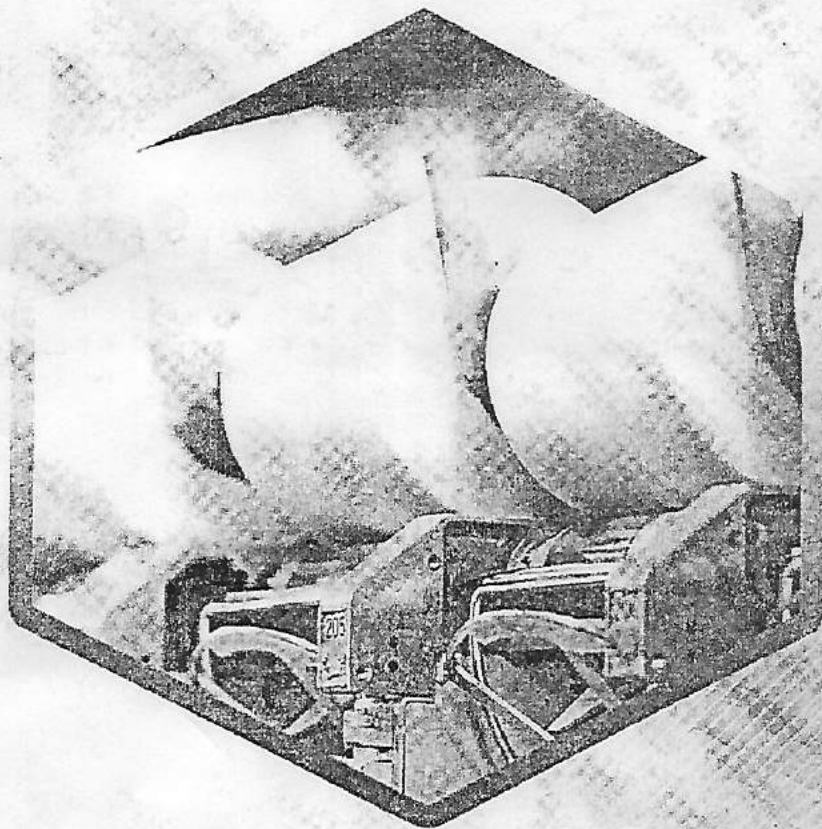


Annual Report

AUDITED
For the Year Ended
June 30, 2023



Kohinoor Spinning Mills Limited



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COMPANY INFORMATION

BOARD OF DIRECTOR

Khawaja Mohammad Jahangir	(Chairman)
Mohammad Naveed	(Chief Executive)
Khawaja Mohammad Tanveer	(Director)
Khawaja Mohammad Kaleem	(Director)
Mohammad Hamza Yousaf	(Director)
Aqsa Jahangir	(Director)
Faisal Qaiyum	(Independent Director)
Fiza Farhan	(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

Mr. 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

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

CORPORATE & REGISTERED OFFICE

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

SHARE REGISTRARS

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

MILLS

Unit I & II

Aminabad, Chakwal
Tel : (0543) 644254 - 644281

Unit III

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 51st Annual General Meeting of **KOHINOOR SPINNING MILLS LIMITED** will be held on Monday, November 27, 2023 at 9:00 a.m. at 7/1 E-3 Main Boulevard Gulberg-III, Lahore to deal with the following matters :-

1. To confirm the minutes of Extra ordinary General Meeting (EOGM) held on September 09, 2023.
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 2023 together with the reports of directors and auditors thereon.
3. To appoint auditors for the year ending June 30, 2024 and to fix their remuneration.
4. To transact any other business which may be brought forward with the permission of the Chair.

Lahore:
November 06, 2023

BY ORDER OF THE BOARD

HASSAN AHMAD KHAN
Company Secretary

Notes:

1. The Member's Register will remain closed from November 21, 2023 to November 27, 2023 (both days inclusive).
2. A member entitled to attend the meeting may appoint another member as his/her proxy to attend the meeting of him/her behalf. Proxies in order to be effective must be received by the Company not later than 48 hours before the meeting.
3. The beneficial owner of the shares of the company in the central depository system of the CDC or his/her proxy entitled to attend this meeting shall produce his/her original CNIC or passport to prove the identity. CDC Account Holders will further have to follow the guidelines as laid down in Circular No. 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.
4. Transfer received in order by the close of business hours on November 20, 2023 will be treated in time. The same or any change in address, if any, alongside valid copy of CNIC for filing annual return of company be sent to our share registrar M/s Corp link (Pvt.) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore. Tel. 042-35839182.
5. In terms of SECP's SRO 787(1)/2014, members can now receive audited financial statements alongside notice of AGM electronically through email. Therefore members (physical or CDC shareholders) who are interested in receiving the same are required to send their email addresses and consent for electronic transmission to share registrar of the company or directly to their broker (participant)/CDC investor account services, as the case may be.
6. The company has also placed the audited financial statements for the year ended June 30, 2023 alongside directors and auditor's report thereon on its website <http://www.kohinoorspinningmills.com>
7. If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of the video-link facility at least five days before the date of the general meeting alongwith complete information necessary to enable them to access the facility.

In this regard, shareholders are requested to fill the following form and submit to the Registered Office of the Company seven days before the date of holding of the general meeting:

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

Signature of Member

8. Pursuant to provision of Section 72 of the Companies Act, 2017 (the Act), all shareholders who have their physical shares are requested to convert all physical shares into book entry form (CDC)
9. Members are requested to promptly notify the Company of any change in their registered address.

کوہ نور سپننگ ملز لمیٹڈ

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ کوہ نور سپننگ ملز لمیٹڈ کے 51 واں سالانہ اجلاس عام بروز پیر 27 نومبر 2023 کو بوقت 09:00 بجے صبح 7/1، E-3، مین بلیوارڈ، گلبرگ - III، لاہور میں منعقد ہو رہا ہے جس میں مندرجہ ذیل امور طے پائے جائیں گے۔

عمومی کارروائی:

- 1- 09 ستمبر 2023 کو منعقدہ سالانہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- سال ختمہ 30 جون 2023 کیلئے کمپنی کے آڈٹ شدہ حسابات، ڈائریکٹرز اور ڈیپوٹیشن کے ساتھ وصول کرنا، غور و خوض کرنا اور اختیار کرنا۔
- 3- 30 جون 2024 کو ختم ہونے والے سال کیلئے آڈیٹرز کا تقرر اور معاوضہ طے کرنا۔
- 4- صاحبِ سہم کی اجازت سے دیگر عمومی امور۔

حسب الحکم یورڈ
حسن احمد خان
کمپنی سیکرٹری

لاہور

سورخہ 06 نومبر 2023ء

نوٹس:

- 1- شیئر ٹرانسفر بکس کی بندش ممبران کی شیئر ٹرانسفر بکس 21 نومبر 2023 تا 27 نومبر 2023 (بشمول دونوں ایام) بند رہیں گی۔
- 2- کوئی بھی ممبر جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا اکی حق دار ہے اجلاس میں شریک ہونے اور ووٹ دینے کیلئے اپنا پراکسی مقرر کر سکتا / کر سکتی ہے۔ مکمل پراکسی فارم کمپنی رجسٹرار آفس یا رجسٹرار آفس میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل موصول ہونا چاہئیں۔
- 3- سی ڈی سی کے انفرادی مالک جو اس اجلاس میں شرکت کے اور ووٹ ڈالنے کے اہل ہیں اپنی شناخت کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ، اکاؤنٹ اور شناختی شناختی کارڈ ساتھ لائیں اور پراکسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل منسلک کریں۔ کارپوریٹ ممبران کو اس مقصد کیلئے معمول کے مطابق دستاویزات پیش کرنی ہوں گی۔ سی ڈی سی اکاؤنٹ اسب اکاؤنٹ ہولڈرز کو کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ آف پاکستان کے 26 جنوری 2000 کو جاری کردہ ہدایات کی مزید پیروی کرنا ہوگی۔
- 4- 20 نومبر 2023 تک کاروباری وقت میں موصول ہونے والے ٹرانسفر کو مقررہ وقت میں کیا جائے گا۔ کمپنی کے سالانہ گوشواروں کے اندراج کے لیے جوں میں تبدیلی یا موجودہ ہونے کی صورت میں اپنی کارآمد CNIC کی کاپی کے ہمراہ کمپنی کے شیئر رجسٹرار کارپ لنک پرائیویٹ لمیٹڈ، ونگ آرکیڈ، ماڈل ٹاؤن لاہور فون نمبر: 042-35839182 کو ارسال کریں۔
- 5- SRO 787(1)/2014SECP کی پیروی میں ممبران کو آڈٹ شدہ مالی حسابات بمعہ سالانہ اجلاس عام کے نوٹس الیکٹرونکلی بذریعہ ای میل وصول کرنے کا اختیار دیا ہے۔ لہذا ممبران (فیزیکل یا CDC شیئر ہولڈرز) جو دلچسپی رکھتے ہوں اپنے ای میل ایڈریس اور الیکٹرونکلی ٹرانسمیشن کی رضامندی کمپنی کے شیئر رجسٹرار یا براہ راست اپنے برادر (حصہ دار) CDC انوسٹر اکاؤنٹ سرورس کو ارسال کریں۔
- 6- 30 جون 2023 ختمہ مالی سال کے آڈٹ شدہ مالی حسابات بمعہ ڈائریکٹرز اور ڈیپوٹیشن پورٹ کمپنی کی ویب سائٹ <http://www.kohinoorspinningmills.com> پر دستیاب ہیں۔

- 7- کمپنی کے وہ ممبران جن کے پاس کم از کم 10% حصص ہیں اور وہ ایک شہر میں رہتے ہیں اور اجلاس میں ویڈیو لنک کے ذریعے شرکت کرنا چاہتے ہیں کمپنی ان کے لئے شہر میں ویڈیو لنک کی سہولت مہیا کرے گی بشرطیکہ شہر میں ایسی سہولت موجود ہو کمپنی ممبرز کو ویڈیو لنک کی سہولت سے متعلق سالانہ اجلاس کی تاریخ سے کم از کم پانچ دن پہلے مطلع کرے گی تاکہ وہ اس سہولت سے فائدہ اٹھا سکیں اس سلسلے میں حصص داران سے درخواست ہے کہ مندرجہ بالا فارم پر کریں اور کمپنی کے رجسٹرار سے سالانہ اجلاس کی تاریخ سے سات دن پہلے ارسال کر دیں
- میں اہم _____ کا _____ کوہ نور سپننگ ملز لمیٹڈ کا ممبر ہونے کے ناطے مالک ہوں _____ اور _____
- میرا رجسٹرز فوئیو نمبر اسی ڈی سی اکاؤنٹ نمبر _____ ہے اور میں ویڈیو لنک کی سہولت چاہتا ہوں _____

ممبر کے دستخط

- 8- کمپنیز ایکٹ 2017 (ایکٹ) 72 کے تحت تمام شیئر ہولڈرز جن کے پاس اپنے فوئیو بکلی شیئر کو بیک انٹری فارم (CDC) میں تبدیل کرنے درخواست کی جاتی ہے۔
- 9- ممبرز سے درخواست ہے کہ وہ کمپنی کو پتہ کی تبدیلی کے متعلق فوراً آگاہ کریں

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

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

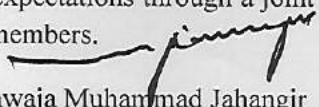
- The Board has actively participated in strategic planning process, enterprise risk management system, policy development and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the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

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

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

November 06, 2023

Lahore


Khawaja Muhammad Jahangir

Chairman

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

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

بورڈ نے مندرجہ ذیل انجام دے کر مقاصد حاصل کئے۔

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

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

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

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

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

بورڈ نے اس کے اراکین کے درمیان بروقت طریقے سے تسلی بخش معلومات کے تبادلے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈویلپمنٹ کے بارے میں لہجہ بہ لہجہ باخبر رکھا گیا ہے اور بورڈ نے کمپنی پر قابل اطلاق متعلقہ قوانین اور قواعد و ضوابط کی روشنی میں دیئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ بحیثیت ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برتاؤ میں تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کو ترجیح دی ہے۔

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

بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی نگرانی مہیا کرنے بشمول اسٹریٹجک عمل، کلیدی کاروباری امور، سنگ میل کی تکمیل، عالمی معاشی ماحول اور مسابقتی سیاق و سباق جس میں کمپنی کام کرتی ہے، کمپنی کے کاروبار کو روپوش خطرات، بورڈ کے محرکات، صلاحیت اور معلومات مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر، یہ مناسب طور پر کہا جاسکتا ہے کہ KSML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے مقاصد کو نہ صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے اراکان کی راہنمائی اور نگرانی کے ذریعہ انتظامیہ ٹیم کی مشترکہ کوششوں کے ساتھ توقعات سے بھی آگے بڑھا جاسکتا ہے۔



خواجہ محمد جمالی

چیئرمین

لاہور

6 نومبر 2023

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 2023.

