KOHINOOR
MILLS LIMITED

ANNUAL REPORT 2023

www.kohinoormills.com

Welcome to
Kohinoor Mills Limited
Annual Report
For the financial year
2023

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Rashid Ahmed	Chairman
Mr. Aamir Fayyaz Sheikh	Chief Executive
Mr. Ismail Aamir Fayyaz	Director
Ms. Imrat Aamir Fayyaz	Director
Mrs. Hajra Arham	Director
Mr. Muhammad Anwarul Haq Siddiqui	Director
Mr. Matiuddin Siddiqui	Director (NIT Nominee)

COMMITTEES OF THE BOARD

Audit Committee

Mrs. Hajra Arham	Chairperson
Mr. Rashid Ahmed	Member
Mr. Muhammad Anwarul Haq Siddiqui	Member

HR & Remuneration Committee

Mr. Muhammad Anwarul Haq Siddiqui	Chairman
Mr. Rashid Ahmed	Member
Mrs. Hajra Arham	Member

Chief Financial Officer
Mr. Kamran Shahid

Head of Internal Audit
Mr. Naveed Ahmed Zafar

Legal Advisor
Raja Mohammad Akram & Co.,
Advocate & Legal Consultants, Lahore

Company Secretary
Mr. Muhammad Rizwan Khan

Auditors
Riaz Ahmad & Company
Chartered Accountants

Bankers

Al Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Silk Bank Limited
The Bank of Punjab
United Bank Limited

Registered Office & Mills

8 K.M. Manga Raiwind Road, District Kasur, Pakistan.
UAN: (92-42) 111-941-941
Cell Lines: (92-333) 4998801-6
Land Lines: (92-42) 36369340
Fax: (92-42) 36369340 Ext: 444
Email: info@kohinoormills.com
Website: www.kohinoormills.com

Shares Registrar

M/s. Hameed Majeed Associates (Pvt.) Ltd
HM House, 7 Bank Square, Lahore.
Land Lines: (92-42) 37235081 & 82, 37310466
Fax: (92-42) 37358817

OTHER CORPORATE INFORMATION

Kohinoor Mills Limited is registered in Pakistan with Securities and Exchange Commission of Pakistan. The Registration Number of the Company is 0017194

Kohinoor Mills Limited is listed on Pakistan Stock Exchange Limited as a Public Limited Company and its shares are traded under textile composite sector. Shares trading symbol is KML

The National Tax Number of the Company is 0658184-6

Financial statements are available on website of the Company i.e., www.kohinoormills.com


KOHINOOR MILLS

COMPANY PROFILE

From its incorporation in 1987 as a small weaving mill, over the last 36 years Kohinoor Mills has evolved into one of Pakistan's largest vertically integrated textile operations with approximately 2,059 employees and annual turnover of PKR 28 Billion. The company is involved in three major businesses; Weaving, Dyeing & Finishing and Energy. Spread on about 154 acre state of the art facility near Lahore, we supply over 70 million meters of world-class grey, white and dyed fabrics to leading fashion brands and retailers around the globe.

CORE VALUES

CUSTOMER CENTRICITY

We cultivate long-term customer relationships and put their needs at the center of everything we do. We understand our customers' business, and provide solutions to their most pressing challenges. We measure our success in terms of our customers' success

AGILITY

We are action-oriented, delivering results without sacrificing safety or quality. We pursue continuous innovation not only in our products and processes, but in the experiences we deliver. We are collaborative, fast and nimble.

SUSTAINABILITY

We create innovative solutions while preserving the environment for tomorrow. We make a positive impact on the communities where we live and work. We steward the responsible use of our products.

RESPECT FOR PEOPLE

We empower informed risk-taking, celebrating successes and learning from mistakes We develop the knowledge and abilities of our people to best serve their careers and our customers. We create an inclusive environment where diverse views, backgrounds and experiences are key to our success.

SAFETY

Every action we take is guided by our THINK. SAFE. Manifesto. We empower employees to always put safety first. We help others to be safe at work, at home and on the road.

INTEGRITY

We do things the right way ethically and in compliance with laws regardless of circumstances. We keep our commitments. Building trust with customers, shareholders, the community and each other. We take responsibility tor our actions regardless of the outcome.

VISION

To become a globally recognised company that creates value and sustainable growth for all our stakeholders, as well as society.

MISSION

To produce innovative, high quality, and cost effective textile products for our customers, in an environmentally sustainable and socially conscious manner.

BUSINESS ACTIVITIES

Kohinoor Mills is principally engaged in three major components of textile manufacturing; Weaving, Dyeing & Finishing and Energy. The company exports grey, white and dyed fabrics to leading fashion brands, manufacturers and trading companies around the world.

The company also operates an independent power plant to supply uninterrupted energy to its textile operations.

WEAVING
DIVISION

Kohinoor Weaving (KW) is the flagship division of the company. Set up as a small 48 looms project on a green field site in 1988, it has now grown into a state of the art facility with 272 high speed air jet looms from Picanol.

The division produces over 50 million meter of grey fabric per annum, which is partially consumed downstream by the dyeing division, while the rest is exported to customers in Europe, Asia and nontraditional markets like Asia and Africa. KW has also diversified its operations into jacquard and dobby fabrics for the local fashion industry and fashion brands in the US and Europe.

DYEING
& FINISHING DIVISION

Kohinoor Dyeing (KD) was set up in 2002 after a strategic decision by the company to move up the apparel value chain and compete with processing mills in Europe where manufacturing costs were becoming uncompetitive. After 21 years of operations KD is now a market leader in cotton & cotton blend fabrics for the fashion industry.

Through our R&D facility we have developed innovative fabrics and hand-feel finishes which have enabled us to become key suppliers for leading global brands like Zara, Levi's, American Eagle, Next, Kontoor, C&A, Decathlon and Gloria Jeans.

The division has a capacity to produce 4 million meters of dyed, white and print fabric every month using cutting edge European machinery from Benninger and Monforts.

GENERTEK
DIVISION

Pakistan is a developing country that faces energy shortages and outages that are detrimental to industrial production. In 2003 Kohinoor Genertek was set up as an independent power plant to supply uninterrupted electricity to the other divisions of the company.

The division has an installed capacity of about 30 Mega-Watts of electricity and 30 ton per hour of steam, which can be produced on a variety of fuels such as gas, furnace oil and biomass depending on price and seasonal availability.

BUSINESS PROCESS
FLOW CHART

FINANCIAL HIGHLIGHTS 2023

Sales
RUPEES IN BILLION
28.21 PKR

Gross Profit
RUPEES IN BILLION
5.86 PKR

Gross Profit Ratio
20.8%

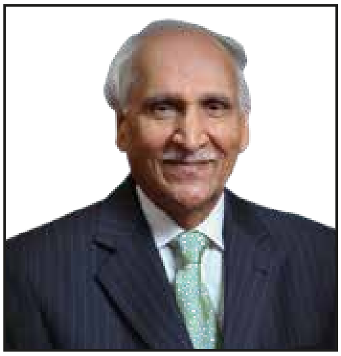
Profit before Tax
RUPEES IN MILLION
2,449 PKR

Profit after Tax
RUPEES IN MILLION
2,001 PKR

Earning per share –Basic and Diluted
39.31 PKR

Shareholders' Total Equity
RUPEES IN MILLION
7,889 PKR

BOARD OF DIRECTORS



Rashid Ahmed
Chairman

Mr. Rashid Ahmed is a retired senior investment and development banker. He served the banking and financial services industry for over 40 years in senior positions like Group Chief and CEO. He served Board of Directors of large corporate sector companies including telecommunication, fertilizer, cement, textile etc., and investment banks, leasing companies and modarabas.

He is currently Chairman of the Board of Directors and Member of Human Resource & Remuneration and Audit Committees. He also served as the Chairman of Audit Committee of Kohinoor Mills Limited. Mr. Rashid Ahmed is a member of Board of Governors of Lahore University of Management Sciences (LUMS) and as a visiting faculty member at Quaid e Azam University, Islamabad, University of the Punjab and University of Engineering and Technology, Lahore. Visulaising Mr. Rashid qualification and vast professional experience The Securities and Exchange Commission of Pakistan awarded exemption to him from Director's Training Programme.

Mr. Rashid is an MBA from IBA, Karachi and holds a Master's degree in Economics from the University of Punjab

Aamir Fayyaz Sheikh
Chief Executive

Mr. Aamir Fayyaz Sheikh is a Pakistani entrepreneur, philanthropist, economic advisor and keen golfer. He has been on the board of directors and has served as CEO of the company since its inception in 1987. After studying Economics at the University of Texas, he returned to Pakistan in the early eighties and joined his family business; The Kohinoor Group. After 36 years under his stewardship the company has grown from a small 48-loom weaving mill to one of Pakistan's largest vertically integrated textile operations.

Mr. Aamir Fayyaz Sheikh is actively involved in promoting Pakistan's textile industry, and has represented the Pakistan business community at numerous shows and government trade missions. He served as the Chairman of All Pakistan Textiles Mills Association, and was instrumental in negotiating the export incentive package in 2017 and Pakistan's GSP+ status with the EU in 2014, amongst other contributions. Mr. Aamir Fayyaz Sheikh also held the position of Chairman of Punjab Social Security Health Management Company with a vision to transform the medical facilities to the industrial workers to an excellent level. In recognition of his qualification and vast professional experience, the Securities and Exchange Commission of Pakistan awarded him exemption from Director's Training Programme.

Ismail Aamir Fayyaz
Director

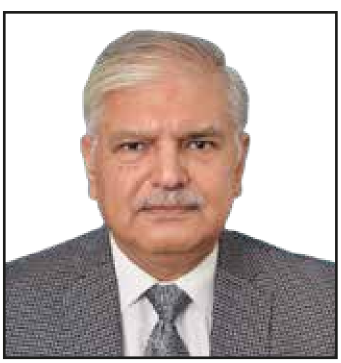
Mr. Ismail Aamir Fayyaz is the son of Mr. Aamir Fayyaz Sheikh. He joined the company in 2016 after studying Physics and Philosophy at McGill University, Canada. For the past 7 years he has been heavily involved in sales and marketing, travelling extensively to new markets in order to grow KML's customer base. After the new expansion in 2018, he has been heading the Weaving division as Chief Operating Officer and has been instrumental in revamping the organizational structure and efficiency of the Weaving division. He is the driving force behind Balancing, Modernisation and Rebalancing initiative at Kohinoor Weaving, which has seen the gradual replacement of older loom sheds with the newest, cutting edge technology. Mr. Ismail is also a Chartered Financial Analyst, a Certified Director and enjoys learning new languages.

Imrat Aamir Fayyaz
Director

Ms. Imrat Aamir Fayyaz after completing her Bachelor's and Master's in Engineering from the University of Cambridge,UK, started her career in the infrastructure sector of Pakistan with a focus on business development, transaction structuring, acquisitions, debt arrangement, private equity and financial modelling relating to power,energy,infrastructure and manufacturing sectors. In 2019 after clearing all three levels of Chartered Financial Analyst program, she joined the family textile business as Chief Operating Officer of the Dyeing and Finishing Division at Kohinoor Mills. Like her father and brother, she is playing an instrumental role in the growth of the company. Ms. Imrat is also a certified director from LUMS and enjoys travelling and experiencing new cultures.

Hajra Arham
Director

Mrs. Hajra Arham is a qualified Chartered Accountant from The Institute of Chartered Accountants of Pakistan. She has over 25 years' post qualification work experience with public and private sectors at advisory and management board positions. She has worked at projects funded by Govt. of Pakistan, Punjab Govt., World Bank, Asian Development Bank, Department for International Development UK Govt. and Japan International Cooperation Agency. Her work exposure relates to Information Technology, Water Sector, Power/ Energy Sector and widely diversified clientele of CA firm from Textile and Sugar Industry to Financial Institutions and Development Authorities. She is also currently serving as Independent Director and member of Audit Committee of Lalpir Power Limited, a power generation and distribution public limited listed company owned by Pakistan-based multinational business conglomerate "The Nishat Group".



