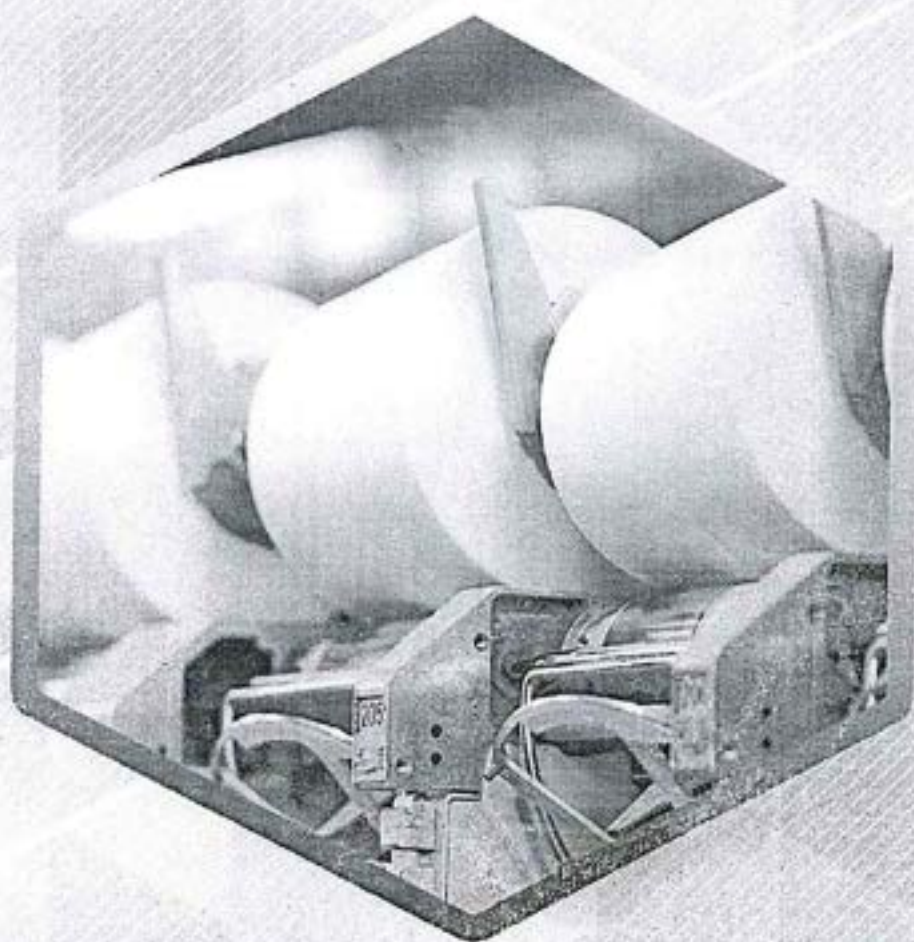


Annual Report

AUDITED
For the Year Ended
June 30, 2026



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, October 28, 2026 (Wednesday) at 9:00 a.m. at 7/1 E-3 Main Boulevard Gulberg-II, 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, 2026 together with the reports of directors and auditors thereon.
- To appoint auditors for the financial year 2026-27 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 06, 2026

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 22-10-2026 to 28-10-2026 (both days inclusive). Transfers received in order in all respect up to the close of business hours on October 21, 2026 at Share Registrar Office, M/S Corlink (Pvt.) Limited, Wing Arcadia, 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 2026 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 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 content 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 _____ being a member of Kohinoor Spinning Mills Limited, holder of _____ ordinary shares as per Registered Folio No./CDC Account No. _____ 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 secd@chaitwalgroup.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.383(I)/2023 dated March 21, 2023, the financial statements of the Company for the year ended 30th June 2026 can be accessed through the following weblink and QR enabled code.

Web link:
www.kohinoorspinningmills.com



Update of Shareholders' Particulars

In compliance with Section 119 of the Companies Act, 2017 and Regulation 47 of the Companies Regulations, 2024, all CDC and physical shareholders are requested to provide and keep updated their essential registration details (i.e. valid CNIC, postal address, e-mail address, active mobile or landline number and IBAN).

Physical shareholders must submit details directly to the company's Share Registrar, while electronic/CDC shareholders must update their information through their respective participants or the Central Depository Company.

Conversion of Physical Shares into CDC Account

The shareholders who still hold shares in physical form are requested to convert their shares in the Book Entry Form.

Unclaimed Dividend

Shareholders, who for any reason, could not claim their dividends are advised to contact our Share Registrar to enquire about their unclaimed dividends.

Prohibition on Grant of Gifts to Shareholders

In terms of SRO 452(I)/2026 dated March 17, 2026 issued by the Securities and Exchange Commission of Pakistan (the "SECP"), no gifts will be distributed at the meeting.

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 2026. 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 06, 2026

Lahore

کمپنیز ایکٹ 2017 کے سیکشن (4) 192 کے تحت، کمپنی کے مقاصد کے حصول میں بورڈ کی طرف سے ادا کردہ کردار کی مجموعی کارکردگی اور بورڈ کی تاثیر پر چیئرمین کی نظر ثانی رپورٹ۔

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنیز ایکٹ 2017 کے سیکشن (4) 192 کے تقاضوں کے مطابق جائزہ رپورٹ پیش کرتے ہوئے ہم خوشی محسوس کرتے ہیں۔ سال کے دوران، بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے معاملات کو مندرجہ ذیل طریقے سے منظم کرنے میں ایک مؤثر کردار ادا کیا:

- کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور باضابطہ بنانے کے لیے تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیے گئے۔
- بورڈ نے اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے۔
- بورڈ نے ڈائریکٹرز کی رپورٹ تیار اور منظور کی ہے اور اس بات کو یقینی بنایا ہے کہ ڈائریکٹرز کی رپورٹ کمپنی کے سہ ماہی اور سالانہ مالیاتی بیان کے ساتھ شائع کی جائے اور ڈائریکٹرز کی رپورٹ کا مواد قابل اطلاق قوانین اور ضوابط کی ضرورت کے مطابق ہو؛
- بورڈ تسلیم کرتا ہے کہ کارپوریٹ احتساب کو بڑھانے کے لیے اچھی طرح سے متعین کارپوریٹ گورننس کے عمل، بہت ضروری ہیں اور اسٹیک ہولڈرز کی قدر کو برقرار رکھنے اور برقرار رکھنے کے لیے کارپوریٹ گورننس کے اعلیٰ معیارات کو یقینی بنانے کے لیے پرعزم ہے۔
- بورڈ نے اس بات کو یقینی بنایا ہے کہ بورڈ کے اراکین اور اس کی متعلقہ کمیٹیوں کے پاس کمپنی کے معاملات کو سمجھنے کے لیے مناسب مہارت، تجربہ اور علم ہو۔
- بورڈ نے اس بات کو یقینی بنایا ہے کہ اس کے اراکین کے درمیان بروقت مناسب معلومات کا اشتراک کیا جائے اور بورڈ کے اراکین کو میٹنگوں کے درمیان ہونے والی پیش رفت سے باخبر رکھا جائے اور
- بورڈ نے کمپنی پر لاگو متعلقہ قوانین اور ضابطے کے مطابق بورڈ کو تفویض کردہ طاقت کی روشنی میں اپنے اختیارات کا استعمال کیا ہے۔
- ضروری بورڈ ایجنڈا اور متعلقہ معاون دستاویزات بورڈ اور اس کی کمیٹی کے اجلاسوں کو مناسب طریقے سے دستیاب کرائے گئے تھے اور غیر ایگزیکٹوز اور آزاد ڈائریکٹرز بورڈ کے اہم فیصلوں میں یکساں طور پر شامل ہیں۔
- قائم کردہ معیار کے خلاف بورڈ کی سالانہ کارکردگی کی تشخیص کو تسلی بخش قرار دیا گیا۔
- بورڈ کے چیئرمین ہونے کے ناطے، میں اپنے بورڈ کے تمام اراکین کا ان کے عزم اور شراکت کے لیے شکریہ ادا کرنا چاہوں گا۔ میں اس بات کو یقینی بنانے کے لئے مضبوطی سے پرعزم رہوں گا کہ کمپنی کمپنیز ایکٹ، 2017 کی تمام متعلقہ دفعات کی تعمیل کرے۔ لیکچر کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور دیگر ضوابط اور اس بات کو یقینی بنانا کہ ہماری انتظامی ٹیم ایسے فیصلے کرتی رہے جو آپ کے لیے مختصر، درمیانہ اور طویل مدتی میں قدر پیدا کریں۔

خواجہ محمد جہانگیر

چیئرمین

تاریخ: اکتوبر 2026-06

مقام: لاہور

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 2026.

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, 2026.

Financial Highlights:

The financial highlights for the year ended 30th June 2026 and 30th June 2025 are as follows:

	2026	2025
	(Rupees)	(Rupees)
Operating Loss	254,054,566	507,557,024
Taxation	229,755	16,598,506
Loss After Taxation	210,477,676	494,210,668

(Loss) Per Share:

The Basic loss per share of the Company for the year 2026 remained at Rs. 0.38 (2025: loss per share was Rs. 1.13).

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, impairment etc.

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

Industry Overview:

Pakistan's textile sector continues to face significant structural and economic challenges. The spinning industry, being the first major stage of the textile value chain, is particularly sensitive to fluctuations in cotton prices, energy costs and yarn selling prices. The spread between the cost of

raw cotton and the selling price of yarn has remained under pressure, making it increasingly difficult for spinning mills to operate profitably on a sustained basis.

The industry has also been adversely affected by high electricity and other energy costs, which significantly increase the cost of conversion. In addition, fluctuations in exchange rates, higher freight and logistics costs, increasing regulatory and compliance requirements, and the competitive pressures faced by Pakistani textile exporters have further affected the overall competitiveness of the sector.

The availability, quality and pricing of locally produced cotton also remain important concerns for the spinning industry. In years where domestic cotton production is inadequate, mills are required to rely more heavily on imported cotton, exposing them to international commodity prices, foreign exchange fluctuations, freight costs and other import-related expenses.

Furthermore, the industry continues to operate in a highly competitive international environment. Competing textile-producing countries have, in various instances, benefited from lower energy costs, favourable financing arrangements, economies of scale and other forms of government support. These factors create additional pressure on Pakistani spinning mills to remain competitive while maintaining acceptable quality standards and margins.

Operating Conditions of The Company:

In view of the prevailing market conditions, the Board has adopted a cautious approach towards the Company's manufacturing operations. While the management continues to evaluate the feasibility of recommencing and/or increasing spinning operations, the decision to restart the mill cannot be based solely on the availability of installed production capacity.

Restarting manufacturing operations requires substantial working capital for procurement of cotton and other inputs, payment of energy and labour costs, maintenance of machinery and meeting other operating expenses. If yarn prices do not provide an adequate contribution margin over the prevailing cost of production, increased production could result in additional operating losses and further deterioration in the Company's cash flows and financial position.

Accordingly, the Board believes that any decision to restart or expand the Company's manufacturing operations should be taken prudently and only after careful assessment of cotton prices, yarn selling prices, energy costs, working capital requirements, market demand and the expected contribution margin.

The Board and management are therefore continuously monitoring market conditions and evaluating different operating scenarios. The objective is to resume or enhance operations at an appropriate time when the expected economic return justifies the deployment of the Company's

scarce financial resources. This approach is intended to protect the Company's assets and, most importantly, safeguard the long-term interests of its shareholders.

Management's Strategy and Efforts:

The Board remains fully conscious of its responsibility towards the Company's shareholders and is committed to preserving and enhancing shareholder value despite the difficult operating environment.

Management is actively pursuing various measures to improve the Company's financial position and future prospects.

These include:

- continuous monitoring of domestic and international textile and yarn markets;
- evaluation of the economic feasibility of restarting and/or increasing manufacturing operations;
- strict control over administrative and other operating expenses;
- optimisation of working capital requirements;
- evaluation of opportunities for improving the utilisation and economic value of the Company's existing assets;
- exploration of commercially viable alternatives for the Company's resources and production facilities;
- maintaining close relationships with customers, suppliers, financial institutions and other stakeholders;
- continuous assessment of cotton and yarn price trends to identify opportunities for profitable production;
- pursuing opportunities for cost reduction and operational efficiencies; and
- taking all reasonable measures to protect the Company's liquidity and financial resources.

The management is also exploring alternative strategies for utilisation of the Company's assets and resources where such alternatives can provide better economic returns than continuing operations under unfavourable market conditions.

Future Prospects:

The Board remains cautiously optimistic about the long-term prospects of Pakistan's textile sector. Pakistan possesses an established textile manufacturing base, experienced industry participants and a strong position in international textile markets. However, the future

performance of the spinning segment will depend substantially on the restoration of competitive energy costs, availability of reasonably priced raw materials, improvement in domestic and international demand, stable economic policies and the ability of local manufacturers to compete effectively in international markets.

For the Company, the immediate priority remains the preservation of financial resources and avoidance of further losses. The Board will continue to evaluate the market conditions and will consider recommencement of spinning operations when the expected contribution from operations is sufficient to justify the associated working capital and operating costs.

The Board believes that a measured and commercially disciplined approach is in the best interests of the Company and its shareholders. Rather than pursuing production merely for the sake of capacity utilisation, the Company intends to focus on sustainable and economically viable operations capable of generating positive cash flows and improving shareholder value.

The Company has started trading in yarn during the current year. The objective of such activity is to remain in the market and to earn money (though nominal) with limited resources.

The Directors of the Company are contemplating other avenues as well to make the Company operational.

Principal Activity:

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

Principal Risk and Uncertainty

The Company is exposed to various risks and uncertainties inherent in the textile spinning industry and the prevailing economic environment. The principal risks include volatility in cotton and other raw material prices, fluctuations in yarn selling prices and demand, and rising energy and other operating costs. Changes in interest rates, exchange rates, Government policies, taxation and regulatory requirements may also affect the Company's financial performance and liquidity.