Financial Performance:

Your Company has incurred after tax loss of Rs. 726.336 million as compared to after tax loss of Rs. 433.908 million for the corresponding last year. Our annual sales have been reduced from Rs. 2,630.587 million in financial year 2022 to Rs. 115.435 million in current financial year.. Main reasons for adverse results include rising input costs, low yarn demand in local and international market,. We were unable to fetch reasonable yarn prices due to sluggish local yarn market.

Due to prevailing global and economic downturn, overdue plant maintenance, high cost of production and low price and demand, it was not feasible for us to operate the production facility. Therefore, the management of the Company had decided to temporary close the production activities of the Company. Initially, we were hopeful that these conditions would be improved in first quarter of 2023 but that did not happen. Instead, situation on ground has further deteriorated for textile sector. That is why we, for the time being, have not opted for re-starting mill operations.

(Loss) Per Share:

The Basic loss per share of the Company for the year 2023 remained at Rs. 3.37 (2022: loss per share was Rs. 1.71).

Going Concern Assumption:

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

Future Outlook:

Our textile industry is facing many challenges like higher exchange rate, intensified power outages, higher gas prices particularly in Punjab region which affected the overall sector performance. The global issues such as Russia/Ukarin war, Israel/Hamas war, USA/China trade war, general perception of slowdown in global economy made this a difficult period for textile

companies. Inflation is touching its peak and the demand for textile has shrunk especially for the lower end segment of the society, so this year will also be a tough year to make money.

To counter this challenging economic situation; the Pakistani textile sector shall have to be a cost effective niche marketing, product and customer development are the essential tools to remain competitive domestically and internationally. The efforts on marketing side especially focused on international brands and technical textiles, will ensure increased revenue and better margin. On the cost side, better supply-chain management for raw materials and innovation in production processes shall remain pivotal parts of the strategy.

The management of the Company has devised a strategy to keep the Company's operational cash flow positive. As per our plan, our unit-3 has been given on lease. We have terminated the services of all staff except skeleton staff. We have also tried to curtail other expenses. This arrangement would also save our machinery from rust, risk of theft etc.

Principal Activity:

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

Principal Risk and Uncertainty

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

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

-Non-renewal of financial facilities

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.

Material Changes and Commitments:

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. 343.715 million from directors.

Internal Financial Controls

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

Election of Directors

Subsequently, the shareholders of the Company in their extra ordinary general meeting (EOGM) held on 09th September 2023 elected new board of directors of the Company for a period of three years. Two directors of the Company (i.e. Khawaja Muhammad Tanveer and Ms. Fiza Farhan) did not opt for re-election. Instead, a new director M. Abbas Ali was elected. It is worth while to mention that the Board of Directors in their meeting held on 11th August 2023 had fixed the number of directors at seven.

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

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

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

Composition of Board:

Total number of Directors (as at 30th June 2023):

- a) Male: 6 (Six)
- b) Female: 2 (Two)

Composition (as at 30th June 2023):

- (i) Independent Directors: 2 (Two)
- (ii) Other Non-executive Directors 4 (Four)
- (iii) Executive Directors 2 (Two)

Name of Directors (as at 30th June 2023):

1. Khawaja Mohammad Jahangir (Chairman)
2. Khawaja Mohammad Tanveer
3. Khawaja Mohammad Kaleem

4. Mohammad Naveed (Chief Executive)
5. Mohammad Hamza Yousaf
6. Aqsa Jahangir
7. Faisal Qaiyum (Independent director)
8. Fiza Farhan (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 2023 and are due to retire and being eligible have offered themselves for reappointment for the year ending 30 June 2024. The Audit Committee has recommended for re-appointment of present auditors.

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 have been adopted by the Company and have been duly complied with. A statement to this effect is annexed to the Report.

Corporate Governance & Financial Reporting Framework:

As required by the Code of Corporate Governance, 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.
- iii) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- iv) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements, and any departures there from has been adequately disclosed and explained.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) The audit observation on going concern has been disclosed in Note no 1.2 of the financial statements.
- vii) Key operating and financial data for the last six years is annexed.
- viii) Outstanding taxes and levis are given in the notes to the financial statements.
- ix) No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.
- x) The company has neither declared dividend nor issued bonus shares because of loss sustained by the Company for the year ended 30th June 2023.

Pattern of Shareholding:

The pattern of shareholding as on 30th June 2023 and its disclosures as required in the Code of Corporate Governance is annexed with this report.

Corporate Social Responsibility:

We are committed to achieving tangible, sustainable fulfillment of its corporate social responsibility.

Web Reference:

In compliance with SRO 634 (1)/2014 dated July 10, 2014, the Company is maintaining a functional website. The Company's website address is as follows:

<http://www.kohinoorspinningmills.com>

Environment, Health and Safety:

We take all possible measures to ensure that all our employees as well as communities within which we operate remain safe at all time. Environmental protection is our top priority. We ensure that our production processes are eco friendly and efficient. We constantly try and improve energy efficiencies both at production facilities and head office.

Acknowledgement:

The Board of Directors places on record its appreciation for the continued support by its shareholders, and valued customers. The board also expresses its appreciation for the services, loyalty and efforts being continuously rendered by the employees of the Company.

On behalf of the Board

Date: 06 November 2023

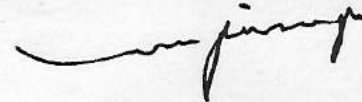
Lahore:



Muhammad Naveed

Chief Executive Officer

Khawaja Muhammad Jahangir



Chairman

ڈائریکٹرز کی حصص داران کو رپورٹ

ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے نظر ثانی شدہ مالیاتی گوشوارے اور اس پر ڈائریکٹرز کی رپورٹ کے ساتھ کمپنی کی سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی کارکردگی:

آپ کی کمپنی کو 726.336 ملین روپے ٹیکس کے بعد نقصان ہوا جبکہ پچھلے سال کے اسی عرصے کے لیے ٹیکس کے بعد نقصان 433.908 ملین روپے ہوا تھا۔ ہماری سالانہ فروخت مالی سال 2022 کی 2,630.587 ملین روپے سے کم ہو کر موجودہ مالی سال میں 115.435 ملین روپے ہوئی۔ منفی نتائج کی اہم وجوہات میں بڑھتی ہوئی پیداواری لاگت، مقامی اور بین الاقوامی مارکیٹ میں سوت کی کم طلب شامل ہیں۔ ہم مقامی سوت مارکیٹ سست ہونے کی وجہ سے سوت کی سوزوں قیمتیں حاصل کرنے سے قاصر رہے۔

موجودہ عالمی اور معاشی بد حالی، پلانٹ کی زائد لمبا عرصہ تک بھال، پیداواری زیادہ لاگت اور قیمت اور طلب میں کمی کی وجہ سے ہمارے لیے پیداواری سہولت کو چلانا ناممکن نہیں تھا۔ اس لیے کمپنی کی انتظامیہ نے کمپنی کی پیداواری سرگرمیاں عارضی طور پر بند کرنے کا فیصلہ کیا۔ ابتدائی طور پر ہمیں امید تھی کہ 2023 کی پہلی سہ ماہی میں یہ حالات بہتر ہوں گے لیکن ایسا نہیں ہوا۔ اس کے بجائے نیکسٹائل سیکٹر کے لیے زمین صورت حال مزید خراب ہو گئی ہے۔ یہی وجہ ہے کہ ہم نے فی الحال مل کے آپریشنز کو دوبارہ شروع کرنے کا انتخاب نہیں کیا ہے۔

(نقصان) فی شیئر:

سال 2023 کے لیے کمپنی کا فی حصص بنیادی نقصان 3.37 روپے (2022: نقصان فی حصص 1.71 روپے) رہا۔

کمپنی کے کاروبار جاری رکھنے کا مقروضہ:

محاسب نے نو 1.2 میں بیان کردہ حالات کی بنیاد پر زور دیا ہے کہ کمپنی شاید کاروبار جاری رکھ نہ سکے۔ تاہم منتظرین نے لف شدہ حسابات کاروبار جاری رہنے کے مقروضے پر نوٹ 1.3 دی گئی وجوہات کی بناء پر تیار کئے ہیں۔ محاسب نے اس ضمن میں اعتراض نہیں لگایا۔

مستقبل کا نقطہ نظر:

ہماری نیکسٹائل انڈسٹری کو بہت سے چیلنجز کا سامنا ہے جیسے کہ شرح مبادلہ میں اضافہ، بجلی کی بندش میں اضافہ، گیس کی قیمتیں خاص طور پر پنجاب کے خطہ میں جس نے جموںئی سیکٹر کی کارکردگی کو متاثر کیا۔ عالمی مسائل جیسے کہ روس/یوکرین جنگ، اسرائیل/ حماس جنگ، امریکہ/ چین تجارتی جنگ، عالمی معیشت میں سست روی کے عمومی تاثر نے نیکسٹائل کمپنیوں کے لیے اس دور کو مشکل بنا دیا۔ مہنگائی عروج کو چھو رہی ہے اور نیکسٹائل کی طلب خاص طور پر معاشی کے نچلے طبقہ کے لیے کم ہو گئی ہے، اس لیے یہ سال بھی پیچھے سکانے کے لیے ایک مشکل سال ہوگا۔

اس مشکل معاشی صورتحال کا مقابلہ کرنے کے لیے: پاکستانی نیکسٹائل سیکٹر کو ایک سرمایہ کاری مؤثر مقام مارکیٹنگ ہونا چاہیے، مصنوعات اور کسٹمری ترقی ملنی اور بین الاقوامی سطح پر مسابقتی رہنے کے لیے ضروری اوزار ہیں۔ مارکیٹنگ کے علاقے سے کی جانے والی کوششیں خاص طور پر بین الاقوامی براڈرز اور تکنیکی نیکسٹائل پرمکوز ہیں، جو کہ آمدنی میں اضافہ اور بہتر مارجن کو یقینی بنانے کی۔ لاگت کی طرف، خام مال کے لیے پلائی وڈ قیمتیں کا بہتر انتظام اور پیداواری عمل میں جدت و نعت عملی کے ہم حصے رہیں گے۔

کمپنی کی انتظامیہ نے کمپنی کے آپریشنل کیش فلڈ کو مثبت رکھنے کے لیے ایک حکمت عملی وضع کی ہے۔ ہمارے منصوبے کے مطابق ہمارا نوٹ-3 لیو پر دیا گیا ہے۔ ہم نے skeleton عملہ کے علاوہ تمام عملی خدمات ختم کر دی ہیں۔ ہم نے دیگر اخراجات کو بھی کم کرنے کی کوشش کی ہے۔ یہ انتظامات ہماری مشینری کو زنگ، چوری کے خطرے وغیرہ سے بھی بچائے گا۔

