specified by the Commission and approved by it.	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 any 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 circumstances	Currently the board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration 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 functions 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

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF KOHINOOR SPINNING MILLS LIMITED**

**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED  
COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of Kohinoor Spinning Mills Limited (the Company) for the year ended June 30, 2025, to comply with the requirements of regulation 36 of the 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 to 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.

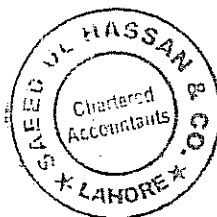
As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

No information for the purpose of review was provided to us accordingly, we do not express our conclusion as to whether Statement of Compliance appropriately reflects the Company's compliance in all material respects, with the requirements contained in the Regulations as applicable to the Company for year ended June 30, 2025.



**SAEED UL HASSAN & COMPANY**  
**CHARTERED ACCOUNTANTS**  
Engagement Partner: SAEED UL HASSAN  
Lahore



**Date: October 02, 2025**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF KOHINOOR SPINNING MILLS LIMITED**

Report on the Audit of the Financial Statements

**Opinion**

We have audited the financial statements of KOHINOOR SPINNING MILLS LIMITED ("the Company"), which comprise the statement of financial position as at June 30, 2025, and the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as applicable in Pakistan and the requirements of the Companies Act, 2017.

**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 (the Code), 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 Related to Going Concern**

The financial statements have been prepared on a going concern basis. For the year ended 30 June 2025 the Company incurred a net loss of Rs. 494.210 million (2024: Rs. 374.652 million), accumulated losses total Rs. 3,902.754 million and current liabilities exceed current assets by Rs. 2,430.745 million (2024: Rs. 2,369.782 million), which give rise to a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Management has prepared a detailed going concern assessment and is pursuing mitigating actions including contested litigation in the Lahore High Court (where formal legal advice indicates a favorable outcome is probable) and an irrevocable director commitment to inject fresh equity for working capital and debt restructuring; these measures are expected to enable the Company to meet its obligations. Accordingly, and subject to the successful execution and timing of these measures, the financial statements have been prepared on a going concern basis. (See Note 1.2 for details.)

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended June 30, 2025. 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 matters described in the 'Material Uncertainty relating to Going Concern' of our report, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How the Matter Was Addressed in the Audit
<p><b>1. <u>Deferred Tax Recognition on Revaluation Surplus:</u></b></p> <p>(Refer to note no. 9.2 to the financial statements)</p> <p>The company has realized a deferred tax amounting to 16.598 million under IAS 12.</p> <p>Recognition of deferred tax on revaluation requires complex judgment. Incorrect treatment may materially misstate equity.</p>	<p>a. Recalculated deferred tax liability arising on revaluation surplus.</p> <p>b. Tested assumptions used by management for recognition and measurement.</p> <p>c. Verified compliance of accounting treatment with IAS 12 and checked note disclosures.</p>
<p><b>2. <u>Unfunded Gratuity Scheme (Employee Benefits):</u></b></p> <p>(Refer to note no. 5.21(a) &amp; 9 to the financial statements)</p> <p>The Company operates an unfunded gratuity scheme with a closing liability of PKR 31.62 million as at 30 June 2025 (2024: PKR 30.81 million).</p> <p>The valuation involves significant actuarial assumptions such as discount rates, salary growth, and expected service years, which may materially affect the reported liability.</p>	<p>a. Reviewed actuarial assumptions (discount rate 11.75%, salary increase 10.75%, working life 5 years) for reasonableness.</p> <p>b. Verified management's calculations of closing liability of PKR 31.62 million.</p> <p>c. Checked disclosures for compliance with IAS 19.</p>
<p><b>3. <u>Unclaimed Dividend:</u></b></p> <p>(Refer to the 'Current Liabilities' section of the Statement of Financial Position)</p> <p>The Company has an unclaimed dividend balance of PKR 1.915 million which has not been deposited into the separate unpaid dividend account as</p>	<p>a. Obtained and critically assessed management's written representation and supporting explanation regarding the unavailability of a government treasury account.</p>

required by Section 244 of the Companies Act, 2017. Management has contended that non-compliance is due to the unavailability of a specific government treasury account for this purpose and has provided a written representation to this effect.

Assessing the validity of management's justification for non-compliance with a statutory requirement is a key audit matter due to the potential for material misstatement and legal implications.

b. Corroborated the accuracy of the unclaimed dividend balance of PKR 1.915 million by tracing it to dividend declarations and subsequent shareholder payment records.

c. Evaluated the appropriateness of the accounting treatment and the adequacy of the disclosures in the financial statements concerning this non-compliance.

d. Verified whether the Company has established a separate private bank account designated for unclaimed dividends, as mandated under the Act.

#### **Information Other than the Financial Statements and Auditors' 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 auditors' report thereon.

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 the 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.

The board of directors is responsible for overseeing the Company's financial reporting process.

#### **Auditors' 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 statements, 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 based on 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 to express 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 continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 auditors' 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, except for the matters discussed in the basis for qualified opinion section of our report, we further report that in our opinion:

- (a) Proper books of accounts have been kept except for Fixed Asset register 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 agree with the books of account and returns;
- (c) Investments made, expenditures 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.

### **Other Matter**

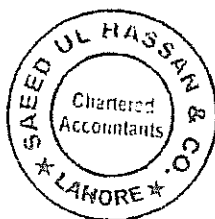
The financial statements of the Company for the year ended June 30, 2024, were audited by Nasir Javaid Maqsood Imran Chartered Accountants, who expressed an unmodified opinion on those financial statements in their report dated October 07, 2024. Our opinion on the financial statements for the year ended June 30, 2025, is also unmodified.

The engagement partner on the audit resulting in this independent auditor's report is Saeed Ul Hassan.



**SAEED-UL-HASSAN & Co.**  
Chartered Accountants

Place: Lahore  
Dated: October 02, 2025  
UDIN: AR2025106172JTy1LOA6



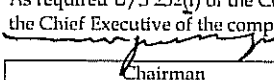


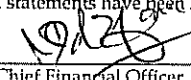
**KOHINOOR SPINNING MILLS LIMITED**
**STATEMENT OF FINANCIAL POSITION**
**AS AT JUNE 30, 2025**

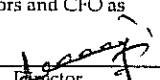
	Note	2025	2024
		Rupees	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital		2,200,000,000	2,200,000,000
440,000,000 Ordinary shares of Rs. 5 each.			
Issued, subscribed and paid up share capital	6	2,178,571,425	2,060,533,925
Revaluation surplus		1,756,741,487	1,797,379,209
Reserves	7	(3,729,782,800)	(3,295,153,875)
		205,530,112	562,759,260
Non-current liabilities			
Long term loans	8	692,031,360	556,151,269
Deferred liabilities	9	31,624,931	30,810,537
		723,656,291	586,961,806
Current liabilities			
Trade and other payables	10	304,516,634	535,147,586
Accrued interest on loans and borrowings	11	471,877,939	471,877,939
Short term borrowings	12	1,463,142,972	1,463,142,972
Current portion of long term loans	13	364,705,882	364,705,882
Supplier's credit	14	294,716,480	264,455,108
Unclaimed dividend		1,915,117	1,915,117
Tax payable		-	-
		2,900,875,024	3,101,244,604
Contingencies and commitments	15	-	-
Total liabilities		3,624,531,315	3,688,206,410
Total equity and liabilities		3,830,061,428	4,250,965,670
ASSETS			
Non-current assets			
Property, plant and equipment	16	3,349,172,308	3,475,084,383
Long Term Deposits	17	10,561,342	44,221,312
Long term investments	18	197,921	197,921
		3,359,931,571	3,519,503,616
Current assets			
Stores, spares and loose tools	19	12,937,933	12,937,933
Stock in trade	20	325,206,598	587,518,736
Trade debtors	21	112,585,760	112,585,760
Tax refundable	22	4,066,830	3,480,829
Short term advances	23	14,421,083	13,847,528
Cash and cash equivalents	24	911,653	1,091,267
		470,129,857	731,462,054
Assets classified as held for sale		-	-
Total assets		3,830,061,428	4,250,965,670

The annexed notes from 1 to 33 form an integral part of these financial statements.