Significant Features of Directors' Remuneration:

The Board of Directors has approved a formal policy for remuneration of directors. No Director of the Company receives any remuneration or fee for attending the Board and its committees' meetings. The remuneration of executive directors was approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of executive directors including CEO in 2025-26, 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. 231.026 million (2025: 253.918 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/28/2005/386 dated 21st April 2026.

On 18th May 2026, Central Depository Company of Pakistan Limited allotted 117,142,857 securities of Kohinoor Spinning Mills Limited in the name of Central Depository Company of Pakistan Limited vide letter No. OPS/CA/FI/007 dated 19th May 2026. These shares were issued to NaeemYousaf.

Composition of Board:**Total number of Directors (as at 30th June 2026):**

a) Male: 6 (Six)

b) Female: 1 (One)

Composition (as at 30th June 2026):

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

Name of Directors (as at 30th June 2026):

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 2026 and are due to retire and being eligible have offered themselves for reappointment for the year ending 30 June 2027. 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, 2026 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 2026:

(i) Mean gender Pay Gap N/A

(ii) Median gender Pay Gap N/A

We draw your kind attention towards the fact that the Company has no female employee during the year ending 30th June 2026.

It is important to mention that the remuneration philosophy at the Company does not differentiate based on gender.

Corporate Governance & Financial Reporting Framework:

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

- i) The financial statements prepared by the management of the Company present fair state of Company's operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained as required under the Companies Act, 2017.
- iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and changes, wherever made, have been adequately disclosed. Accounting estimates are based on reasonable and prudent judgment.

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

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

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

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

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

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

x) The company has neither declared dividend nor issued bonus shares because of loss sustained by the Company for the year ended 30th June 2026.

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, 2026, 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 2026 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, 2026.

Corporate Social Responsibility:

The Company recognizes its responsibility towards its employees, the community and society at large. It remains committed to contributing positively to the welfare of its employees and the communities in which it operates. The Company continues to conduct its business in a responsible and ethical manner while maintaining due regard for social and environmental considerations.

Web Reference:

The Company's all periodic financial statements 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.

Environment, Health and Safety:

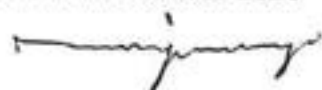
The Company remains committed to maintaining a safe, healthy and environmentally responsible workplace. Appropriate measures are taken to ensure compliance with applicable environmental, health and safety laws and regulations. The Company continues to promote safe working practices, provide necessary protective measures to its employees and maintain a clean and safe working environment.

Acknowledgement:

The Board places on record its appreciation for the continued support and cooperation of the Company's shareholders, employees, regulators and other stakeholders during these challenging times.

On behalf of the Board

Date: 06 October 2026



Lahore: Khawaja Muhammad Jahangir

Chairman



Mohammad Naveed

Chief Executive Officer

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کو یہ اعزاز حاصل ہے کہ وہ 30 جون، 2026 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی بیانات اور آڈیٹرز کی رپورٹ کے ساتھ آپ کی کمپنی کی سالانہ رپورٹ پیش کریں۔

ڈائریکٹرز رپورٹ، کمپنیز ایکٹ، 2017 کے سیکشن 227 اور لنڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تیار کی گئی ہے اور 28 اکتوبر، 2026 کو ہونے والی سالانہ جنرل میٹنگ کے لیے شیئر ہولڈرز کو پیش کی جا رہی ہے۔

مالی جھلکیاں:

30 جون، 2026 اور 30 جون، 2025 کو ختم ہونے والے سال کی مالی جھلکیاں درج ذیل ہیں:

2025 (روپے)	2026 (روپے)	
507,557,024	254,054,566	آپریٹنگ نقصان
16,598,506	229,755	ٹیکس
494,210,668	210,477,676	ٹیکس کے بعد نقصان

(نقصان) فی شیئر:

سال، 2026 کے لیے کمپنی کافی حصص بنیادی نقصان 0.38 روپے رہا۔ (جبکہ سال، 2025 میں بھی فی حصص نقصان 1.13 روپے تھا)۔

مفروضہ:

آڈیٹرز نے اس بات پر زور دیا ہے کہ نوٹ 1.2 میں مالیاتی بیانات کے لیے بیان کردہ حالات کی وجہ سے کمپنی ایک جاری تشویش کے طور پر جاری نہیں رہ سکتی۔ تاہم، انتظامیہ نے مالیاتی بیانات کو نوٹ 1.2 میں بیان کردہ وجوہات کی بنا پر تشویش کی بنیاد پر منسلک مالیاتی بیانات تیار کیے ہیں۔ آڈیٹرز نے اس سلسلے میں اپنی رائے کو مشروط نہیں کیا ہے۔

کارکردگی کا جائزہ:

سال کے دوران، کوئی عملی سرگرمی نہیں ہوئی ہے۔ سال کا نقصان بنیادی طور پر اثاثہ جات کی قدر میں کمی، انتظامیہ کے اخراجات، ریگولیٹری فیس، وغیرہ سے منسوب ہے۔

آپ کی کمپنی کی انتظامیہ کوششیں کر رہی ہے اور حصص یافتگان کے بہترین مفاد میں بہتر کارکردگی حاصل کرنے کی کوشش جاری رکھے ہوئے ہے۔

صنعت کا جائزہ:

پاکستان کے ٹیکسٹائل سیکٹر کو اہم ساختی اور اقتصادی چیلنجوں کا سامنا ہے۔ اسپننگ انڈسٹری، ٹیکسٹائل ویلیو چین کا پہلا بڑا مرحلہ ہونے کی وجہ سے، کپاس کی قیمتوں، توانائی کے اخراجات اور سوت کی فروخت کی قیمتوں میں اتار چڑھاؤ کے لیے خاص طور پر حساس ہے۔ کپاس کی قیمت اور سوت کی فروخت کی قیمت کے درمیان پھیلاؤ دباؤ میں رہا ہے، جس کی وجہ سے اسپننگ ملوں کے لیے مستقل بنیادوں پر منافع بخش کام کرنا مشکل ہوتا جا رہا ہے۔

صنعت بھی زیادہ بجلی اور توانائی کے دیگر اخراجات سے بری طرح متاثر ہوئی ہے، جس سے تبدیلی کی لاگت میں نمایاں اضافہ ہوا ہے۔ اس کے علاوہ، شرح مبادلہ میں اتار چڑھاؤ، مال برداری اور رسد کے زیادہ اخراجات، ریگولیٹری اور قلیل کے تقاضوں میں اضافہ، اور پاکستانی ٹیکسٹائل برآمد کنندگان کو درپیش مسابقتی دباؤ نے اس شعبے کی مجموعی مسابقت کو مزید متاثر کیا ہے۔

مقامی طور پر تیار کی جانے والی کپاس کی دستیابی، معیار اور قیمتوں کا تعین بھی کتاکی کی صنعت کے لیے اہم خدشات ہیں۔ ان سالوں میں جہاں گھریلو کپاس کی پیداوار ناکافی ہے، ملوں کو در آمد شدہ کپاس پر زیادہ انحصار کرنے کی ضرورت ہوتی ہے، جس سے وہ بین الاقوامی اجناس کی قیمتوں، زر مبادلہ کے اتار چڑھاؤ، مال برداری کے اخراجات اور دیگر درآمدی متعلقہ اخراجات سے دوچار ہوتے ہیں۔

مزید برآں، صنعت انتہائی مسابقتی بین الاقوامی ماحول میں کام جاری رکھے ہوئے ہے۔ مسابقتی ٹیکسٹائل پیدا کرنے والے ممالک نے مختلف صورتوں میں، کم توانائی کی لاگت، سازگار مالیاتی انتظامات، پیمانے کی معیشتوں اور حکومتی تعاون کی دیگر اقسام سے فائدہ اٹھایا ہے۔ یہ عوامل قابل قبول معیار کے معیارات اور مارجن کو برقرار رکھتے ہوئے مسابقتی رہنے کے لیے پاکستانی اسپننگ ملوں پر اضافی دباؤ پیدا کرتے ہیں۔

کمپنی کے آپریٹنگ حالات:

مارکیٹ کے موجودہ حالات کے پیش نظر، بورڈ نے کمپنی کے مینوفیکچرنگ آپریٹنگز کے لیے محتاط انداز اپنایا ہے۔ جب کہ انتظامیہ دوبارہ شروع کرنے اور/یا اسپننگ آپریٹنگز کو بڑھانے کی فرہمائی کا جائزہ لینا جاری رکھے ہوئے ہے، بل کو دوبارہ شروع کرنے کا فیصلہ صرف اور صرف نصب شدہ پیداواری صلاحیت کی دستیابی پر مبنی نہیں ہو سکتا۔

مینوفیکچرنگ آپریٹنگز کو دوبارہ شروع کرنے کے لیے کپاس اور دیگر آدانوں کی خریداری، توانائی اور مزدوری کے اخراجات کی ادائیگی، مشینری کی دیکھ بھال اور دیگر آپریٹنگ اخراجات کو پورا کرنے کے لیے کافی ورکنگ کپٹل کی ضرورت ہوتی ہے۔ اگر سوت کی قیمتیں پیداواری موجودہ لاگت پر مناسب شراکت کا مارجن فراہم نہیں کرتی ہیں، تو پیداوار میں اضافے کے نتیجے میں اضافی آپریٹنگ نقصانات اور کمپنی کے کیش فلو اور مالیاتی پوزیشن میں مزید بگاڑ پیدا ہو سکتا ہے۔

اس لئے بورڈ کا خیال ہے کہ صرف کپاس کی قیمتوں، سوت کی فروخت کی قیمتوں، توانائی کی قیمتوں، کام کرنے والے سرمائے کی ضروریات، مارکیٹ کی طلب اور متوقع شراکت کے مارجن کا بغور جائزہ لینے کے بعد کمپنی کے مینوفیکچرنگ آپریٹنگز کو دوبارہ شروع کرنے یا بڑھانے کے کسی بھی فیصلے کو بحمداری سے لیا جانا چاہیے۔

اس لیے بورڈ اور انتظامیہ مارکیٹ کے حالات کی مسلسل نگرانی کر رہے ہیں اور مختلف آپریٹنگ منظر ناموں کا جائزہ لے رہے ہیں۔ مقصد یہ ہے کہ مناسب وقت پر کام دوبارہ شروع کیا جائے یا اس میں اضافہ کیا جائے جب متوقع اقتصادی واپسی کمپنی کے قلیل مالی وسائل کی تعیناتی کا جواز پیش کرے۔ اس نقطہ نظر کا مقصد کمپنی کے اثاثوں کی حفاظت کرنا اور سب سے اہم بات یہ ہے کہ اس کے شیئر ہولڈرز کے طویل مدتی مفادات کا تحفظ کرنا ہے۔

انتظامیہ کی حکمت عملی اور کوششیں:

بورڈ کمپنی کے شیئر ہولڈرز کے تئیں اپنی ذمہ داری سے پوری طرح آگاہ ہے اور مشکل آپریٹنگ ماحول کے باوجود شیئر ہولڈرز کی قدر کو محفوظ رکھنے اور بڑھانے کے لیے پرعزم ہے۔

انتظامیہ کمپنی کی مالی حالت اور مستقبل کے امکانات کو بہتر بنانے کے لیے مندرجہ ذیل مختلف اقدامات پر عمل پیرا ہے:-

- ملکی اور بین الاقوامی ٹیکسٹائل اور سوت مارکیٹوں کی مسلسل نگرانی؛
- دوبارہ شروع کرنے اور/یا مینوفیکچرنگ آپریشنز بڑھانے کی اقتصادی فزیبیلٹی کا جائزہ؛
- انتظامی اور دیگر آپریشننگ اخراجات پر سخت کنٹرول؛
- ورکنگ کپٹل کو بہتر اور موثر بنانا؛
- کمپنی کے موجودہ اثاثوں کے استعمال اور اقتصادی قدر کو بہتر بنانے کے مواقع کا جائزہ؛
- کمپنی کے وسائل اور پیداواری سہولیات کے لیے تجارتی طور پر قابل عمل متبادل کی تلاش؛
- گاہکوں، سپلائرز، مالیاتی اداروں اور دیگر اسٹیک ہولڈرز کے ساتھ قریبی تعلقات برقرار رکھنا؛
- منافع بخش پیداوار کے مواقع کی نشاندہی کرنے کے لیے کپاس اور سوت کی قیمت کے رجحانات کا مسلسل جائزہ؛
- لاگت میں کمی اور آپریشنل افادیت کے مواقع تلاش کرنا؛ اور
- کمپنی کی لیکویڈیٹی اور مالی وسائل کے تحفظ کے لیے تمام معقول اقدامات کرنا۔

انتظامیہ کمپنی کے اثاثوں اور وسائل کے استعمال کے لیے متبادل حکمت عملیوں کی بھی تلاش کر رہی ہے جہاں اس طرح کے متبادل مارکیٹ کے ناموافق حالات میں کام جاری رکھنے سے بہتر معاشی منافع فراہم کر سکتے ہیں۔

مستقبل کے امکانات

بورڈ پاکستان کے ٹیکسٹائل سیکٹر کے طویل مدتی امکانات کے بارے میں محتاط طور پر پرامید ہے۔ پاکستان ٹیکسٹائل مینوفیکچرنگ کی ایک قائم بنیاد، تجربہ کار صنعت شرکا، اور بین الاقوامی ٹیکسٹائل مارکیٹوں میں ایک مضبوط پوزیشن ہے۔ تاہم، اسپننگ سیکٹر کی مستقبل کی کارکردگی کا کافی حد تک مسابقتی توانائی کے اخراجات کی بحالی، مناسب قیمت والے خام مال کی دستیابی، ملکی اور بین الاقوامی طلب میں بہتری، مستحکم اقتصادی پالیسیوں اور مقامی مینوفیکچررز کی بین الاقوامی منڈیوں میں مؤثر طریقے سے مقابلہ کرنے کی صلاحیت پر منحصر ہوگا۔