اصل سرگرمی:

کمپنی کی بنیادی سرگرمی دھاگہ کی تیاری اور فروخت کرنا ہے۔

بنیادی خطرہ اور غیر یقینی صورتحال

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

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

- مالی سہولیات کی تجدید نہ کرنا

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

تمام بینکوں نے کمپنی کے خلاف ادھار کی وصولی کا مقدمہ دائر کیا ہے۔ ان مقدمات میں دعویٰ کردہ رقم کا پہلے ہی مالیاتی گوشواروں میں درج ہے۔ ادائیگیوں میں تاخیر کی وجہ سے کمپنی کو مالی سال 2015 سے پیسے کے بحران کا سامنا ہے۔

قابل ذکر تبدیلیاں اور وعدے:

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

ڈائریکٹرز کا قرض:

کمپنی کے ڈائریکٹرز نے ہمیشہ کمپنی کی مالی مدد کی ہے۔ یہ تعاون کمپنی کو ڈائریکٹرز کی طرف سے ایکوٹی شراکت اور قرضوں کی شکل میں حسب ضرورت دیا گیا۔ زیر جائزہ سال کے دوران ہمیں ڈائریکٹرز سے 343.715 ملین روپے موصول ہوئے ہیں۔

داخلی مالیاتی کنٹرول

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

ڈائریکٹرز کا انتخاب

کمپنی کے شیئرز ہولڈرز نے 09 ستمبر 2023 کو منعقدہ اپنے غیر معمولی اجلاس عام (EOGM) میں تین سال کی مدت کے لیے کمپنی کے نئے بورڈ آف ڈائریکٹرز کا انتخاب کیا۔ کمپنی کے دو ڈائریکٹرز (یعنی خواجہ محمد تنویر اور حفیظ رفیق فرحان) نے دوبارہ انتخاب کے لئے خود کو پیش نہیں کیا۔ ان کی جگہ نئے ڈائریکٹرز ایم ایم علی کو منتخب کیا گیا۔ یہ بات قابل ذکر ہے کہ بورڈ آف ڈائریکٹرز نے 11 اگست 2023 کو منعقدہ اپنے اجلاس میں ڈائریکٹرز کی تعداد سات مقرر کی تھی۔

مزید حصص کے اجراء کی منظوری (راحت آفر کے علاوہ)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے کمپنیز ایکٹ، 2017 کے سیکشن (b)(1) 83 ملا کر پرمیٹس کمپنیز (حصص کا مزید اجراء) ریگولیشنز 2020 کے ریگولیشن 5 بذریعہ مراسلہ نمبر CSD/CI/1/28/2005/186 مورخہ 30 اگست 2023 کے تحت راحت آفر کے علاوہ شیئرز کے مزید اجراء کے لیے ہماری درخواست منظور کر لی ہے۔

13 اکتوبر 2023 کو سینٹرل ڈیپازٹری کمپنی آف پاکستان لینڈ نے بذریعہ نمبر OPS/CA/FI/001 مورخہ 16 اکتوبر 2023 کو کوہ نور اسپانگ ملز لینڈ کی 196,392,500 سیکیورٹیز سینٹرل ڈیپازٹری کمپنی آف پاکستان لینڈ کے نام پر الاٹ کیں۔ یہ شیئرز چار افر یعنی محمد نوید، محمد حمزہ، یوسف، خواجہ محمد ندیم اور خواجہ شہزاد یونس کو جاری کئے گئے۔

بورڈ کی تشکیل:

ڈائریکٹرز کی کل تعداد (30 جون 2023 کو):

(a) مرد: 6 (چھ)

(b) خواتین: 2 (دو)

تشکیل (30 جون 2023 کو):

(i) آزاد ڈائریکٹرز: 2 (دو)

(ii) دیگر غیر ایگزیکٹو ڈائریکٹرز: 4 (چار)

(iii) ایگزیکٹو ڈائریکٹرز: 2 (دو)

ڈائریکٹرز کے نام (30 جون 2023 کو):

1۔ خواجہ محمد جہانگیر (چیئرمین)

2۔ خواجہ محمد تنویر

3۔ خواجہ محمد کلیم

4۔ محمد یونس (چیف ایگزیکٹو)

5۔ محمد حمزہ یوسف

6۔ اقصیٰ جہانگیر

7۔ فیصل قیوم (آزاد ڈائریکٹر)

8۔ فضلہ فرحان (آزاد ڈائریکٹر)

بورڈ کی کمیٹی

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

- آڈٹ کمیٹی

فیصل قیوم

خواجہ محمد کلیم

اقصیٰ جہانگیر

- ایچ آر اور معائنہ کمیٹی

فیصل قیوم

خواجہ محمد جہانگیر

خواجہ محمد کلیم

آڈیٹرز:

کمپنی کے موجودہ آڈیٹرز نے 30 جون 2023 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے اور وہ ریٹائر ہو گئے ہیں اور اہل ہونے کی بناء پر 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی نے موجودہ آڈیٹرز کی دوبارہ تقرری کی سفارش کی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل:

پاکستان اسٹاک ایکسچینج کی طرف سے اس کے سسٹم کے ضوابط میں وضع کردہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کو کمپنی نے اپنایا اور ان کی مناسب تعمیل کی گئی ہے۔ اس سلسلے میں ایک بیان رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک:

کوڈ آف کارپوریٹ گورننس کے تقاضے کے مطابق، ڈائریکٹرز بخوشی بیان کرتے ہیں کہ:

(i) کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں کمپنی کے آپریشنز، کمپنیز ایکٹ اور ان کی منصفانہ وضاحت کی گئی ہے۔

(ii) کمپنی کے کھاتے صحیح طور پر برقرار رکھے گئے ہیں۔

(iii) مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا اور اکاؤنٹنگ تخمینہ جات معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔

(iv) بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں لاگو ہیں، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے، اور ان سے کسی بھی انحراف کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

(v) اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے مؤثر طریقے سے لاگو اور اس کی نگرانی کی گئی ہے۔

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

- (vii) پچھلے چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
 (viii) ہٹا یا ٹیکس اور لیویز مالی گوشواروں کے نوٹس میں دیے گئے ہیں۔
 (ix) مالی سال کے اختتام جس سے یہ پبلش شیٹ متعلقہ ہے اور ڈائریکٹری رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مٹی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔
 (x) کمپنی نے 30 جون 2023 کو ختم ہونے والے سال میں نقصان کی وجہ سے نٹوڈیویڈنڈ کا اعلان کیا اور نہ ہی نوٹس شیئرز جاری کیے ہیں۔

شیئر ہولڈنگ کا نمونہ:

30 جون 2023 تک شیئر ہولڈنگ کا نمونہ اور اس کے انکشافات جیسا کہ گوڈ آف کارپوریٹ گورننس میں درکار ہے اس رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ سماجی ذمہ داری:

ہم اس کی کارپوریٹ سماجی ذمہ داری کی شوش، پائیدار تھیل کے حصول کے لیے پرعزم ہیں۔

ویب حوالہ:

SRO 634(1)/2014 مورخہ 10 جولائی 2014 کی قیمل میں، کمپنی ایک فعال ویب سائٹ برقرار رکھتی ہے۔ کمپنی کی ویب سائٹ کا پتہ درج ذیل ہے:

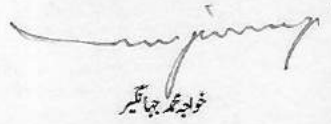
<http://www.kohinoorspinningmills.com>

ماحولیات، صحت اور حفاظت:


ہم اس بات کو یقینی بنانے کے لیے تمام ممکنہ اقدامات کرتے ہیں کہ ہمارے تمام ملازمین کے ساتھ ساتھ وہ کیونڈیشن میں ہم کام کرتے ہیں ہر وقت محفوظ رہیں۔ ماحولیاتی تحفظ ہماری اولین ترجیح ہے۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارے پیداواری عمل ماحول دوست اور موثر ہوں۔ ہم پیداواری بیولیات اور ہیڈ آفس دونوں جگہ توانائی کی استعداد کار کو بہتر بنانے کی مسلسل کوشش کرتے ہیں۔

اظہار تشکر:

بورڈ آف ڈائریکٹرز اپنے شیئر ہولڈرز اور قائل قدر کارکنوں کی طرف سے مسلسل تعاون کو سراہتے ہیں۔ بورڈ کمپنی کے ملازمین کی مسلسل خدمات، وفاداری اور کوششوں کے شکر گزار ہیں۔


خواجہ محمد جہانگیر

چیئرمین


محمد نوید

چیف ایگزیکٹو آفیسر

لاہور:

بتاریخ: 06 نومبر 2023ء

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
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


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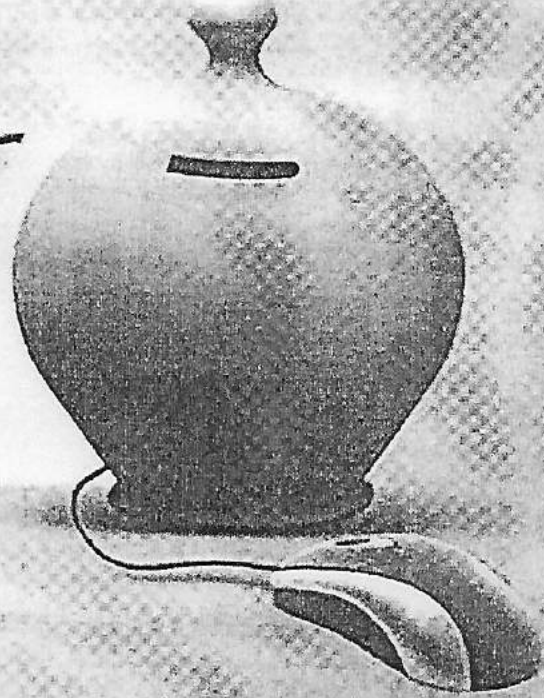
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جہاں رہیے، آگاہ رہیے

SECP کی جانب سے پیش کی جانے والی ایک ایسا ایب پورٹل جو آپ کو سرمایہ کاری سے متعلق ہر قسم کی معلومات فراہم کرتا ہے۔ تاکہ آپ ایک ایسی سرمایہ کاری کا فیصلہ کر سکیں، جس سے آپ کو سب سے زیادہ فائدہ ہو سکے۔ کیپٹل مارکیٹ، ریٹرنز، گورننس اور انوسٹمنٹ بینک وغیرہ میں سرمایہ کاری سے متعلق آپ کے سوالات کے جوابات فراہم کرتا ہے، اور ساتھ ہی آن لائن ٹور کے ذریعے کیپٹل مارکیٹ میں منافع بخش سرمایہ کاری کے سلسلے میں آپ کو رہنمائی بھی فراہم کرتا ہے۔

مفت آن لائن ٹورز:

- سکیم میٹر
- باک ٹریڈنگ
- ہسٹ ہونڈ
- ریٹرن سینٹر
- کالکولیشن
- ٹیڈر لیوسٹر

کھیل ہی کھیل
میں سیکھیں
سرمایہ کاری کا پتہ



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KEY FINANCIAL DATA OF LAST SIX YEARS