Muhammad Anwarul Haq Siddiqui
Director

Mr. Muhammad Anwarul Haq Siddiqui is a dynamic, multifaceted and performance focused professional offering extensive experience in human resource operations, administrative functions and general management and is known for strong work ethics, exercising independent judgment in dealing with wide ranging HR responsibilities.

He holds Master's degree in Human Resource Management and Bachelor in Laws from University of the Punjab, Lahore, Pakistan. His professional experience of over three decades embraced key management and HR positions with leading national and multinational entities covering footwear and FMCGs businesses.

Matiuddin Siddiqui
Director - NIT Nominee

Mr. Matiuddin Siddiqui is serving the board of directors' of Kohinoor Mills Limited as a nominee director of National Investment Trust Limited (NITL) - the largest and oldest asset management company in Pakistan.

Mr. Matiuddin holds Masters degree in commerce from University of Karachi and is a Certified Director from Institute of Cost and Management Accountants of Pakistan. He upholds over two decades of professional experience in the field of Accountancy and Finance and is serving NITL as a Head of Accounts & Finance.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of the Company will be held at 8 Kilometer, Manga Raiwind Road, District Kasur on Thursday, October 26, 2023 at 2:30 p.m., to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Chairman's Review, Directors' and Auditors' Reports thereon.

2. To approve final cash dividend for the year ended June 30, 2023 at Rs. 3.00 per ordinary share of Rs. 10/- each i.e., 30.00% as recommended by the Board of Directors.

3. To appoint auditors for the year ending June 30, 2024 and fix their remuneration.

4. To transact any other business of the Company with permission of the Chair.

By Order of the Board

Kasur:
Thursday, October 5, 2023

(MUHAMMAD RIZWAN KHAN)
Company Secretary

NOTES

1. Closure of Share Transfer Books

The share transfer books of the Company for Ordinary Shares will remain closed from October 19, 2023 to October 26, 2023 (both days inclusive) for determination of above entitlement and to attend and vote at the Annual General Meeting. Physical transfers and deposit requests under Central Depository System received at the close of business hours on Wednesday, October 18, 2023, by the Company's Shares Registrar M/s.Hameed Majeed Associates (Pvt.) Ltd, HM House, 7 Bank Square, Lahore, will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. Shareholders are advised to follow the under mentioned guidelines for attending the meeting:

For Attending the Meeting

a. In case of individuals/joint-account holders, as per registration details available with the Company, shall authenticate his/her/their identity by presenting his/her/their original CNIC or original Passport at the time of attending the meeting.

b. In case of corporate entity, the board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting

For Appointing Proxies

a. A shareholder entitled to attend and vote at this meeting may appoint any other shareholder as proxy to attend the meeting and a proxy so appointed shall have the same rights of attending, speaking and voting at the general meeting as are available to the shareholders. A proxy must be a shareholder of the Company.

b. If a shareholder appoints more than one proxy and more than one instruments of proxy are deposited by a shareholder with the Company, all such instruments of proxy shall be rendered invalid.

c. In case of individual/joint-holders, shareholders as per registration details available with the Company shall attach an attested copy of his/her/their Computerized National Identity Card (CNIC) / Passport with the Proxy Form. The proxy shall produce his/her/their original CNIC or original passport at the time of the meeting.

d. In case of corporate entity, as per registration details available with the Company the board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form. The nominee shall also produce his/her original CNIC or original passport at the time of the meeting.

e. The instrument of appointing a proxy must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

f. The form of proxy is attached with this notice and is also available on investor page of website of the Company i.e., www.kohinoormills.com

Video Conference Facility

In accordance with the requirements of the Companies Act, 2017, members residing in a city holding at least 10% of the total paid up share capital may demand the facility of video-link for participating in the Annual General Meeting. The request for the video-link facility shall be received by the Shares Registrar at the address given hereinabove at least 7 days prior to the date of the meeting on the Standard Form available on the website of the Company.

3. Audited Financial Statements and Notice of Meeting

a) As per notification by the Securities and Exchange Commission of Pakistan vide its SRO 389 (I)/2023 dated March 21, 2023, the Company obtained the approval of shareholders as on June 20, 2023 for circulation of annual audited financial statements together with the required reports through QR enabled code and web link which can be downloaded from the following link/QR code:

http://kohinoormills.com/uploads/financialstatement/KMLAnnualReport2023.pdf

b) The notice of meeting is being dispatched to members as per requirements of the Companies Act, on their registered address, containing the QR code and the web link address to view and download the annual audited financial statements together with the reports and documents at all times; and has been also placed on the website of the Company.

c) Members' can also opt to obtain the annual audited financial statements and notice of AGM through e-mail. In this regard, shareholders are requested to send a written consent by post/courier on a standard request form available on the above mentioned website of the company to Company's Shares Registrar M/s. Hameed Majeed Associates (Pvt) Limited, HM House, 7 Bank Square, Lahore, or by sending a scanned copy of duly filled and signed form by email to Company Secretary at cskml@kohinoormills.com

4. Shareholders are requested to notify/submit the undermentioned information and documents, if not earlier provided / notified within 10 days before the entitlement date i.e., October 18, 2023, in the following manner:

- **CDC Investor Account Holders** to CDC Investor Account Services (IAS)
- **CDC Sub-Account Holders** to their respective Participant (broker)
- **Physical Shareholders** to Company's Shares Registrar (viz CDC)

a) Mandatory submission of CNIC / NTN: Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP), CNIC numbers of shareholders are mandatory. Shareholders are therefore requested to submit a copy of their valid CNIC (if not provided earlier) to Company's Shares Registrar M/s. Hameed Majeed Associates (Pvt) Limited, HM House, 7 Bank Square, Lahore. Corporate entities are required to send valid and legible copies of their National Tax number (NTN) or NTN certificate(s) and must quote the name of the company and respective folio numbers thereon while sending the copies.

In case of non-submission of valid and legible copy of CNIC/NTN, the Company will be constrained to withhold the disbursement of dividend till such time the CNIC/NTN copy is provided to the Shares Registrar of the Company.

b) Dividend Mandate: In terms of Section 242 of the Companies Act, 2017, listed companies are required to pay cash dividend only through electronic mode directly into the bank account designated by the entitled shareholders. In order to comply with this requirement, shareholders are therefore requested to immediately provide the dividend mandate i.e., name, folio number, bank account number (IBAN), title of account, complete mailing address of the bank, branch address, branch code, email and contact numbers to the Shares Registrar of the company in case of physical shares and to the CDC in case of shares are held electronically.

c) Deduction of Withholding Tax on Dividend: Shareholders who are filers, are advised to make sure that their names are entered into latest ATL provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as person not appearing in ATL and tax on their cash dividend will be deducted at the rate of 30% instead of 15%.

d) For shareholders holding their shares jointly as per the clarification issued by the FBR, withholding tax will be determined separately as per status of their names appearing in the ATL for principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follows:

Kohinoor Mills Limited					
Folio/ CDC A/c No.	Total Shares	Principal shareholder		Joint Shareholder(s)	
		Name & CNIC #	Shareholding proportion (No of Shares)	Name & CNIC #	Shareholding proportion (No of Shares)

e) Exemptions - Deduction of Tax and Zakat on Dividend entitlement: Members who wants to avail the exemptions on their respective dividend entitlement are requested to furnish the following documents to the Company/Shares Registrar, if not provided earlier:

- Valid income tax exemption certificate issued by the concerned Commissioner of inland Revenue in order to avail tax exemption under Section 150 of the Income Tax Ordinance, 2001 (tax on dividend) where the statutory exemption under clause 47B of Part IV of Second Schedule is available and want to avail exemption under Section 150 of the Ordinance, otherwise tax will be deducted under the provisions of laws.

- Zakat exemption certificate/undertaking as per Zakat & Ushr Ordinance, 1980.

5. Shareholders' still holding physical shares is/are being notified again that as per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form within a period not exceeding four years from the promulgation of the Act, i.e., May 30, 2017. Shareholders' having physical shares is/are advised to open CDC sub-account with any of the broker or Investor Account directly with CDC to place their physical shares into scrip less form as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

6. Shareholders are requested to notify change in their mailing address to our Shares Registrar at the earliest.

7. For any query/problem/information, shareholders may contact the Company's Shares Registrar M/s. Hameed Majeed Associates (Pvt) Limited, HM House, 7 Bank Square, Lahore, Land Line: (00-92-42) 37235081 and 82.

CHAIRMAN'S
REVIEW REPORT

I am pleased to present the report on the overall performance of the Board and effectiveness of its role in achieving the Company's strategic business objectives as well as ensuring overall compliance of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019. The Board performed its duties with honesty and diligence in the best interest of the Company. I as Chairman of the Board, ensured that the board meetings are held in a congenial atmosphere focusing on achieving the goals.

During the year under review, your company faced many operational challenges especially due to rising interest rates, lingering supply constraints and mounting global economic uncertainities. The Management of your company is putting its best efforts to maintain its profitability and market share. Moreover, Government positive action towards textile reforms in prevailing situation will play a vital role.

The composition of the Board of Directors reflects mix of varied backgrounds and rich experiences in the fields of business, finance, banking and human resource. It represents an excellent balance of executive and non-executive directors including independent directors, having strong financial and analytical abilities, core competencies and industry knowledge to lead the company.

During the year, Board of Directors focused on the future strategies and on setting the financial and operational targets. The Board regularly tracked the progress against the budgeted targets. The Subcommittees of the Board also performed their functions as per their terms of reference during the year under review. The Board carried out reviews of its effectiveness and performance during the year which have been satisfactory.

As stated above, Board considered all aspects of Company's activities including performance of individual Directors, Board Committees and I am happy to report that your Board of Directors continue to function effectively and is focused on priorities for the Company's business.

Kasur:
September 20, 2023

RASHID AHMED
Chairman

DIRECTORS' REPORT

The Directors of the company are pleased to present the Annual Report, together with the audited financial statements and Auditors' Report for the year ended June 30, 2023.

Global Economic Review

The long-drawn-out conflict in Eastern Europe, stemming from Russia's invasion of Ukraine, continues to cast a shadow over global stability. Geopolitical tensions and military conflicts have disrupted supply chains, impacted energy prices, and lead to heightened uncertainty in global financial markets. The convergence of factors such as inflation, currency devaluation, geopolitical tensions, and the extended impact of the COVID-19 pandemic over the past three years decelerated the economic growth in many parts of the world in FY-23 and this is anticipated to continue in FY-24 as well. Primary projections indicate a slow deceleration of world economic growth, with an anticipated decline from 3.2% in 2022 to 2.7% in 2023, eventually reaching a steady state at 3.0% in 2024.

Central Banks around the world led by the US Federal Reserve have aggressively tightened monetary policy to combat inflation, whereas there is very little fiscal space for most governments to respond due to over stretched balance sheets after Covid era support. The surge in global interest rates and cost of living crisis have caused a wave of currency crises in emerging markets, especially in oil and food-importing economies.

Pakistan Economic Review

The geopolitical tension, tight financial conditions, and high inflationary pressures had a substantial impact on global growth expectations. Pakistan is no exception. As a result, domestic slowdown, low foreign currency reserves, depreciating currency, burgeoning inflation, restriction on import of raw materials, high cost of financing and the ongoing energy crisis has kept the external sector under pressure.

During the period under review, Pakistan has also faced unprecedented internal challenges. Inconsistent government policies, unsustainable fiscal deficit, the exponential rise in public debt, political and economic uncertainties, and mounting circular debt were among the main economic challenges faced by the country in FY-23. As a result, real GDP posted a growth rate of 0.29% in the period under review against GDP growth rate of 6.1% recorded for FY-22.

In FY-23, the import bills have decreased by 27.4% to USD 51.9 billion in contrast to USD 71.5 billion in FY-22, mainly on the back of tightening of monetary policy, and sizable import containment by the State Bank of Pakistan (SBP) to cope with the macroeconomic imbalances and financing challenges. In a parallel trajectory, the Country's exports and remittances both experienced a decline, with export values diminishing by 14.1% to USD 27.9 billion from USD 32.5 billion and remittances decreasing by 13.6% to USD 27.02 billion from USD 31.27 billion in comparison to previous year. This decline was attributed to the persistently low global economic growth, which deviated from historical norms, and the heightened financial risks stemming from persistent high inflation. Consequently, the current account recorded a deficit of USD 2.6 billion in FY-23 comparing to deficit of USD 17.48 billion in the corresponding period of last financial year, marking an approximate 85.1% reduction compared to same period in the previous year. This notable shift is primarily attributed to the reduction in imports, which effectively contracted the combined decrease in remittances and exports.