کمپنی کے لیے فوری ترجیح مالی وسائل کا تحفظ اور مزید نقصانات سے بچنا ہے۔ بورڈ مارکیٹ کے حالات کا جائزہ لیتا جاری رکھے گا اور اسپننگ آپریشنز کے دوبارہ آغاز پر غور کرے گا جب آپریشنز سے متوقع شراکت متعلقہ ورکنگ کپٹل اور آپریشننگ اخراجات کو درست ثابت کرنے کے لیے کافی ہو۔

بورڈ کا خیال ہے کہ ایک پیمائشی اور تجارتی طور پر نظم و ضبط کا طریقہ کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں ہے۔ صرف صلاحیت کے استعمال کی خاطر پیداوار کو آگے بڑھانے کے بجائے، کمپنی پائیدار اور اقتصادی طور پر قابل عمل آپریشنز پر توجہ مرکوز کرنے کا ارادہ رکھتی ہے جو مثبت نقد بہاؤ پیدا کرنے اور شیئر ہولڈرز کی قدر کو بہتر بنانے کے قابل ہوں۔

کمپنی نے موجودہ سال کے دوران سوت کی تجارت شروع کر دی ہے۔ اس طرح کی سرگرمی کا مقصد مارکیٹ میں رہنا اور محدود وسائل کے ساتھ پیسہ کمانا (اگرچہ برائے نام) ہے۔

کمپنی کے ڈائریکٹرز کمپنی کو فعال بنانے کے لیے دیگر راستوں پر بھی غور کر رہے ہیں۔

پرنسپل سرگرمی:-

کمپنی کی بنیادی سرگرمی سوت کی تیاری اور فروخت ہے۔

بنیادی خطرہ اور غیر یقینی صورتحال:

کمپنی ٹیکنیکل سپنگ انڈسٹری اور موجودہ معاشی ماحول میں موجود مختلف خطرات اور غیر یقینی صورتحال سے دوچار ہے۔ بنیادی خطرات میں کپاس اور دیگر خام مال کی قیمتوں میں اتار چڑھاؤ، سوت کی فروخت کی قیمتوں اور طلب میں اتار چڑھاؤ، اور بڑھتی ہوئی توانائی اور دیگر آپریشننگ اخراجات شامل ہیں۔ شرح سود، شرح مبادلہ، حکومتی پالیسیوں، ٹیکسیشن اور ریگولیٹری تقاضوں میں تبدیلیاں کمپنی کی مالی کارکردگی اور لیکویڈیٹی کو بھی متاثر کر سکتی ہیں۔

ڈائریکٹرز کے معاوضے کی اہم خصوصیات:

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کے لیے ایک باضابطہ پالیسی کی منظوری دی ہے۔ کمپنی کے کسی ڈائریکٹر کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے کوئی معاوضہ یا فیس نہیں ملتی۔ ایگزیکٹو ڈائریکٹرز کے معاوضے کی منظوری بورڈ نے دی تھی، جیسا کہ انسانی وسائل اور معاوضے کی کمیٹی نے تجویز کیا تھا۔ 2025-26 میں سی ای او سمیت ایگزیکٹو ڈائریکٹرز کے معاوضے کے بارے میں معلومات کے لیے، براہ کرم متعلقہ نوٹس کو مالیاتی بیانات سے رجوع کریں۔

قرض کی ادائیگی میں تاخیر کی وجہ سے ہندگیوں کے بارے میں معلومات:

تمام بینکوں نے کمپنی کے خلاف ریکوری کا مقدمہ دائر کیا ہے۔ ان سوئوں میں دعویٰ کردہ رقم پہلے ہی مالی بیانات میں شمار کی جا چکی ہے۔ ادائیگیوں میں ڈیفالٹ کی وجہ مالی سال 2015 سے کمپنی کو لیکویڈیٹی بحران کا سامنا ہے۔

بعد ازاں پیش آنے والے واقعات:

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

ڈائریکٹرز کے قرضہ جات:

کمپنی کے ڈائریکٹرز نے ہمیشہ کمپنی کی مالی مدد کی ہے۔ یہ تعاون کمپنی کو ڈائریکٹرز نے ایکویٹی کنٹریبیوٹن اور قرضوں کی شکل میں بڑھایا جب ضرورت ہو۔ زیر جائزہ سال کے دوران ہمیں ڈائریکٹرز کی طرف سے 231.026 ملین روپے (253.918 ملین: 2025) وصول ہوئے ہیں۔

اندرونی مالیاتی کنٹرول:

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

مزید حصص کے معاملے کی منظوری (حقوق پیشکش کے علاوہ):

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے کمپنیز ایکٹ، 2017 کے سیکشن (b)(1) 83 کے تحت حقوق پیشکش کے علاوہ (مزید حصص کا اشارہ) ضوابط، 2020 کے ذریعے خط نمبر CSD/CI//28/2005/386 مورخہ 21 اپریل، 2026 حصص کے مزید اجراء کے لیے ہماری درخواست کو منظوری دے دی ہے۔

18 مئی، 2026 کو، سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ نے 19 مئی، 2026 کو سنٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے نام سے بذریعہ خط نمبر: OPS/CA/FI/007 مورخہ 19 مئی، 2026 کو کوہ نور اسپانگ ملز لمیٹڈ کی 117,142,857 سیکیورٹیز الاٹ کیں۔ یہ حصص نعیم یوسف کو جاری کیے گئے تھے۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد (30 جون 2026 تک)

(a) مرد: 6 (چھ)

(b) عورت: 1 (ایک)

ساخت (30 جون 2026 تک)

(i) آزاد ڈائریکٹرز: 2 (دو)۔

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

(iii) ایگزیکٹو ڈائریکٹرز: 2 (دو)

ڈائریکٹرز کا نام (30 جون 2026 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 کمیٹی:

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

-آڈٹ کمیٹی-

فیصل قیوم

خواجہ محمد کلیم

اقصی جہانگیر

-HR اور معاوضہ کمیٹی-

فیصل قیوم

خواجہ محمد جہانگیر

خواجہ محمد کلیم

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز نے 30 جون، 2026 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے اور وہ ریٹائر ہونے والے ہیں اور اہل ہونے کی وجہ سے 30 جون، 2027 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کر چکے ہیں۔ آڈٹ کمیٹی نے موجودہ آڈیٹرز کی دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل کا بیان:

پاکستان اسٹاک ایکسچینج کی طرف سے 30 جون 2026 کو ختم ہونے والے سال کے لیے متعلقہ فہرست سازی کے ضوابط میں وضع کردہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو کمپنی نے اپنایا ہے اور ان کی مناسب تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ سے منسلک ہے۔

اخلاقیات اور کاروباری طریقوں کا بیان:

بورڈ نے کمپنی کے ہرڈائریکٹر اور ملازم کے دستخط شدہ اخلاقیات اور کاروباری طرز عمل کا بیان تیار اور گردش کیا ہے جس میں کمپنی کے ساتھ معاملات سے وابستہ کسی کے سلسلے میں طرز عمل کے معیارات کے بارے میں اس کی / اس کی سمجھ کے اعتراف کے طور پر دستخط کیے گئے ہیں۔

SECP کی طرف سے جاری کردہ 2024 کے سرکلر 10 کے تحت صنفی تنخواہ کے فرق کا بیان:

2026 کو ختم ہونے والے سال کے لیے صنفی تنخواہ کے فرق کا حساب درج ذیل ہے:-

(i) کا مطلب ہے صنفی تنخواہ کا فرق N/A

(ii) درمیانی جنس پے گیپ N/A

ہم آپ کی توجہ اس حقیقت کی طرف مبذول کراتے ہیں کہ 30 جون، 2026 کو ختم ہونے والے سال کے دوران کمپنی کے پاس کوئی خاتون ملازم نہیں ہے۔ یہ بتانا ضروری ہے کہ کمپنی میں معاوضے کا فلسفہ جنس کی بنیاد پر فرق نہیں کرتا۔

کارپوریت گورننس اور مالیاتی رپورٹنگ فریم ورک:
سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور لسٹڈ کمپنیز (کوڈ آف کارپوریت گورننس) ریگولیشنز 2019 کے کارپوریت اور فنانشل رپورٹنگ فریم ورک کی تعمیل میں
ڈائریکٹرز اس کی اطلاع دیتے ہوئے خوشی محسوس کرتے ہیں:

- (i) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات کمپنی کے آپریشنز، کمیشنز، فلو اور ایکویٹی میں تبدیلیوں کی منصفانہ حالت کو پیش کرتے ہیں۔
- (ii) کمپنیز ایکٹ، 2017 کے تحت ضرورت کے مطابق کمپنی کے اکاؤنٹ کی مناسب کتابیں رکھی گئی ہیں۔
- (iii) مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی رہی ہیں اور جہاں کہیں بھی کی گئی تبدیلیاں مناسب طریقے سے ظاہر کی گئی ہیں۔
اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- (iv) بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز (IASs) اور انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی بیانات کی تیاری میں بیرونی کی گئی ہے، اور وہاں سے کسی بھی روائی کو مناسب طریقے سے ظاہر اور وضاحت کی گئی ہے۔
- (v) اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو اور مانیٹر کیا گیا ہے۔
- (vi) جاری تشویش پر آڈٹ کے مشاہدے کا انکشاف مالیاتی بیانات کے نوٹ نمبر 1.2 میں کیا گیا ہے۔
- (vii) پچھلے چھ سالوں سے کلیدی آپرینٹنگ اور مالیاتی ڈیٹا کو منسلک کیا گیا ہے۔
- (viii) مالیاتی بیانات کے نوٹوں میں ہٹائیکس اور لیوس دیے گئے ہیں۔
- (ix) کمپنی کی مالی حالت کو متاثر کرنے والے کوئی منفی مادی تبدیلیاں اور وعدے مالی سال کے اختتام کے درمیان نہیں ہوئے جس سے یہ پبلنٹس شیٹ اور ڈائریکٹری رپورٹ کی تاریخ سے متعلق ہے۔
- (x) کمپنی نے 30 جون، 2026 کو ختم ہونے والے سال کے لیے کمپنی کے نقصان کی وجہ سے نہ تو ڈیویڈنڈ کا اعلان کیا ہے اور نہ ہی بونس شیئرز جاری کیے ہیں۔
- (xi) نظر ثانی شدہ آڈیٹنگ معیارات کے SECP کے موافقت کے بعد، آڈیٹرز کو آڈیٹرز رپورٹ کے حصے کے طور پر اہم آڈٹ معاملات کو ہٹانے کی ضرورت ہے۔ آڈٹ کے یہ اہم معاملات سالانہ رپورٹ سے منسلک ہیں۔
- (xii) 30 جون، 2026 کو ختم ہونے والے سال کے مالیاتی گوشواروں کے اعداد و شمار کا کمپنی کے بیرونی آڈیٹرز نے آڈٹ کیا ہے۔
- (xiii) ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سکریٹری، اندرونی آڈٹ کے سربراہ، دیگر ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں کی کمپنی کے حصص میں تجارت کی تفصیلات رپورٹ سے منسلک ہیں۔
- (xiv) کمپنی نے اپنی اہم قانونی اور مالی ذمہ داریوں کو پورا کیا ہے سوائے اس کے کہ لیکویڈیٹی کے مسائل کی وجہ سے مالی بیانات میں ظاہر کیا گیا ہو۔
- (xv) کوڈ آف کارپوریت گورننس کے بہترین طریقوں کی تعمیل کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

شیئر ہولڈنگ کا پتھر:

30 جون، 2026 تک شیئر ہولڈنگ کا نمونہ اور کوڈ آف کارپوریت گورننس میں اس کے انکشافات اس رپورٹ کے ساتھ منسلک ہیں۔

منافع:

بورڈ آف ڈائریکٹرز نے سفارش کی کہ 30 جون، 2026 کو ختم ہونے والے سال کے لیے کسی ڈیویڈنڈ کا اعلان نہیں کیا جائے گا۔

کارپوریٹ سماجی ذمہ داری:

کمپنی اپنے ملازمین، کیونٹی اور بڑے پیمانے پر معاشرے کے لیے اپنی ذمہ داری کو تسلیم کرتی ہے اور اپنے ملازمین اور ان کیونٹیز کی فلاح و بہبود میں مثبت کردار ادا کرنے کے لیے پرعزم ہے۔ کمپنی سماجی اور ماحولیاتی تحفظات کے احترام کو برقرار رکھتے ہوئے اپنے کاروبار کو ذمہ دارانہ اور اخلاقی انداز میں چلا رہی ہے۔

ویب حوالہ:

کمپنی کے تمام متواتر مالیاتی بیانات کمپنی کی ویب سائٹ پر دستیاب ہیں کمپنی کی ویب سائٹ کا پتہ مندرجہ ذیل ہے:-

<http://www.kohinoorspinningmills.com>

بورڈ کی کارکردگی کا جائزہ:

کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 کی تعمیل میں، بورڈ نے بورڈ کی کارکردگی کی سالانہ تشخیص کے لیے ایک طریقہ کار وضع کیا ہے۔

ماحولیات، صحت اور حفاظت:

کمپنی ایک محفوظ، صحت مند اور ماحولیاتی طور پر ذمہ دار کام کی جگہ کو برقرار رکھنے کے لیے پرعزم ہے۔ قابل اطلاق ماحولیاتی، صحت اور حفاظت کے قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے مناسب اقدامات کیے جاتے ہیں۔ کمپنی محفوظ کام کرنے کے طریقوں کو فروغ دینے، اپنے ملازمین کو ضروری حفاظتی اقدامات فراہم کرنے اور کام کرنے کے صاف اور محفوظ ماحول کو برقرار رکھنے کے لئے جاری رکھے ہوئے ہے۔

اعتراف:

بورڈ ان مشکل حالات کے دوران کمپنی کے شیئر ہولڈرز، ملازمین، ریگولیٹرز اور دیگر اسٹیک ہولڈرز کی جانب سے مسلسل تعاون اور معاونت کو قدر کی نگاہ سے دیکھتا ہے۔



محمد نوید

چیف ایگزیکٹو آفیسر

بحکم بورڈ



خواجہ محمد جہانگیر

چیئر مین

تاریخ: 06 اکتوبر، 2026

مقام: لاہور



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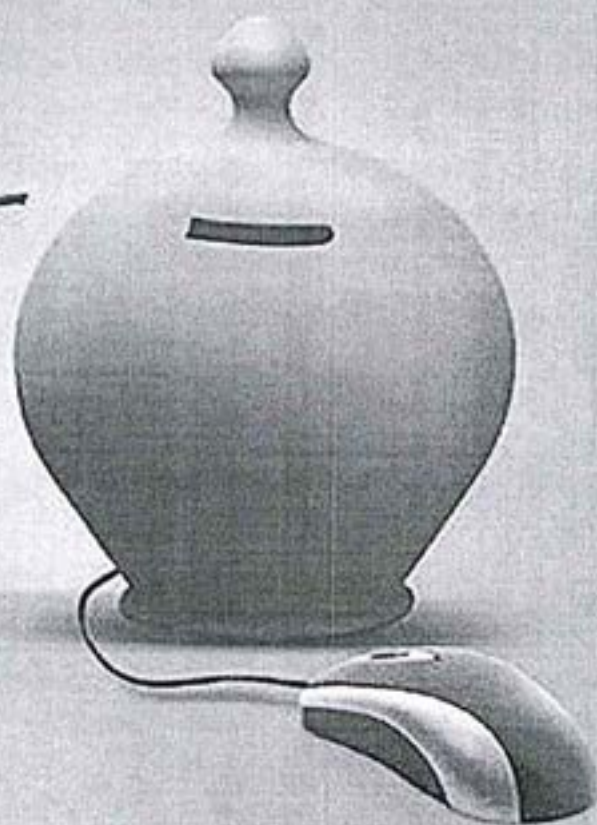
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سرمایہ کاری کی آگاہی کے لیے انقلابی اقدام



جہاں رہیے، آگاہ رہیے

SECP کی جانب سے پیش کیے جانے والے ایک ایسا ویب پورٹل جو آپ کو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے، تاکہ آپ ایک اہم سرمایہ کاری کا فیصلہ کر سکیں۔ جمع پونجی میڈیکل سنڈرز، فیشن سنڈرز، مسوک فنڈنگ، کیپٹل مارکیٹ، لیزنگ، کمپنیز 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 کمپلی کیمل میں منافع بخش سرمایہ کاری کے سلسلے میں آپ کو رہنمائی بھی فراہم کرتا ہے۔

ملتان آن لائن ٹور:

- سسٹم مینٹر
- ماک ٹریڈنگ
- ہنڈلنگ مینٹر
- کالکولیشن
- ریسک پروڈکٹر
- نیوڈیز سسٹم

کھیل ہی کھیل
میں سیکھیں
سرمایہ کاری کا پتہ



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

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

Name of company: Kohinoor Spinning Mills Limited

Year ending: 30 June 2026

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

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

b) HR and Remuneration Committee

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

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

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

Committees	Frequency of Meeting
Audit Committee	04--on quarterly basis
HR and Remuneration Committee	01-annual basis

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

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

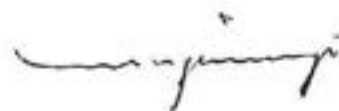
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3,7,8, 27,32, 33 and 36 of the Regulations have been complied with except as stated in point 19 below; 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
6(1)	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors.	The Company currently has two elected independent directors out of total seven directors on the Board. Fractional requirement for Independent directors have not been rounded up as both independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director..
18	All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	Currently, the Company has not made any arrangement for orientation program. However, the Company is considering to carry out in-house orientation training program in due course.
19(1)	It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director-training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Out of seven, three Directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' training program. One Director has already completed Director's training program. However, remaining

		directors will attain the certification in due course.
19(3)	Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training program from July 2022.	The Company has not arranged any training under Directors' Training Program for 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

KEY FINANCIAL DATA OF LAST SIX YEARS

		Year ended June 30					
		2026	2025	2024	2023	2022	2021
Profit and Loss Summary							
Sales-Net	Pak-Rs.	18,380,500.00	-	-	115,435,392	2,630,587,061	2,807,075,051
Gross Profit/(Loss)	Pak-Rs.	2,690,590.00	-	-	(172,002,007)	(269,065,040)	(213,396,403)
(Loss) after tax	Pak-Rs.	(210,477,676)	(694,210,668)	(374,652,406)	(376,893,977)	(432,908,135)	(369,335,087)
Balance Sheet Summary							
Share Capital	Pak-Rs.	2,764,285,710	2,178,571,425	2,090,533,925	1,078,571,425	1,078,571,425	1,078,571,425
Accumulated (Loss)	Pak-Rs.	2,642,987,818	1,679,216,356	1,497,774,665	(1,143,021,845)	(2,606,110,373)	(2,170,842,000)
Share Holder's Equity	Pak-Rs.	121,297,892	499,355,069	592,759,260	(64,450,420)	(1,527,538,948)	(1,092,270,575)
Non Current Liabilities (Excluding loan from directors)	Pak-Rs.	31,686,790	31,624,931	30,810,537	30,597,599	48,292,487	45,064,213
Loan From Directors	Pak-Rs.	103,057,500	692,031,360	556,151,289	1,311,969,419	968,254,259	575,710,259
Property, plant and Equipment	Pak-Rs.	2,829,370,224	3,349,172,306	3,475,684,383	3,608,194,635	1,512,275,886	1,584,114,680
Other Non Current Assets	Pak-Rs.	10,561,342	10,561,342	44,221,312	44,221,812	44,221,312	44,221,312
Total Assets	Pak-Rs.	3,234,445,689	3,830,661,428	4,250,965,670	4,593,793,277	3,031,830,674	2,618,028,590
Total Liabilities (Excluding loan from directors)	Pak-Rs.	3,113,147,797	3,330,706,359	3,132,655,141	3,346,274,278	3,591,115,365	3,135,089,305
Profitability and Operating Ratios							
Gross Profit Margin	%	14.64	0.00	0.00	(149.52)	(10.23)	(7.60)
Net Profit to sales	%	(1,145)	0.00	0.00	(326.50)	(16.49)	(13.16)
Liquidity Ratios							
Current	Times	0.13	0.14	0.24	0.28	0.42	0.32
Quick/Acid test	Times	0.04	0.04	0.04	0.04	0.12	0.05
Activity/Turnover Ratios							
Inventory Turnover	Times	0.04	-	-	0.31	3.12	3.40
Debtors Turnover	Times	0.18	-	-	0.97	6.71	24.89
Creditors Turnover	Times	0.01	-	-	0.34	2.91	9.64
Investment/Market Ratios							
Earning Per share	Times	(0.38)	(1.13)	(0.91)	(1.98)	(2.01)	(1.71)



SAEED UL HASSAN & CO.

Chartered Accountants

**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, 2026, 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.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

SAEED UL HASSAN & COMPANY

CHARTERED ACCOUNTANTS

Engagement Partner: SAEED UL HASSAN

Place: Lahore

Date: October 06, 2026

**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 30 June 2026, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of affairs of the Company as at 30 June 2026 and of its loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (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

We draw attention to Note 1.2 to the financial statements, which indicates that for the year ended 30 June 2026 the Company incurred a net loss of Rs. 210.48 million (2025: Rs. 494.21 million), its accumulated losses amounted to Rs. 4,466.29 million, and its current liabilities exceeded its current assets by Rs. 2,687.85 million (2025: Rs. 2,828.95 million). These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

As further explained in Note 1.2, management has prepared a going concern assessment and has described its plans and mitigating actions, including the contested litigation before the Lahore High Court and an irrevocable commitment from a director to inject fresh equity for working capital and debt restructuring. The Company's ability to continue as a going concern is dependent upon the successful execution and timing of these measures. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 30 June 2026. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section 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
1. Revenue Recognition (Refer to Note 28 and accounting policy in Note 5.21 to the financial statements) During the year ended 30 June 2026, the Company recognized net revenue of Rs. 18.38 million from the sale of goods (2025: Rs. Nil). During the year, the Company recommenced revenue-generating activities through trading of products. Considering the resumption of revenue-generating activities, the significance of revenue as a key performance indicator and the inherent audit risk relating to occurrence and cut-off of revenue transactions, we considered revenue recognition to be a key audit matter.	Our audit procedures included, among others: a. Obtained an understanding of the Company's revenue recognition policies and procedures and assessed their compliance with IFRS 15, Revenue from Contracts with Customers, as applicable in Pakistan; b. Performed substantive analytical procedures using disaggregated revenue data and investigated unusual trends and outliers; c. Tested, on a sample basis, sales transactions to supporting documentation, including invoices, dispatch documentation and customer correspondence / acknowledgements; d. Performed cut-off procedures for revenue transactions recorded around the reporting date; and e. Assessed the classification, presentation and related disclosures of revenue in the financial statements.
2. Unfunded Gratuity Scheme (Employee Benefits) (Refer to Notes 5.13(a) and 21 to the financial statements) The Company operates an unfunded gratuity scheme with a closing liability of Rs. 31.69 million as at 30 June 2026 (2025: Rs. 31.62 million). The valuation of the obligation involves significant actuarial assumptions, including the discount rate, salary growth and expected service years. Changes in these assumptions may materially affect the amount of the liability recognized. Accordingly, we considered the valuation of the gratuity obligation to be a key audit matter.	Our audit procedures included, among others: a. Evaluated the significant actuarial assumptions used in the valuation, including the discount rate of 11.75%, salary increase rate of 10.75% and working life of 4 years, for reasonableness; b. Tested, on a sample basis, the employee data used in the actuarial valuation and reconciled the valuation results with the accounting records; c. Verified the closing gratuity liability of Rs. 31.69 million with the underlying actuarial valuation and accounting records; and d. Assessed the adequacy of the related disclosures in the financial statements in accordance with IAS 19, Employee Benefits.
3. Unclaimed Dividend (Refer to the Current Liabilities section of the Statement of Financial Position) The Company has an unclaimed dividend balance of Rs. 1.915 million. The Company has not completed the statutory process relating to the unclaimed dividend balance as described by management. Management has represented that this is due to the unavailability of a specific government treasury account for the purpose and has provided a written representation in this regard. Considering the statutory requirements applicable to unclaimed dividends and the potential financial reporting and legal implications, we considered this matter to be a key audit matter.	Our audit procedures included, among others: a. Obtained and critically assessed management's written representation and supporting explanation regarding the status of the unclaimed dividend balance; b. Corroborated the unclaimed dividend balance of Rs. 1.915 million by tracing it to dividend declarations and subsequent shareholder payment records; c. Evaluated the accounting treatment and adequacy of the related disclosures in the financial statements; and d. Reviewed the status of the bank account and other records maintained by the Company in respect of unclaimed dividends.

Emphasis of Matter

We draw attention to Note 37 to the financial statements, which explains that the comparative figures for the year ended 30 June 2025 have been restated to correct prior period errors relating to diesel consumption and PESSI payable pertaining to the year ended 30 June 2023 and prior periods.

Accordingly, the corresponding comparative figures have been restated to reflect the effects of these corrections. Our opinion is not modified in respect of this matter.

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 misstatement, whether due to fraud or error and to issue an auditors' 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 taken together, 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.

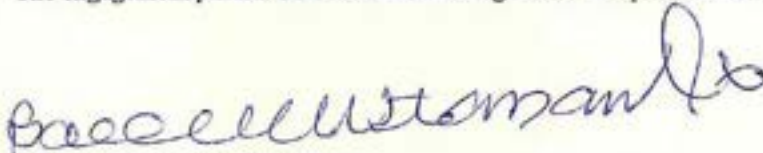
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes 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, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017), except that the Company has not maintained a complete and updated fixed asset register;
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is **Saeed Ul Hassan FCA**.



SAEED-UL-HASSAN & Co.
Chartered Accountants

Place: Lahore

Dated: October 06, 2026

UDIN: AR202610617G9ZMyFz2h

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

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 in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017) and is quoted on Pakistan Stock Exchanges. 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.

The Company has incurred a net loss of Rs. 210,177,676 for the year ended June 30, 2026 (2025: Rs. 494,210,668). As of that date, the Company has accumulated losses of Rs. 4,465,987,089 and its current liabilities exceed its current assets by Rs. 2,687,545,012 (2025: excess of Rs. 2,828,951,571). 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
- 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 6);
- assumptions and estimates used in deriving fair value of long-term deposits (Note 7);

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of long term investments (Note 8);
- assumptions and estimates used in determining the provision for slow moving and obsolete stores, spares and loose tools (Note 9);
- assumptions and estimates used in writing down items of inventories to their net realisable value (Note 10);
- assumptions and estimates used in calculating the provision for impairment for trade receivables - net (Note 11);
- assumptions and estimates used in calculating the provision for impairment for advances, deposits and prepayments (Note 13);
- assumptions and estimates used for valuation of present value of defined benefit obligation and fair value of plan assets (Note 21);
- assumptions and estimates used in disclosure and assessment of provision for contingencies and commitments (Note 27)
- 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 35);

4 Standards, amendments and interpretations

4.1 Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2025. However, these do not have any significant impact on the Company's financial reporting.