		Year ended June 30					
		2023	2022	2021	2020	2019	2018
Profit and Loss Summary							
Sales-Net	Pak-Rs.	115,435,392	2,630,587,061	2,807,075,051	1,662,982,360	4,260,538,818	3,070,193,676
Gross (Loss)/Profit	Pak-Rs.	(172,601,007)	(269,065,048)	(213,386,403)	(134,845,574)	1,632,745	(165,293,612)
(Loss) after tax	Pak-Rs.	(726,336,215)	(433,908,135)	(369,335,887)	(245,041,618)	(339,402,784)	(414,618,270)
Balance Sheet Summary							
Share Capital	Pak-Rs.	1,078,571,425	1,078,571,425	1,078,571,425	1,078,571,425	1,078,571,425	1,078,571,425
Accumulated (Loss)	Pak-Rs.	(1,143,021,845)	(2,606,110,373)	(2,170,842,000)	(1,801,334,702)	(1,555,812,643)	(1,185,044,837)
Share Holder's Equity	Pak-Rs.	(64,450,420)	(1,527,538,948)	(1,092,270,575)	(722,763,277)	(477,241,218)	(106,473,412)
Non Current Liabilities (Excluding loan from directors)	Pak-Rs.	30,597,599	48,292,487	45,064,213	49,523,071	64,593,059	115,610,152
Loan From Directors	Pak-Rs.	1,311,969,419	968,254,259	575,210,259	503,649,521	470,149,521	438,376,521
Property, plant and Equipment	Pak-Rs.	3,608,194,635	1,512,275,386	1,594,114,680	1,652,107,503	1,738,573,442	1,821,121,203
Other Non Current Assets	Pak-Rs.	44,221,312	44,221,312	44,221,312	39,325,312	39,325,312	39,325,312
Total Assets	Pak-Rs.	4,593,793,277	3,031,830,674	2,618,028,990	2,824,856,050	2,899,859,631	3,018,021,074
Total Liabilities (Excluding loan from directors)	Pak-Rs.	3,346,274,278	3,591,115,363	3,135,089,305	3,043,969,806	2,906,951,328	2,686,117,964
Profitability and Operating Ratios							
Gross Profit Margin	%	(149.52)	(10.23)	(7.60)	(8.11)	0.04	(5.38)
Net Profit to sales	%	(629.21)	(16.49)	(13.16)	(14.74)	(7.97)	(13.50)
Liquidity Ratios							
Current	Times	0.28	0.42	0.32	0.38	0.39	0.45
Quick/Acid test	Times	0.04	0.12	0.05	0.06	0.10	0.12
Activity/Turnover Ratios							
Inventory Turnover	Times	0.31	3.12	3.40	2.00	5.05	3.49
Debtors Turnover	Times	0.97	6.71	24.89	11.41	20.40	12.13
Creditors Turnover	Times	0.34	2.91	9.64	7.41	85.21	42.25
Investment/Market Ratios							
Earning Per share	Times	(3.37)	(2.01)	(1.71)	(1.14)	(1.57)	(2.13)

KOHINOOR SPINNING MILLS LIMITED

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2023

The Company has complied with the requirements of the listed companies (code of Corporate Governance) regulations, 2019 in the following manner:

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

- a) Male Six
- b) Female Two

2. The composition of the Board of Directors is as follows:

Category	Names
Independent Director	1. Faisal Qaiyum 2. Fiza Farhan
Non Executive Directors	1. Khawaja Mohammad Tanveer 2. Khawaja Mohammad Jahangir 3. Khawaja Mohammad Kaleem 4. Aqsa Jahangir
Executive Directors	1. Mohammad Naveed 2. Mohammad Hamza Yousaf

The Company has two independent directors out of eight directors. Fractional requirement for Independent directors have not been rounded up as all 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.

- 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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 companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019.
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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Most of the directors of the company are exempted from the requirement of Directors' training program.

One of the directors has completed directors' training program through Institute of Chartered Accountants of Pakistan.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee

1. Faisal Qaiyum (Chairman)
2. Khawaja Mohammad Kaleem
3. Aqsa Jahangir

HR & Remuneration Committee

1. Faisal Qaiyum (Chairman)
2. Khawaja Mohammad Jahangir
3. Khawaja Mohammad Kaleem

13. The term of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the aforesaid committees were as per following:
 - a) Audit Committee: Four quarterly meetings during the financial year ended June 30, 2023.
 - b) HR and Remunerations Committee: One meeting during the financial year ended June 30, 2023.

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

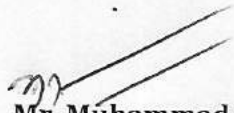
16. The statutory auditors of the company have confirmed that they have been given satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

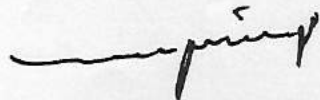
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board

Lahore :
November 06, 2023


Mr. Muhammad Naveed
Chief Executive


Khawaja Muhammad Jahangir
Chairman



To the members of Kohinoor Spinning Mills Limited

Review Report on the Statement of Compliance contained in 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 for the year ended June 30, 2023 in accordance with the requirements of Code.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in Code as applicable to the Company for the year ended June 30, 2023.

Place: Lahore

UDIN: CR202310122UCKu71Hmi

Date: November 01, 2023

Nasir Javid Maqsood Imran
Nasir Javid Maqsood Imran

Chartered Accountants

Offices also at:

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

ISLAMABAD: OFFICE # 17, 2nd FLOOR, HILL VIEW PLAZA, ABOVE FRESCO SWEETS, BLUE AREA JINNAH AVENUE ISLAMABAD, PAKISTAN.



INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Spinning Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements Kohinoor Spinning Mills Limited (the Company), which comprises the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof confirm with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 of the financial statements which indicates that company incurred net loss of Rs. 726,336,215 (2022:433,908,135) and to the fact that the company's total liabilities exceed total assets by Rupees 64,450,420 (2022: 1,527,538,948/-) as at 30 June 2023 due to recurring losses. These events or conditions along with the other matters as set forth in note 1.2 indicate that material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern. Our opinion is not modified in this matter.

Key Audit Matters

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

in our report.

Offices also at:

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

Following are the Key audit matter(s):

S.NO	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Litigations</p> <p>The company has significant amounts of borrowings from banks and other financial institutions amounting to Rs. 1.948 billion at the reporting date in respect of which various legal cases are pending adjudication before the Lahore High Court.</p> <p>Given the significant amounts of borrowings and related finance costs, this is considered to be a key audit matter.</p>	<p>Our audit procedures in this respect included the following:</p> <ul style="list-style-type: none"> • Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee. • Obtaining confirmation from the legal counsel of the Company to evaluate the status of the pending litigations and view point of the Company's legal counsel thereon. • Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed. • Re-computing the amounts of obligations and recorded liabilities based on available underlying information. • Assessing the appropriateness of the related disclosures to be made in the accompanying financial statements in light of IAS 37 "Provisions and Contingencies".
2.	<p>Stock in trade</p> <p>The Company has significant levels of stock in trade amounting to Rs. 793.861 million as at the reporting date, being more than 17% of total Assets of the Company. A number of estimates and judgments are involved in valuation of stock in trade.</p> <p>The significance of the balance coupled with the estimates and judgments involved in their valuation has resulted in the stock in trade being considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Attending the year end stock taking to gain comfort over existence and condition of inventories and internal controls designed by the company. • Understanding the internal controls designed by the company over recording of purchases and valuation and costing of inventories. • Assessing historical costs recorded in the inventory valuation by performing test of details on purchases. • Obtaining the valuation sheets of the inventories and tracing / reconciling quantities from working papers to observation of physical stock taking including NRV assessment. • Considering the adequacy of the Company's disclosures in respect of inventories.

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3.	<p>Property, plant and equipment</p> <p>During the year, company has changed its accounting policy of carrying Property, plant and equipment at cost less accumulated depreciation and accumulated impairment loss to revalued amount less accumulated depreciation and accumulated impairment.</p> <p>The related surplus and impairment is considered to be a risk area due to the size of balances and as well as judgement nature of key assumptions, which may subject to management override of controls to impact valuation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluate the appropriateness of the chosen valuation methodology in accordance with accounting standards. • Assess the reasonableness of key assumptions used in the methodology. • Assess the effectiveness of internal controls over the revaluation process. Verify that controls are in place to ensure compliance with company policies and relevant accounting standards. • Examine the documentation related to the revaluation, including the valuation report, supporting data, and assumptions made by the expert. Verify that the revaluation complies with accounting standards and regulatory requirements. • Reconcile the revalued amounts to the general ledger and assess the accuracy of the revaluation surplus or deficit recorded in the financial statements • Evaluate the assessment of impairment for revalued assets. Ensure that any impairment losses are appropriately recognized, especially if fair values are less than carrying amounts. • Evaluated the competence, capability and objectivity on management's expert • Considering adequacy of disclosures
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Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is

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necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

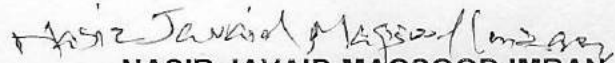
- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together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

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

Place: Lahore

Date: November 01, 2023

UDIN: AR202310122I8gvdjHAt


NASIR JAVAID MAQSOOD IMRAN
CHARTERED ACCOUNTANTS


KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital:			
440,000,000 ordinary shares of Rupees 5/- each		<u>2,200,000,000</u>	<u>2,200,000,000</u>
Issued, subscribed and paid up capital			
215,714,285 ordinary shares of Rupees 5/- each	3	<u>1,078,571,425</u>	1,078,571,425
Reserves	4	<u>(1,143,021,845)</u>	<u>(2,606,110,373)</u>
		(64,450,420)	(1,527,538,948)
NON-CURRENT LIABILITIES			
Long term loans	5	<u>1,311,969,419</u>	968,254,259
Deferred liabilities	6	<u>30,597,599</u>	48,292,487
		1,342,567,018	1,016,546,746
CURRENT LIABILITIES			
Trade and other payables	7	<u>741,609,796</u>	1,044,696,307
Accrued Interest on loans and borrowings	8	<u>471,877,939</u>	471,877,939
Short-term borrowings	9	<u>1,463,142,972</u>	1,463,142,972
Current portion of long term loan	10	<u>364,705,882</u>	364,705,882
Supplier's credit	11	<u>253,371,914</u>	175,195,971
Un-claimed dividend		<u>1,915,116</u>	1,915,117
Provision for taxation	28	<u>19,053,059</u>	21,288,688
		3,315,676,679	3,542,822,876
CONTINGENCIES AND COMMITMENTS			
	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>4,593,793,277</u>	<u>3,031,830,674</u>

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


CHAIRMAN

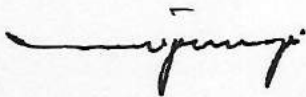

CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	13	3,608,194,635	1,512,275,386
Long term deposits	14	44,221,312	44,221,312
Long term investments	15	197,921	322,661
		3,652,613,868	1,556,819,359
CURRENT ASSETS			
Stores and spares	16	12,937,933	17,241,452
Stock-in-trade	17	793,861,294	1,018,002,853
Trade debtors	18	119,095,124	392,236,228
Short term advances	19	14,438,587	45,831,264
Cash and bank balances	20	846,470	1,699,518
		941,179,409	1,475,011,315
TOTAL ASSETS		4,593,793,277	3,031,830,674

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



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER


KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
Sales - net	21	115,435,392	2,630,587,061
Cost of sales	22	(288,036,399)	(2,899,652,108)
GROSS (LOSS)		<u>(172,601,007)</u>	<u>(269,065,048)</u>
OPERATING EXPENSES:			
Distribution cost	23	-	(1,651,012)
Administrative	24	(83,968,093)	(109,207,384)
		<u>(83,968,093)</u>	<u>(110,858,396)</u>
OPERATING (LOSS)		<u>(256,569,100)</u>	<u>(379,923,444)</u>
Finance cost	25	(20,458,023)	(11,140,069)
Other operating expenses	26	(460,244,140)	(10,793,965)
Other operating income	27	12,377,989	831,680
		<u>(468,324,174)</u>	<u>(21,102,354)</u>
(LOSS) BEFORE TAXATION		<u>(724,893,273)</u>	<u>(401,025,797)</u>
TAXATION			
Current	28	(1,442,942)	(32,882,338)
Deferred	6.2	-	-
		<u>(1,442,942)</u>	<u>(32,882,338)</u>
(LOSS) AFTER TAXATION		<u>(726,336,215)</u>	<u>(433,908,135)</u>
(LOSS) PER SHARE - BASIC & DILUTED	29	<u>(3.37)</u>	<u>(1.71)</u>

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


CHAIRMAN

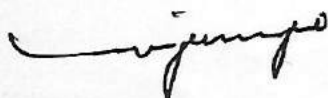

CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER

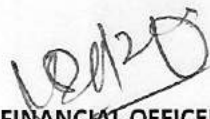
KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 (Rupees)	2022 (Rupees)
(Loss) after taxation	(726,336,215)	(433,908,135)
Other comprehensive income		
Items that may not be reclassified subsequently to profit and loss:		
Experience adjustment due to actuarial valuation (Note 6.1.1)	(48,514)	(1,235,497)
Gain on Revaluation Surplus	2,189,597,998	-
Deferred tax relating to revaluation amount	(349,442,239)	-
Deferred tax income	349,442,239	-
Unrealized loss/gain due to change in fair value of long term investments	(124,740)	-
	2,189,424,744	(1,235,497)
 Total comprehensive (loss) for the year	 1,463,088,529	 (435,143,632)

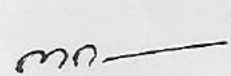
The annexed notes form an integral part of these financial statements.