As required U/S 232(I) of the Companies Act, 2017 these financial statements have been signed by two directors and CFO as the Chief Executive of the company is out of country.

  
Chairman

  
Chief Financial Officer

  
Director

**KOHINOOR SPINNING MILLS LIMITED**

**STATEMENT OF PROFIT OR LOSS**

**FOR THE YEAR ENDED JUNE 30, 2025**

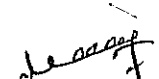
	Note	2025	2024
		Rupees	
Revenue - net	25	-	-
Cost of revenue	26	-	-
Gross profit		-	-
Administrative expenses	27	(202,951,575)	(170,694,108)
		(202,951,575)	(170,694,108)
Operating loss		(202,951,575)	(170,694,108)
Finance cost	28	(58,181)	(136,908)
Other Operating expenses	29	(304,605,449)	(243,827,574)
		(304,663,630)	(243,964,482)
Other income	30	30,003,043	36,189,609
		30,003,043	36,189,609
Loss before tax		(477,612,162)	(378,468,982)
Taxation	22		
Current Tax		-	21,288,688
Deferred Tax		(16,598,506)	(17,472,112)
Loss after tax		(494,210,669)	(374,652,406)
Earnings per share - basic	23	(1.13)	(0.91)

The annexed notes from 1 to 33 form an integral part of these financial statements.

As required U/S 232(I) of the Companies Act, 2017 these financial statements have been signed by two directors and CFO as the Chief Executive of the company is out of country.

  
Chairman

  
Chief Financial Officer

  
Director

**KOHINOOR SPINNING MILLS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2025**

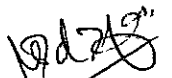
	Note	2025	2024
		----- Rupees -----	
Loss after tax		(494,210,669)	(374,652,406)
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Income tax relating to these items		-	-
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Gain on revaluation of land and buildings		-	-
Remeasurements of retirement benefit obligations	9.1.1	2,345,515	2,427,473
Income tax relating to these items		-	-
		2,345,515	2,427,473
Other comprehensive income		2,345,515	2,427,473
Total comprehensive loss for the year		(491,865,154)	(372,224,933)

The annexed notes from 1 to 33 form an integral part of these financial statements.

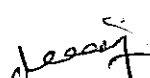
As required U/S 232(I) of the Companies Act, 2017 these financial statements have been signed by two directors and CFO as the Chief Executive of the company is out of country.



Chairman



Chief Financial Officer



Director

**KOHINOOR SPINNING MILLS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	Rupees					Total share capital and reserves
		Issued, subscribed and paid up share capital	Share Premium	Surplus on Revaluation on Fixed assets	Accumulated (Loss)	Fair Value Reserves	
Balance as at July 01, 2023		1,078,571,425	171,428,570	1,840,155,759	(3,153,804,095)	(802,079)	(64,450,420)
Loss for the year		-	-	-	(374,652,406)	-	(374,652,406)
Experienced adjustment due to actuarial valuation		-	-	-	2,427,473	-	2,427,473
Incremental Depreciation net of deferred tax		-	-	(42,776,550)	42,776,550	-	-
Change in deferred tax		-	-	-	17,472,112	-	17,472,112
Shares Issued during the year		981,962,500	-	-	-	-	981,962,500
<b>Balance as at June 30, 2024</b>		<b>2,060,533,925</b>	<b>171,428,570</b>	<b>1,797,379,209</b>	<b>(3,465,780,366)</b>	<b>(802,079)</b>	<b>562,759,260</b>
Balance as at July 01, 2024		2,060,533,925	171,428,570	1,797,379,209	(3,465,780,366)	(802,079)	562,759,260
Loss for the year		-	-	-	(494,210,669)	-	(494,210,669)
Experienced adjustment due to actuarial valuation		-	-	-	2,345,515	-	2,345,515
Incremental Depreciation net of deferred tax		-	-	(40,637,722)	40,637,722	-	-
Change in deferred tax		-	-	-	16,598,506	-	16,598,506
Shares Issued during the year		118,037,500	-	-	-	-	118,037,500
<b>Balance as at June 30, 2025</b>		<b>2,178,571,425</b>	<b>171,428,570</b>	<b>1,756,741,487</b>	<b>(3,900,409,291)</b>	<b>(802,079)</b>	<b>205,530,112</b>

The annexed notes from 1 to 33 form an integral part of these financial statements.

As required U/S 232(i) of the Companies Act, 2017 these financial statements have been signed by two directors & CFO as the Chief Executive of the company is out of country.



Chairman



Chief Financial Officer



Director

**KOHINOOR SPINNING MILLS LIMITED**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED JUNE 30, 2025**

Note

2025	2024
Rupees	

**Cash flows from operating activities**

Loss before tax	(477,612,162)	(378,468,982)
Adjustments for:		
Depreciation	125,912,075	132,586,657
Gratuity	3,543,120	3,593,536
Expected credit loss	-	2,394,122
Gain on disposal of fixed assets	-	(6,148,756)
Finance cost	11,215,122	23,269,608
Exchange loss/(gain)	30,261,372	11,083,194
Impairment loss	262,312,137	206,342,558
	433,243,825	373,120,919
Operating loss before working capital changes	(44,368,337)	(5,348,062)

## Effect of working capital changes

(Increase) / decrease in current assets

Stores and spares

Stock-in-trade

Trade debts

Loans and advances

-	-
-	-
-	4,115,242
(573,555)	(684,604)
(573,555)	3,430,638

Increase / (decrease) in current liabilities

Trade and other payables

(241,787,892)	(228,319,245)
(241,787,892)	(228,319,245)

**Cash used in operations**

(286,729,784)	(230,236,669)
---------------	---------------

Bank charges paid

Income taxes paid

Gratuity paid

(58,181)	(136,908)
(586,001)	(1,245,200)
(383,210)	(953,125)
(1,027,392)	(2,335,233)

**Net cash outflows from operating activities**

(287,757,176)	(232,571,903)
---------------	---------------

**Cash flows from investing activities**

Proceeds from sale of property, plant and equipment

Long term deposits

**Net cash inflows from investing activities**

-	6,672,350
33,659,970	-
33,659,970	6,672,350

**Cash flows from financing activities**

Increase in directors loan

Proceeds from the issue of shares

**Net cash inflows from financing activities**

135,880,092	226,144,350
118,037,500	-
253,917,592	226,144,350

**Net (decrease)/ increase in cash and cash equivalents**

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at end of the year

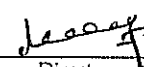
(179,614)	244,797
1,091,267	846,470
911,653	1,091,267

The annexed notes from 1 to 33 form an integral part of these financial statements.

As required U/S 232(I) of the Companies Act, 2017 these financial statements have been signed by two directors and CFO as the Chief Executive of the company is out of country.

  
 Chairman

  
 Chief Financial Officer

  
 Director

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**KOHINOOR SPINNING MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED JUNE 30, 2025**

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**1 Status and nature of business**

- 1.1 Kohinoor Spinning Mills Limited (the Company) was incorporated in Pakistan on 23rd July, 1970 as a Public Limited Company under the under the companies Act, 1913 (Now Companies Act 2017) and is quoted in Karachi Stock Exchange. The company is principally engaged in the business of textile spinning. The registered office of the company is located at 7-E, 3/1 Main Boulevard, Gulberg-III, Lahore. Unit 01 & 02 Ameenabad 8 km, Pindi Road, Chakwal and Unit 03 is located at 8 km Bhoun road, Chakwal.
- 1.2 The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business.
- The Company has incurred a net loss of Rs. 494,210,669 for the year ended June 30, 2025 (2024: Rs. 374,652,406). As of that date, the Company has accumulated losses of Rs. 3,902,754,806, and its current liabilities exceed its current assets by Rs. 2,430,745,167 (2024: excess of Rs. 2,369,782,551). These conditions, along with the Company's history of losses, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company's directors have provided an irrevocable commitment letter to inject fresh equity.
- These funds are specifically intended to support working capital and facilitate a debt restructuring post the litigation outcome. Management believes the successful execution of these plans will enable the Company to meet its obligations for the foreseeable future. Consequently, these financial statements do not include any adjustments that would be necessary if the Company were unable to continue as a going concern.