4.2 Standard and amendments to approved accounting standards that are not yet effective.

There is a new standard and certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2026. The following amendments and the new standard have not been early adopted by the Company:

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some instruments with features linked to the achievement of Environment, Social and Governance (ESG) targets);
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The management is in process of assessing the impact of above changes.

5 Summary of material 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 6 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.

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

Normal repairs and maintenance are charged to profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised, 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

5.2 Stores, spares and loose tools

These are valued at lower of cost using Weighted Average Cost method and estimated net realisable 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 realisable 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 Inventories

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 DE recognition are recognized directly in

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.

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 DE recognition 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 premeasured 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 DE recognition 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.

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

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.

5.11 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the
- amounts expected to be payable by the company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and

To determine the incremental borrowing rate, the company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the company revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Variable lease payments that depend on certain conditions are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

5.12 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.

5.13 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 June, 30 2026 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 profit or loss.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

5.18 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.

5.19 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.

5.20 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

5.21 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 met.
 - 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.

5.22 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.

5.23 Prior period errors

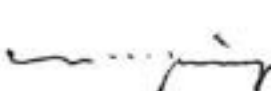
Prior period errors are omissions from, and misstatements in, the Company's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that was available when financial statements for those periods were authorized for issue.

Material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by restating the comparative amounts for the prior period(s) presented in which the error occurred, or by restating the opening balances of assets, liabilities, and equity for the earliest prior period presented if the error occurred before the earliest prior period presented.

KOHINGOR SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

AS AT JUNE 30, 2026		Restated	
		2026	2025
		Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	6	2,829,570,224	3,349,172,308
Long-Term Deposits	7	10,561,342	10,561,342
Long Term Investments	8	898,128	197,921
		2,840,829,694	3,359,931,571
Current assets			
Stores, spares and loose tools	9	10,350,346	12,937,933
Inventories	10	260,253,354	325,206,598
Trade receivables - net	11	102,462,730	112,583,760
Tax refunds due from government	12	4,437,094	4,066,830
Advances, deposits and prepayments	13	15,157,422	14,421,083
Cash and cash equivalents	14	953,048	911,653
		393,615,955	470,129,857
Total assets		3,234,445,649	3,830,061,428
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	15	3,000,000,000	2,200,000,000
Issued, subscribed and paid up share capital	16	2,764,285,710	2,178,571,425
Other reserves	17	402,647,566	166,426,016
Surplus on Revaluation of Property, Plant and Equipment	18	1,317,594,205	1,796,741,488
Directors Loan	19	103,057,500	692,031,360
Retained earnings		(4,466,287,089)	(4,294,415,250)
		121,297,892	499,355,069
Non-current liabilities			
Deferred tax liabilities	20	-	-
Deferred liability - net staff gratuity	21	31,686,790	31,624,931
		31,686,790	31,624,931
Current liabilities			
Trade and other payables	22	498,950,637	702,725,038
Current portion of Long term loan	23	364,705,882	364,705,882
Short term borrowings	24	1,463,142,972	1,463,142,972
Accrued interest on loans and borrowings	25	471,877,939	471,877,939
Supplier's Credit-Unsecured	26	280,898,290	294,716,480
Unclaimed dividend		1,915,117	1,915,117
Provision for taxation	27	-	-
		3,081,461,007	3,299,081,428
Contingencies and commitments	28	-	-
Total liabilities		3,113,147,797	3,330,706,359
Total equity and liabilities		3,234,445,649	3,830,061,428

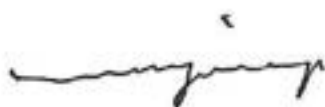
The annexed notes from 1 to 47 form an integral part of these financial statements.

		
Chairman	Chief Financial Officer	Chief Executive Officer

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	Restated	
		2026	2025
		Rupees	
Revenue - net	29	18,380,500	-
Cost of Sales	30	(15,690,000)	-
Gross profit		2,690,500	-
Administrative expenses	31	(159,884,796)	(202,951,575)
Other operating expenses	32	(96,860,270)	(304,605,449)
		(256,745,066)	(507,557,024)
Operating loss		(254,054,566)	(507,557,024)
Other income	33	43,818,190	30,003,043
Finance costs	34	(11,545)	(58,181)
		43,806,645	29,944,862
Loss before levy and tax		(210,247,921)	(477,612,162)
Levies	35	(229,755)	-
Loss before tax		(210,477,676)	(477,612,162)
Taxation			
Current Tax		-	-
Deferred Tax		-	(16,598,506)
Loss after tax		(210,477,676)	(494,210,668)
Loss per share - basic	36	(0.38)	(1.13)

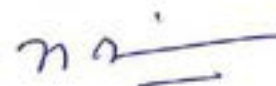
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Chairman



Chief Financial Officer

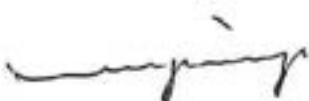


Chief Executive Officer

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	Note	Restated	
		2026	2025
		Rupees	
Loss after tax		(210,477,676)	(494,210,668)
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets			
Exchange differences on translation of foreign operations			
Exchange differences on translation of discontinued operation			
Changes in the fair value of cash flow hedges			
Net investment hedge			
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		1,235,598	2,345,515
Remeasurements of retirement benefit obligations			
Income tax relating to these items		1,235,598	2,345,515
Other comprehensive income		1,235,598	2,345,515
Total comprehensive loss for the year		(209,242,078)	(491,865,153)

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chairman



Chief Financial Officer



Chief Executive Officer

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

	Note	Rupees					
		Issued, subscribed and paid up share capital	Share Premium	Surplus on Revaluation on Fixed assets	Director Loan	Retained earnings	Other Reserves
Balance as at July 01, 2024		2,068,333,925	171,428,370	1,797,379,210	536,331,269	(3,459,234,186)	(7,341,039)
Effect of prior period error - unrecorded dividend expense (Note 27)		-	-	-	-	(358,306,401)	-
Balance as at July 01, 2025 - Restated		2,068,333,925	171,428,370	1,797,379,210	536,331,269	(3,817,540,587)	(7,341,039)
Shares issued during the year		118,037,500	-	-	-	-	-
Payments made during the year		-	-	-	(153,654,039)	-	-
Payments received during the year		-	-	-	281,334,500	-	-
Loss for the year		-	-	-	-	(494,119,668)	-
Change in deferred Tax		-	-	-	-	16,598,506	-
Other comprehensive income for the year		-	-	-	-	-	2,345,515
Incremental Depreciation net of deferred tax		-	-	(40,637,722)	-	40,637,722	-
Balance as at June 30, 2025 - Restated		2,178,371,425	171,428,370	1,756,741,488	652,031,369	(4,264,413,530)	(5,005,521)
Balance as at July 01, 2025 - Restated		2,178,371,425	171,428,370	1,756,741,488	652,031,369	(4,264,413,530)	(5,005,521)
Revaluation loss on plant and machinery		-	-	(400,341,446)	-	-	-
Shares issued during the year		365,711,285	234,285,715	-	-	-	-
Payments made during the year		-	-	-	(633,000,000)	-	-
Payments received during the year		-	-	-	231,028,340	-	-
Loss for the year		-	-	-	-	(370,477,678)	-
Other comprehensive income for the year		-	-	-	-	-	1,235,598
Unrealized (loss) on long term investments		-	-	-	-	-	-
Incremental Depreciation net of deferred tax		-	-	(38,655,877)	-	38,655,877	-
Balance as at June 30, 2025		2,764,382,710	405,714,285	1,718,085,611	343,057,609	(4,636,287,881)	(3,769,923)

The annexed notes from 1 to 47 form an integral part of these financial statements.



Chairman



Chief Executive Officer



Chief Financial Officer

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	Restated	
		2026	2025
		Rupees	
Cash flows from operating activities			
Loss before levy and tax		(210,247,921)	(477,612,162)
Adjustments for:			
Depreciation		119,260,638	125,912,075
Gratuity		3,060,858	3,543,120
Finance cost		11,545	11,215,122
Exchange (loss)/gain		(13,818,190)	30,261,372
Impairment loss		-	262,312,137
		108,514,851	433,243,825
Operating loss before working capital changes		(101,733,070)	(44,368,337)
Effect of working capital changes			
(Increase) / decrease in current assets			
Stores and spares		2,587,587	-
Stock-in-trade		64,951,244	-
Trade debts		10,123,030	-
Loans and advances		(736,339)	(573,555)
		76,925,521	(573,555)
Increase / (decrease) in current liabilities			
Trade and other payables		(203,802,231)	(241,787,892)
		(203,802,231)	(241,787,892)
Cash used in operations		(228,609,780)	(286,729,784)
Bank charges paid		(11,545)	(58,181)
Income taxes paid		(600,019)	(586,001)
Gratuity paid		(1,763,401)	(383,210)
		(2,374,965)	(1,027,392)
Net cash outflows from operating activities		(230,984,745)	(287,757,176)
Cash flows from investing activities			
Long term deposits		-	33,659,970
Net cash outflows from investing activities		-	33,659,970
Cash flows from financing activities			
Increase / (Decrease) in directors loan		(588,973,860)	135,880,092
Proceeds from the issue of shares		820,000,000	118,037,500
Net cash inflows from financing activities		231,026,140	253,917,592
Net increase / (decrease) in cash and cash equivalents		41,395	(179,614)
Cash and cash equivalents at the beginning of the year		911,653	1,091,267
Cash and cash equivalents at end of the year		953,048	911,653

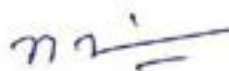
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Chairman



Chief Financial Officer



Chief Executive Officer

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

5 Property, plant and equipment

Operating fixed assets
Capital work in progress

6.1 Operating fixed assets

Note	2024	2025
6.1	2,829,370,224	3,548,172,308
	2,829,370,224	3,548,172,308

	Owned assets									
	Freehold Land	Building on Freehold Land	Plant and Machinery	Electric Installation	Tools and Equipment	Telephone Installation	Office Equipment	Furniture and Fixture	Vehicles	Total assets
Cost/Revaluation										
Balance as at July 01, 2024 - Cost	996,300,000	1,215,496,874	3,525,316,830	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,855,245	5,848,894,207
Balance as at July 01, 2024 - Revaluation	-	-	-	-	-	-	-	-	-	-
Additions during the year	996,300,000	1,215,496,874	3,525,316,830	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,855,245	5,848,894,207
Deposits	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2025	996,300,000	1,215,496,874	3,525,316,830	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,855,245	5,848,894,207
Balance as at July 01, 2025 - Cost	996,300,000	1,215,496,874	3,525,316,830	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,855,245	5,848,894,207
Balance as at July 01, 2025 - Revaluation	-	-	-	-	-	-	-	-	-	-
Additions during the year	996,300,000	1,215,496,874	3,525,316,830	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,855,245	5,848,894,207
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2026	996,300,000	1,215,496,874	3,525,316,830	44,110,243	2,370,645	433,215	3,836,512	6,174,643	54,855,245	5,848,894,207
Depreciation										
Balance as at July 01, 2024 - Cost	-	344,232,176	1,936,114,760	37,270,398	2,281,546	415,534	3,792,117	5,407,281	44,285,512	2,373,869,824
Balance as at July 01, 2024 - Revaluation	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	344,232,176	1,936,114,760	37,270,398	2,281,546	415,534	3,792,117	5,407,281	44,285,512	2,373,869,824
Depreciation on disposals	-	43,563,235	29,160,104	683,995	7,916	1,768	4,448	76,086	2,113,947	125,912,075
Balance as at June 30, 2025	-	387,795,411	2,015,571,864	37,954,393	2,289,656	417,302	3,796,557	5,484,667	46,399,459	2,499,721,899
Balance as at July 01, 2025 - Cost	-	387,795,411	2,015,571,864	37,954,393	2,289,656	417,302	3,796,557	5,484,667	46,399,459	2,499,721,899
Balance as at July 01, 2025 - Revaluation	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	387,795,411	2,015,571,864	37,954,393	2,289,656	417,302	3,796,557	5,484,667	46,399,459	2,499,721,899
Impairment	-	41,385,073	75,487,098	615,585	7,119	1,591	3,996	60,018	1,691,157	119,260,638
Depreciation on disposals	-	-	420,541,446	-	-	-	-	-	-	400,541,446
Balance as at June 30, 2026	-	429,180,484	2,491,603,428	38,569,969	2,296,575	418,893	3,800,553	5,553,485	48,090,616	3,019,523,983
Rate of depreciation	0%	5%	5%	10%	10%	10%	10%	10%	20%	
Written down value as at June 30, 2025	996,300,000	827,701,463	1,509,745,566	6,155,860	71,189	15,913	39,955	693,176	8,485,786	3,349,172,308
Written down value as at June 30, 2026	996,300,000	786,316,390	1,403,713,422	5,540,274	64,070	14,322	35,959	621,158	6,794,629	2,629,370,224

6.2 PARTICULARS OF IMMOVABLE PROPERTIES

Manufacturing Units	Address	Area of Land (Kacash)	Covered area (Sq. Ft)
Unit 1/2	Arreenuhad 8 Km Pirelli Road,	244.3	511,335
Unit 3	8 Km Wheat road Chikawal	385.55	