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

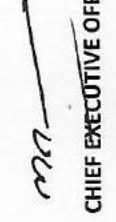
	RESERVES					Total	
	SHARE CAPITAL		CAPITAL RESERVES		REVENUE RESERVES		
	Share Premium	Surplus on Revaluation on Fixed assets	Accumulated (Loss)	Fair Value Reserve			
Rupees							
Balance as on July 01, 2021	1,078,571,425	171,428,570	(2,341,717,972)	(552,599)	(1,092,270,576)		
(Loss) after taxation for the year	-	-	(433,908,135)	-	(433,908,135)		
Experienced adjustment due to actuarial valuation	-	-	(1,235,497)	-	(1,235,497)		
Unrealized gain due to change in fair value of long term investment	-	-	-	(124,740)	(124,740)		
Balance as on June 30, 2022	1,078,571,425	171,428,570	(2,776,861,604)	(677,339)	(1,527,538,948)		
Balance as on July 01, 2022	1,078,571,425	171,428,570	(2,776,861,604)	(677,339)	(1,527,538,948)		
(Loss) after taxation for the year	-	-	(726,336,215)	-	(726,336,215)		
Experienced adjustment due to actuarial valuation	-	-	(48,514)	-	(48,514)		
Unrealized (loss) due to change in fair value of long term investment	-	-	-	(124,740)	(124,740)		
Gain on Revaluation Surplus		2,189,597,998			2,189,597,998		
Balance as on June 30, 2023	1,078,571,425	171,428,570	(3,503,246,334)	(802,079)	(64,450,420)		

Balance as on July 01, 2021
(Loss) after taxation for the year
Experienced adjustment due to actuarial valuation
Unrealized gain due to change in fair value of long term investment
Balance as on June 30, 2022
Balance as on July 01, 2022
(Loss) after taxation for the year
Experienced adjustment due to actuarial valuation
Unrealized (loss) due to change in fair value of long term investment
Gain on Revaluation Surplus
Balance as on June 30, 2023

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


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
CASH GENERATED FROM OPERATIONS			
Cash generated from operations	30	(321,521,665)	(331,342,357)
Increase in long term deposits		-	-
Finance cost paid		(541,128)	(1,718,317)
Income tax paid		(3,678,571)	(39,607,882)
Gratuity paid		(22,292,614)	(21,061,137)
Net cash outflow from operating activities		<u>(348,033,978)</u>	<u>(393,729,692)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(8,860,000)	(90,900)
Proceeds from disposal of property, plant and equipment		12,325,770	-
Net cash (used in)/generated from investing activities		<u>3,465,770</u>	<u>(90,900)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Lease rentals paid		-	-
Increase in directors loan		343,715,160	393,044,000
Net cash generated from financing activities		<u>343,715,160</u>	<u>393,044,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(853,048)	(776,592)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		1,699,518	2,476,109
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	20	<u>846,470</u>	<u>1,699,518</u>

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


CHAIRMAN


CHIEF FINANCIAL OFFICER


CHIEF EXECUTIVE OFFICER

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

1. THE COMPANY AND ITS OPERATIONS

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

Geographical Location of Head office and business units:	
Registered Office	7-E, 3/1 Main Boulevard, Gulberg III, Lahore.
Unit 01 / 02	Ameenabad 8 Km Pindi Road, Chakwal.
Unit 03	8 Km Bhoun road Chakwal

- 1.2 The company has been incurring losses since financial year 2015 with current year loss Rs 726,336,215 (2022:433,908,135) with total negative equity of Rupees 64,450,420/- (2022: 1,527,538,948) representing excess of total liabilities over total assets as at 30 June 2023. During the year company laid off its temporary staff and also shut down its production facilities. This situation casts doubtfulness over the going concern of the company and company may be unable to realize its assets and discharge its liabilities in the normal course of business.
- 1.3 These financial statements have been prepared on going concern assumptions owing to continued financial support assurance from the directors in the shape of equity contribution and loans as and when required. Total loan provided to company by the directors Rs 343 million (2022:393 million) together with expected negotiation and favorable terms of engagement with financial institutions. Also, from July 2023 company has leased out its production facilities to party against annual rent resultantly due to this arrangement the company expects to earn cash surplus up to 30 June, 2024. The contract is renewable upon mutual consent of both parties.

2 SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2.2 ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention except property plant and equipment, retirement benefits and investments at fair value the valuation basis of which are described in relevant notes.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest thousand unless otherwise specified.

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

Staff retirement benefits

Certain actuarial assumption has been adopted as disclosed in note 6.1 the financial statements for valuation of present value of defined benefit obligations.

Inventories

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

Property, plant and equipment

The Company has made certain estimations with respect to fair value, residual value and depreciable lives of property, plant and equipment. The Company reviews the value of assets for possible impairment/surplus on an annual basis. Any change in the estimates in future years might affect the remaining amounts of respective items of property, plant and equipments with a corresponding effect on the depreciation charge and impairment/surplus.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Income Taxes

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

Provisions

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

Allowance for expected credit losses

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

2.5 New accounting pronouncements

2.5.1 Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2023.

During the year certain new accounting and reporting standards / amendments / interpretations became effective and applicable to the Company. However, since such updates were not considered to be relevant to these financial statements, the same have not been reported.

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

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The amendments are not likely to affect the financial statements of the Company.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted. The amendments are not likely to affect the financial statements of the Company.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts
- Cost of Fulfilling a Contract which amended IAS 1 'Presentation of Financial Statements'.
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.

2.6 TAXATION

Current

The Charge for current taxation is based on taxable income at current tax rates after considering all tax credits and rebates available, if any. In case of loss minimum tax liability is provided in these accounts based on liability worked out under section 113, 113(c) and final tax under sections 154 of the Income Tax Ordinance, 2001.

Deferred

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

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

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

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2.7 PROPERTY, PLANT AND EQUIPMENT

Owned assets

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

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

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

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

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

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

2.8 STORES AND SPARES

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

2.9 FINANCIAL INSTRUMENTS

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

(i) Financial assets at FVTOCI

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

(ii) Financial assets and liabilities at amortized cost

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

(iii) Financial assets and liabilities at FVTPL

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

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

Impairment of financial assets

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

De-recognition of financial instruments

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2.10 STOCK-IN-TRADE

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

2.11 TRADE DEBTS

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

2.12 STAFF RETIREMENT BENEFITS

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

2.13 FOREIGN CURRENCY TRANSACTIONS

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

2.14 REVENUE RECOGNITION

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

2.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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

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

2.16 TRADE AND OTHERS PAYABLES

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

2.17 PROVISIONS

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

2.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash and bank balances.

2.19 BORROWING COST

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

2.20 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

2.21 TRANSACTIONS WITH RELATED PARTIES AND TRANSFER PRICING

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

2.22 DIVIDEND

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

2.23 SEGMENT REPORTING

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
3 SHARE CAPITAL			
Issued, subscribed and paid up			
127,725,000 ordinary shares of Rupees 5/- each fully paid in cash		638,625,000	638,625,000
85,714,285 ordinary shares of Rupees 5/- each issued against director's loan		428,571,425	428,571,425
2,275,000 ordinary shares of Rupees 5/- each issued as fully paid bonus shares.		11,375,000	11,375,000
		<u>1,078,571,425</u>	<u>1,078,571,425</u>
3.1 Reconciliation of number of shares			
Number of shares at 1 July		215,714,285	215,714,285
Shares issued against directors loan		-	-
Number of shares at 30 June		<u>215,714,285</u>	<u>215,714,285</u>
4 RESERVES			
Accumulated (loss)		(3,481,660,053)	(2,755,323,837)
Share Premium	4.1	171,428,570	171,428,570
Cash dividend		(12,612,848)	(12,612,848)
Unrealized (loss) on long term investments		(802,079)	(677,339)
Actuarial re-measurement-experience adjustments		(8,973,433)	(8,924,919)
Revaluation Suplus On PPE	4.2 & 4.3	2,189,597,998	-
		<u>(1,143,021,845)</u>	<u>(2,606,110,373)</u>

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

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
4.3 SURPLUS ON REVALUATION OF FIXED ASSETS			
Revaluation surplus net of deferred tax		1,840,155,759	-
Deferred tax relating to surplus		349,442,239	-
Total Surplus		2,189,597,998	-
Deferred tax relating to revalued amount			-
Unrecognized Revaluation surplus net of deferred tax		2,189,597,998	-

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

5 LONG TERM LOANS

From directors and relatives

	5.1 & 5.2	397,000,000	397,000,000
	5.1 & 5.3	914,969,419	571,254,259
		1,311,969,419	968,254,259

From banking companies - secured

Demand finance	5.4	364,705,882	364,705,882
Less:			
Overdue installment		(364,705,882)	(364,705,882)
Current portion	10	(364,705,882)	(364,705,882)
		-	-
		1,311,969,419	968,254,259

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

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

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

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

6 DEFERRED LIABILITIES	Note	2023 (Rupees)	2022 (Rupees)
Gratuity	6.1	30,597,599	48,292,487
Deferred tax liability	6.2	-	-
		30,597,599	48,292,487

Company operates unfunded gratuity scheme for its employees that pays a lump sum gratuity to members on leaving company's service after completion of one year of continuous service. The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method based on below mentioned significant assumptions used for valuation of this scheme. The latest actuarial valuation was carried out by M/S TRT Associates as on June 30, 2023

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

- **Interest rate Risk-** The present value of defined benefit liability is calculated using a discount rate determined by reference to the market yields at the end of the reporting period on high quality corporate bonds, or where there is no deep market in such bonds, by reference to market yields on Government bonds. Currencies and terms of bond yields used must be consistent with the currency and estimated term of the post-employment benefit obligations being discounted. A decrease in bond interest rates will increase the liability, and vice versa.
- **Salary risk-** The present value of the defined benefit liability is calculated by reference to the future salaries of Plan Participants. As such, an increase in the salary of the plan participants will increase the liability and vice versa.
- **Withdrawal Rate Risk-** The present value of the defined benefit liability is calculated by reference to the best estimate of the withdrawal rate / attrition rate of plan participants. As such, an increase in the withdrawal rate may increase/ decrease the liability and vice versa depending on the age-service distribution of the exiting employees.
- **Mortality rate risk-** The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants during employment. An improvement in the mortality rates of the participants may increase/decrease the liability and vice versa depending on the age-service distribution of the exiting employees.