**2 Basis of preparation****2.1 Basis of measurement**

These financial statements have been prepared under the historical cost convention unless otherwise specifically stated, if any,

**2.2 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of Companies Act, 2017. Approved accounting standards comprise of:

- International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFASs) as issued by the Institute of Chartered Accountants of Pakistan (ICAP); and
- Provisions of and directives issued under the Companies Act, 2017.

Wherever, the requirements of the Companies Act, 2017 or directives issued by the Securities and Exchange Commission of Pakistan differs with the requirements of these accounting standards, the requirements of the Companies Act, 2017 or the requirements of the said directives shall prevail.

**2.3 Functional and presentational currency**

These financial statements have been prepared in Pakistani Rupees (PKR), which is the company's functional and presentational currency

**3 Use of judgments, estimates and assumptions**

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgements which are significant to the financial statements:

- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (Note 16);
- assumptions and estimates used in deriving fair value of long term investments (Note 18);
- assumptions and estimates used in determining the provision for slow moving and obsolete stores, spares and loose tools

**KOHINOOR SPINNING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

(Note 19);

- assumptions and estimates used in writing down items of stock in trade to their net realisable value (Note 20);
- assumptions and estimates used in calculating the provision for impairment for trade debtors (Note 21);
- assumptions and estimates used in calculating the provision for impairment for short term advances (Note 23);
- assumptions and estimates used in calculating the provision for impairment for cash and cash equivalents (Note 24);
- assumptions and estimates used in disclosure and assessment of provision for contingencies and commitments (Note 15);
- assumptions and estimates used in determining current income under relevant tax law and the decisions of appellate authorities on certain cases issued in the past (Note 22);

**4 Standards, amendments and interpretations**

**4.1 Standards, amendments and interpretations adopted during the year**

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year.

**4.2 New standards, amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2025**

There are no standards which the company have to adopt amendments and interpretations.

**4.3 Standards, amendments and improvements to approved accounting standards that are not yet effective**

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

The Company expects that the adoption of the below mentioned standards and amendments will not have any material impact on the Company's financial statements in the period of initial application.

Standards or Interpretation	Effective date (annual periods beginning on or after)
IFRS 18 Presentation and Disclosure in Financial Statements	01-Jan-27
Amendments to IAS 1 Classification of Liabilities with Covenants	01-Jan-26

The Company expects that the adoption of the below mentioned standards and amendments will not have any material impact on the Company's financial statements in the period of initial application.

Standards	IASB effective date (annual periods beginning on or after)
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N/A

N/A

**5 Summary of significant accounting policies**

**5.1 Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures directly attributable to the acquisition of an asset.

Depreciation on property, plant and equipment is charged on reducing balance method at the rates stated in Note 16 to these financial statements. Depreciation charge commences from the month in which asset is available for use and continues until the month of disposal.

Residual values and the useful lives are reviewed at each date of statement of financial position and adjusted if expectations differ significantly from previous estimates.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

**KOHINOOR SPINNING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

The carrying values of property, plant and equipment are reviewed at each reporting date for indications that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the greater of fair value less cost to sell and value in use.

Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalized, when it is probable that future economic benefits will flow to the Company.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount of the relevant assets. These are included in profit or loss.

Capital work-in-progress is stated at cost accumulated to the date of statement of financial position less impairment losses, if any. It consists of expenditure incurred, advances made and other directly attributable costs in respect of property, plant and equipment in the course of their construction and installation. Transfers are made to relevant operating fixed assets category as and when assets are available for use.

Surplus on revaluation of assets are credited to a 'Surplus on revaluation' account on the statement of financial position. Surplus on revaluation of buildings to the extent of incremental depreciation charged thereon is transferred from surplus on revaluation of building to retained earnings (unappropriated profit), net of deferred tax.

## **5.2 Stores, spares and loose tools**

These are valued at lower of cost using Weighted Average Cost method and estimated net realizable value. Provision is made for slow moving and obsolete stores and spares. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Net realizable value specifies the estimated selling price in the ordinary course of business less the estimated cost of completion and cost necessarily to be incurred to make the sale.

## **5.3 Stock in trade**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is determined as follows:

Stock Type	Valuation Method
Raw material	Weighted average basis
Work in process	Estimated manufacturing cost including appropriate overheads
Finished goods	Average manufacturing cost including appropriate overheads
Waste/Scrap	Net realizable value

Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to be incurred for its sale.

## **5.4 Financial instruments**

### **5.4.1 Financial assets**

#### **a) Amortized cost**

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in profit or loss.

#### **b) Fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



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**KOHINOOR SPINNING MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED JUNE 30, 2025**

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**c) Fair value through profit or loss**

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in the statement of profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognized in profit or loss. Dividends from such investments continue to be recognized in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to the statement of profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

**5.4.2 Financial liabilities**

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

**5.4.3 Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position, if the company has a legally enforceable right to offset the recognized amounts and the company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

**5.5 Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognize lifetime expected credit losses for trade debts, due from customers and contract assets.

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

The Company recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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**KOHINOOR SPINNING MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED JUNE 30, 2025**

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**5.6 Trade debts**

Trade debts are amounts due from customers for sales made during the ordinary course of business. Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method less expected credit losses. Bad debt are written off when identified.

**5.7 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

**5.10 Trade and other payables**

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

**5.2 Contract assets and liabilities**

If the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Contract liabilities are recognized for consideration received in respect of unsatisfied performance obligations.

**5.21 Staff retirement benefits****(a) Defined benefit plan - Gratuity**

The Company operates an unapproved funded defined benefit gratuity plan for all employees having a service period of more than six months. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out on a periodic basis or when there is a significant change. The most recent valuation was carried out as at August 18, 2025 using the "Projected Unit Credit Method".

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the company as reduced by benefits paid during the year.

The amount recognized in statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognized immediately to

**5.22 Foreign currency transactions and translation**

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date. Foreign exchange gains and losses on translation are recognized in statement of profit or loss. All non-monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

**5.23 Provisions**

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

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**KOHINOOR SPINNING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**5.24 Contingent liabilities**

Contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or when there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**5.25 Contingent assets**

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization become virtually certain.

**5.26 Related party transactions and transfer pricing**

Transactions and contracts with the related parties are priced at arm's length except assets sold to employees at written down values as approved by Board of Directors. Prices for transactions with related parties are determined on the basis comparable uncontrolled price method.

**5.27 Taxation**

**Current:**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions, if any.

**Deferred:**

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the income statement, except where deferred tax arises on the items credited or charged to equity in which case it is included in equity.

**5.28 Borrowings and their costs**

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

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**KOHINOOR SPINNING MILLS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED JUNE 30, 2025**

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**5.29 Revenue recognition**

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria has been met for each of the company's activities as described below:

- Revenue from sale of goods is recognized when control of goods is transferred to customers.
- Interest income recognized on a time proportion basis on the principal amount outstanding and at the applicable rate.
- Commission income is recognized as and when received.
- Indenting commission income is recognized as and when performance obligation is meet.
- Gains / (losses) arising on disposal of investments are included in income currently and are recognized on the date when the transaction takes place.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.
- Unrealized gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.
- Revenue from rendering of services is recognized as and when performance obligation is meet.
- Dividends are recognized as other income in profit or loss when the right to receive payment is established.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

**5.3 Proposed dividend and transfer between reserves**

Dividend declared and transferred between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared / transfers made.