The PKR-USD interbank exchange rate depreciated significantly, falling by 41.5% from Rs. 202.50 at the start of the fiscal year to Rs. 286.60 by year-end. This substantial devaluation can heighten inflation by increasing import prices and boosting domestic demand. To manage potential inflation, the government may need to raise interest rates, even if it means sacrificing economic growth. During the period under review, average

CPI inflation soared to 29.2%, up from 12.2% in the comparative period. To curb inflation and maintain price stability, the State Bank of Pakistan (SBP) increased the policy rate by 825 basis points (bps), taking it from 13.75% at the beginning of the financial year to 22% at the end. This adjustment was in response to rising inflationary pressures, driven by factors such as currency depreciation, supply disruptions created by flood damages, higher global food prices, and broader tariff reforms for both electricity and fuels.

Pakistan’s macroeconomic imbalances extreme political instability, imprudent populist measures, and environmental catastrophes have pushed the economy to the brink. As a result, Pakistan once again had to seek support from the IMF and friendly countries. These factors, along with the global environment of economic uncertainty, meant that it was a challenging year, and these challenges are expected to increase in the upcoming year.

Textile Industry Outlook

Pakistan’s textile exports have declined by 14.5% in FY-23, falling from USD 19.3 billion in the corresponding period of FY-22 to USD 16.5 billion. The decline in Pakistan’s textile sector can be attributed to multiple factors. Firstly, a global economic slowdown has decreased the demand for Pakistani textile products. Secondly, flood damages have resulted in losses for the cotton industry, equivalent to half of the industry’s required cotton input. Finally, the contractionary policy stance, including higher policy rate, increased energy charges, and restrictions on the import of raw materials and machinery has made it harder for businesses to operate and export. Further, reduction in the spread between the policy rate and subsidized financing rates (such as Export Financing Scheme & Long Term Financing Facility) has discouraged industrialists who heavily rely on such financing facilities to meet their working capital needs. Despite the adverse global and local economic scenario discussed earlier, Pakistan textile products continued to maintain an average share of around 59.5% in national exports.

Navigating these challenges will require a multi-pronged approach that encompasses both domestic reforms and an understanding of global market dynamics. For Pakistan textile industry to sustain its momentum, it requires a stable and consistent policy environment that encourages exports, supports competitiveness, and fosters long-term growth. Policy predictability is crucial for attracting investments and promoting industry development.

Operating & Financial Results

Despite the challenging micro and macro-economic conditions discussed earlier, your company managed to capitalize on certain advantages, particularly its export-oriented nature and the depreciation of the Pakistani Rupee against the US Dollar. This strategic position allowed your company to achieve substantial growth in both turnover and profitability during the year ended June 30, 2023.

During the year ended 30 June 2023, your company earned a gross profit of Rs. 5,867 million on sales of Rs. 28,208 million, compared to a gross profit of Rs. 3,447 million on sales of Rs. 21,453 million for the previous financial year. During the period under review, your company recorded a net profit of Rs. 2,001 million (EPS: Rs. 39.31 per share), compared to a net profit of Rs. 928 million (EPS: Rs. 18.24 per share), in the previous financial year.

The finance cost during the period experienced a significant increase of 159.13%, totaling Rs. 1,249.47 million from Rs. 482.13 million in comparative period of last year. The significant increase in finance costs is the result of a combination of macroeconomic factors, including higher policy rates, rising inflationary pressures, and additional working capital requirements due to currency devaluation. These factors collectively contributed to the notable rise in finance cost during the period under discussion.

Dividend

The Board of Directors has proposed a final cash dividend for the year ended 30 June 2023 of Rupees 3.00 per share i.e., 30%.

Performance Overview

A brief overview of performance of your company for the year ended 30 June 2023 is discussed below:

Weaving Division

The comprehensive BMR project has undoubtedly proven to be a resounding success. The replacement of 258 old looms and installation of additional 14 looms with the state-of-the-art looms and ancillary equipment has added and brought almost a remarkable transformation in the Weaving Division. This achievement stands as an evidence of the management's commitment towards innovation and operational excellence. Despite current global and domestic challenges faced by the weaving sector, it is no doubt an undeniable contribution to the company's growth. The Weaving Division posted a gross turnover of Rs. 17,168 million as compared to turnover of Rs. 13,372 million in the previous financial year.

As we look ahead, we acknowledge the ongoing challenges posed by a demand slowdown, elevated utility expenses, and rising finance cost driven by the State Bank of Pakistan's consistent policy rate hikes, all of which continue to exert pressure on profit margins. In response, we remain committed to implementing proactive strategies aimed at optimizing costs, diversifying our market reach, and efficiently managing our finances to mitigate these challenges and enhance our profitability in the coming years. We hold strong optimism about not only achieving but surpassing our anticipated results in the near future.

Dyeing Division

The fashion retail industry is a dynamic and highly competitive sector that is sensitive to economic fluctuations. The FY-23 has seen the world grappling with a global recession caused by various factors, including the aftermath of the COVID-19 pandemic, geopolitical tensions, and supply chain disruptions. Simultaneously, inflation has been on the rise in many parts of the world, putting additional pressure on businesses and consumers alike. The global recession has led to a decrease in consumer confidence and discretionary spending. Consumers are more cautious about their purchases, particularly in non-essential categories like fashion. This has resulted in lower sales for fashion retailers, especially those catering to higher-end markets. In this challenging economic environment, fashion retailers must adapt and innovate to thrive.

Despite the overall challenging environment surrounding the fashion retail industry, the Dyeing Division was able to increase its gross turnover by 29% from Rs. 14,064 million to Rs. 18,115 million. Gross profit was increased to Rs. 3,240 million from Rs. 1,656 million in the corresponding period of last financial year, an increase of 96% year on year. Net profit was increased from Rs. 270 million to Rs. 1,308 million showing an increase of 384% year on year. The Dyeing Division's impressive financial performance has been majorly driven by favorable currency depreciation. It is crucial to complement this with strategies aimed at achieving sustainable growth through increased sales volumes, diversification, and effective risk management. The industry's ability to innovate and respond to these challenges will determine its resilience and growth in the coming years.

Genertek Division

The Genertek Division is prone to certain challenges. On the electricity side, the Government of Pakistan discontinued providing electricity at a reduced rate as part of its competitive relief package. Consequently, the Genertek Division is using natural gas to the extent of allowed quota to generate electricity and the balance electricity requirement is fulfilled from the national grid at higher cost. The natural gas price also leaves the Genertek Division vulnerable to swift depreciation of exchange rate. These factors have significantly increased the challenges in maintaining competitive energy cost. The management is striving hard to tackle these challenges and focusing on positive developments in alternate fuels including but not limited to bio-fuel based steam turbine.

For steam generation, the division has diversified its fuel input requirements towards non-conventional green biofuels which are cleaner, cheaper & environment friendly.

Information Technology

Your company is making continuous efforts to have efficient IT systems in place, supporting timely and effective decisions. It has provided its employees state-of-the-art facilities to achieve optimum efficiency levels. Most of the manufacturing equipment and machinery used in the operations are equipped with technologically advanced software, providing real time information for the production processes.

The company's intranet acts as a useful resource base, providing in depth information on the company's policies and procedures along with other useful information to the employees of the company.

Human Resource & Training

With human capital resources of approximately 2,059 employees at average, the company believes that employees are indispensable in shaping the organization's future and each individual contributes directly to success of the organization.

Your company's HR team is a group of highly skilled and experienced professionals. They work very closely with the business teams to design efficient people solutions that will effectively meet the business goals.

Your company places a premium on respect for individuals, equal opportunities, advancement based on merit, effective communication, and the development of a high performance culture. The company takes pride in continuous improvement at all levels and strives to ensure that opportunity for growth and varied career experiences are provided to all employees.

Your company is an equal opportunity employer, and this is practiced in all aspects of the company's business activities including recruitment and employment.

The company's ethos, combined with state of the art technology and HR Information Systems, result in a high performance environment within which individuals can achieve their professional and personal dreams.

Training & Development

Your company believes in human resource development through training and development and places due emphasis on training in all spheres of its production process. The company made efforts during the year for focused and cost effective training programs for all major technical categories such as weavers, technologists and quality control inspectors.
Candidates are engaged through a Trainee Scheme and trained in-house over a period of 6 months before joining their respective teams. This has helped the company in preparing a highly skilled workforce and also provides replacements to cover turnover.

In-house training sessions are regularly conducted in general management, firefighting, first aid, health and safety, computer and technical disciplines.

Safety, Health & Environment

Your company is focused on providing a safe & healthy workplace for all of its employees and is committed to acting responsibly towards the communities and environment in which we operate. This will be achieved by continuous improvement of our safety, health and environment performance through corporate leadership, dedication of staff and the application of the highest professional standards at workplace.

Corporate Social Responsibility

Your company has very distinct Corporate Social Responsibility (CSR) policy aimed at fulfilling its responsibilities of securing the community within which it operates. Its philanthropic activities include participation in health and education sector initiatives.

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

Your company is committed to maintaining high standards of corporate governance. The Board and its Subcommittees acknowledge the responsibilities in this respect and a statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Auditors' review report on the same is annexed to this report.

Statement of Value Addition and its Distribution and Risk Management

The 'Statement of Value Addition and its Distribution' is annexed to this report.

Financial Reporting and Corporate Compliance

The Board of Directors of the company is fully cognizant of its responsibility as laid down in the Code of Corporate Governance issued by the Securities & Exchange Commission of Pakistan. The following statements are a manifestation of its commitment towards compliance with best practices of Code of Corporate Governance.

a. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These statements, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

b. Proper books of account have been maintained by the company.

c. Appropriate accounting policies have been consistently applied in preparation of financial statements. Accounting estimates are based on reasonable and prudent judgment.

d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.

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

f. There are no significant doubts upon the company's ability to continue as a going concern.

g. There has been no material departure from the best practices of Corporate Governance as detailed in Listed Companies (Code of Corporate Governance) Regulations, 2019.

h. There are no further significant plans for any corporate restructuring, business expansion or discontinuation of any part of company's operations.

i. The operating and financial data of past six years is annexed to this report.

j. Information regarding statutory payments on account of outstanding taxes, duties, levies and other charges (if any) has been given in related note(s) to the audited accounts.

k. The company strictly complies with the standard of safety rules & regulations. It also follows environmentally friendly policies.

l. The valuation of investment made by the staff retirement benefit fund (Provident Fund), based on their respective accounts is as follows:

30-Jun-23	Rs. 306.624 million (Un-audited)
30-Jun-22	Rs. 221.364 million (Audited)

Adequacy of internal financial controls

The Company has established an effective and efficient system of internal and financial controls to safeguard the assets of the Company, prevent and detect fraud and ensure compliance with all statutory and legal requirements. The internal control structure is regularly reviewed and monitored by the Internal Audit function duly established by the Board. Audit Committee reviews the internal control system on quarterly basis in accordance with the term of its reference.

Board of Directors

The Board of Directors is responsible for the overall governance and administration of the company. All directors are aware of their duties and powers. They exercise their fiduciary responsibilities through board meetings which are held every quarter for reviewing and approving the adoption of company's financial statements in addition to review and adoption of company's significant plans and decisions, projections, forecasts, and budgets with due regard to the recommendations of the Sub-committees. The responsibilities include establishing the company's strategic objectives, providing leadership, supervising the management of the business and reporting to shareholders on their stewardship.