6.1 Staff Gratuity-Defined Benefit Plan

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

	Note	2023 (Rupees)	2022 (Rupees)
6.1.1 Movement in liability recognized in the statement of financial position			
At the beginning of the year		48,292,487	45,064,213
Amount recognized during year - as shown above		4,549,212	23,053,914
Experience adjustment		48,514	1,235,497
Benefit payments		(22,292,614)	(21,061,137)
		30,597,599	48,292,487
6.1.2 Expense charged to statement of profit or loss			
Current service cost		746,709	19,841,492
Interest cost		3,802,503	3,212,422
		4,549,212	23,053,914

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
6.1.3 Allocation of charge for the year			
Cost of sales	22	3,096,842	17,974,475
Administrative expenses	24	1,452,370	5,079,439
		<u>4,549,212</u>	<u>23,053,914</u>

6.1.4 The principal actuarial assumptions used were as follows

Discount rate	16.25%	13.25%
Expected rate of increase in salary	15.25%	12.25%
Average expected remaining working life of employees	7 years	8 years
Average duration of liability	6 years	8 years

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

6.1.5 Sensitivity analysis as at 30.06.2023

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

	Note	2023 (Rupees)	2022 (Rupees)
6.2 Deferred tax			
On temporary differences arising on:			
Property, plant and equipment		324,395,710	350,053,018
Surplus on revaluation on fixed assets		349,442,239	-
Gratuity		(8,873,304)	(14,941,021)
Tax losses and credits		(791,688,865)	(859,967,387)
Impairment		(110,546,027)	
Deferred Tax (Asset) / Liability		<u>-</u>	<u>-</u>

6.2.1 Due to year over year tax losses, the company is only recognizing deferred tax asset to the extent of available taxable temporary differences from previous years. The excess deferred tax asset amounting to Rs. 237,270,247 (2022: 544,338,897) from tax losses and credits has not been recognized.

6.2.2 Business Losses and tax credits will expire as follows:

Year of Expiry	Business Losses (Rupees)	Minimum Tax (Rupees)
2029	711,049,137	1,442,942
2028	316,999,114	32,882,338
2027	157,082,043	42,106,126
2026	122,544,713	24,944,735
2025	209,897,318	53,256,735
2024	298,808,640	38,377,421

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

		2023 (Rupees)	2022 (Rupees)
7	TRADE AND OTHER PAYABLES		
	Un-secured:		
	Creditors	448,606,240	679,559,180
	Advance from Customers	-	8,869,681
	Accrued expenses	123,103,933	182,585,717
	Sales tax payable	41,384,612	65,083,613
	Workers' profit participation fund	128,515,011	108,598,116
		<u>741,609,796</u>	<u>1,044,696,307</u>
7.1	Workers' profit participation fund		
	Opening balance	108,598,116	99,176,364
	Interest recognized during the year	19,934,895	9,421,752
		<u>128,533,011</u>	<u>108,598,116</u>
7.1.1	The company retains workers' profit participation fund for its business operations till the date of allocation to workers. . Interest is paid at prescribed rate under the companies Profit (Workers Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.		
		2023 (Rupees)	2022 (Rupees)
8	ACCRUED INTEREST ON LOANS AND BORROWINGS		
	Accrued interest / mark up on:		
	Long term loans (Secured)	103,765,431	103,765,431
	Short term finances (Secured)	368,112,508	368,112,508
		<u>471,877,939</u>	<u>471,877,939</u>
9	SHORT-TERM BORROWINGS		
	Banking companies - Secured		
	Running finance	168,248,211	168,248,211
	Others	1,010,530,280	1,010,530,280
	Export finance	284,364,481	284,364,481
		<u>1,463,142,972</u>	<u>1,463,142,972</u>

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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9.1 NATURE OF FACILITY	LIMIT	MARK UP / COMMISSION	Expiry	Security
Others	1,150,000,000	3 Months KIBOR plus 2.00 % to 3.50%	Pledge of stock of raw material and finished goods under the supervision and control of Bank Mucaddam. Personal Guarantee of the Sponsoring Directors of the Company.	
Export Finance	285,000,000	3 Months KIBOR plus 2.00 % to 3.50%	Lien on contract / export documents. 1st PP Charged over Fixed Assets of Company . Personal Guarantees of the Sponsoring Directors of the Company	

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

	Note	2023 (Rupees)	2022 (Rupees)
10 CURRENT PORTION OF LONG TERM LOAN			
Long term loans	5	364,705,882	364,705,882
		<u>364,705,882</u>	<u>364,705,882</u>
11 SUPPLIER'S CREDIT-UNSECURED			
Loan for machinery - Overdue installments	11.1	253,371,914	175,195,971
		<u>253,371,914</u>	<u>175,195,971</u>

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

12 CONTINGENCIES AND COMMITMENTS

12.1 CONTINGENCIES

12.1.1 There are pending litigations against the company by various banks/financial institutions before Lahore High Court wherein they claimed recovery of Rs 1,948.923 million (2022: 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 (2022: Rs 2,299.726 million) in respect of principal and markups has been made in these accounts.

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

12.1.2 During the year the buildings of unit 1 & 2 were demolished along with related infrastructure. The plant and mahinery of unit 1 & 2 were shifted to unit 3 along with stock in trade. Due to pending litigation with financial institutions the related amendment in charges have not been made.

13 PROPERTY, PLANT AND EQUIPMENT	Note	2023 (Rupees)	2022 (Rupees)
Fixed assets:			
Owned assets	13.1	3,608,194,635	1,512,275,386
		3,608,194,635	1,512,275,386

13.1 PROPERTY AND EQUIPMENT

	COST										Total
	Land (Freehold)	Building (Freehold)	Plant and Machinery	Tube Wells	Electric Installation	Tools and Equipment	Telephone Installation	Office Equipment	Furniture and Fixture	Vehicles	
(Rupees)											
Year ended June 30, 2022											
Opening net book amount	11,675,239	276,424,392	1,266,506,159	124,603	21,265,008	154,803	71,154	5,527,686	1,387,278	8,978,368	1,594,114,680
Additions										90,900	90,900
Adjustment transfer from lease											-
Disposal/Deficit										(69,900)	(69,900)
Depreciation charge		(13,821,211)	(63,425,307)	(12,450)	(2,126,508)	(15,480)	(7,118)	(552,771)	(138,725)	(1,809,327)	(81,908,906)
Adjustment										48,612	48,612
Transfer											-
Closing net book amount	11,675,239	262,603,171	1,205,080,852	112,144	19,138,500	139,323	64,036	4,974,915	1,248,553	7,238,653	1,512,275,386
At June 30, 2022											
Cost	11,675,239	603,599,123	2,997,299,397	1,545,577	84,147,538	4,241,143	1,017,190	19,657,169	10,158,992	60,464,458	3,793,805,827
Accumulated depreciation	-	340,995,952	1,792,218,545	1,433,433	65,009,038	4,101,820	953,154	14,682,254	8,910,439	53,225,805	2,281,530,440
Net book amount	11,675,239	262,603,171	1,205,080,852	112,144	19,138,500	139,323	64,036	4,974,915	1,248,553	7,238,653	1,512,275,386
Year ended June 30, 2023											
Opening net book amount	11,675,239	262,603,171	1,205,080,852	112,144	19,138,500	139,323	64,036	4,974,915	1,248,553	7,238,653	1,512,275,387
Additions										8,860,000	8,860,000
Revaluation Surplus	984,624,761	676,955,804	528,017,433								2,189,597,998
Disposal/Deficit										(13,945,619)	(13,945,619)
Impairment		(9,308,039)		(100,976)	(9,624,828)	(37,501)	(37,983)	(4,428,095)	(271,623)		(23,809,044)
Depreciation charge		(13,130,154)	(60,754,051)	(11,218)	(1,913,843)	(13,934)	(6,403)	(497,492)	(124,861)	(2,776,748)	(78,728,704)
Adjustment /Transfer from leased asset										13,944,618	13,944,618
Transfer											-
Closing net book amount	996,300,000	917,120,738	1,672,844,234	-	7,596,829	87,888	19,645	49,328	852,069	13,320,904	3,608,194,635
At June 30, 2023											
Cost	996,300,000	1,215,496,874	3,525,316,830	-	44,110,243	2,370,645	433,215	3,836,512	6,174,643	55,378,830	5,849,417,801
Accumulated depreciation	-	298,376,136	1,852,472,596	-	36,516,414	2,282,758	413,570	3,787,184	5,322,574	42,057,935	2,241,223,167
Net book amount	996,300,000	917,120,738	1,672,844,234	-	7,596,829	87,887	19,645	49,328	852,069	13,320,904	3,608,194,635
Rate of depreciation in %	-	5	5	10	10	10	10	10	10	10	20

13.1.1 PARTICULARS OF IMMOVABLE PROPERTIES

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

13.2 Allocation of Depreciation

Administration Expense	1,315,517
Cost of sales	75,951,957

13.2 Freehold land, building and plant and machinery are stated at revalued amounts. Forced sale value of land, building and plant and machinery was Rs. 896,670,000/-, 1,450,485,000/- and 414,498,420 respectively as on the date of revaluation. Had there been no revaluation, related figures of these assets as at June 30, 2023 would have been as follows:

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	Cost	Accumulated depreciation Rupees	Written down value
Freehold land	11,675,239	-	11,675,239
Freehold building	603,599,123	363,434,189	240,164,934
Plant and machinery	2,997,299,397	1,852,472,596	1,144,826,801
AS at 2023	3,612,573,759	2,215,906,785	1,396,666,974
AS at 2022	3,612,573,759	2,133,214,497	1,479,359,262
		2023	2022
	Note	(Rupees)	(Rupees)
14 LONG-TERM DEPOSITS			
Security deposits:			
Utilities	14.1	44,071,312	44,071,312
Others		150,000	150,000
		44,221,312	44,221,312
14.1			
In October 2017, SNGPL encashed bank guarantee amounting to Rs. 32,725,004/- against detection bill of the company of Rs. 35,164,844. The company filed a complaint to OGRA relating to the encashment in which OGRA decided that detection charges and late payment charges shall be set aside and the amount of encashed bank guarantee will be treated as cash security with SNGPL after adjusting outstanding dues of Rs. 3,961,034.			
	Note	2023	2022
		(Rupees)	(Rupees)
15 LONG TERM INVESTMENTS			
At fair value through other comprehensive income - Quoted			
* KASB Modaraba 166,320 modaraba certificates of Rupees 10 each.		197,921	322,661
16 STORES AND SPARES			
Stores		7,212,319	9,720,284
Spares		5,725,614	7,521,168
		12,937,933	17,241,452
17 STOCK-IN-TRADE			
Raw material	17.1 & 17.2	1,025,840,468	936,297,081
Work-in-process		-	23,599,059
Finished goods	17.1	71,447,356	53,552,034
Waste		3,188,746	4,554,679
Provision for impairment		(306,615,276)	
		793,861,294	1,018,002,853
17.1	This include raw material and finished goods amounting Rs.247 Million (2022: 247 Million) pledged against cash finance facility.		
17.2	During the year raw materials have been written down by Rs. 306,615,276 to nil net reliaseable value		