**KOHINOOR SPINNING MILLS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 (Rupees)	2024 (Rupees)
<b>6 SHARE CAPITAL</b>			
Issued, subscribed and paid up			
127,725,000 ordinary shares of Rupees 5/- each fully paid in cash		638,625,000	638,625,000
305,714,285 (2024: 282,106,785) ordinary shares of Rupees 5/- each issued against director's loan	6.2	1,528,571,425	1,410,533,925
2,275,000 ordinary shares of Rupees 5/- each issued as fully paid bonus shares.		11,375,000	11,375,000
		<u>2,178,571,425</u>	<u>2,060,533,925</u>
<b>6.1 Reconciliation of number of shares</b>			
Number of shares at July 01, 2024		412,106,785	215,714,285
Shares issued against directors loan		23,607,500	196,392,500
Number of shares at June 30, 2025		<u>435,714,285</u>	<u>412,106,785</u>

6.2 During the year, the company issued 23,607,500 shares against a loan pertaining to interest-free loans as follows:

Name	Relationship	Interest Free Loan
Khatwaja Muhammad Jahangir	Chairman	118,037,500

**6.3 Authorized Share Capital Change - Subsequent Event**

The authorized share capital of the Company is Rs. 2,200,000,000 divided into 440,000,000 ordinary shares of Rs. 5 each. Subsequent to the year-end, on August 26, 2025, the Company submitted an application to the Securities and Exchange Commission of Pakistan (SECP) to approve an increase in the authorized share capital to Rs. 3,000,000,000, divided into 600,000,000 ordinary shares of Rs. 5 each. This application is based on the shareholders' resolution passed on September 12, 2024. The new shares, once issued, will rank pari-passu in all respects with the existing ordinary shares. The approval from the SECP was pending as of the date of authorization of these financial statements. This event is considered a non-adjusting subsequent event, and accordingly, no adjustment has been made to the share capital presented in these financial statements as at June 30, 2025.

**7 RESERVES**

Accumulated (loss)		(3,883,595,998)	(3,446,621,558)
Share Premium	7.1	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		(4,200,445)	(6,545,960)
Revaluation Surplus On PPE	7.2 & 7.3	1,756,741,487	1,797,379,209
		<u>(1,973,041,313)</u>	<u>(1,497,774,666)</u>

7.1 This reserve can be utilized by the company only for the purposes specified in section 81 of the Companies Act 2017.

7.2 This surplus is not available for distribution to member as per companies Act 2017

	Note	2025 (Rupees)	2024 (Rupees)
<b>7.3 SURPLUS ON REVALUATION OF FIXED ASSETS</b>			
Revaluation surplus net of deferred tax opening		2,129,349,336	2,189,597,998
Revaluation surplus realized during the year		(57,236,229)	(60,248,662)
		<u>2,072,113,107</u>	<u>2,129,349,336</u>
Deferred tax relating to surplus opening		331,970,127	349,442,239
Deferred tax realized on incremental depreciation		(16,598,506)	(17,472,112)
		<u>315,371,620</u>	<u>331,970,127</u>
Net surplus		<u>1,756,741,487</u>	<u>1,797,379,209</u>

The latest revaluation of property, plant and equipment was carried out on June 30, 2025 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.

**8 LONG TERM LOANS**

From directors and relatives

	8.1	692,031,360	556,151,269
		<u>692,031,360</u>	<u>556,151,269</u>

From banking companies - secured

Demand finance		364,705,882	364,705,882
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Less:

Overdue installment	8.2	(364,705,882)	(364,705,882)
Current portion		-	-
		<u>(364,705,882)</u>	<u>(364,705,882)</u>
		<u>-</u>	<u>-</u>
		<u>692,031,360</u>	<u>556,151,269</u>

- 8.1 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.
- 8.2 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.

9 DEFERRED LIABILITIES	Note	2025	2024
		(Rupees)	(Rupees)
Gratuity	9.1	31,624,931	30,810,537
Deferred tax liability	9.2	-	-
		<u>31,624,931</u>	<u>30,810,537</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.

- **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.

#### 9.1 Staff Gratuity-Defined Benefit Plan

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

	Note	2025	2024
		(Rupees)	(Rupees)
<b>9.1.1 Movement in liability recognized in the statement of financial position</b>			
At the beginning of the year		30,810,537	30,597,599
Amount recognized in P/L during the year	9.1.2	3,543,119	3,593,536
Actuarial (gains)/losses during the year	9.1.3	(2,345,515)	(2,427,473)
Benefit payments		<u>(383,210)</u>	<u>(953,125)</u>
		<u>31,624,931</u>	<u>30,810,537</u>
<b>9.1.2 Charged to the statement of profit or loss</b>			
Current service cost		1,001,620	983,065
Interest cost		<u>2,541,499</u>	<u>2,610,471</u>
		<u>3,543,119</u>	<u>3,593,536</u>
<b>9.1.3 Charged to the statement of comprehensive income</b>	Note	2025	2024
		(Rupees)	(Rupees)
Actuarial (gains)/losses from changes in financial assumptions		(52,712)	(25,735)
Experience adjustment		<u>(2,292,803)</u>	<u>(2,401,738)</u>
		<u>(2,345,515)</u>	<u>(2,427,473)</u>
<b>9.1.4 Allocation of charge for the year</b>			
Cost of sales		-	-
Administrative expenses		<u>3,543,119</u>	<u>3,593,536</u>
		<u>3,543,119</u>	<u>3,593,536</u>

9.1.5 The principal actuarial assumptions used were as follows

Discount rate	11.75%	14.75%
Expected rate of increase in salary	10.75%	13.75%
Average expected remaining working life of employees	-	-
Average duration of liability	5 years	5 years
The mortality rate used for an active employees are based on SLIC(2001-05) mortality table		

9.1.6 Sensitivity analysis as at 30.06.2025

Description	Discount Rate + 1%	Discount Rate - 1%	Salary Increase + 1%	Salary Increase - 1%
PVDBO	17,511,392	19,429,343	19,438,909	17,486,566

Sensitivity analysis as at 30.06.2024

Description	Discount Rate + 1%	Discount Rate - 1%	Salary Increase + 1%	Salary Increase - 1%
PVDBO	16,333,572	18,209,350	18,218,767	16,309,843

	Note	2025 (Rupees)	2024 (Rupees)
9.2 Deferred tax			
On temporary differences arising on:			
Property, plant and equipment		312,978,444	324,994,856
Surplus on revaluation on fixed assets		315,371,620	331,970,127
Gratuity		(9,171,230)	(8,935,056)
Tax losses and credits		(528,640,203)	(573,604,434)
Impairment		(91,581,423)	(74,425,493)
Deferred Tax (Asset) / Liability		(1,042,791.00)	-

9.2.1 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. 69,174,085 (2024: 70,918,099) from tax losses and credits has not been recognized.

9.2.2 Business Losses and tax credits will expire as follows:

Year of Expiry	Business Losses (Rupees)	Minimum Tax (Rupees)
2031	349,578,297	-
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

Description	30-06-2023	Statement of Profit and loss	STATEMENT OF OTHER COMPREHENSIVE INCOME	Equity	30-6-2024	Statement of Profit and loss	STATEMENT OF OTHER COMPREHENSIVE INCOME	Equity	30-06-25
On temporary differences arising on:	324,385,710	599,146	-	-	324,994,856	(12,016,412)	-	-	312,978,444
Property, plant and equipment	349,442,239	-	-	(17,472,112)	331,970,127	-	-	(10,558,508)	315,371,620
Surplus on revaluation on fixed assets	(6,873,804)	(61,752)	-	-	(8,935,056)	(238,174)	-	-	(9,171,230)
Gratuity	(154,418,618)	(19,185,816)	-	-	(573,604,434)	46,007,022	-	-	(527,597,412)
Tax losses and credits	(110,546,027)	36,120,934	-	-	(74,425,493)	(17,155,938)	-	-	(92,581,423)
Impairment	-	-	-	-	-	-	-	-	-
Deferred Tax (Asset) / Liability	-	17,472,112	-	(17,472,112)	-	20,598,508	-	(10,558,508)	-

	Note	2025 (Rupees)	2024 (Rupees)
10 TRADE AND OTHER PAYABLES			
Un-secured:			
Creditors		135,806,257	221,638,962
Accrued expenses	10.1	84,624,963	77,775,499
Sales tax payable		83,633,881	83,633,881
Payable to employees		451,533	451,533
Workers' profit participation fund	10.2	-	151,647,711
		304,516,634	535,147,586
10.1 Accrued expenses			
Audit Oversight Board Payable		50,000	50,000
Other Accrued Expenses		84,574,963	77,725,499
		84,624,963	77,775,499
10.2 Workers' profit participation fund			
Opening balance		151,647,711	128,533,011
Interest recognized during the year		11,156,940	23,114,700
Payment made during the year		(162,804,651)	-
		-	151,647,711

	Note	2025 (Rupees)	2024 (Rupees)
11 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

		2025 (Rupees)	2024 (Rupees)
12	<b>SHORT-TERM BORROWINGS</b>		
	Banking companies - Secured		
	Running finance	12.1/12.2	168,248,211
	Others	12.1	1,010,530,280
	Export finance	12.1	284,364,481
			<u>1,463,142,972</u>

12.1	<b>NATURE OF FACILITY</b>	<b>UNIT</b>	<b>MARK UP / COMMISSION</b>	<b>Expiry</b>	<b>Security</b>
	Running Finance	169,452,613	3 Months KIBOR plus 2.00 % to 2.50%	Range 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

12.2 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	2025 (Rupees)	2024 (Rupees)
13	<b>CURRENT PORTION OF LONG TERM LOAN</b>		
	Long term loans	5	364,705,882
			<u>364,705,882</u>
14	<b>SUPPLIER'S CREDIT-UNSECURED</b>		
	Loan for machinery - Overdue installments	14.1	294,716,480
			<u>294,716,480</u>

14.1 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.