The total number of directors are seven as per the following:

Sr. No	Name of the Male Directors	
1	Mr. Rashid Ahmed	- Non-Executive Director / Chairman
2	Mr. Aamir Fayyaz Sheikh	- Executive Director / Chief Executive
3	Mr. Ismail Aamir Fayyaz	- Executive Director
4	Mr. Muhammad Anwarul Haq Siddiqui	- Independent Director
5	Mr. Matiuddin Siddiqui (NIT Nominee)	- Non-Executive Director

Sr. No	Name of the Female Directors	
6	Ms. Imrat Aamir Fayyaz	- Executive Director
7	Mrs. Hajra Arham	- Independent Director

Changes in the Board

No change occurred in the Board of Directors during the year under review.

During the year under review seven (7) meetings of the Board of Directors were held. The attendance by each Director is as follows

Sr. No	Name of the Directors		Number of Meetings Attended
1	Mr. Rashid Ahmed	- Chairman	7/7
2	Mr. Aamir Fayyaz Sheikh	- Chief Executive	7/7
3*	Mr. Ismail Aamir Fayyaz	- Director	6/7
4	Mr. Matiuddin Siddiqui	- Director (NIT Nominee)	7/7
5*	Ms. Imrat Aamir Fayyaz	- Director	5/7
6	Mrs. Hajra Arham	- Director	7/7
7	Mr. Muhammad Anwarul Haq Siddiqui	- Director	7/7

*Leave of absence was granted to the directors who were unable to attend the meeting.

Other than those set out below, there has been no trading in shares during the year under review by the Directors, Executives, their spouses and minor children:

Name	Nature of Transaction	Number of Shares Purchased
Mr. Aamir Fayyaz Sheikh – Chief Executive	Open Market	871,500

Annual Board Performance Evaluation

The Board considers its performance assessment as a key contributor to good governance, as it provides feedback from the Directors on their perceptions of how the Board is currently performing its role and responsibilities. Envisaging the same, the Board devised an in-house questionnaires based on emerging and leading practices to assist performance of the board as a whole, of its committees and of its members. The company Secretary presents the summarized report for discussion and review of the Board annually.

Directors' Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and CEO, please refer notes to the Financial Statements.

Directors' Training Programme

The Board has arranged Directors' Training program for the following:

Sr. No.	Name of Directors
1	Mr. Ismail Aamir Fayyaz
2	Mr. Matiuddin Siddiqui - (NIT Nominee)
3	Ms. Imrat Aamir Fayyaz
4	Mr. Muhammad Anwarul Haq Siddiqui

Following directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' Training program:

Sr. No.	Name of Directors
1	Mr. Aamir Fayyaz Sheikh
2	Mr. Rashid Ahmed

Mrs. Hajra Arham will be pursuing for the Directors' Training program in the financial year 2023-24.

Audit Committee

The Board has formed an Audit committee comprising of following members:

1	Mrs. Hajra Arham	Chairperson
2	Mr. Rashid Ahmed	Member
3	Mr. Muhammad Anwarul Haq Siddiqui	Member

The Audit Committee operates according to the terms of reference determined by the Board of Directors of the company. It focuses on monitoring compliance with the best practices of the Code of Corporate Governance and relevant statutory requirements, changes in accounting policies and practices, compliance with applicable accounting standards and listing regulations.

It recommends to the Board of Directors the terms of appointment of external auditors and reviews their recommendations relating to audit. Other responsibilities include monitoring the internal audit function, safeguarding company's assets through appropriate internal control systems including financial and operational controls, accounting systems and reporting structures, preliminary review of business plans and quarterly, half-yearly and annual results prior to approval and publication by the Board.

During the year under review four (4) meetings of the Audit Committee were held. The attendance by each member was as follows:

Sr. No.	Name of the Members		Number of Meetings Attended
1	Mrs. Hajra Arham	- Chairperson	4/4
2	Mr. Rashid Ahmed	- Member	4/4
3	Mr. Muhammad Anwarul Haq Siddiqui	- Member	4/4

Human Resource and Remuneration Committee

The Board has formed a Human Resource and Remuneration Committees comprising of following members:

1	Mr. Muhammad Anwarul Haq Siddiqui	Chairman
2	Mr. Rashid Ahmed	Member
3	Mrs. Hajra Arham	Member

The Human Resource and Remuneration Committee (HR & R) operates according to the terms of reference approved by the Board of Directors in line with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the year under review four (4) meetings of the HR & R Committee were held, the attendance by its members was as follows:

Sr. No.	Name of the Members		Number of Meetings Attended
1	Mr. Muhammad Anwarul Haq Siddiqui	- Chairman	4/4
2	Mr. Rashid Ahmed	- Member	4/4
3	Mrs. Hajra Arham	- Member	4/4

Remuneration to Non-Executive / Independent Directors:

The Board of Directors ratified the policy relating to Directors' Remuneration. The significant features of which are as under:

- No single member of the Board of Directors can determine his/her own remuneration.
- Remuneration of Non-Executive Directors including Independent Directors is determined with regard to the company's need to maintain appropriately experienced and qualified Board members and shall be aligned with market practice. The Human Resource & Remuneration Committee makes recommendations to the Board based on a survey of comparable remuneration levels in the external market on or before the end of each financial year.
- The Directors shall be entitled to be paid all reasonable expenses, including travelling, hotel charges and other expenses incurred by them for attending meetings and for other business conducted as per relevant policy of the company.
- Tax obligation against the remuneration shall be borne by the company.

Code of Conduct

In order to promote integrity for the Board, senior management and other employees of the company, the Board has prepared and disseminated its Code of Conduct on the company's website for information and understanding of the professional standards and corporate values expected for everybody associated or dealing with the company.

Pattern of Shareholding

The Statement of Pattern of Shareholding along with categories of shareholders of the company as at June 30, 2023, as required under the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019, is annexed with this report.

Future Outlook

The textile industry in Pakistan is facing a multitude of challenges that are making it increasingly difficult to compete both regionally and globally. These hurdles include reduced global demand, surging inflation, the high cost of operations, declining cotton yields, expensive imports, inadequate raw materials, ongoing currency fluctuations, and elevated government taxation. As a result, many small and medium-sized textile businesses are being forced to shut down. In contrast, larger and vertically integrated production facilities are demonstrating resilience in this challenging environment. Despite these difficulties, industry management remains optimistic about achieving profitability by prioritizing cost-saving measures and actively advocating for supportive government policies.

To achieve sustainable growth and manage the trade deficit effectively, the government must prioritize export-oriented sectors. This involves providing regionally competitive energy tariffs for electricity and ensuring a consistent supply of Re-Gasified Liquefied Natural Gas (RLNG). These strategic measures not only enhance the competitiveness of Pakistani products in international markets but also stimulate investment, economic growth, and job creation, ultimately benefiting the country's economy as a whole. Additionally, while the depreciation of the PKR benefits exporters to some extent, it's important to note that increasing imported raw cotton / yarn, dyes and chemicals costs and finance cost on additional working capital due to devaluation of currency continue to offset most of these gains.

By combining these efforts to support export-oriented sectors with measures that address the challenges posed by rising raw material costs, Pakistan can work towards achieving a more balanced trade situation and fostering sustainable economic growth.

The State Bank of Pakistan (SBP) linked the interest rates of the Export Finance Scheme (EFS) and Long Term Financing Facility (LTFF) to the SBP Policy Rate, maintaining a 3% differential below the policy rate. Concurrently, the policy rate itself increased from 13.75% to 22%. This resulted in an overall interest rate rise from 10% at the start of FY-23 to 19% by the fiscal year's end. This upward trajectory in financing rates is having a dampening effect on the profitability of the textile sector's bottom line.

The company has already commenced work on a garment unit which is expected to start production in the last quarter of the current financial year with an estimated capacity of 5,000 garments/day, which will enable the company to reap benefits of vertical integration. The apparel division will complement our dyeing division by offering finished product to the same customer base.

Concerning the company's operations, a concerted effort is being made to maintain cost efficiency through strategies such as optimizing capacity utilization, rationalizing expenses, and implementing an effective bio-mass procurement strategy. The company is committed to expanding its footprint with the goal of generating greater wealth for the benefit of its shareholders. The management team is also fully focused on minimizing the effects of the global slowdown in demand amid recessive pressures. The planned order position for FY-24 appears encouraging and management is hopeful of utilizing the higher capacity levels attained after modernization.

Auditors

The external auditors of the company, M/s Riaz Ahmad & Company, Chartered Accountants shall retire on the conclusion of forthcoming Annual General Meeting. Being eligible for re-appointment under the Companies Act, 2017, they have offered their services as auditors of the company for the year ending June 30, 2024. The Board of Directors endorsed its recommendations of Audit Committee for their re-appointment.

The auditors have conveyed that they have been assigned satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan. The firm is fully compliant with the code of ethics issued by International Federation of Accountants (IFAC). Further they are also not rendering any related services to the company. The auditors have also confirmed that neither the firm nor any of their partners, their spouses or minor children at any time during the year held or traded in the shares of the company and that no partner of the firm or person involved in the audit are close relative i.e, spouse, parents, dependents and non-dependents children of the CEO, the CFO, the head of internal audit, the company secretary or a director of the company.

Acknowledgement

The board places on record its profound gratitude for its esteemed shareholders, banks, financial institutions and customers, whose cooperation, continued support and patronage have empowered the company to make progress towards consistent improvement. During the period under review, relations between the management and employees remained cordial and we wish to put on record our appreciation for the dedication, perseverance and steadiness of the employees of the company.

For and on behalf of the Board

Kasur: September 20, 2023	Aamir Fayyaz Sheikh Chief Executive	Ismail Aamir Fayyaz Director

PATTERN OF SHAREHOLDING

THE COMPANIES ACT, 2017 [Section 227(2)(f)]
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018 [Form 34]

PATTERN OF SHAREHOLDING

PART-I

1.1 Name of Company — **KOHINOOR MILLS LIMITED**

PART-II

2.1 Pattern of holding of shares held by the shareholders as at — **30 June 2023**

2.2

Number of Shareholders	Shares held Range From		To	Total Shares held	Percentage
364	1	-	100	7,018	0.01
664	101	-	500	138,650	0.27
84	501	-	1000	64,028	0.13
173	1001	-	5000	431,601	0.85
27	5001	-	10000	210,460	0.41
11	10001	-	15000	145,848	0.29
7	15001	-	20000	123,914	0.24
3	20001	-	25000	67,500	0.13
1	25001	-	30000	30,000	0.06
1	40001	-	45000	40,500	0.08
3	45001	-	50000	141,003	0.28
2	55001	-	60000	115,000	0.23
2	65001	-	70000	132,973	0.26
1	75001	-	80000	76,500	0.15
2	80001	-	85000	161,867	0.32
1	85001	-	90000	89,000	0.17
1	110001	-	115000	112,500	0.22
1	135001	-	140000	136,500	0.27
1	160001	-	165000	164,000	0.32
1	175001	-	180000	177,000	0.35
1	220001	-	225000	222,467	0.44
1	905001	-	910000	909,500	1.79
1	1020001	-	1025000	1,023,661	2.01
1	1430001	-	1435000	1,434,855	2.82
1	2990001	-	2995000	2,993,059	5.88
3	5090001	-	5095000	15,273,300	30.00
1	8965001	-	8970000	8,965,548	17.61
1	17520001	-	17525000	17,522,759	34.42
1,360	TOTAL			50,911,011	100.00

Note: The slabs not applicable, have not been shown.