KOHINOOR SPINNING MILLS LIMITED
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	Note	2023 (Rupees)	2022 (Rupees)
18 TRADE DEBTORS - CONSIDERED GOOD			
Local - Unsecured		170,186,874	392,559,102
Allowance for expected credit loss	18.1	(51,091,750)	(322,874)
		<u>119,095,124</u>	<u>392,236,228</u>
18.1 Allowance for expected credit loss			
Opening balance		322,874	34,188,664
Less: Written off		-	(34,188,664)
Add: Charge during the year		50,768,876	322,874
Closing balance		<u>51,091,750</u>	<u>322,874</u>
19 SHORT TERM ADVANCES			
Advances to suppliers - considered good			
Suppliers		1,727,195	28,570,921
Advances to employees - considered good			
Executive		6,362,000	5,862,000
Non- executive		6,349,392	11,398,343
		<u>14,438,587</u>	<u>45,831,264</u>
20 CASH AND BANK BALANCES			
Cash in hand		-	368,847
Cash at bank:			
In current accounts		841,141	1,291,939
In saving accounts	20.1	5,329	38,732
		<u>846,470</u>	<u>1,699,518</u>
20.1 Saving account carries interest @ 25.35% p.a (2022: 8.5% p.a)			
21 SALES			
Local			
Yarn		119,225,893	3,043,263,840
Waste		2,910,572	41,379,929
Coal		12,980,590	-
Less: Sales tax		(19,681,663)	(454,056,708)
		<u>115,435,392</u>	<u>2,630,587,061</u>

KOHINOOR SPINNING MILLS LIMITED
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	Note	2023 (Rupees)	2022 (Rupees)
22 COST OF SALES			
Raw material consumed	22.1	62,853,160	1,777,566,962
Salaries, wages and benefits	22.2	70,625,423	377,169,199
Fuel and power		57,757,074	479,353,258
Insurance		4,661,067	4,363,834
Packing material		2,133,099	70,868,697
Repairs and maintenance		712,218	8,495,538
Stores and spares consumed		2,363,366	85,911,184
Vehicle running and maintenance		1,653,425	3,558,401
Communication		368,680	623,349
Travelling and Conveyance		317,370	1,465,615
Miscellaneous		1,569,890	11,604,049
Depreciation	13.2	75,951,957	80,099,583
		<u>280,966,729</u>	<u>2,901,079,668</u>
Work-in-process			
Opening		23,599,059	20,315,766
Closing		-	(23,599,059)
Cost of goods manufactured		<u>304,565,788</u>	<u>2,897,796,375</u>
Finished goods and waste			
Opening stock		58,106,713	59,962,446
Closing stock		(74,636,102)	(58,106,713)
		<u>288,036,399</u>	<u>2,899,652,108</u>
22.1 RAW MATERIAL CONSUMED			
Opening stock		936,297,081	718,057,572
Purchases		152,709,594	2,005,904,217
		<u>1,089,006,675</u>	<u>2,723,961,789</u>
Cost of raw material sold		(313,047)	(10,097,746)
		<u>1,088,693,628</u>	<u>2,713,864,043</u>
Closing stock		(1,025,840,468)	(936,297,081)
		<u>62,853,160</u>	<u>1,777,566,962</u>
22.2	It includes Rs. 3,096,842 (2022: Rs. 17,974,475) in respect of gratuity.		
23 DISTRIBUTION COST			
Commission on local sales		-	1,651,012
Local Freight		-	-
		<u>-</u>	<u>1,651,012</u>

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NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023 (Rupees)	2022 (Rupees)
24 ADMINISTRATIVE			
Salaries, wages and benefits	24.1	37,860,936	51,693,715
Travelling and conveyance		684,790	757,448
Rent, rates and taxes		699,782	476,217
Printing and stationery		151,515	194,396
Communications		1,242,913	1,329,596
Entertainment		1,023,740	1,162,207
Electricity and gas		9,517,822	9,198,228
Vehicles running		15,416,219	11,509,551
Fee and subscription		2,881,058	15,477,663
Legal and Professional		3,355,000	2,083,000
Repairs and maintenance		849,436	1,377,854
Miscellaneous		8,894,365	12,013,186
Depreciation	13.2	1,315,517	1,809,323
Donations	24.2	75,000	125,000
		<u>83,968,093</u>	<u>109,207,384</u>
24.1	It includes Rs.4,549,912 (2022: Rs.5,079,439) in respect of gratuity.		
24.2	None of the directors or their spouses had any interest in any of the donees.		
25 FINANCE COST			
Interest / mark-up on:			
Mark up on vehicle		-	981,039
Bank charges and commissions		541,128	737,278
Workers profit participation fund		19,916,895	9,421,752
		<u>20,458,023</u>	<u>11,140,069</u>
26 OTHER OPERATING EXPENSES			
Auditors' remuneration	26.1	875,000	875,000
Other expense		-	1,288
Exchange loss		78,175,943	9,594,803
Expected credit loss		50,768,876	322,874
Impairment Loss		330,424,320	-
		<u>460,244,140</u>	<u>10,793,965</u>
		<u>2023</u>	<u>2022</u>
	Note	(Rupees)	(Rupees)
26.1 Auditors' remuneration			
Statutory audit		700,000	700,000
Half yearly review and review of code of corporate governance		175,000	175,000
		<u>875,000</u>	<u>875,000</u>

KOHINOOR SPINNING MILLS LIMITED
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FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees)	2022 (Rupees)
27 OTHER OPERATING INCOME			
Income from non financial assets:			
Gain on sale of fixed asset		12,324,769	-
Gain on sale of raw material		53,220	831,680
Exchange gain		-	-
		<u>12,377,989</u>	<u>831,680</u>
28 PROVISION FOR TAXATION			
Opening balance		21,288,688	28,014,232
For the year	28.1	1,442,942	32,882,338
Prior year		-	-
		1,442,942	32,882,338
Less: Paid / adjusted		(3,678,571)	(39,607,882)
		<u>19,053,059</u>	<u>21,288,688</u>

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

28.2 The income tax assessment of the company has been finalized up to and including tax year 2021 by deeming provisions of income tax ordinance 2001.

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

	Note	2023 (Rupees)	2022 (Rupees)
29 (LOSS) PER SHARE - Basic			
(Loss) after taxation		(726,336,215)	(652,147,644)
Weighted average number of ordinary shares		215,714,285	215,714,285
(Loss) per share - Basic	29.1	(3.37)	(3.02)

29.1 Diluted earning per share

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

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	Note	2023 (Rupees)	2022 (Rupees)
30 CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		(724,893,273)	(401,025,797)
Adjustments of non cash charges and other items			
Depreciation		78,728,704	81,908,906
Gratuity		4,549,212	23,053,914
Expected credit loss		50,768,876	322,874
Gain on sale of fixed assets		(12,324,769)	-
Gain on sale of raw material		-	831,680
Finance cost		20,458,023	11,140,069
Exchange loss/(gain)		78,175,943	9,594,803
Impairment Loss		330,424,320	-
Operating cash flows before working capital changes		(174,112,964)	(274,173,551)
(Increase)/decrease in current assets			
Stores and spares		4,303,519	7,446,048
Stock-in-trade		(82,473,717)	(219,667,105)
Trade debts		222,372,227	(279,797,319)
Loan and advances		31,392,676	(4,846,808)
Other receivables		-	-
		175,594,705	(496,865,184)
(Decrease)/Increase in current liabilities			
Trade and other payables		(323,003,406)	439,744,991
		(321,521,665)	(331,293,744)

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

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

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31 CHIEF EXECUTIVE, EXECUTIVE DIRECTORS AND EXECUTIVES REMUNERATION

	2023 (Rupees)			2022 (Rupees)		
	CHIEF EXECUTIVE	EXECUTIVE DIRECTORS	EXECUTIVES	CHIEF EXECUTIVE	EXECUTIVE DIRECTORS	EXECUTIVES
Remuneration	4,600,000	1,400,000	12,950,420	4,600,000	1,400,000	12,950,421
House rent	2,070,000	630,000	5,827,690	2,070,000	630,000	5,827,689
Gratuity			1,618,800	-	-	1,618,800
Interest on lease rentals				-	-	-
Utilities	230,000	70,000	647,520	230,000	70,000	647,520
	6,900,000	2,100,000	21,044,430	6,900,000	2,100,000	21,044,430
Number of persons	1	1	6	1	1	6

31.1 The Chief Executive, Executive Director and certain Executives are provided with company maintained cars.

32 TRANSACTIONS WITH RELATED PARTIES

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

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

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

Loam from director

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

32.1.2	Aggregate maximum balance due at the end of any month during the year.	Note	2023 (Rupees)	2022 (Rupees)
	Directors loan		1,311,969,419	968,254,259

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

KOHINOOR SPINNING MILLS LIMITED
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33 FINANCIAL RISK MANAGEMENT

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

- Market Risk
- Credit Risk
- Liquidity Risk

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

a) Market Risk

i) Currency Risk

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

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

Note	2023 (Rupees)	2022 (Rupees)
Supplier's credit-EURO	885,947	885,947

The following significant exchange rates were applied during the year.

Average rate (Rupees per Euro)	N/A	N/A
Reporting date rate (Rupees per Euro)	285.99	197.75

Foreign Exchange Risk Management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However the company is not materially exposed to foreign currency risk on assets and liabilities. As at June 30, 2023, financial liabilities include Rs. 253.371 million (2022: Rs. 175.195 million) which are subject to foreign currency risk against Euros.

Foreign Currency Sensitivity Analysis

At June 30, 2023 if the Rupee had weakened / strengthened by 5% against the Euro with all other variables held constant, loss for the year would have been lower / higher by Rs. 12.668 million (2022: Rs. 8.759 million) mainly as a result of foreign exchange gains / losses on translation of foreign currency Euro denominated borrowings.

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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 KASB modaraba certificates amount to Rs. 197,921 (2022: Rs. 322,661).

Sensitivity analysis

At June 30, 2023 if the price had decreased/increased by 5% against with all other variable held constant, loss for the year would have been lower/higher by Rs. 9,876 (2022: Rs.22,374) mainly as a result of price variations.

iii) Interest Rate Risk

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

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

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

	Note	2023 (Rupees)	2022 (Rupees)
Floating rate instruments			
Financial Liabilities:			
Short term borrowings		1,463,142,972	1,463,142,972
Financial Assets:			
Bank balance - Saving account		5,329	38,732

b) Credit Risk

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

Long term deposits	44,221,312	44,221,312
Trade debts	119,095,124	392,236,228
Loans and advances	14,438,587	45,831,264
Bank balance	846,470	1,330,671

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

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Name of Bank	Rating Agency	Credit Rating		2023	2022
		Short term	Long term	-----Rupees-----	
Askari bank Limited	PACRA	A1+	AA+	-	31,955
MCB Bank Limited	PACRA	A1+	AAA	6,885	54,627
National Bank of Pakistan	PACRA	A1+	AAA	-	41,581
Habibmetro Politan Bank Limited	PACRA	A1+	AA+	826,250	976,728
Meezan Bank Limited	VIS	A1+	AAA	2,176	28,800
Allied Bank Limited	PACRA	A1+	AAA	5,329	38,732
Habib Bank Limited	VIS	A1+	AAA	-	-
Bank Al Falah Limited	PACRA	A1+	AA+	2,064	15,401
J S Bank Limited	PACRA	A1+	AA-	3,766	142,847
				<u>846,470</u>	<u>1,330,671</u>

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

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

2023		2022	
Gross	Impairment	Gross	Impairment
-----Rupees-----			

Trade Debtors

0-30 days			129,392,522	
31-60 days			-	
61-90 days			257,894,120	
>90 days	119,095,124	50,768,876	5,272,459	322,874
	<u>119,095,124</u>	<u>50,768,876</u>	<u>392,559,102</u>	<u>322,874</u>

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through working capital and from contribution from sponsors. As at the statement of financial position date, the Company had Rs. 1.699 million cash and bank balances. Following are the contractual maturities of financial liabilities, including interest payments.