## 15 CONTINGENCIES AND COMMITMENTS

### 15.1 CONTINGENCIES

15.1.1 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 (2024: 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 (2024: Rs 2,299.726 million) in respect of principal and markups has been made in these accounts



16	PROPERTY, PLANT AND EQUIPMENT	Note	2025 (Rupees)	2024 (Rupees)
	Fixed assets:			
	Owned assets	16.1	3,349,172,308	3,475,084,383
	<b>KOHINOOR SPINNING MILLS LIMITED</b>		<b>3,349,172,308</b>	<b>3,475,084,383</b>
	<b>NOTES TO THE FINANCIAL STATEMENTS</b>			
	<b>FOR THE YEAR ENDED JUNE 30, 2025</b>			

16	Property, plant and equipment	Note	2025 (Rupees)	2024 (Rupees)
	Operating fixed assets	16.1	3,349,172,308	3,475,084,383
	Capital work in progress			
			<b>3,349,172,308</b>	<b>3,475,084,383</b>

#### 16.1 Operating fixed assets

	Owned assets										Total assets
	Freehold Land	Building on Freehold Land	Plant and Machinery	Tube Wells	Electric Installation	Tools and Equipment	Telephone Installation	Office Equipment	Furniture and Fixture	Vehicles	
<b>Cost/Revaluation</b>											
Balance as at July 01, 2023 - Cost	996,300,000	1,215,196,874	3,525,316,830	-	44,110,243	2,370,645	433,215	3,836,512	6,174,643	55,378,819	5,849,417,801
Balance as at July 01, 2023 - Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2023 - Total	996,300,000	1,215,196,874	3,525,316,830	-	44,110,243	2,370,645	433,215	3,836,512	6,174,643	55,378,819	5,849,417,801
Additions	-	-	-	-	-	-	-	-	-	-	-
Revaluation Surplus	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	(5,405,000)	(5,405,000)
Impairment	-	-	-	-	-	-	-	-	-	5,041,806	5,041,806
Balance as at June 30, 2024	996,300,000	1,215,196,874	3,525,316,830	-	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,955,245	5,848,894,107
Balance as at July 01, 2024 - Cost	996,300,000	1,215,196,874	3,525,316,830	-	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,955,245	5,848,894,107
Balance as at July 01, 2024 - Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2024 - Total	996,300,000	1,215,196,874	3,525,316,830	-	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,955,245	5,848,894,107
Additions during the year	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2025	996,300,000	1,215,196,874	3,525,316,830	-	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,955,245	5,848,894,107
<b>Depreciation</b>											
Balance as at July 01, 2023 - Cost	-	294,376,136	1,632,672,596	-	36,510,814	2,182,754	415,570	5,787,184	5,322,574	42,037,915	2,281,221,167
Balance as at July 01, 2023 - Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2023 - Total	-	294,376,136	1,632,672,596	-	36,510,814	2,182,754	415,570	5,787,184	5,322,574	42,037,915	2,281,221,167
Charge for the year	-	45,854,910	83,642,164	-	739,984	8,784	1,964	4,953	85,207	2,117,577	132,516,637
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2024	-	340,231,046	1,916,314,760	-	37,270,398	2,291,544	415,534	5,792,137	5,407,781	44,155,492	2,373,409,844
Balance as at July 01, 2024 - Cost	-	340,231,046	1,916,314,760	-	37,270,398	2,291,544	415,534	5,792,137	5,407,781	44,155,492	2,373,409,844
Balance as at July 01, 2024 - Revaluation	-	-	-	-	-	-	-	-	-	-	-
Balance as at July 01, 2024 - Total	-	340,231,046	1,916,314,760	-	37,270,398	2,291,544	415,534	5,792,137	5,407,781	44,155,492	2,373,409,844
Charge for the year	-	43,563,235	79,160,104	-	681,985	7,918	3,764	4,140	79,636	2,115,947	125,912,075
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2025	-	383,794,281	2,015,474,864	-	37,952,383	2,299,462	417,282	5,796,277	5,487,417	46,271,439	2,499,321,919
<b>Rate of depreciation</b>	0%	3%	3%	10%	10%	10%	10%	10%	10%	20%	
Written down value as at June 30, 2024	996,300,000	871,264,611	1,589,102,070	-	6,839,845	79,899	17,681	41,335	716,162	10,543,753	3,475,084,383
Written down value as at June 30, 2025	996,300,000	827,201,463	1,509,741,966	-	6,155,860	71,181	15,933	39,955	646,376	4,455,216	3,319,172,308

#### 16.3 PARTICULARS OF IMMOVABLE PROPERTIES

Manufacturing Units	Address	Area of Land (Kanshi)	Covered area (sq feet)
Unit 1/2	Amended 8 Km Pindi Road, Chakwal	185.53	
Unit 3	8 Km Bhawan road Chakwal	244	372,136

#### 16.4 Allocation of Depreciation

Administrative	125,912,075
Cost of Sales	-

Freehold land, building and plant and machinery are stated at revalued amounts. Forced sale value of land, building and plant and machinery was Rs. 846,855,00/-, 703,546,243.55/- and 1,283,280,671.1/- respectively as on the date of revaluation. Had there been no revaluation, related figures of these assets as at June 30, 2025 would have been as follows:

16.2	Cost	Accumulated depreciation Rupees	Written down value
Freehold land	11,675,239	-	11,675,239
Freehold building	603,599,123	386,850,270	216,748,853
Plant and machinery	2,997,299,397	1,964,093,209	1,033,206,188
As at 2025	<b>3,612,573,759</b>	<b>2,350,943,479</b>	<b>1,227,417,388</b>
As at 2024	<b>3,612,573,759</b>	<b>2,215,906,785</b>	<b>1,396,666,974</b>

17	LONG-TERM DEPOSITS	Note	2025 (Rupees)	2024 (Rupees)
	Security deposits:			
	Utilities	17.1	10,411,342	44,071,312
	Others		150,000	150,000
			<b>10,561,342</b>	<b>44,221,312</b>