2.3	Categories of Shareholders	Shares held	Percentage
2.3.1	**Directors, Chief Executive Officer, their Spouse(s) and Minor Children**		
	Mr. Rashid Ahmed - Chairman	3,850	0.0076
	Mr. Aamir Fayyaz Sheikh - Chief Executive	17,522,759	34.4184
	Mr. Ismail Aamir Fayyaz	5,091,100	10.0000
	Miss. Imrat Aamir Fayyaz	5,091,100	10.0000
	Mrs. Hajra Arham	2,500	0.0049
	Mr. Muhammad Anwarul Haq Siddiqui	2,500	0.0049
	Mr. Matiuddin Siddiqui (Nominee Director of NIT)		
	Mr. Ehsan Aamir Fayyaz	5,091,100	10.0000
		32,804,909	64.4358
2.3.2	**Associated Companies, Undertakings and Related Parties**	-	-
2.3.3	**NIT and ICP**		
	National Bank of Pakistan	600	0.0012
	CDC - Trustee National Investment (Unit) Trust	2,993,059	5.8790
	Investment Corporation of Pakistan	1,500	0.0029
		2,995,159	5.8831
2.3.4	**Banks, Development Financial institutions, Non-Banking Financial Companies**	20,104	0.0395
2.3.5	**Insurance Companies**	125	0.0002
2.3.6	**Modarabas and Mutual Funds**	81,379	0.1598
2.3.7	**Share holders holding 10% or more (Other than 2.3.1)**	10,489,403	20.6034
2.3.8	**General Public**		
	a. Local	2,963,824	5.8216
	b. Foreign	83,627	0.1643
	c. Joint Stock Companies	284,332	0.5585
2.3.9	**Others**		
	Trustee Kohinoor Mills Ltd. Staff Provident Fund	909,500	1.7865
	Trustee National Bank of Pakistan Employee Benevolent Fund Trust	7,806	0.0153
	Lahore Stock Exchange	680	0.0013
	Trustees of Pakistan Mobile Communication Ltd-Provident Fund	46,000	0.0904
	Trustees Al-Mal Group Staff Provident Fund	1,694	0.0033
	Trustee National Bank of Pakistan Employees Pension Fund	222,467	0.4370
	Trustees Moosa Lawai Foundation	1	0.0000
	Trustees Al-Mal Group Staff Provident Fund	1	0.0000
		1,188,149	2.3338
	TOTAL	50,911,011	100.0000

Shareholders holding 5% or more voting rights:

1	Aamir Fayyaz Sheikh	17,522,759	34.4184
2	Ismail Aamir Fayyaz	5,091,100	10.0000
3	Ali Fayyaz Sheikh	10,489,403	20.6034
4	Ehsan Aamir Fayyaz	5,091,100	10.0000
5	Imrat Aamir Fayyaz	5,091,100	10.0000
6	CDC - Trustee National Investment (Unit) Trust	2,993,059	5.8790
		46,278,521	90.9008

Kohinoor is an equal opportunity employer that pledges and agrees not to discriminate against any employee or job applicant because of race, color, religion, national origin, sex, physical or mental disability, or age.

ENVIRONMENT AND CLIMATE ROADMAP 2021-25

Over 100,000 trees will be added within the facility and surrounding neighbourhood.

1.5 Megawatt solar system installation.

Waste heat recovery boilers on electric generators.

Recycling of effluent treatment plant, reusing water in dyeing and finishing process.

Generation of steam from agricultural biomass.

TERMS OF REFERENCE
AUDIT COMMITTEE

The Committee is responsible for:

1. Determination of appropriate measures to safeguard the company's assets;

2. Review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:

   (i) major judgmental areas;
   (ii) significant adjustments resulting from the audit;
   (iii) going concern assumption;
   (iv) any changes in accounting policies and practices;
   (v) compliance with applicable accounting standards;
   (vi) compliance with regulations and other statutory and regulatory requirements;and
   (vii) all related party transactions.

3. Review of preliminary announcements of results prior to external communication and publication;

4. Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

5. Review of management letter issued by external auditors and management's response thereto;

6. Ensuring coordination between the internal and external auditors of the company;

7. Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;

8. Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

9. Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

10. Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;

11. Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;

12. Determination of compliance with relevant statutory requirements;

13. Monitoring compliance with regulations and identification of significant violations thereof;

14. Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

15. Recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.

16. Consideration of any other issue or matter as may be assigned by the board of directors.

TERMS OF REFERENCE
HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Committee is responsible for:

1. Recommend to the board for consideration and approval a policy framework for determining remuneration of directors and senior management preferably taking into consideration that such remuneration commensurate with the performance of the company and evaluation of board and management (as applicable). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;

2. Undertaking annually a formal process of evaluation of performance of the board as a whole, its members and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;

3. Recommending human resource management policies to the board;

4. Recommending to the board the selection, evaluation, development, compensation (including retirement benefits) and succession planning of chief operating officer, chief financial officer, company secretary and head of internal audit;

5. Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and

6. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company

CODE OF CONDUCT
AND ETHICAL PRINCIPLES

Introduction to the Code

This code has been formulated to ensure that directors and employees of the Company operate within acceptable standards of conduct and sound business principles which strive for development and growth. The Company takes pride in adherence to its principles and continues to serve its customers, stakeholders and society.

Contents

This code identifies the acceptable standards under following headings:

- Core values
- Business culture
- Responsibilities

Core values

The credibility, goodwill and repute earned over the years can be maintained through continued conviction in our corporate values of honesty, justice, integrity, and respect. The Company strongly believes in democratic leadership style with fair, transparent, ethical and high professional standards of conduct in all areas of business activities.

Business culture	
Operations	The Company shall formulate and monitor its objectives, strategies and overall business plan of the organization. The Company shall be continuously involved in the research and development of new products while improving quality of existing products using highest level of quality control measures at every stage of its operations. Creativity and innovation must prevail at all levels of hierarchy to achieve organizational excellence.
Abidance of Law	It is Company's prime object to comply with all applicable laws and regulations and to co-operate with all governmental and regulatory bodies.
Corporate Reporting	The Company maintains effective, transparent and secure financial reporting and internal control systems so as to ensure reliable performance measurement and compliance with local regulations and international accounting standards as applicable. The Company strictly adheres to the principles of good corporate governance and is committed to high standards of corporate governance. The Company regularly updates and upgrades manufacturing and reporting systems so as to keep abreast with technological advancements and achieve economies of production.
Integrity and Confidentiality	The Company believes in uprightness and expects it to be a fundamental responsibility of employees to act in Company's best interest while holding confidential information and neither to solicit internal information from others nor to disclose Company's figures, data or any material information to any unauthorized person/body. Inside information about the Company, its customers, vendors, employees shall not be used for their own gain or for that of others directly or indirectly

Insider Trading	No employees or his/her spouse will transact in the shares of the Company during the closed period prior to the announcement of financial results.Employees categorized as executives according to the requirement of code of corporate governance should also inform the company secretary immediately about transactions performed by them and their spouse other than during the closed period.
Whistleblowing Policy	The Company is committed to high standards of ethical, moral and legal business conduct and open communication. In line with these commitments the company placed whistleblowing policy on its intranet namely KNET to provide an avenue for its employees to raise their concerns and get assurance that they will be protected from reprisals or victimizations for whistleblowing matters such as unlawful activity, activities not in line with the company's policy including code of conduct.
Harassment policy	The Company has also placed a Harassment Policy on its intranet for information of all employees. Rules and procedures of this policy provide protection to women against harassment at their workplace according to "Protection against Harassment of Women at Workplace Act, 2010".
Responsibilities	
Shareholders	The Company believes in maximizing shareholders value by providing consistent growth and fair return on their investment.
Customers	The Company considers it imperative to maintain cordial relationship with the customers as integral to its growth and development of business and is committed to provide high quality products and services that conform to highest international standards.
Employees	The Company is an equal opportunity employer at all levels with respect to issues such as colour, race, gender, age, any disability, ethnicity and religious beliefs and its promotional policies are free of any discrimination. The Company ensures that employees work towards achievement of corporate objectives, individually and collectively as a team and conduct themselves at work and in society as respectable employees and good citizens. The Company believes in continuous development and training of its employees. The Company has set high standards of performance and recognizes employee's contribution towards its growth and reward them based on their performance. The Company believes development, growth and recognition result in motivated employees. All employees of the Company are part of Kohinoor family and the families of all members are also part and parcel of Kohinoor family. The Company believes that the sense of belonging to Kohinoor fulfils an essential need of its employees and the organization and as such will always be nurtured
Environment and Social Responsibility	Protecting the environment in which we live is an important element. The Company uses all means to ensure a clean, safe, and healthy and pollution free environment not only for its workers and employees but also for the well being of all people who live in and around any of the production and manufacturing facilities. The Company will always employ such technology as may be beneficial in maintaining a healthy and hygienic working environment. It also believes in community development without political affiliations with any person or group of persons and contributes part of its resources for a better environment with an unprejudiced approach.

WHISTLEBLOWER POLICY

This policy is formulated to encourage employees to feel confident in raising concerns regarding any malpractice, embezzlement, forgery or any wrongful conduct adversely affecting the goodwill of the company. This policy also prohibits managerial officials from taking any adverse personal action against those employees who have identified the wrong doing.

Policy covering issues /complaints which are in large public interest not specified to the individuals. Issues / Complaints that count as whistleblowing are:

- A criminal offense i.e. Fraud or Financial indiscipline etc.
- Damaging assets of the Company.
- Health & Safety in danger due to operational risk.
- Risk or actual damage to the Environment
- Failure to comply with an obligation set out in local applicable laws
- A miscarriage of justice, incumbent is breaking rules/regulations/procedures etc.
- Someone covering up wrongdoing

The Chief Executive Officer is overall responsible for ensuring implementation of this policy. In the first instance he may delegates this responsibility to the Manager HR/Administration.

No person entitled to protection shall be subjected to retaliation, intimidation, harassment, or other adverse action for reporting information in accordance with this Policy. Any person entitled to protection who believes that he or she is the subject of any form of retaliation for such participation should immediately report the same as a violation in accordance with this Policy.

An employee of the Company who discloses in good faith any unethical & improper practices or alleged wrongful conduct to Manager HR / Administration or and in exceptional cases Chief Executive Officer in writing.

Reports should be factual rather than speculative and contain as much specific information as possible to help proper investigation.

Identity of the whistleblower will be kept confidential.

The Manager HR/Administration will collect full details/ evidences of the complaint to conduct appropriately and expeditiously preliminary. inquiry; the report shall be forwarded to the CEO if required.

CEO will review the preliminary inquiry report and may appoint Officer or Committee of Senior Officials to investigate the matter if deemed appropriate. Committee shall have right to outline detailed procedure for an investigation.

The Officer or Committee, as the case may be, shall have right to call for any information/document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation.

A report shall be prepared after completion of investigation and submitted to the CEO for remedies which may inter-alia include:

a) To takes disciplinary action, impose penalty / punishment as per law, order recovery when any alleged unethical & improper practice or wrongful conduct of any employee is proved.

b) Recommend termination or suspension of any contract or arrangement or transaction vitiated by such unethical & improper practice or wrongful conduct.

c) Order for compensation for lost wages, remuneration or any other benefits, etc.

The decision of the CEO shall be final and binding.

Where it is possible and deemed appropriate, corrective action may be communicated to the whistleblower.

Manager HR/Administration shall maintain a log of all reported concerns and complaints, preliminary/ investigation report along with corrective action and submit quarterly to the HR & R Committee for review if required by them.

If a whistleblower believes that company has treated him unfairly, he may decide to take up the issue / complaint at appropriate legal forum.

HARASSMENT
POLICY

The purpose of this procedure is to form a system of instructions and assign responsibilities of the Inquiry Committee in order to protect women against harassment at their workplace according to the "Protection against Harassment of Women at the Workplace Act, 2010".

a) "Harassment" means any unwelcome sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature or sexually demeaning attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment, or the attempt to punish the complainant for refusal to comply to such a request or is made a condition for employment.

b) "Competent Authority" means the Chief Executive Officer or Chief Operating Officer for the purposes of this Act.

The inquiry committee shall follow the regulations while conducting the complaints relating to Harassment and to undertake the following measures for implementation of this act. An inquiry committee shall be constituted -to enquire complaints under this policy. It shall have at least three members out of which at least one of them must be a female.

The committee will immediately address the complaints of sexual harassment as per law, as and when received, Adaptation of code of conduct prescribed by law, ensuring the justice is done swiftly and retaliation against the complaints is curbed.

Informing and educating the employees to make them more aware of the provisions of the act and to encourage a professional and dignified work environment for the women.

An Inquiry Committee consists of three members of whom at least one member shell be a woman. Inquiry Committee comprises of members of HR Head, Department Head of Complaint & Accused. Head of Internal Audit will be member of inquiry committee if complaint and accused are from same department.