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

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

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Contractual maturities of financial liabilities as at June 30, 2022:

	Carrying Amount	Contractual cash flows	Less than 1 year	More than 1 year
	Rupees	Rupees	Rupees	Rupees
Gratuity	48,292,487	-	-	48,292,487
Supplier's credit	175,195,971	175,195,971	175,195,971	-
Long-term finances	364,705,882	364,705,882	364,705,882	-
Director's loan	968,254,259	-	-	968,254,259
Trade and other payables	1,032,276,346	1,032,276,346	1,032,276,346	-
Accrued interest	471,877,939	471,877,939	471,877,939	-
Short term finances	1,463,142,972	1,463,142,972	1,463,142,972	-

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

33.2 Fair values of financial assets and liabilities

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

Financial assets as per statement of financial position

	At amortized cost		Fair value through profit or loss		Fair value through other comprehensive income	
	2023	2022	2023	2022	2023	2022
	Rupees					
Long term deposits	44,221,312	44,221,312	-	-	-	-
Long term investments	-	-	-	-	197,921	322,661
Trade debts	119,095,124	392,236,228	-	-	-	-
Loans and advances	12,711,392	17,260,343	-	-	-	-
Cash and bank balances	846,470	1,699,518	-	-	-	-
	176,874,298	455,417,401	-	-	197,921	322,661

Financial liabilities as per statement of financial position

	At amortized cost		Fair value through profit or loss	
	2023	2022	2023	2022
Long term finance	364,705,882	364,705,882	-	-
Supplier's credit	253,371,914	175,195,971	-	-
Lease liability	-	-	-	-
Trade and other payable	741,609,796	1,035,826,626	-	-
Advance from customers	-	8,869,681	-	-
Accrued interest on loans and borrowings	471,877,939	471,877,939	-	-
Short term borrowings	1,463,142,972	1,463,142,972	-	-
	3,294,708,504	3,519,619,071	-	-

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33.3 Capital Risk Management

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

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

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

	Note	2023 (Rupees)	2022 (Rupees)
Total borrowings		3,393,190,187	2,971,299,084
Less: Cash and bank balances		846,470	1,699,518
Net debt		3,392,343,717	2,969,599,566
Total equity		(64,450,420)	(2,181,688,462)
Total capital employed		3,327,893,297	787,911,104
Gearing ratio		1.02	3.77

34 RECOGNIZED FAIR VALUE MEASUREMENT - FINANCIAL ASSETS

(i) Fair value

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

(ii) Fair value hierarchy

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

As at June 30, 2023	Level 1	Level 2	Level 3	Total
Property, Plant & Equipment	Rupees..... 2,189,597,997.58		
Long term investment Modaraba Certificates	197,921			197,921
Total	197,921	2,189,597,998		2,189,795,919
As at June 30, 2022	Level 1	Level 2	Level 3	Total
Long term investment Modaraba Certificates	322,661			

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

KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

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

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

There was no transfer between any level during the year.

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

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

(iv) Valuation processes

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

	2023 (Rupees)	2022 (Rupees)
35 PLANT CAPACITY AND PRODUCTION		
Number of spindles installed	78,492	78,492
Installed capacity in 20's count based on triple shift for 365 (2022 - 365) days (kgs) - Approximately	35,331,147	35,331,147
Actual production after conversion into 20's count (kgs)	498,659	14,225,679

The conversion into 20's count depicts the approximate efficiency as it fluctuates with changes in count of yarn spun and count mix in a particular period.

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

	<u>2023</u>	<u>2022</u>
36 NUMBER OF EMPLOYEES		
Average during the year	380	1220
As at 30 June	18	1219

**KOHINOOR SPINNING MILLS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

37 OPERATING SEGMENT

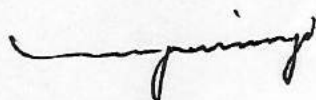
- These financial statements have been prepared on the basis of single reportable segment.
 - Yarn sales represent 86% (2022: 98%) of the total sales of the Company.
 - 100% (2022: 100%) of the Company's sales relate to customers in Pakistan.
 - All non-current assets of the Company as at June 30, 2023 are located in Pakistan.
- The Company have two (2022: Four) major customers having sales of ten percent or more during the year.

38 DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on November 06, 2023 by the Board of Directors of the Company.

39 GENERAL

Figures have been rounded off to the nearest rupees.



CHAIRMAN



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER

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

1.1 Name of the Company

KOHINOOR SPINNING MILLS LIMITED

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

30-06-2023

2.2 No. of Sharehold	-----Shareholdings-----		Total Shares Held
	From	To	
193	1	100	3,160
372	101	500	176,413
454	501	1,000	446,494
1094	1,001	5,000	3,410,285
548	5,001	10,000	4,575,534
209	10,001	15,000	2,759,495
170	15,001	20,000	3,222,500
119	20,001	25,000	2,845,880
84	25,001	30,000	2,405,000
34	30,001	35,000	1,143,500
39	35,001	40,000	1,518,000
33	40,001	45,000	1,422,003
59	45,001	50,000	2,916,500
31	50,001	55,000	1,646,602
19	55,001	60,000	1,105,067
11	60,001	65,000	699,500
19	65,001	70,000	1,303,000
10	70,001	75,000	736,500
9	75,001	80,000	710,500
13	80,001	85,000	1,079,000
14	85,001	90,000	1,247,000
5	90,001	95,000	464,000
45	95,001	100,000	4,491,000
7	100,001	105,000	715,000
3	105,001	110,000	325,000
8	110,001	115,000	904,500
5	115,001	120,000	594,500
8	120,001	125,000	992,000
6	125,001	130,000	772,000
2	130,001	135,000	270,000
5	135,001	140,000	691,000
3	140,001	145,000	432,500
9	145,001	150,000	1,340,500
1	150,001	155,000	154,000
2	155,001	160,000	314,000
3	165,001	170,000	507,000
1	170,001	175,000	175,000
1	175,001	180,000	180,000
2	180,001	185,000	363,500
1	190,001	195,000	192,000
12	195,001	200,000	2,397,500
4	200,001	205,000	809,000
2	205,001	210,000	417,500
3	215,001	220,000	655,000
7	220,001	225,000	1,569,500
1	225,001	230,000	230,000

2	245,001	250,000	495,500
3	250,001	255,000	758,500
1	260,001	265,000	260,500
3	265,001	270,000	802,500
3	275,001	280,000	831,000
1	280,001	285,000	285,000
6	295,001	300,000	1,800,000
1	320,001	325,000	323,000
1	335,001	340,000	335,500
1	370,001	375,000	375,000
1	375,001	380,000	379,000
2	380,001	385,000	765,500
2	395,001	400,000	800,000
1	400,001	405,000	402,000
1	405,001	410,000	407,000
3	420,001	425,000	1,272,000
2	445,001	450,000	897,000
1	450,001	455,000	455,000
1	470,001	475,000	475,000
1	475,001	480,000	480,000
2	490,001	495,000	990,000
6	495,001	500,000	2,999,500
2	500,001	505,000	1,003,827
1	505,001	510,000	510,000
1	530,001	535,000	534,000
1	550,001	555,000	552,500
1	555,001	560,000	556,000
1	740,001	745,000	744,000
1	770,001	775,000	775,000
1	775,001	780,000	777,000
1	945,001	950,000	947,000
1	1,385,001	1,390,000	1,386,500
1	1,460,001	1,465,000	1,460,500
2	1,495,001	1,500,000	2,999,000
1	1,530,001	1,535,000	1,533,000
1	1,780,001	1,785,000	1,783,000
1	1,835,001	1,840,000	1,840,000
1	2,320,001	2,325,000	2,324,500
1	2,385,001	2,390,000	2,390,000
1	3,495,001	3,500,000	3,500,000
1	7,210,001	7,215,000	7,212,500
1	8,575,001	8,580,000	8,575,500
1	9,995,001	10,000,000	10,000,000
1	19,590,001	19,595,000	19,593,000
1	29,665,001	29,670,000	29,667,028
1	43,130,001	43,135,000	43,133,997

3751

215,714,285

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	96,566,596	44.7660
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	-
2.3.3 NIT and ICP	506,613	0.2349
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	5,539	0.0026
2.3.5 Insurance Companies	53,100	0.0246
2.3.6 Modarabas and Mutual Funds	57,000	0.0264
2.3.7 Shareholders holding 10% or more	94,882,596	43.9853
2.3.8 General Public		
a. Local	108,246,238	50.1804
b. Foreign	0	-
2.3.9 Others (to be specified)		
1- Joint Stock Companies	10,207,300	4.7319
2- Foreign Companies	14,900	0.0069
3- Pension Funds	55,067	0.0255
4- Others	1,932	0.0009

KOHINOOR SPINNING MILLS LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2023

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	0.0002
2	PRUDENTIAL STOCK FUND LTD. (CDC)	6,000	0.0028
3	PRUDENTIAL STOCKS FUND LTD (03360) (CDC)	50,000	0.0232

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

1	KHAWAJA MOHAMMAD JAHANGIR (CDC)	181,500	0.0841
2	KHAWAJA MOHAMMAD TANVEER (CDC)	500	0.0002
3	KHAWAJA MOHAMMAD KALEEM	44,089,568	20.4389
4	MR. MOHAMMAD NAVEED	50,793,028	23.5464
5	MR. MOHAMMAD HAMZA YOUSAF	1,500,500	0.6956
6	MRS. FIZA FARHAN	500	0.0002
7	MR. FAISAL QAIYUM	500	0.0002
8	MRS. AQSA JAHANGIR	500	0.0002

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

114,206 0.0529

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

S. No.	Name	Holding	%Age
1	KHAWAJA MOHAMMAD KALEEM	44,089,568	20.4389
2	MR. MOHAMMAD NAVEED	50,793,028	23.5464

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	Sale	Purchase
1	KHAWAJA MOHAMMAD KALEEM (CDC)	14,364,000	-
2	MR. MOHAMMAD NAVEED (CDC)	-	6,093,000
3	MR. MOHAMMAD HAMZA YOUSAF (CDC)	-	1,489,000

Form of Proxy – 51th Annual General Meeting

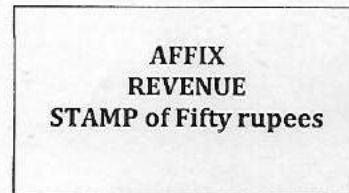
The Corporate Secretary
 Kohinoor Spinning Mills Limited
 7/1 E-3 Main Boulevard Gulberg III, Lahore

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 48th Annual General Meeting of the Company to be held on
 Monday, November 27, 2023 at 09:00 a.m. at 7/1 E-3 Main Boulevard Gulberg III,
 Lahore and at every adjournment thereof.

Signed this _____ day of _____ 2023.

- Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____
- Witness:
 Signature _____
 Name _____
 Address _____
 CNIC _____



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

IMPORTANT

- 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.
- If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the company, all such instruments of proxy shall be rendered invalid.

مختار نامہ

فولیو نمبر اسی ڈی سی اکاؤنٹ نمبر:
ملکیتی حصص:

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

میں / اہم _____ کا / کے _____

بحیثیت رکن کوہ نور سپننگ ملز لمیٹڈ بذریعہ ہذا محترم / محترمہ _____ کو اپنے / ہمارے ایماہ پر بروز سوار مورخہ 27 نومبر 2023ء
صبح 09:00 بجے، بمقام E-3، 7/1 مین بلیوارڈ، گلبرگ III، لاہور میں منعقد ہونے والے کمپنی کے سالانہ اجلاس میں شرکت اور حق رائے وہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار
(پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز بتاریخ 2023ء کو دستخط کئے گئے۔

رسیدی ٹکٹ یہاں چسپاں کریں

دستخط: _____

(دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں)

گواہان

-1

دستخط: _____

نام: _____

پتہ: _____

-2

دستخط: _____

نام: _____

پتہ: _____

نوٹ:

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