17.1 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	2025 (Rupees)	2024 (Rupees)
18 LONG TERM INVESTMENTS			
At fair value through other comprehensive income - Quoted			
* First Prudential Modaraba 102,666 modaraba certificates		197,921	197,921
of Rupees 10 each.		<u>197,921</u>	<u>197,921</u>
19 STORES AND SPARES			
Stores		7,212,319	7,212,319
Spares		5,725,614	5,725,614
		<u>12,937,933</u>	<u>12,937,933</u>
20 STOCK-IN-TRADE			
Raw material	20.1 & 20.2	516,071,380	719,225,138
Work-in-process		-	-
Finished goods	20.1	71,447,356	71,447,356
Waste		-	-
Provision for impairment		(262,312,138)	(203,153,758)
		<u>325,206,598</u>	<u>587,518,736</u>
20.1 This include raw material and finished goods amounting Rs.247 Million (2024: 247 Million) pledged against cash finance facility.			f
20.2 During the year raw materials have been written off by Rs. 262,312,138 (2024: 203,153,758).			f
	Note	2025 (Rupees)	2024 (Rupees)
21 TRADE DEBTORS - CONSIDERED GOOD			
Local - Unsecured		166,071,632	166,071,632
Allowance for expected credit loss	21.1	(53,485,872)	(53,485,872)
		<u>112,585,760</u>	<u>112,585,760</u>
	Note	2025 (Rupees)	2024 (Rupees)
21.1 Allowance for expected credit loss			
Opening balance		53,485,872	51,091,750
Less: Written off		-	-
Add: Charge during the year		-	2,394,122
Closing balance		<u>53,485,872</u>	<u>53,485,872</u>
22 TAX PAYABLE/ (REFUNDABLE)			
Levies	22.1	-	-
withholding adjusted against levies		-	-
		-	-
Tax			
Opening balance		(3,480,829)	19,053,059
Current year	22.2	-	-
Prior year		-	(21,288,688)
		-	(21,288,688)
Less: Paid / adjusted		(586,001)	(1,245,200)
		<u>(4,066,830)</u>	<u>(3,480,829)</u>
22.1 This represents portion of the minimum tax chargeable under Income Tax Ordinance, 2001.			
22.2 This represents liability provided under Section 113 of the Income Tax Ordinance, 2001 on the basis of gross turnover from all sources.			
22.3 The income tax assessment of the company has been finalized up to and including tax year 2024 by deeming provisions of Income Tax Ordinance, 2001.			
22.4 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	2025 (Rupees)	2024 (Rupees)
23 SHORT TERM ADVANCES			
Advances to suppliers - considered good			
Suppliers		-	120,400
Advances to employees - considered good			
Executive		7,737,470	7,411,680
Non- executive		6,683,613	6,315,448
		<u>14,421,083</u>	<u>13,847,528</u>
24 CASH AND BANK BALANCES			
Cash in hand		29,400	71,600
Cash at bank:			
In current accounts		880,836	968,018
In saving accounts	24.1	1,417	51,650
		<u>911,653</u>	<u>1,091,267</u>
24.1 Saving account carries interest @ 12.56% p.a (2024: 20.5% p.a)			

			2025 (Rupees)	2024 (Rupees)
25	SALES			
	Local		-	-
	Yarn		-	-
	Waste		-	-
	Coal		-	-
	Less: Sales tax		-	-
			-	-
26	COST OF SALES			
	Raw material consumed	26.1	-	-
	Salaries, wages and benefits	26.2	-	-
	Fuel and power		-	-
	Insurance		-	-
	Packing material		-	-
	Repairs and maintenance		-	-
	Stores and spares consumed		-	-
	Vehicle running and maintenance		-	-
	Communication		-	-
	Travelling and Conveyance		-	-
	Miscellaneous		-	-
	Depreciation		-	-
	Work-in-process		-	-
	Opening		-	-
	Closing		-	-
	Cost of goods manufactured		-	-
	Finished goods and waste		-	-
	Opening stock		71,447,356	74,636,102
	Impairment		-	(3,188,746)
	Closing stock		(71,447,356)	(71,447,356)
			-	-
26.1	RAW MATERIAL CONSUMED	Note	2025 (Rupees)	2024 (Rupees)
	Opening stock		719,225,138	1,025,840,468
	Purchases		-	-
			719,225,138	1,025,840,468
	Cost of raw material sold		-	-
			719,225,138	1,025,840,468
	Provision written off		(203,153,758)	(306,615,330)
	Closing stock		(516,071,380)	(719,225,138)
			-	-
26.2	It includes Rs. nil (2024: Rs. Nil) in respect of gratuity.			
	DISTRIBUTION COST			
	Commission on local sales		-	-
	Local Freight		-	-
27	ADMINISTRATIVE			
	Salaries, wages and benefits	27.1	16,231,599	16,105,070
	Travelling and conveyance		217,110	343,690
	Rent, rates and taxes		-	123,360
	Printing and stationery		398,130	181,860
	Communications		1,072,520	1,074,161
	Entertainment		1,182,660	1,268,222
	Utilities		47,361,824	1,995,068
	Vehicles running		754,150	970,707
	Fee and subscription		7,631,694	9,506,531
	Legal and Professional		400,000	3,815,000
	Repairs and maintenance		180,622	687,580
	Newspaper and periodicals		7,800	-
	Depreciation		125,912,075	132,586,657
	Donations		25,000	-
	Miscellaneous		1,576,391	2,035,902
			202,951,575	170,694,108
27.1	It includes Rs. 3,543,119 (2024: 3,593,536) in respect of gratuity. None of the directors or their spouses had any interest in any of the donees.			

28	<b>FINANCE COST</b>					
	Interest / mark-up on:					
	Bank charges and commissions			58,181		136,908
				<u>58,181</u>		<u>136,908</u>
29	<b>OTHER OPERATING EXPENSES</b>					
	Auditors' remuneration	29.1		875,000		875,000
	Exchange loss			30,261,372		11,083,194
	Expected credit loss			-		2,394,122
	Impairment Loss			262,312,137		206,342,558
	Workers profit participation fund			11,156,940		23,132,700
				<u>304,605,449</u>		<u>243,827,574</u>
				2025		2024
		Note		(Rupees)		(Rupees)
29.1	<b>Auditors' remuneration</b>					
	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>
30	<b>OTHER OPERATING INCOME</b>					
	Income from non financial assets:					
	Gain on sale of fixed asset			-		6,148,756
	Rental Income			30,000,000		30,000,000
	Interest income			3,043		40,853
				<u>30,003,043</u>		<u>36,189,609</u>
				2025		2024
		Note		(Rupees)		(Rupees)
31	<b>(LOSS) PER SHARE - Basic</b>					
	(Loss) after taxation			(494,210,669)		(374,652,406)
	Weighted average number of ordinary shares			435,714,285		412,106,785
	(Loss) per share - Basic	31.1		(1.13)		(0.91)
31.1	<b>Diluted earning per share</b>					
	There is no dilution effect on the basic earning per share of the Company as the company has no such commitments.					

32 **CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND EXECUTIVES REMUNERATION**

Description	2025			2024		
	Chief executive	Directors	Executive	Chief executive	Directors	Executive
Remunerations	-	-	2,360,000	-	-	2,360,000
House Rent	-	-	1,062,000	-	-	1,062,000
Gratuity	-	-	295,000	-	-	295,000
Utilities	-	-	118,000	-	-	118,000
Total	-	-	<u>3,835,000</u>	-	-	<u>3,835,000</u>
Number of persons	-	-	1	-	-	1

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

### 33 TRANSACTIONS WITH RELATED PARTIES

33.1	Name of Related Party	Basis of relationship	Transactions during the year	Percentage of Shareholding
	(Chakwal Spinning Mills)	Common Directorship	No	No
33.1	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:-

#### Loan from director

Related Parties	As at June 30, 2024	Movement during the year			As at June 30, 2025
		Shares issued	Transfer in	Transfer out	
KHAWAJA MUHAMMAD JAHANGIR	127,668,518	23,607,500	-	127,668,518	-
KHAWAJA MUHAMMAD KALEEM	6,750,000	-	-	-	6,750,000
KHAWAJA MUHAMMAD NADEEM	14,910,499	-	-	14,910,499	-
KHAWAJA MUHAMMAD NAVEED	320,084,404	-	24,154,500	8,970,244	335,268,660
KHAWAJA MUHAMMAD TANVEER	52,410,350	-	265,380,000	-	317,790,350
KHAWAJA DANISH TANVEER	500,000	-	-	500,000	-
KHAWAJA SHAHZAD YOUNAS	9,550,000	-	-	-	9,550,000
MOHAMMAD HAMZA YOUSAF	24,277,498	-	-	1,605,148	22,672,350
	556,151,269	23,607,500	289,534,500	153,654,409.0	692,031,360

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 YOUNAS	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

	Note	2025 (Rupees)	2024 (Rupees)
33.1.2 Aggregate maximum balance due at the end of any month during the year.			
Directors loan		845,685,769	1,538,113,769
33.1.3 The company's head office premises is being provided free of cost by the Director of the Company.			

### 34 FINANCIAL RISK MANAGEMENT

- 34.1 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	2025 (Rupees)	2024 (Rupees)
Supplier's credit-EURO		885,947	885,947

The following significant exchange rates were applied during the year.