The Inquiry Committee, within three days of a receipt of a written complaint, shall communicate to the accused the charges and allegations made against him, the formal written receipt of which is given, require the accused within seven days from the day the charge is communicated to him to submit a written defense and on his failure to do so without reasonable cause, the Committee shall proceed ex-parte, Enquire into the charge and may examine such oral or documentary evidence in support of the charge or in defense of the accused as the Committee may consider necessary and each party shall be entitled to cross-examine the witnesses against him, All proceedings must be treated as highly confidential.

CENSURE MINOR

Withholding, for a specific period, promotion or increment and recovery of the compensation payable to the complainant from pay or any other source of the accused;

CENSURE MAJOR

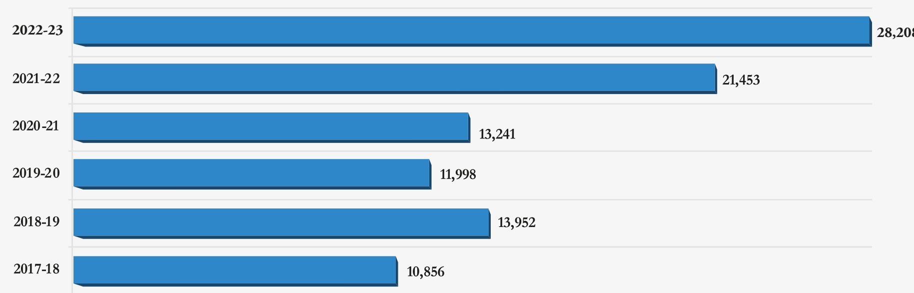
Reduction to a lower post or designation, compulsory retirement, removal from service, dismissal from service, payment of a fine. A part of the fine can be used as compensation for the complainant. In case of the owner, the fine shall be payable to the complainant.

SIX YEARS' PERFORMANCE

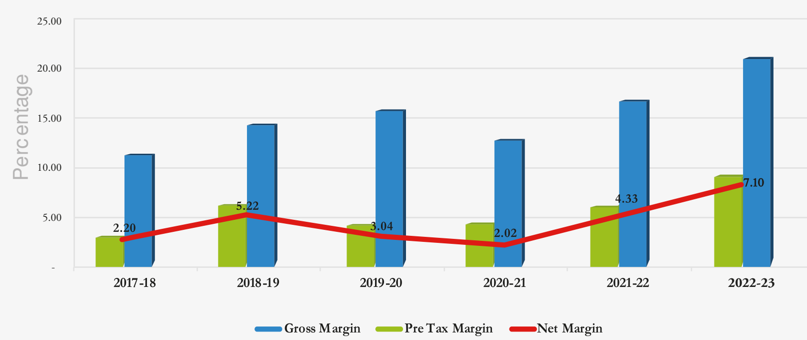
		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
OPERATING							
Gross Margin	%	20.80	16.07	12.99	15.56	14.43	12.00
Pre Tax Margin	%	8.69	5.70	3.53	4.05	6.19	2.42
Net Margin	%	7.10	4.33	2.02	3.04	5.22	2.20
PERFORMANCE							
Return on Long Term Assets	%	21.79	11.53	3.75	7.17	14.68	4.75
Total Assets Turnover	x	1.25	1.27	0.98	1.17	1.28	1.22
Fixed Assets Turnover	x	3.11	2.71	1.88	2.39	2.86	2.20
Inventory Turnover	Days	92	84	96	86	57	54
Return on Equity	%	25.37	15.46	5.25	9.22	19.43	7.69
Return on Capital Employed	%	37.69	22.58	12.58	17.46	27.23	13.71
Retention	%	92.37	89.03	100.00	100.00	79.04	74.44
LEVERAGE							
Debt:Equity		53:47	53:47	50:50	49:51	54:46	55:45
LIQUIDITY							
Current	Times	1.05	0.95	0.90	0.94	0.94	0.80
Quick	Times	0.55	0.43	0.41	0.48	0.58	0.48
VALUATION							
Earning per share (pre tax)	Rs.	48.12	24.01	9.17	9.54	16.96	5.16
Earning per share (after tax)	Rs.	39.31	18.24	5.26	7.17	14.31	4.70
Breakup value	Rs.	154.97	117.92	100.21	77.77	73.68	61.03
Dividend payout - Cash	Rs.	3.00	2.00	-	-	3.00	1.20
Payout ratio - Cash (after tax)	%	7.63	10.97	-	-	20.96	25.56
Price earning ratio	Times	1.09	1.47	5.70	5.30	1.53	6.30
Market price to breakup value	Times	0.28	0.23	0.30	0.49	0.31	0.48
Dividend yield	%	6.98	7.48	-	-	13.73	4.06
Market value per share	Rs.	42.95	26.75	30.00	38.00	21.85	29.58
Market capitalization	Rs. In million	2,187	1,362	1,527	1,935	1,112	1,506
HISTORICAL TRENDS							
Turnover	Rs. In million	28,208	21,453	13,241	11,998	13,952	10,856
Gross profit	Rs. In million	5,867	3,447	1,720	1,867	2,014	1,303
Profit before tax	Rs. In million	2,450	1,222	467	486	863	263
Profit after tax	Rs. In million	2,002	928	268	365	729	239
FINANCIAL POSITION							
Shareholder's funds	Rs. In million	7,889	6,004	5,102	3,959	3,751	3,107
Property Plant and Equipment	Rs. In million	9,066	7,913	7,027	5,028	4,884	4,930
Current assets	Rs. In million	13,463	8,824	6,440	5,195	5,904	3,833
Current liabilities	Rs. In million	12,833	9,328	7,149	5,505	6,288	4,784
Long term assets	Rs. In million	9,186	8,052	7,134	4,964	5,032	5,032
Long term liabilities	Rs. In million	1,926	1,545	1,323	828	829	974

PERFORMANCE
OVERVIEW

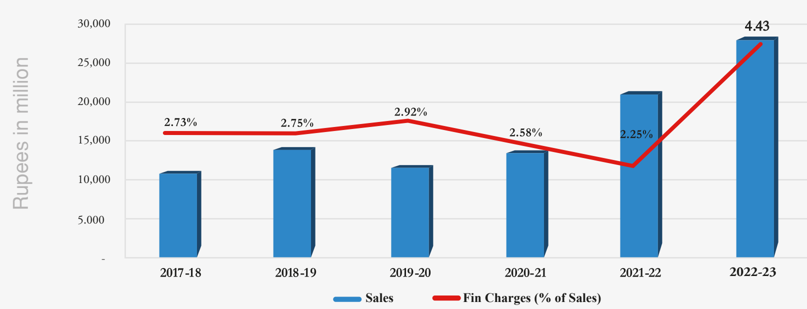
Sales Growth
(Rupees in million)