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	Note	2026	2025	
		Rupees		
6.3 Depreciation for the year has been allocated as under:				
Cost of Sales		-	-	
Administrative expenses		119,260,638	125,912,075	
		<u>119,260,638</u>	<u>125,912,075</u>	
6.4 Freehold Land and building were revalued by M/s Diamond Surveyors Pakistan (Private) Limited as on June 30, 2025. While plant and machinery were revalued by M/s Alma Evaluators & Consultants (Private) Ltd as on June 30, 2026.				
6.5 Forced Sales Value (FSV) of the freehold land, building and plant and machinery was Rs. 846,855,000 million , Rs. 703,546,244/- million and Rs. 826,970,238/- million respectively as at date of valuation.				
6.6 Had there been no revaluation, the cost, accumulated depreciation and book value of revalued assets as at June 30, 2026 would have been as under:				
		Cost	Accumulated Depreciation	Book Value
		Rupees		
Freehold Land		11,675,239	-	11,675,239
Building on Freehold Land		603,599,123	397,687,713	205,911,410
Plant and Machinery		2,997,299,397	2,015,753,518	981,545,879
Balance as at June 30, 2026		<u>3,612,573,759</u>	<u>2,413,441,231</u>	<u>1,199,132,528</u>
Balance as at June 30, 2025		<u>3,612,573,759</u>	<u>2,330,943,479</u>	<u>1,261,630,280</u>
7 Long-Term Deposits	Note	2026	2025	
		Rupees		
Security deposits:				
Utilities	7.1	10,411,342	10,411,342	
Others		150,000	150,000	
		<u>10,561,342</u>	<u>10,561,342</u>	
7.1 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.				
	Note	2026	2025	
		Rupees		
8 Long Term Investments				
At fair value through other comprehensive income - Quoted				
*WASL Mobility Modaraba (166,320 modaraba certificates of Rupees 10 each).		898,126	197,921	
		<u>898,126</u>	<u>197,921</u>	
8.1 Unrealized gain or loss				
Opening balance				
Recognized during the year		(802,079)	(802,079)	
Closing balance		<u>700,207</u>	<u>-</u>	
		<u>(101,872)</u>	<u>(802,079)</u>	
9 Stores, spares and loose tools				
Stores		7,212,319	7,212,319	
Spares		5,725,614	5,725,614	
impairment loss	9.1	<u>(2,587,587)</u>	<u>-</u>	
		<u>10,350,346</u>	<u>12,937,933</u>	

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9.1 Impairment on Stores, spares and loose tools		
Opening balance	-	-
Recognized during the year	2,587,587	-
Closing balance	2,587,587	-
10 Inventories		
Raw materials	516,071,380	516,071,380
Finished goods – at cost	71,447,356	71,447,356
Provision for impairment	(327,263,382)	(262,312,138)
	260,255,354	325,206,598
10.1 Impairment loss on Inventory		
Opening balance	(262,312,138)	-
Recognized during the year	(64,951,244)	(262,312,138)
Closing balance	(327,263,382)	(262,312,138)

10.1 This include raw material and finished goods amounting Rs. 247 Million (2025: 247 Million) pledged against cash finance facility.

10.2 During the year raw materials have been written off by Rs. 64,951,244 (2025: 262,312,138).

11 Trade receivables - net			
Trade receivables		184,095,042	166,071,632
Provision for impairment	11.1	(81,632,312)	(53,485,872)
		102,462,730	112,585,760
11.1 Allowance for expected credit loss			
Opening balance		53,485,872	53,485,872
Less: Written off		-	-
Add: Charge during the year		28,146,440	-
Closing balance		81,632,312	53,485,872

11.2 Exposure to credit risk and the expected credit losses on trade receivables:

Current	Gross carrying amount	Expected credit loss rate	Loss allowance
1 - 30 days	-	-	-
31 - 60 days	-	-	-
61 - 90 days	-	-	-
91 - 180 days	18,023,410	-	-
181-360 days	-	-	-
360 days and above	166,071,632	25%	28,146,440

2026	2025
Rupees	

12 Tax refunds due from government		
Opening balance	4,066,830	3,490,829
Add: Withheld during the year	1,200,036	586,001
Less: Prior year tax adjustment	(829,774)	-
	4,437,094	4,066,830

12.1 The income tax assessment of the company has been finalized up to and including tax year 2025 by deeming provisions of Income Tax Ordinance, 2001.

Note	2026	2025
	Rupees	

13 Advances, deposits and prepayments		
Advances to employees		
- Executive	8,094,210	7,737,470
- Non- executive	7,063,212	6,683,613
	15,157,422	14,421,083

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	Note	2026	2025
		Rupees	
14 Cash and cash equivalents			
Cash in hand		84,600	29,400
Balances with banks in:			
- current accounts		859,438	880,836
- deposit accounts	14.1	9,010	1,417
		868,448	882,253
		<u>953,048</u>	<u>911,653</u>

14.1 These, during the year, carry mark-up ranging from 10% to 11.5% per annum. (2025 : 12.56%)

15 Authorized share capital

Note	2026	2025	2026	2025
	Number of shares		Rupees	
Ordinary shares of Rs. 5 each.	600,000,000	440,000,000	3,000,000,000	2,200,000,000

15.1 The authorized share capital of the Company was Rs. 2,200,000,000 divided into 440,000,000 ordinary shares of Rs. 5 each. During the year, 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 as of the date of April 21, 2026. The adjustment has been made to the share capital presented in these financial statements as at June 30, 2026.

16 Issued, subscribed and paid up share capital

Note	2026	2025	2026	2025
	Number of shares		Rupees	
Ordinary shares of Rs. 5 each.				
- Fully paid in cash	127,725,000	127,725,000	638,625,000	638,625,000
- Fully paid other than cash	422,857,142	305,714,285	2,114,285,710	1,528,571,425
- Allotted as bonus share	2,275,000	2,275,000	11,375,000	11,375,000
	552,857,142	435,714,285	2,764,285,710	2,178,571,425
Less: Discount on issue of shares	-	-	-	-
	<u>552,857,142</u>	<u>435,714,285</u>	<u>2,764,285,710</u>	<u>2,178,571,425</u>

16.1 Fully paid other than cash

During the year, the company issued 117,142, 857 shares against a loan pertaining to interest-free loans as follows:

Name	Relationship	Interest Free Loan
Mr. Naveem Yousaf	Third party	820,000,000

	Note	2026	2025
		Rupees	
17 Other reserves			
Share Premium	17.1	405,714,285	171,428,570
Unrealized (loss) on long term investments		(101,872)	(802,079)
Actuarial re-measurement-experience adjustments	17.2	(2,964,847)	(4,200,445)
		<u>402,647,566</u>	<u>166,426,046</u>

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

17.2 Actuarial re-measurement losses/gains recognized in Other Comprehensive Income are non-distributable reserves and are retained in equity as part of

KOHINOOR SPINNING MILLS LIMITED
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18 Surplus on Revaluation of Property, Plant and Equipment

Revaluation surplus net of deferred tax opening	2,072,113,107	2,129,349,336
Revaluation loss net of deferred tax during the year	(284,384,427)	-
Revaluation surplus realized during the year	(54,374,419)	(57,236,229)
Gross surplus at year end	1,733,354,261	2,072,113,107
Less: Deferred tax on revaluation surplus:		
Deferred tax relating to surplus opening	(315,371,619)	(331,970,125)
Deferred tax realized on incremental depreciation	15,768,582	16,598,506
Deferred tax on revaluation loss on plant and machinery	(116,157,019)	-
Closing deferred tax balance	(415,760,056)	(315,371,619)
Net Revaluation Surplus as at June 30	1,317,594,205	1,756,741,488

18.1 This surplus is not available for distribution of dividend to members as per the provisions of the Section 241 of the Companies Act, 2017.

18.2 The latest revaluation Plant & Machinery was carried out on June 30, 2026 by independent valuer AIMS EVALUATORS & CONSULTANT (PVT) LTD using market based approach.

18.3 Impairment of Plant and Machinery

During the year, the Company identified indicators of impairment in respect of its plant and machinery, as the mill remained non-operational during the year and the related plant and machinery was not being utilized in the Company's operations. This condition indicated that the carrying amount of the related assets may not be recoverable.

Accordingly, an impairment assessment was performed in accordance with IAS 36 - Impairment of Assets. Based on the assessment, an impairment loss of Rs. 400.54 million was recognized in profit or loss, reducing the carrying amount of the related plant and machinery to its recoverable amount.

The recoverable amount was determined based on [value in use Rs. 1,180 million / fair value less costs of disposal Rs.1,033.71 million].

Note	2026	2025
	Rupees	

19 Directors Loan

Unsecured

Loans from related parties - From directors and relatives

19.1	103,057,500	692,031,360
	103,057,500	692,031,360

19.1 This represents loan advanced to the company by its directors. The terms of the loan stipulate that the loan is non interest bearing and is repayable at the ease of the company. Therefore, in accordance with the Technical Release (TR 32) of the Institute of Chartered Accountants of Pakistan, the loan has been classified as part of equity.

20 Deferred tax liabilities

2026	2025
Rupees	

20.1 Deferred tax

On temporary differences arising on:

Property, plant and equipment

Surplus on revaluation on fixed assets

Gratuity

Tax losses and credits

Impairment

Reversal of Expected credit loss

Loss on revaluation on plant and machinery

Deferred Tax (Asset) / Liability

296,293,901	312,978,444
415,760,056	315,371,630
(9,189,169)	(9,171,230)
(501,910,275)	(528,640,203)
(43,259,631)	(91,581,423)
-	15,510,903
(116,157,019)	-
41,537,863	14,468,112

20.2 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. 26,729,928 (2025: 69,174,085) from tax losses and credits has not been recognized.

20.3 Business Losses and tax credits will expire as follows:

	Business	Unabsorbed Tax
2032	20,159,146	502,270,706
2031	148,521,329	477,643,328
2030	282,031,081	449,288,569
2029	225,403,504	413,407,697
2028	359,764,509	377,217,963
2027	288,856,260	334,452,568

20.4 Movement in Deferred tax

Description	6/30/2024	Statement of Profit and loss	STATEMENT OF OTHER COMPREHENSIVE INCOME	Equity	6/30/2023	Statement of Profit and loss	STATEMENT OF OTHER COMPREHENSIVE INCOME	Equity	6/30/2023
On temporary differences arising on:									
Property, plant and equipment	324,594,856	(12,916,412)	-	-	312,578,444	(16,684,543)	-	-	295,293,901
Surplus on revaluation on fixed assets	310,976,127	-	-	(16,598,504)	315,371,630	-	-	108,398,435	415,766,064
Gratuity	(8,335,054)	-	-	(276,124)	(9,171,230)	-	-	(17,893)	(9,389,347)
Tax losses and credits	(1,771,024,434)	44,964,791	-	-	(1,816,040,204)	25,775,929	-	-	(505,216,271)
Amortisation	(278,525,493)	(1,945,827)	-	-	(276,670,520)	(2,810,495)	-	-	(41,209,613)
Loss on realisation on fixed assets	-	-	-	-	-	(136,157,589)	-	-	(136,157,589)
Deferred tax (Asset) / liability	-	31,302,792	-	(16,894,681)	14,408,112	(19,613,799)	-	100,376,487	42,137,693

21 Deferred liability - net staff gratuity

Present value of defined benefit obligation	21.1	31,686,790	31,624,931
		<u>31,686,790</u>	<u>31,624,931</u>

The Employees' Gratuity Scheme has been actuarially valued by an independent actuary, Nauman Associates, as at 30 June 2026.

Note	2026	2023
	Rupees	

21.1 Present value of defined benefit obligation

The movement in defined benefit obligation is as follows:

Present value of defined benefit obligation at beginning	31,624,931	30,810,537
Current service cost - P/L	3,060,858	1,001,620
Interest cost - P/L	-	2,541,499
Benefits paid	(1,763,401)	(383,210)
Remeasurement gain on defined benefit obligation - OCI	(1,235,598)	(2,345,515)
	<u>31,686,790</u>	<u>31,624,931</u>

21.2 Charged to the statement of profit or loss

Current service cost	999,155	1,001,620
Interest cost	<u>2,061,703</u>	<u>2,541,499</u>
	<u>3,060,858</u>	<u>3,543,119</u>

21.3 Charged to the statement of comprehensive income

Actuarial (income)/losses from changes in financial assumptions	184,784	(52,712)
Experience adjustment	<u>(1,420,386)</u>	<u>(2,292,803)</u>
	<u>(1,235,598)</u>	<u>(2,345,515)</u>

21.4 Allocation of charge for the year

Cost of sales	-	-
Administrative expenses	<u>3,060,858</u>	<u>3,543,119</u>
	<u>3,060,858</u>	<u>3,543,119</u>

21.5 Sensitivity Analysis on Defined Benefit Obligation

Discount Rate + 100 bps	17,822,859	17,511,392
Discount Rate - 100 bps	19,202,551	19,429,343
Salary increase + 100 bps	19,227,642	19,438,909
Salary increase - 100 bps	<u>17,794,116</u>	<u>17,486,566</u>

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21.6 Expected Benefit Payments For the next 10 Years

Less than one year	1,568,843	1,963,459
Years between one to five	20,379,697	11,823,307
Years between five to Ten	24,171,234	49,355,575

2026	2025
Rupees	

21.2 Principal actuarial assumptions used in the actuarial valuations

Financial assumptions		
Discount rate	11.75%	14.75%
Expected rate of increase in salary	10.75%	10.75%
Demographic Assumptions		
Mortality rate	SLIC (2001-05)	SLIC (2001-05)
Retirement assumptions	Age 60	Age 60
Average duration of liability	4 years	5 years

Note	2026	2025
Rupees		

22 Trade and other payables

Trade payables	298,191,273	534,012,661
Sales tax payable	103,547,764	83,633,681
Accrued liabilities	96,730,237	84,624,963
Workers' profit participations fund	-	-
Payable to Employees	451,533	451,533
	<u>498,920,807</u>	<u>762,723,038</u>

22.1
22.2

22.1 Accrued liabilities

Audit Oversight Board Payable	920,000	50,000
Other Accrued Expenses	95,810,237	84,574,963
	<u>96,730,237</u>	<u>84,624,963</u>

22.2 Workers' profit participation fund

Opening balance	-	151,647,711
Interest recognized during the year	-	11,156,940
Payment made during the year	-	(162,804,651)
	<u>-</u>	<u>-</u>

23 Current portion of Long term loan

Bank loan over due	364,703,882	364,703,882
	<u>364,703,882</u>	<u>364,703,882</u>

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 3%. The loan was repayable in 17 equal quarterly installments of Rs.23.53 million each commencing from December, 2015 and ending on December 2019. The company has defaulted on the repayment of installments and mark-up. Consequently, the entire outstanding amount has been classified under

23.1 current liabilities as required by IAS 1.