Average rate (Rupees per Euro)	N/A	N/A
Reporting date rate (Rupees per Euro)	299.0	298.50

#### 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 Foreign Currency Sensitivity Analysis

At June 30, 2025 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 (2024: Rs. 12.668 million) mainly as a result of foreign exchange gains / losses on translation of foreign currency Euro denominated borrowings.

#### 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 (2024: Rs. 197,921).

#### Sensitivity analysis

At June 30, 2025 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	2025 (Rupees)	2024 (Rupees)
<b>Floating rate instruments</b>		
<b>Financial Liabilities:</b>		
Short term borrowings	1,463,142,972	1,463,142,972
<b>Financial Assets:</b>		
Bank balance - Saving account	1,417	51,650
<b>Cash flow sensitivity analysis for variable rate instruments</b>		

If interest rates at the statement of financial position date, fluctuate by 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs. 17.463 million (2019: Rs. 17.463 million) lower / higher, mainly as a result of higher / lower interest expense on floating rate borrowings. The analysis is prepared assuming the amounting of liabilities outstanding at statement of financial position dates were outstanding for the whole year.

#### b) Credit Risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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	112,585,760
Loans and advances	13,847,528	13,847,528
Bank balance	882,253	1,019,667

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 Agency		2025	2024
		Short term	Long term	----- Rupee -----	
MCB Limited	PACRA	A1+	AAA	15,293	10,203
Habib Metropolitan Bank Ltd.	PACRA	A1+	AA+	826,250	826,250
Meezan Bank Limited	VIS	A- 1+	AAA	-	-
Allied Bank Limited	PACRA	A1+	AAA	1,417	51,650
Bank Alfalah	PACRA	A1+	AA+	39,293	131,656
JS Bank Limited	PACRA	A1+	AA	-	-

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:

Days	2025		2024	
	Gross	Impairment	Gross	Impairment
	----- Rupee -----			
0 - 30 days				
31 - 60 days				
61 -90 days				
> 90 days	53,485,872	-	53,485,872	170,186,874

#### 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. 0.911 (2024: 1.09 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, 2025**

Description	Carrying Amount	Contractual cash flows	Less than 1 year	More than 1 year
Rupee				
Gratuity	31,624,931	-	-	31,624,931
Supplier's credit	294,716,480	294,716,480	294,716,480	-
Long term finance	364,705,882	364,705,882	364,705,882	-
Director's loan	692,031,360	-	-	692,031,360
Trade and other payables	220,431,220	220,431,220	220,431,220	-
Accrued Interest	471,877,939	471,877,939	471,877,939	-
Short term finance	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.

**34.2 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	
	2025	2024	2025	2024	2025	2024
----- Rupee -----						
Long term deposits	44,221,312	44,221,312	-	-	-	-
Long term investments	-	-	-	-	197,921	197,921
Trade debts	112,585,760	112,585,760	-	-	-	-
Loans and advances	13,847,528	13,727,128	-	-	-	-
Cash and bank	882,253	1,091,267	-	-	-	-
	171,536,853	171,625,467	-	-	197,921	197,921

**Financial Liabilities as per financial statements**

Description	At amortized cost		Fair value through profit or loss	
	2025	2024	2025	2024
----- Rupee -----				
Long term finance	364,705,882	364,705,882	-	-
Supplier's credit	294,716,480	264,455,108	-	-
Trade and other payables	220,431,220	299,414,462	-	-
Accrued interest on loans and borrowings	471,877,939	471,877,939	-	-
Short term borrowings	1,463,142,972	1,463,142,972	-	-
	2,814,874,493	2,863,596,363	-	-

**34.3 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	2025 (Rupees)	2024 (Rupees)
Total borrowings		2,814,596,694	2,648,455,231
Less: Cash and bank balances		911,653	1,091,267
Net debt		2,813,685,041	2,647,363,963
Total equity		205,530,112	562,759,260
Total capital employed		3,019,215,153	3,210,123,223
Gearing ratio		0.93	0.82

### 35 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.

As at June 30, 2025	Level 1	Level 2	Level 3	Total
	----- Rupee -----			
Property, Plant & Equipment	-	2,129,349,336	-	2,129,349,336.17
Modaraba Certificate	197,921.00	-	-	197,921.00
Total	197,921.00	2,129,349,336.17	-	2,129,547,257.17

As at June 30, 2024	Level 1	Level 2	Level 3	Total
	----- Rupee -----			
Property, Plant & Equipment	-	2,189,597,998	-	2,189,597,998.00
Modaraba Certificate	197,921.00	-	-	197,921.00
Total	197,921.00	2,189,597,998.00	-	2,189,795,919.00

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

#### (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 2025, the fair values of the items of property, plant and equipment were determined by Messer's Diamond Surveyors Pakistan (Private) Limited, the approved valuer.

	2025 (Rupees)	2024 (Rupees)
<b>36 PLANT CAPACITY AND PRODUCTION</b>		
Number of spindles installed	78,492	78,492
Installed capacity in 20's count based on triple shift for 365 (2024 - 365) days (kgs) - Approximately	35,331,147	35,331,147
Actual production after conversion into 20's count (kgs)	-	-

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.

<b>37 NUMBER OF EMPLOYEES</b>	2025	2024
Average during the year	18	18
As at 30 June	18	18

### 38 OPERATING SEGMENT

- These financial statements have been prepared on the basis of single reportable segment.
- Yarn sales represent nil% (2024: nil) of the total sales of the Company.
- Nil (2024: nil) of the Company's sales relate to customers in Pakistan.
- All non-current assets of the Company as at June 30, 2025 are located in Pakistan.
- The Company have nil (2024: nil) major customers having sales of ten percent or more during the year.

### 39 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on October 02, 2025 by the Board of Directors of the Company.



40 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
40.1 Current tax (2024: nil)	Levies	Current Tax
40.2 Deferred tax income (2024: Rs. 331,970,126)	Profit or loss	Other comprehensive income
Provision for taxation	Tax payable/(refundable)	Provision for taxation


41 GENERAL

Figures have been rounded off to the nearest rupees.

As required U/S 235(I) of the Companies Act, 2017 these financial statements have been signed by two directors & CFO as the Chief Executive of the company is out of country.

  
Chairman

  
Chief Financial Officer

  
Director

**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

30-06-2025

-----Shareholdings-----			
2.2 No. of Sharehold	From	To	Total Shares Held
786	1	100	26,336
831	101	500	305,206
821	501	1,000	740,547
2112	1,001	5,000	6,276,258
1064	5,001	10,000	8,684,811
503	10,001	15,000	6,575,463
362	15,001	20,000	6,744,075
255	20,001	25,000	6,052,360
180	25,001	30,000	5,169,829
92	30,001	35,000	3,043,705
139	35,001	40,000	5,350,055
83	40,001	45,000	3,596,172
195	45,001	50,000	9,658,988
53	50,001	55,000	2,805,327
74	55,001	60,000	4,352,857
33	60,001	65,000	2,094,423
39	65,001	70,000	2,677,203
46	70,001	75,000	3,403,221
34	75,001	80,000	2,672,028
29	80,001	85,000	2,412,602
30	85,001	90,000	2,667,828
17	90,001	95,000	1,576,627
119	95,001	100,000	11,887,102
17	100,001	105,000	1,736,451
16	105,001	110,000	1,739,979
11	110,001	115,000	1,240,074
18	115,001	120,000	2,138,891
19	120,001	125,000	2,348,587
15	125,001	130,000	1,931,423
9	130,001	135,000	1,187,415
7	135,001	140,000	973,804
3	140,001	145,000	430,002
27	145,001	150,000	4,045,500
3	150,001	155,000	455,278
8	155,001	160,000	1,268,233
5	160,001	165,000	820,392
8	165,001	170,000	1,343,791
17	170,001	175,000	2,960,935
5	175,001	180,000	895,000
5	180,001	185,000	914,900
5	185,001	190,000	941,500
5	190,001	195,000	967,500
57	195,001	200,000	11,394,400
6	200,001	205,000	1,209,471
7	205,001	210,000	1,460,106
4	210,001	215,000	853,500