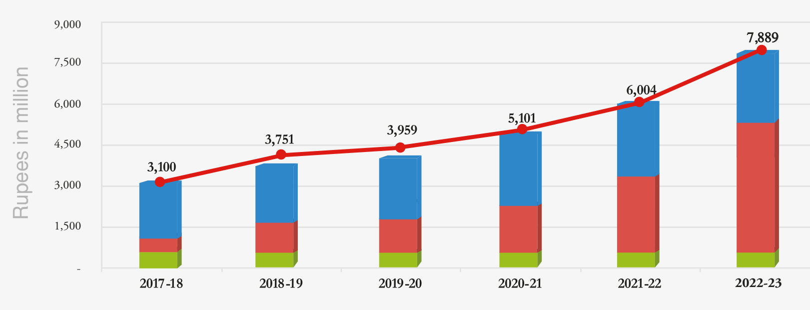
Profitability Ratios



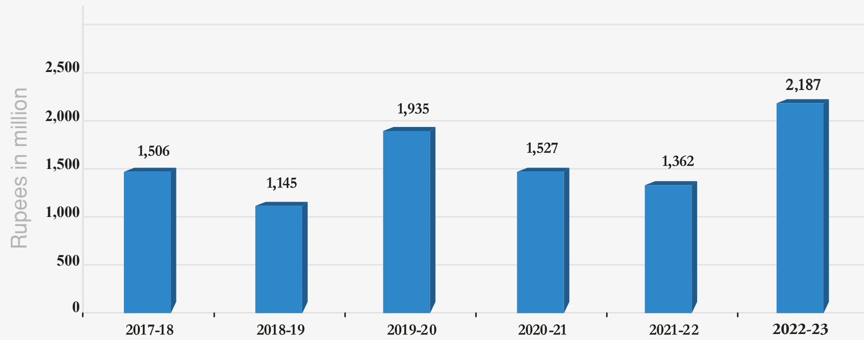
Financial Charges %



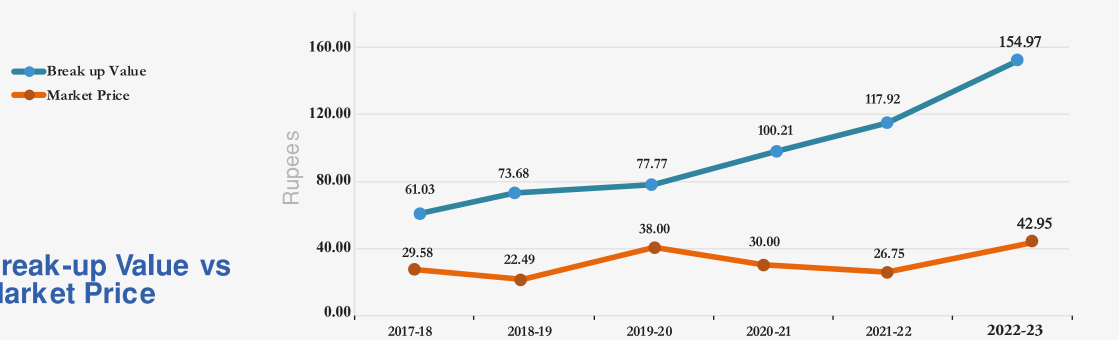
Shareholder's Equity



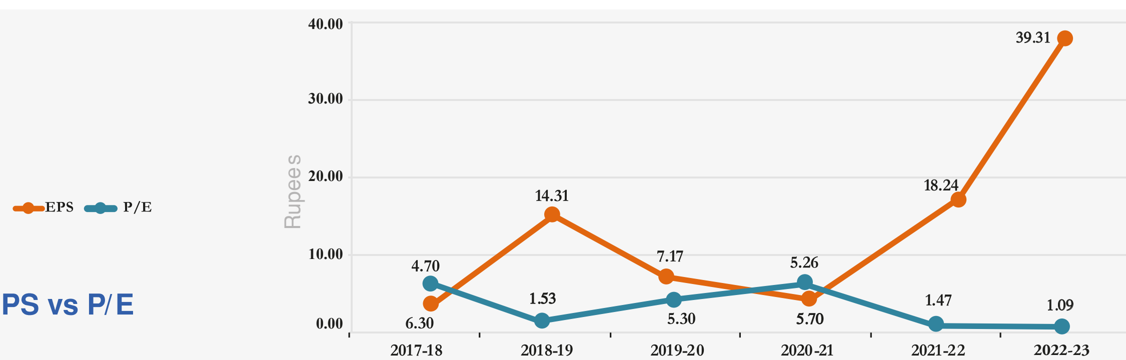
Market Capitalization



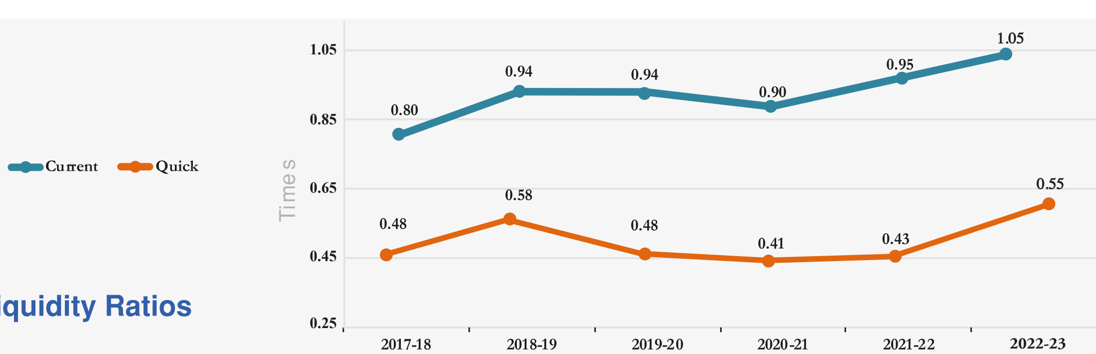
Break-up Value vs Market Price



EPS vs P/E



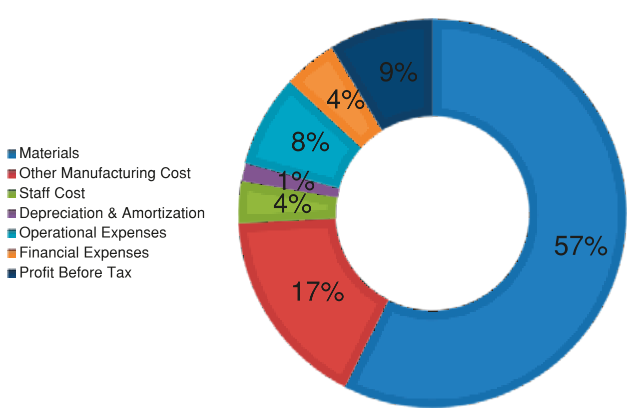
Liquidity Ratios



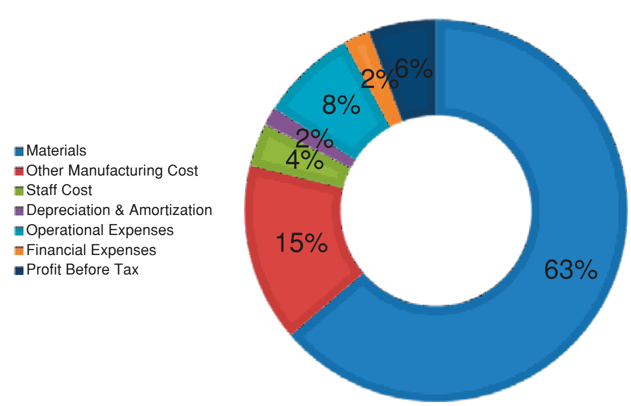
STATEMENT OF VALUE ADDITION

	2023		2022	
	%age	Amount (000)	%age	Amount (000)
Value Added				
Local Sales	34%	9,718,765	23%	4,891,004
Export Sales	66%	18,489,680	77%	16,561,845
Total Sales	100%	28,208,445	100%	21,452,848
Value Allocated				
Materials	57%	16,201,599	63%	13,629,678
Other Manufacturing Cost	17%	4,725,883	15%	3,257,297
Staff Cost	4%	992,160	4%	786,672
Depreciation & Amortization	1%	421,639	2%	332,527
Operational Expenses	8%	2,167,758	8%	1,742,293
Financial Expenses	4%	1,249,473	2%	482,136
Profit Before Tax	9%	2,449,933	6%	1,222,244
	100%	28,208,445	100%	21,452,848

Application of Revenue for 2022-23



Application of Revenue for 2021-22



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE REGULATIONS)

Name of Company: Kohinoor Mills Limited
Year ended: June 30, 2023

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

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

   Male: 5
   Female: 2

2. The composition of the board is as follows:

	Category	Names
a	Independent Directors	Mrs. Hajra Arham Mr. Muhammad Anwarul Haq Siddiqui
b	Non-Executive Directors	Mr. Rashid Ahmed - Chairman Mr. Matiuddin Siddiqui (NIT Nominee)
c	Executive Directors	Mr. Aamir Fayyaz Sheikh - Chief Executive Mr. Ismail Aamir Fayyaz Ms. Imrat Aamir Fayyaz

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

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

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

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

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

9. The Board has arranged Directors' Training program for the following:

   Name of Directors
   Mr. Ismail Aamir Fayyaz
   Mr. Matiuddin Siddiqui (NIT Nominee)
   Ms. Imrat Aamir Fayyaz
   Mr. Muhammad Anwarul Haq Siddiqui

Following directors meet the exemption criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies, hence are exempt from Directors' Training program:

Name of Directors
Mr. Aamir Fayyaz Sheikh
Mr. Rashid Ahmed

Following director will be pursuing for the Directors' Training program in the financial year 2023-24:

Name of Directors
Mrs. Hajra Arham

10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

a) Audit Committee

Names	Designation held
Mrs. Hajra Arham	Chairperson
Mr. Rashid Ahmed	Member
Mr. Muhammad Anwarul Haq Siddiqui	Member

b) HR and Remuneration Committee

Names	Designation held
Mr. Muhammad Anwarul Haq Siddiqui	Chairman
Mr. Rashid Ahmed	Member
Mrs. Hajra Arham	Member

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

14. The frequency of meetings (quarterly, half yearly, yearly) of the committees were as per following;

a) Audit Committee

Four meetings were held during the financial year ended June 30, 2023.

b) HR and Remuneration Committee

Four meetings of HR and Remuneration Committee were held during the financial year ended June 30, 2023.

15. The Board has setup of an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP and that they and the partners of the firm involve in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, 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 requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are given below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	**Directors' Training** A director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board. Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020 and at least one head of department every year from July 2022.	The Company will take adequate measures for Directors' Training Program for the remaining director, female executive and head of department (required under non-mandatory provision of Regulation 19(2) and Regulation 19(3).	19(2) and (3)
2	**Responsibilities of the Board and its Members** The Board is responsible for adoption of corporate governance practices by the company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)
3	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee.	29
4	**Risk Management Committee** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly.	30

5	**Disclosure of significant policies on website** The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	Although these are well circulated among the relevant employees and directors, the Board shall consider posting such policies and synopsis on its website in near future.	35

20. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted.

21. Executive directors, including the chief executive officer on the Board are three out of total seven directors. One third of the Board i.e. 2.33 has been rounded up as 3 directors as the manufacturing units of the Company need executive directors for effective management of operations.

Kasur:
September 20, 2023

Rashid Ahmed
Chairman

Aamir Fayyaz Sheikh
Chief Executive

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kohinoor 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 Mills Limited (the Company) for the year ended 30 June 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Riaz Ahmad &

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
September 28, 2023
UDIN: CR202310168kYctOsxfi

Financial Statements

for the year ended 30 June 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Kohinoor Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Kohinoor Mills Limited ('the Company'), which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including 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 comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the profit, other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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.

Following are the key audit matters:

<table>
<tr><th>Sr. No.</th><th>Key audit matters</th><th>How the matters were addressed in our audit</th></tr>
<tr><td>1.</td><td>Inventory existence and valuation

Inventory as at 30 June 2023 amounted to Rupees 6,450.347 million, break up of which is as follows:

- Stores, spares and loose tools Rupees 904.932 million

- Stock-in-trade Rupees 5,545.415 million

Inventory is measured at lower of cost and net realizable value.

We identified existence and valuation of inventory as a key audit matter due to its size, representing 28.48% of total assets of the Company as at 30 June 2023, and the judgment involved in valuation.

For further information on inventory, refer to the following:

- Summary of significant accounting policies, Inventories note 2.18 to the financial statements.

- Stores, spares and loose tools note 20 and Stock-in-trade note 21 to the financial statements.</td><td>Our procedures over existence and valuation of inventory included, but were not limited to:

• To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management.

• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.

• We tested that the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice.

• On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any.

• We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory.

• In the context of our testing of the calculation, we analysed individual cost components and traced them back to the corresponding underlying documents. We furthermore challenged changes in unit costs.

• We also made enquires of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</td></tr>
</table>

Sr. No.	Key audit matters	How the matters were addressed in our audit
2.	**Revenue recognition** The Company recognized net revenue of Rupees 28,208.445 million for the year ended 30 June 2023. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following: - Summary of significant accounting policies, Revenue recognition note 2.22 to the financial statements. - Revenue note 30 to the financial statements.	Our procedures included, but were not limited to: • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the year- end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.
3.	**Capital expenditures** The Company is investing significant amounts in its operations and there are a number of areas where management judgement impacts the carrying value of property, plant and equipment and its respective depreciation profile. These include among other the decision to capitalize or expense costs; and review of useful life of the assets including the impact of changes in the Company's strategy. We focused on this area since the amounts have a significant impact on the financial position of the Company and there is significant management judgment required that has significant impact on the reporting of the financial position for the Company. Therefore, considered as one of the key audit matters. For further information, refer to the following: - Summary of significant accounting policies, fixed assets note 2.7 to the financial statements. - Fixed assets note 14 to the financial statements.	Our procedures included, but were not limited to: • We tested operating effectiveness of controls in place over the property, plant and equipment cycle including the controls over whether costs incurred on activities is capital or operating in nature. • We evaluated the appropriateness of capitalization policies and depreciation rates. • We performed tests of details on costs capitalized. • We verified the accuracy of management's calculation used for the impairment testing.

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 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.

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 comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Syed Mustafa Ali.

Riaz Ahmad &

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: September 28, 2023
UDIN: AR2023101684AimypY6J

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STATEMENT OF **FINANCIAL POSITION**

AS AT 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital	3	2,500,000,000	1,100,000,000
Issued, subscribed and paid-up share capital	4	509,110,110	509,110,110
Capital reserves			
Share premium reserve	5	213,406,310	213,406,310
Fair value reserve	5	13,980,230	15,225,957
Surplus on revaluation of operating fixed assets - net of tax	5	2,493,164,645	2,564,006,429
Revenue reserves			
General reserve	5	788,199,282	788,199,282
Accumulated profit	5	3,871,599,693	1,913,672,412
Total equity		7,889,460,270	6,003,620,500
LIABILITIES			
Non-current liabilities			
Long term financing - secured	6	1,397,727,507	1,212,265,071
Deferred liabilities	7	359,694,174	332,346,215
Deferred income - Government grant	8	168,636,391	-
		1,926,058,072	1,544,611,286
Current liabilities			
Trade and other payables	9	4,751,498,857	3,643,219,712
Accrued mark-up	10	278,033,136	71,578,017
Short term borrowings - secured	11	7,280,650,382	5,082,318,845
Current portion of non-current liabilities	12	500,906,713	523,293,032
Provision for taxation - net	25	14,809,226	-
Unclaimed dividend		7,440,570	7,119,615
		12,833,338,884	9,327,529,221
Total liabilities		14,759,396,956	10,872,140,507
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		22,648,857,226	16,875,761,007

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

AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

	Note	2023 Rupees	2022 Rupees
ASSETS			
Non-current assets			
Fixed assets	14	9,066,735,430	7,912,753,661
Intangible asset	15	-	-
Investment property	16	1,981,607	1,981,607
Long term investments	17	23,622,579	23,429,479
Long term loans	18	13,101,665	22,252,126
Long term deposits	19	80,913,312	91,159,847
		9,186,354,593	8,051,576,720
Current assets			
Stores, spares and loose tools	20	904,931,947	768,117,752
Stock-in-trade	21	5,545,414,912	4,052,222,277
Trade debts	22	3,717,817,750	1,217,245,076
Loans and advances	23	191,893,091	320,700,705
Short term deposits and prepayments	24	25,481,638	57,457,728
Advance income tax - net	25	-	71,366,395
Sales tax recoverable	26	2,214,510,057	1,630,418,799
Other receivables	27	39,879,720	43,732,753
Short term investments	28	383,859,900	56,772,172
Cash and bank balances	29	438,713,618	606,150,630
		13,462,502,633	8,824,184,287
TOTAL ASSETS		22,648,857,226	16,875,761,007

ISMAIL AAMIR FAYYAZ
DIRECTOR

STATEMENT OF **PROFIT OR LOSS**

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
REVENUE	30	28,208,445,061	21,452,848,316
COST OF SALES	31	(22,341,281,371)	(18,006,175,246)
GROSS PROFIT		5,867,163,690	3,446,673,070
DISTRIBUTION COST	32	(1,369,765,475)	(1,100,151,805)
ADMINISTRATIVE EXPENSES	33	(702,705,347)	(474,068,267)
OTHER EXPENSES	34	(331,308,074)	(303,439,382)
		(2,403,778,896)	(1,877,659,454)
		3,463,384,794	1,569,013,616
OTHER INCOME	35	236,021,241	135,366,747
PROFIT FROM OPERATIONS		3,699,406,035	1,704,380,363
FINANCE COST	36	(1,249,472,624)	(482,135,678)
PROFIT BEFORE TAXATION		2,449,933,411	1,222,244,685
TAXATION	37	(448,421,933)	(293,871,831)
PROFIT AFTER TAXATION		2,001,511,478	928,372,854
EARNINGS PER SHARE - BASIC AND DILUTED	38	39.31	18.24