24 Short term borrowings

Banking companies - Secured		
Running Finance	318,112,692	318,112,692
Others	1,010,530,280	1,010,530,280
Export Finance	134,500,000	134,500,000
	<u>1,463,142,972</u>	<u>1,463,142,972</u>

24.1	NATURE OF FACILITY	LIMIT	MARK UP / COMMISSION	Tenor	Security
	Running Finance	189,452,613	3 Months KIBOR plus 2.00 % to 2.50%	Average term: 360 days to 1,071 days	PP charge on Current Assets of the company and Personal Guarantee of the Sponsoring Directors of the Company.
	Others	1,350,000,000	3 Months KIBOR plus 2.00 % to 2.50%		Pledge of stock of raw material and finished goods under the supervision and control of Bank Muzdham. Personal Guarantee of the Sponsoring Directors of the Company.
	Export Finance	265,000,000	3 Months KIBOR plus 2.00 % to 2.50%		Lien on contract / export documents. 1st PP Charged over Fixed Assets of Company. Personal Guarantee of the Sponsoring Directors of the Company.

24.2 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. 5,272,991/-, balance amount of Rs. 27,452,613/- was added to the running finance.

25 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

26 Supplier's Credit-Unsecured

Loan for machinery - Overdue installments

26.1 280,898,290 294,716,480

280,898,290 294,716,480

26.1 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.

Note	2026	2025
	Rupees	

27 Provision for taxation

Opening balance

- -

Paid / Settled

(229,755) -

Provision for the year

229,755 -

- -

28 Contingencies and commitments

28.1 Contingencies

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 (2025: 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 (2025: Rs 2,299.726 million) in respect of principal and markups has been made in these accounts.

Note	2026	2025
	Rupees	

29 Revenue - net

Sale of goods

18,380,500 -

Less: sales return

- -

Net sales

18,380,500 -

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30 Cost of Sales			
Opening raw material		253,759,243	719,225,136
Add: purchases	30.1	15,490,000	-
Less: Provision written off		(64,951,244)	(203,153,758)
Less: Closing raw material		(188,807,999)	(516,071,390)
		<u>15,690,000</u>	<u>-</u>
Effect of change in finished goods inventory			
Opening finished goods		71,447,356	74,626,102
Impairment		-	(3,188,746)
Closing finished goods		(71,447,356)	(71,447,356)
		<u>-</u>	<u>-</u>

30.1 Manufacturing operations of the Company remained suspended during the current year. To meet ongoing commitments and utilize commercial channels, the Company engaged in trading activities. Consequently, cost of sales for the year ended June 30, 2026 reflect commercial trading operations.

	Note	2026	2025
		Rupees	
31 Administrative expenses			
Staff salaries and benefits	31.1	16,134,252	16,231,599
Fee and subscription		14,519,389	7,631,694
Rent, rates and taxes		1,052,175	-
Printing and stationery		391,500	398,130
Travelling and conveyance		553,740	217,110
General repair and maintenance		117,140	180,622
Vehicle running and maintenance		1,127,770	754,150
Entertainment		1,238,480	1,182,660
Legal and professional charges		700,000	400,000
Newspaper and periodicals		8,890	7,800
Communication		1,339,697	1,072,520
Utilities		1,541,945	47,361,824
Depreciation	6.3	119,260,638	125,912,075
Donations		-	25,000
Advertisement		180,000	496,680
Miscellaneous		1,919,310	1,079,711
		<u>159,684,756</u>	<u>202,951,575</u>

31.1 Staff salaries and benefits include Rs. 3,060,858 (2025: 3,543,119) in respect of staff retirement benefits.

	Note	2026	2025
		Rupees	
32 Other operating expenses			
Auditors' remuneration	32.1	1,175,000	875,000
Impairment loss on store spares		2,587,587	-
Net foreign exchange (losses)		-	30,261,372
Expected credit loss		28,145,440	-
Impairment Loss on inventory		64,951,244	262,312,137
Workers profit participation fund		-	11,156,940
		<u>96,860,270</u>	<u>304,605,449</u>
32.1 Auditors' remuneration			
Annual audit fee		600,000	700,000
Half yearly review and review of code of corporate governance		175,000	175,000
Out of pocket expense		400,000	-
		<u>1,175,000</u>	<u>875,000</u>

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33 Other income

Rental Income
Foreign exchange gains
Interest income

30,000,000	30,000,000
13,818,190	-
-	3,043
43,818,190	30,003,043

Note

2026	2025
Rupees	Rupees

34 Finance costs

Bank Charges

11,545	58,181
11,545	58,181

35 Levies and Taxation

Levies

Turnover Tax
Alternate Corporate Tax

229,755	-
-	-
229,755	-
229,755	-

35.1 This represents minimum tax under section 113 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

35.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the statement of profit or loss, is as follows:

Current tax liability for the year as per applicable tax laws

229,755 -

Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS

(229,755)

35.3 Difference

-	-
---	---

The Company is not presenting the tax charge reconciliation because the Company has incurred tax loss during the year and the company has recognized

36 Loss per share - basic

Loss after tax		Total shares in issue		Loss per share - basic	
2026	2025	2026	2025	2026	2025
Rupees		Number of shares		Rupees	
(210,477,676)	(494,210,668)	552,857,142	435,714,285	(0.38)	(1.13)
(210,477,676)	(494,210,668)	552,857,142	435,714,285	(0.38)	(1.13)

36.1 Diluted earning per share

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

37 Prior Period Error / Restatement of Financial Statements

During the financial year, the Company identified that diesel consumption expenses amounting to PKR 353,262,568 and FESSI expenses amounting to PKR 44,943,836 pertaining to financial year [2023/prior] were inadvertently unrecorded in the respective accounting period. Consequently, trade payables were understated and opening retained earnings were overstated.

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the error has been corrected retrospectively by restating the comparative balances. The effect of the restatement on the comparative financial statements is summarized below:

Line Item Affected	As Previously Reported	Adjustment	As Restated
Trade Payables (Note 23)	135,806,257	398,206,404	534,012,661
Opening Retained Earnings (01 July 2024)	(3,459,234,406)	(398,206,404)	(3,857,440,810)

	Note	2026	2025
		Rupees	
35 Financial instruments			
Financial assets as per statement of financial position			
<i>At amortized cost</i>			
Trade receivables - net		102,462,730	112,583,760
Long-Term Deposits		10,561,342	10,561,342
Advances, deposits and prepayments		15,157,422	14,421,063
Cash and cash equivalents		953,048	911,653
<i>At fair value through profit or loss</i>		-	-
<i>At fair value through other comprehensive income</i>			
Long Term Investments		898,128	197,921
		<u>139,032,670</u>	<u>138,677,739</u>
Financial liabilities as per statement of financial position			
<i>At amortized cost</i>			
Long Term Loan		-	-
Trade and other payables		355,373,043	619,069,157
Short term borrowings		1,463,142,972	1,463,142,972
Accrued interest on loans and borrowings		471,877,939	471,877,939
Supplier's Credit-Unsecured		280,898,290	294,716,480
Unclaimed dividend		1,915,117	1,915,117
		<u>2,613,207,361</u>	<u>2,850,741,665</u>

Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

As at the reporting date, fair values of all financial instruments are considered to approximate their carrying amounts. Further, there are no fair value estimation uncertainties.

Methods of determining fair values

Fair values of financial instruments for which prices are available from the active market are measured by reference to those market prices. The fair value of financial assets (other than investments) and liabilities with no active market are determined in accordance with generally accepted pricing models based on discounted cash flow analysis based on inputs from other than observable market.

Discount / interest rates used for determining fair values

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve as at the reporting date plus an adequate credit spread.

35.1 Fair value hierarchy

The company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The fair value hierarchy of financial assets measured at fair value is as follows:

	2026			
	Total	Level 1	Level 2	Level 3
	Amount in rupees			
Long Term Investments	898,128	-	-	-
Trade receivables - net	102,462,730	-	-	-
Long-Term Deposits	10,561,342	-	-	-
Advances, deposits and prepayments	15,137,422	-	-	-
Cash and cash equivalents	953,048	-	-	-
	<u>138,602,670</u>	<u>-</u>	<u>-</u>	<u>-</u>
	2025			
	Total	Level 1	Level 2	Level 3
	Amount in rupees			
Long Term Investments	197,921	-	-	-
Trade receivables - net	112,585,760	-	-	-
Long-Term Deposits	10,561,342	-	-	-
Advances, deposits and prepayments	14,421,083	-	-	-
Cash and cash equivalents	911,650	-	-	-
	<u>138,677,759</u>	<u>-</u>	<u>-</u>	<u>-</u>

39 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

Risk management is carried out by the Board of Directors (the Board).

Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions in foreign currencies. The Company is exposed to foreign currency exchange risk in respect of commitments against letters of credit in foreign currency. The management does not view hedging as being financially feasible.

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 Modaraba modaraba certificates (WASL) amount to Rs. 197,921 (2025: Rs. 197,921).

iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

At the reporting date, the profit, interest and mark-up rate profile of the Company's significant financial assets and liabilities is as follows:

	2026	2025
	Rupees	
Variable rate financial instruments		
Financial assets		
Bank balance - saving account	9,010	1,417
	<u>9,010</u>	<u>1,417</u>
Financial liabilities		
Short term borrowings	1,463,142,972	1,463,142,972
	<u>1,463,142,972</u>	<u>1,463,142,972</u>

Fair value sensitivity analysis

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Increase / (Decrease) in rate	Effect on profit before tax	Effect on equity
	Rupees	

Interest rate sensitivity analysis

Financial assets

2026	1%	90.10	64
	-1%	(90)	(64)
2025	1%	14	10
	-1%	(14)	(10)

Financial liabilities

2026	1%	(14,631,430)	(10,388,315)
	-1%	14,631,430	10,388,315
2025	1%	(14,631,430)	(10,388,315)
	-1%	14,631,430	10,388,315

b)

Credit risk

Credit risk is the risk that one party to the financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from balances with bank, trade debts, advances, deposits and other receivables. The maximum exposure to credit risk before any credit enhancement is given below:

Note	2026	2025
	Rupees	

Maximum exposure to credit risk

Trade receivables - net	102,462,730	112,585,760
Long-Term Deposits	10,561,342	10,561,342
Advances, deposits and prepayments	15,157,422	14,421,083
Cash and cash equivalents	868,448	882,253
	<u>129,049,942</u>	<u>138,450,438</u>

The Company attempts to control the credit risk by monitoring credit exposure, limiting transactions with specific customers and continuing assessment of credit worthiness of customers.

Based on the past experience, record of recoveries, the Company believes that the past due amount do not require any provision or impairment loss.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Bank	Date of rating	Rating agency	Rating	
			Short-term	Long-term
Allied Bank Limited	30-Jun-26	PACRA	A1+	AAA
Bank Alfalah Limited	30-Jun-26	PACRA	A1+	AA+
Habib Bank Limited	30-Jun-26	JCR-VIS	A1+	AAA
Habib Metropolitan Bank Limited	30-Jun-26	PACRA	A1+	AA+
MCB Bank Limited	30-Jun-26	PACRA	A1+	AAA
Asiate Bank Limited	30-Jun-26	PACRA	A1+	AA
Saudi Pak Investment Company	26-Jun-26	VIS	A1+	AAA

c)

Liquidity risk

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

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. 0.953 (2025: 0.911 million) million cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

Below mentioned financial liabilities are exposed to profit / mark-up rate risk except trade and other payables along with contractual maturities.

	Carrying amount	Contractual Cash Flows	Up to 1 Year	1 to 5 Years	More than three years
As at June 30, 2026					
Current portion of Long term loan	-	-	-	-	-
Trade and other payables	498,920,807	498,920,807	498,920,807	-	-
Short term borrowings	1,463,142,972	1,463,142,972	1,463,142,972	-	-
Accrued interest on loans and borrowings	471,877,939	471,877,939	471,877,939	-	-
Supplier's Credit-Unsecured	280,898,290	280,898,290	280,898,290	-	-
Unclaimed dividend	1,915,117	1,915,117	1,915,117	-	-
Closing Balance	2,716,755,125	2,716,755,125	2,716,755,125	-	-

	Carrying amount	Contractual Cash Flows	Up to 1 Year	1 to 5 Years	More than three years
As at June 30, 2025					
Current portion of Long term loan	-	-	-	-	-
Trade and other payables	702,723,038	702,723,038	702,723,038	-	-
Short term borrowings	1,463,142,972	1,463,142,972	1,463,142,972	-	-
Accrued interest on loans	471,877,939	471,877,939	471,877,939	-	-
Supplier's Credit-Unsecured	294,716,480	294,716,480	294,716,480	-	-
Unclaimed dividend	1,915,117	1,915,117	1,915,117	-	-
Closing Balance	2,934,375,546	2,934,375,546	2,934,375,546	-	-

39.1 Capital risk management

The company's objectives, policies and processes for managing capital are as follows:

To safeguard Company's ability to continue as going concern, so that it can continue to provide returns for shareholders and benefit other stakeholders and

To provide adequate return to shareholders by pricing the products and services commensurately with the level of risk.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The capital structure of the Company consists of equity comprising of issued share capital and unappropriated profits.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings non-current borrowings, as disclosed in note 19. Total capital is calculated as 'equity' shown in the statement of financial position plus debt. The gearing ratio as at year ended June 30, 2026 and June 30, 2025 are as follows:

	2026	2025
	Rspees	Rspees
Total Debt	1,744,041,262	1,737,859,452
Less: Cash and bank balance	(553,048)	(511,653)
Net Debt	1,743,088,214	1,736,947,799
Total Equity	121,297,892	499,355,069
Total Capital Employed	1,864,386,106	2,256,302,868
Gearing Ratio	0.93 :1	0.78 :1
Compliance with debt covenants		

The Company was not subject to compliance with certain financial covenants as stipulated in the long-term financing agreements with financial institutions referred to in Note 19. The Company was not in compliance with certain financial covenants during the reporting period.