6	215,001	220,000	1,306,745
3	220,001	225,000	672,248
5	225,001	230,000	1,138,351
2	230,001	235,000	462,839
1	235,001	240,000	240,000
2	240,001	245,000	481,030
10	245,001	250,000	2,492,000
1	250,001	255,000	255,000
1	260,001	265,000	260,500
2	265,001	270,000	535,990
5	270,001	275,000	1,374,000
4	275,001	280,000	1,113,026
5	285,001	290,000	1,445,603
3	290,001	295,000	882,204
17	295,001	300,000	5,098,000
2	305,001	310,000	618,276
4	310,001	315,000	1,248,807
4	315,001	320,000	1,277,048
2	320,001	325,000	650,000
1	330,001	335,000	335,000
2	335,001	340,000	675,956
4	345,001	350,000	1,400,000
3	350,001	355,000	1,058,500
3	355,001	360,000	1,078,500
1	360,001	365,000	365,000
2	365,001	370,000	731,021
2	370,001	375,000	744,400
2	380,001	385,000	762,390
1	385,001	390,000	389,000
12	395,001	400,000	4,797,000
3	420,001	425,000	1,269,000
1	435,001	440,000	440,000
1	440,001	445,000	440,916
1	445,001	450,000	450,000
1	450,001	455,000	452,908
1	455,001	460,000	460,000
2	460,001	465,000	925,400
2	485,001	490,000	980,000
1	490,001	495,000	493,421
17	495,001	500,000	8,500,000
3	500,001	505,000	1,508,518
1	525,001	530,000	530,000
2	545,001	550,000	1,100,000
1	560,001	565,000	562,431
2	565,001	570,000	1,137,999
1	570,001	575,000	571,000
2	590,001	595,000	1,182,555
2	595,001	600,000	1,200,000
1	610,001	615,000	614,300
2	615,001	620,000	1,238,900
2	620,001	625,000	1,250,000
1	630,001	635,000	634,500
3	645,001	650,000	1,950,000
1	665,001	670,000	665,344
4	695,001	700,000	2,800,000
1	720,001	725,000	725,000
1	730,001	735,000	730,822
1	735,001	740,000	737,000

1	740,001	745,000	742,000
1	745,001	750,000	750,000
1	770,001	775,000	775,000
3	795,001	800,000	2,396,642
1	800,001	805,000	800,885
1	805,001	810,000	810,000
1	815,001	820,000	818,000
1	880,001	885,000	885,000
1	895,001	900,000	900,000
1	935,001	940,000	935,100
1	995,001	1,000,000	1,000,000
1	1,015,001	1,020,000	1,020,000
1	1,025,001	1,030,000	1,029,200
1	1,045,001	1,050,000	1,050,000
1	1,080,001	1,085,000	1,082,000
1	1,095,001	1,100,000	1,100,000
1	1,130,001	1,135,000	1,130,190
1	1,180,001	1,185,000	1,185,000
1	1,200,001	1,205,000	1,201,808
1	1,240,001	1,245,000	1,242,593
1	1,270,001	1,275,000	1,272,156
1	1,395,001	1,400,000	1,400,000
2	1,495,001	1,500,000	3,000,000
1	1,595,001	1,600,000	1,600,000
1	1,885,001	1,890,000	1,889,794
1	1,950,001	1,955,000	1,951,458
1	1,995,001	2,000,000	2,000,000
1	2,015,001	2,020,000	2,015,767
1	2,040,001	2,045,000	2,044,000
1	2,195,001	2,200,000	2,200,000
1	3,300,001	3,305,000	3,300,500
1	3,695,001	3,700,000	3,700,000
1	3,795,001	3,800,000	3,800,000
1	6,295,001	6,300,000	6,300,000
1	6,495,001	6,500,000	6,500,000
1	7,200,001	7,205,000	7,200,788
1	23,785,001	23,790,000	23,789,000
1	35,415,001	35,420,000	35,419,289
1	96,005,001	96,010,000	96,009,512

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8389

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435,714,285

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<b>2.3 Categories of Shareholders</b>	<b>Shares Held</b>	<b>Percentage</b>
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	127,045,033	29.1579
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	-
2.3.3 NIT and ICP	506,613	0.1163
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	5,539	0.0013
2.3.5 Insurance Companies	0	-
2.3.6 Modarabas and Mutual Funds	57,000	0.0131
2.3.7 Shareholders holding 10% or more	96,042,612	22.0426
2.3.8 General Public		
a. Local	258,832,102	59.4041
b. Foreign	0	-
2.3.9 Others (to be specified)		
- Joint Stock Companies	49,056,099	11.2588
- Foreign Companies	14,900	0.0034
- Pension Funds	55,067	0.0126
- Others	141,932	0.0326

**KOHINOOR SPINNING MILLS LIMITED**  
**Categories of Shareholding required under Code of Corporate Governance (CCG)**  
**As on June 30, 2025**

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	SECOND PRUDENTIAL MODARABA	100	0.0000
3	THIRD PRUDENTIAL MODARABA	400	0.0001
4	PRUDENTIAL STOCK FUND LTD. (CDC)	6,000	0.0014
5	PRUDENTIAL STOCKS FUND LTD (03360) (CDC)	50,000	0.0115

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

1	KHAWAJA MOHAMMAD JAHANGIR (CDC)	23,789,000	5.4598
2	KHAWAJA MOHAMMAD KALEEM	9,633	0.0022
3	MR. MOHAMMAD NAVEED	96,042,612	22.0426
4	MR. MOHAMMAD HAMZA YOUSAF	7,202,288	1.6530
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**

61,106 0.0140

**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)	96,042,612	22.0426
2	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	35,419,289	8.1290
3	KHAWAJA MOHAMMAD JAHANGIR (CDC)	23,789,000	5.4598

**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	Sale/Gift
1	KHAWAJA MOHAMMAD JAHANGIR (CDC)	23,607,500	-
2	KHAWAJA MOHAMMAD KALEEM (CDC)	-	1,794,221
3	MR. MOHAMMAD NAVEED (CDC)	-	67,900,000
4	MR. MOHAMMAD HAMZA YOUSAF (CDC)	-	20,000,000

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 53<sup>th</sup> Annual General Meeting of the Company to be held on  
Tuesday October 28, 2025 at 09:00 a.m. at 7/1 E-3 Main Boulevard Gulberg III,  
Lahore and at every adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

1. Witness:  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC \_\_\_\_\_

2. Witness:  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC \_\_\_\_\_

AFFIX  
REVENUE  
STAMP of Fifty rupees

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

کمپنی سیکرٹری

کوہ نور سپانگ ملز لمیٹڈ

E-3، 7/1 مین بلیوارڈ، گلبرگ III،

لاہور

فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر:  
ملکیتی حصص:

کا/ کے

میں / ہم

بحیثیت رکن کوہ نور سپانگ ملز لمیٹڈ بذریعہ ہذا محترم / محترمہ \_\_\_\_\_ کو اپنے / ہمارے ایماء پر بروز منگل مورخہ 28 اکتوبر 2025ء 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 دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز ..... بتاریخ ..... 2025ء کو دستخط کئے گئے۔

رسیدی ٹکٹ یہاں چسپاں کریں

دستخط:

(دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں)

گواہان

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 یا اختیار اٹارنی کی طرف سے دستخط شدہ ہونے چاہئیں۔ اگر رکن ایک کارپوریشن ہے، تو اس کی مشترکہ ہر آلات پر ثبت ہونی چاہئے۔
- 3۔ سی ڈی سی حصص داران سے التماس ہے کہ متعلقہ حصص داران کی شناخت کی سہولت کے لئے غیر معمولی اجلاس عام میں شرکت کے وقت اپنے کمپیوٹر انڈزڈ قومی شناختی کارڈ مع پارٹیشنڈس کا آئی ڈی نمبرز اور اپنے اکاؤنٹ نمبرز لازماً ہمراہ لائیں۔
- 4۔ پراکسی تقرری کے آلات مع پاور آف اٹارنی، اگر کوئی ہو، جس کے تحت یہ دستخط شدہ ہے یا اس کی نوٹریلی کاپی، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے دفتر میں جمع کرائے جانے چاہئیں۔