40 Shariah Screening Disclosure

Description	Note	2026		2025	
		Carried Under		Carried Under	
		Conventional	Shariah compliant	Conventional	Shariah compliant
Statement of financial position - Liability Side					
Financing (long-term, short-term, or lease financing) obtained as per Islamic mode		-	-	-	-
Interest or mark-up accrued on conventional loan or advance		471,877,939	-	471,877,939	-
Statement of Financial Position - Asset Side					
Long-term and short-term Shariah compliant		-	898,128	-	197,921
Gain or loss or dividend earned on Shariah compliant		-	-	-	-
Profit earned from Shariah-compliant bank deposits, bank balances, or TDRs		-	-	-	-
Exchange gains earned using conventional derivative financial instruments		-	-	-	-
Total Interest earned on any conventional loan or advance		-	-	-	-

41

Transactions with related parties

The related parties comprise of major shareholder, entities under common directorship and key management personnel.

Significant transactions with related parties are as follows:

Name of related party and basis of relationship	Detail of transactions	2026	2025
		Rupees	
Loan from Directors and Relatives	Opening balance receivable	692,031,360	556,151,269
	Payments against share issued	820,000,000	153,634,409
	Payments received during the year	231,026,140	289,534,500
	Closing balance receivable	103,057,500	692,031,360
		103,057,500	692,031,360

All transactions with related parties have been carried out on commercial terms and conditions.

42 Remuneration of chief executive and directors

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive and full time working Directors of the Company are as follows:

	Chief Executive		Executive		Directors	
	2026	2025	2026	2025	2026	2025
	Rupees		Rupees		Rupees	
Fees	-	-	-	-	-	-
Managerial remuneration	-	-	2,000,000	2,360,000	-	-
Commission or Bonus	-	-	-	-	-	-
Housing	-	-	900,000	1,062,000	-	-
Gratuity	-	-	250,000	295,000	-	-
Other benefits	-	-	100,000	118,000	-	-
	-	-	3,250,000	3,835,000	-	-
No. of persons	-	-	1	1	-	-

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

2026	2025
Number of persons	

43 Number of employees

Average number of employees during the year

16	18
----	----

Total number of employees as at June 30th

16	18
----	----

44 Production capacity

2026		2025	
Maximum capacity	Actual production	Maximum capacity	Actual production
Units in Tons			
Number of spindles installed	78,492	-	78,492
(2025-365) days (kgs) - Approximately	35,331,147	-	35,331,147
	35,409,639	-	35,409,639

44.1 Total production capacity utilisation is .0% (2025: .0%) of total installed capacity.

45 Events after the reporting period

There are no other significant events after the reporting period which may require adjustment of and/or disclosure in these financial statements.

46 Date of authorization for issue

These financial statements have been approved and authorized for issue on October 06, 2026 by the Board of Directors of the company.

47 General

- Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

Account Head

Previous Classification

Current Classification

Long Term Loan

Long Term Loan

As the part of Equity-Directors Loan

Figures have been rounded off to the nearest rupee.



Chairman



Chief Financial Officer



Chief Executive Officer

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

1.1 Name of the Company

KOHINOOR SPINNING MILLS LIMITED

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

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
1576	1	100	47,217
1064	101	500	372,754
887	501	1,000	805,631
2108	1,001	5,000	6,334,468
1032	5,001	10,000	8,501,250
451	10,001	15,000	5,902,175
350	15,001	20,000	6,525,110
235	20,001	25,000	5,592,704
186	25,001	30,000	5,288,615
86	30,001	35,000	2,881,445
93	35,001	40,000	3,634,078
63	40,001	45,000	2,725,725
207	45,001	50,000	10,203,456
56	50,001	55,000	2,982,977
39	55,001	60,000	2,281,786
35	60,001	65,000	2,206,777
48	65,001	70,000	3,306,111
43	70,001	75,000	3,193,447
27	75,001	80,000	2,130,320
18	80,001	85,000	1,502,791
29	85,001	90,000	2,558,475
15	90,001	95,000	1,398,074
125	95,001	100,000	12,468,794
19	100,001	105,000	1,937,586
15	105,001	110,000	1,620,017
13	110,001	115,000	1,471,648
17	115,001	120,000	2,020,496
17	120,001	125,000	2,099,492
12	125,001	130,000	1,544,953
10	130,001	135,000	1,340,817
8	135,001	140,000	1,118,501
8	140,001	145,000	1,144,420
26	145,001	150,000	3,887,100
8	150,001	155,000	1,221,988
10	155,001	160,000	1,584,676
2	160,001	165,000	323,303
4	165,001	170,000	670,924
8	170,001	175,000	1,400,000
5	175,001	180,000	887,571
6	180,001	185,000	1,102,337
2	185,001	190,000	379,060
4	190,001	195,000	770,915
33	195,001	200,000	6,595,964
3	200,001	205,000	606,000
4	205,001	210,000	829,350
3	210,001	215,000	640,490

5	215,001	220,000	1,095,500
3	220,001	225,000	672,500
3	225,001	230,000	685,261
4	230,001	235,000	933,200
3	235,001	240,000	720,000
4	240,001	245,000	970,250
17	245,001	250,000	4,233,414
3	250,001	255,000	761,424
3	255,001	260,000	773,887
4	260,001	265,000	1,049,876
4	265,001	270,000	1,073,000
3	270,001	275,000	822,000
5	275,001	280,000	1,391,394
1	280,001	285,000	285,000
2	285,001	290,000	576,500
2	290,001	295,000	581,999
17	295,001	300,000	5,100,000
2	310,001	315,000	627,000
2	315,001	320,000	635,269
3	320,001	325,000	972,234
1	330,001	335,000	331,315
1	335,001	340,000	336,956
1	340,001	345,000	341,000
4	345,001	350,000	1,395,056
2	350,001	355,000	704,008
1	355,001	360,000	360,000
1	360,001	365,000	365,000
1	365,001	370,000	370,000
2	370,001	375,000	747,840
2	375,001	380,000	756,000
1	380,001	385,000	381,859
10	395,001	400,000	3,992,300
2	400,001	405,000	806,500
4	405,001	410,000	1,629,722
2	410,001	415,000	823,908
1	415,001	420,000	418,950
3	420,001	425,000	1,269,950
1	435,001	440,000	440,000
4	445,001	450,000	1,798,475
1	455,001	460,000	458,703
2	460,001	465,000	926,400
1	470,001	475,000	472,630
1	490,001	495,000	493,500
21	495,001	500,000	10,500,000
3	500,001	505,000	1,505,832
1	520,001	525,000	522,551
2	535,001	540,000	1,073,999
2	545,001	550,000	1,100,000
1	550,001	555,000	552,075
2	560,001	565,000	1,126,159
1	570,001	575,000	575,000
1	580,001	585,000	583,000
2	585,001	590,000	1,175,806
3	590,001	595,000	1,776,800
3	595,001	600,000	1,799,776
1	605,001	610,000	608,391
1	610,001	615,000	613,114
1	615,001	620,000	618,900

1	635,001	640,000	640,000
1	670,001	675,000	675,000
4	695,001	700,000	2,800,000
3	700,001	705,000	2,109,629
1	705,001	710,000	710,000
1	720,001	725,000	722,613
1	730,001	735,000	733,840
1	745,001	750,000	750,000
1	750,001	755,000	754,606
2	755,001	760,000	1,517,650
1	785,001	790,000	790,000
2	795,001	800,000	1,600,000
1	805,001	810,000	810,000
1	815,001	820,000	819,715
1	840,001	845,000	841,031
1	910,001	915,000	915,000
2	920,001	925,000	1,846,993
1	950,001	955,000	951,000
1	960,001	965,000	964,000
3	995,001	1,000,000	3,000,000
1	1,000,001	1,005,000	1,000,500
2	1,005,001	1,010,000	2,016,500
1	1,025,001	1,030,000	1,029,200
3	1,095,001	1,100,000	3,298,168
1	1,115,001	1,120,000	1,120,000
2	1,145,001	1,150,000	2,300,000
1	1,175,001	1,180,000	1,176,000
1	1,195,001	1,200,000	1,200,000
1	1,225,001	1,230,000	1,228,000
1	1,320,001	1,325,000	1,325,000
1	1,345,001	1,350,000	1,348,000
1	1,665,001	1,670,000	1,670,000
1	1,895,001	1,900,000	1,900,000
1	1,995,001	2,000,000	1,999,000
1	2,215,001	2,220,000	2,220,000
1	2,470,001	2,475,000	2,471,000
1	2,495,001	2,500,000	2,500,000
1	2,695,001	2,700,000	2,698,010
1	2,700,001	2,705,000	2,703,500
1	2,850,001	2,855,000	2,854,500
1	2,995,001	3,000,000	3,000,000
1	3,000,001	3,005,000	3,004,000
1	3,480,001	3,485,000	3,482,500
1	3,995,001	4,000,000	4,000,000
1	4,785,001	4,790,000	4,787,542
1	4,940,001	4,945,000	4,943,000
1	5,195,001	5,200,000	5,200,000
1	5,835,001	5,840,000	5,839,604
1	7,200,001	7,205,000	7,200,788
1	7,875,001	7,880,000	7,880,000
1	16,270,001	16,275,000	16,275,000
1	23,785,001	23,790,000	23,789,000
1	27,035,001	27,040,000	27,038,913
1	61,505,001	61,510,000	61,509,512
1	117,145,001	117,150,000	117,145,857

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	92,545,033	16.7394
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	-
2.3.3 NIT and ICP	506,613	0.0916
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	5,539	0.0010
2.3.5 Insurance Companies	0	-
2.3.6 Modarabas and Mutual Funds	57,000	0.0103
2.3.7 Shareholders holding 10% or more	178,688,469	32.3209
2.3.8 General Public		
a. Local	402,627,159	72.8266
b. Foreign	491,000	0.0888
2.3.9 Others (to be specified)		
- Joint Stock Companies	55,876,966	10.1069
- Foreign Companies	14,900	0.0027
- Insurance Companies	500,000	0.0904
- Pension Funds	0	-
- Others	232,932	0.0421

KOHINOOR SPINNING MILLS LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2026

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

Mutual Funds (Name Wise Detail)

1	GOLDEN ARROW SELECTED STOCK FUND	500	0.0001
2	PRUDENTIAL STOCK FUND LTD. (CDC)	6,000	0.0011
3	PRUDENTIAL STOCKS FUND LTD (03360) (CDC)	50,000	0.0090

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

1	KHAWAJA MOHAMMAD JAHANGIR (CDC)	23,789,000	4.3029
2	KHAWAJA MOHAMMAD KALEEM	9,633	0.0017
3	MR. MOHAMMAD NAVEED	61,542,612	11.1317
4	MR. MOHAMMAD HAMZA YOUSAF	7,202,288	1.3027
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 Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	508,039	0.0915
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Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

S. No.	Name	Holding	%Age
1	MR. NAEEM YOUSUF (CDC)	117,145,857	21.1892
2	MR. MOHAMMAD NAVEED (CDC)	61,542,612	11.1317

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	Purchase	Sale/Gift
1	MR. MOHAMMAD NAVEED (CDC)	-	34,500,000

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 54th Annual General Meeting of the Company to be held on
Tuesday October 28, 2026 at 09:00 a.m. at 7/1 E-3 Main Boulevard Gulberg III,
Lahore and at every adjournment thereof.

Signed this _____ day of _____ 2026.

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

فولیو نمبر ای سی ڈی سی اکاؤنٹ نمبر:
ملکییتی حصص:

کمپنی ریکارڈری
کوہ نور سپینگ ملز لمیٹڈ
E-3، 7/1 مین بلیوارڈ، گلبرگ III،

لاہور

میں / ام _____ کا / کے _____
بہشت رکن کوہ نور سپینگ ملز لمیٹڈ بذریعہ ہذا محترم / محترمہ _____ کو اپنے / ہمارے ایماء پر بروز بدھ مورخہ 28 اکتوبر 2026ء
صبح 09:00 بجے، برہام 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 _____ تاریخ _____ 2026ء کو دھنپلے گئے۔

رہیدی ٹکٹ یہاں چسپاں کریں

_____ دھنپلے:

(دھنپلے کمپنی کے نمونہ دھنپلے سے مماثل ہونے چاہئیں)

گواہان

1-

_____ دھنپلے:

نام:

_____ پتہ:

2-

_____ دھنپلے:

نام:

_____ پتہ:

نوٹ:

- 1- ایک نمبر (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 دار نامی کی طرف سے دھنپلے 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 انز او قومی شناختی کارڈ اور ممبر پارٹیکلنٹس کا آئی ڈی نمبر ز اور اپنے اکاؤنٹ نمبر ز لازماً فراہم لائیں۔
- 4- پراکسی تقرری کے آلات، ممبر پارٹیکلنٹس، اگر کوئی ہو، جس کے تحت یہ دھنپلے شدہ ہے یا اس کی فوٹر پلی کا پی، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے دفتر میں جمع کرائے جانے چاہئیں۔