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

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	ISMAIL AAMIR FAYYAZ
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 30 JUNE 2023

	2023 Rupees	2022 Rupees
PROFIT AFTER TAXATION	2,001,511,478	928,372,854
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified to profit or loss:		
Surplus / (deficit) arising on remeasurement of investment at fair value through other comprehensive income	193,100	(18,968,866)
Deferred income tax relating to this item	(1,438,827)	1,569,131
	(1,245,727)	(17,399,735)
Surplus on revaluation of operating fixed assets	-	-
Deferred income tax relating to this item	(12,603,959)	(8,901,462)
	(12,603,959)	(8,901,462)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the year - net of tax	(13,849,686)	(26,301,197)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,987,661,792	902,071,657

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

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	ISMAIL AAMIR FAYYAZ
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

STATEMENT OF **CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	39	630,196,542	292,626,136
Income tax paid		(366,484,145)	(233,643,001)
Net decrease / (increase) in long term deposits		10,246,535	(28,631,190)
Gas infrastructure development cess paid		(4,225,597)	(32,828,138)
Finance cost paid		(972,898,903)	(432,147,042)
NET CASH USED IN OPERATING ACTIVITIES		(703,165,568)	(434,623,235)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(1,720,869,696)	(1,364,303,538)
Proceeds from disposal of operating fixed assets		138,646,229	132,537,221
Investments made		(2,494,843,138)	(1,152,097,226)
Investments disposed of		2,167,400,000	1,115,787,786
Dividend received		30,668,690	24,510,530
NET CASH USED IN INVESTING ACTIVITIES		(1,878,997,915)	(1,243,565,227)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		788,172,000	781,115,857
Repayment of long term financing		(470,275,999)	(557,740,083)
Short term borrowings - net		2,198,331,537	1,401,122,025
Dividend paid		(101,501,067)	-
NET CASH FROM FINANCING ACTIVITIES		2,414,726,471	1,624,497,799
NET DECREASE IN CASH AND CASH EQUIVALENTS		(167,437,012)	(53,690,663)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		606,150,630	659,841,293
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		438,713,618	606,150,630

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

AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

ISMAIL AAMIR FAYYAZ
DIRECTOR

STATEMENT OF **CHANGES IN EQUITY**

FOR THE YEAR ENDED 30 JUNE 2023

	SHARE CAPITAL	Reserves								TOTAL EQUITY
		Capital Reserves				Revenue Reserves				
		Share premium reserve	Fair value reserve FVTOCI investment - net of tax	Surplus on revaluation of operating fixed assets - net of tax	Sub Total	General reserve	Accumulated profit	Sub Total		
	RUPEES									
Balance as at 01 July 2021	509,110,110	213,406,310	32,625,692	2,628,073,544	2,874,105,546	788,199,282	930,133,905	1,718,333,187		5,101,548,843
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(55,165,653)	(55,165,653)	-	55,165,653	55,165,653		-
Profit for the year ended 30 June 2022	-	-	-	-	-	-	928,372,854	928,372,854		928,372,854
Other comprehensive loss for the year ended 30 June 2022	-	-	(17,399,735)	(8,901,462)	(26,301,197)	-	-	-		(26,301,197)
Total comprehensive income for the year ended 30 June 2022	-	-	(17,399,735)	(8,901,462)	(26,301,197)	-	928,372,854	928,372,854		902,071,657
Balance as at 30 June 2022	509,110,110	213,406,310	15,225,957	2,564,006,429	2,792,638,696	788,199,282	1,913,672,412	2,701,871,694		6,003,620,500
Transaction with owners - Final dividend for the year ended 30 June 2022 @ Rupees 2.00 per share	-	-	-	-	-	-	(101,822,022)	(101,822,022)		(101,822,022)
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(51,962,297)	(51,962,297)	-	51,962,297	51,962,297		-
Transferred from surplus on revaluation on disposal of operating fixed assets - net of tax	-	-	-	(6,275,528)	(6,275,528)	-	6,275,528	6,275,528		-
Profit for the year ended 30 June 2023	-	-	-	-	-	-	2,001,511,478	2,001,511,478		2,001,511,478
Other comprehensive loss for the year ended 30 June 2023	-	-	(1,245,727)	(12,603,959)	(13,849,686)	-	-	-		(13,849,686)
Total comprehensive income for the year ended 30 June 2023	-	-	(1,245,727)	(12,603,959)	(13,849,686)	-	2,001,511,478	2,001,511,478		1,987,661,792
Balance as at 30 June 2023	509,110,110	213,406,310	13,980,230	2,493,164,645	2,720,551,185	788,199,282	3,871,599,693	4,659,798,975		7,889,460,270

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

AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

ISMAIL AAMIR FAYYAZ
DIRECTOR

1. THE COMPANY AND ITS OPERATIONS

Kohinoor Mills Limited ("the Company") is a public limited company incorporated on 21 December 1987 in Pakistan under the Companies Ordinance, 1984 (Now Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Limited. Manufacturing units (dyeing, weaving, and power generation) and registered office of the Company are situated at 8-K.M., Manga Raiwind Road, District Kasur. Marketing office of the Company is situated at Office No. 815, 8th Floor, Uni Centre, Serai Quarters, I.I Chundrigar Road, Karachi. The Company is principally engaged in the business of textile manufacturing covering weaving, bleaching, dyeing, buying, selling and otherwise dealing in yarn, cloth and other goods and fabrics made from raw cotton and synthetic fiber and to generate, and supply electricity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The Accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Financial instruments – fair value

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on assumptions that are dependent on conditions existing at the reporting date.

Useful lives, patterns of economic benefits and impairment

Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Further, the Company reviews the value of assets for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

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 realisable value and an allowance is recorded against the inventory balances for any such declines.

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 recognised provision is recognised in the statement of profit or loss unless the provision was originally recognised as part of cost of an asset.

Allowance for expected credit losses

The allowance for Expected Credit Losses (ECLs) 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 and historical collection rates.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the statement of financial position date.

Revaluation of land and buildings

Fair values of freehold land and buildings are determined by independent valuer engaged by the Company. The key assumptions used to determine the fair values of freehold land and buildings are complex in nature. Further, determining adjustments for any differences in nature, location and condition of freehold land buildings involves significant judgment. The effect of any changes in fair values are considered as estimate and are accounted for on a prospective basis.

d) Amendments to published approved accounting standards that are effective in current year and are relevant to the Company

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 amends IAS 1 'Presentation of Financial Statements'.

- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'.

- 'Reference to the Conceptual Framework (Amendments to IFRS 3)' published by the International Accounting Standards Board (IASB) with amendments to IFRS 3 'Business Combinations'.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

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 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.

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 1 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.

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 1 January 2024.

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employee benefit

The Company operates a funded contributory provident fund scheme for its permanent employees. The Company and employees make equal monthly contributions of 8.33 percent of the basic salary, towards the fund. The Company's contribution is charged to the statement of profit or loss.

2.3 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events and it is probable that outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

2.4 Taxation

Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

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

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in statement of comprehensive income or directly in equity, respectively.

2.5 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.6 Foreign currency transactions and translation

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into Pak Rupees at exchange rates prevailing at the date when fair values are determined.

2.7 Fixed assets

Property, plant, equipment and depreciation

Property, plant and equipment except freehold land and buildings are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss, buildings are stated at revalued amount less accumulated depreciation and any identified 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 benefits 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 the statement of profit or loss during the period in which they are incurred.

Increases in the carrying amounts arising on revaluation of operating fixed assets are recognised, net of tax, in other comprehensive income and accumulated in surplus on revaluation of operating fixed assets in shareholders' equity. To the extent that increase reverses a decrease previously recognised in the statement of profit or loss, the increase is first recognised in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from surplus on revaluation of operating fixed assets to retained earnings.

Depreciation

Depreciation on all operating fixed assets is charged to the statement of profit or loss on a reducing balance method so as to write off cost / depreciable amount of an asset over its estimated useful life at the rates as disclosed in note 14. Depreciation on additions is charged from the month in which the asset is put to use and on disposal up to the month of disposal. The residual values and useful lives are reviewed by the management, at each financial year end and adjusted if impact on depreciation is significant.

De-recognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is de-recognized.

Capital work-in-progress

Capital work-in-progress is stated at cost less identified impairment losses, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.8 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

2.9 Investment properties

Land and buildings held for capital appreciation or to earn rental income are classified as investment properties. Investment properties except land, are stated at cost less accumulated depreciation and any recognized impairment loss. Land is stated at cost less any recognized impairment loss. Depreciation on buildings is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost of buildings over their estimated useful lives at a rate of 5% per annum.

2.10 Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses (if any). Cost comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

2.11 Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.12 Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest method. Foreign exchange gains and losses are presented in other income / (other expenses) and impairment losses are presented as separate line item in the statement of profit or loss.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income / (other expenses) in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3).

Fair value through other comprehensive income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Fair value through profit or loss (FVTPL)

Changes in the fair value of equity investments at fair value through profit or loss are recognised in other income / (other expenses) in the statement of profit or loss as applicable.

Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

2.13 Financial liabilities - classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

2.14 Impairment of financial assets

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

2.15 De-recognition of financial asset and financial liabilities

a) Financial assets

The Company derecognizes 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.

b) Financial liabilities

The Company derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

2.16 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.17 Equity investments in associated companies

The investments in associates in which the Company does not have significant influence are classified as FVTOCI.

2.18 Inventories

Inventories, except for stock in transit, waste stock and rejected goods are stated at lower of cost and net realizable value. Cost is determined as follows:

Stores, spares and loose tools

Usable stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. In transit stores and spares are valued at cost comprising invoice value plus other charges paid thereon.

Stock in trade

Cost of raw material is based on weighted average cost.

Cost of work in process and finished goods comprises prime cost and appropriate production overheads determined on weighted average cost. Cost of goods purchased for resale are valued at their respective purchase price by using first-in-first-out method.

Materials in transit are valued at cost comprising invoice value plus other charges paid thereon. Waste stock and rejected goods are valued at net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make a sale.

2.19 Non-current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through continuing use.

2.20 Borrowings

Financing and borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.21 Borrowing cost

Interest, mark-up and other charges on long-term finances are capitalized up to the date of commissioning of respective qualifying assets acquired out of the proceeds of such long-term finances. All other interest, mark-up and other charges are recognized in statement of profit or loss.

2.22 Revenue recognition

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Processing services

The Company provides processing services to local customers. These services are sold separately and the Company's contract with the customer for services constitute a single performance obligation.

Revenue from services is recognized at the point in time, generally at the time of dispatch. There are no terms giving rise to variable consideration under the Company's contracts with its customers

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend

Dividend is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2.23 Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

2.24 Customer acquisition costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

2.25 Customer fulfilment costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the Company that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

2.26 Right of return assets

Right of return assets represents the right to recover inventory sold to customers and is based on an estimate of customers who may exercise their right to return the goods and claim a refund. Such rights are measured at the value at which the inventory was previously carried prior to sale, less expected recovery costs and any impairment.

2.27 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.28 Refund liabilities

Refund liabilities are recognised where the Company receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the Company does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

2.29 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.30 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

2.31 Trade debts and other receivables

Trade debts are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.32 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost and subsequently measured at amortized cost using the effective interest method.

2.33 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current accounts, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.34 Derivative financial instruments

Derivatives are initially recognized at fair value. Any directly attributable transaction costs are recognized in the statement of profit or loss as incurred. They are subsequently remeasured at fair value on regular basis and at each reporting date as a minimum, with all their gains and losses, realized and unrealized, recognized in the statement of profit or loss.

2.35 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company has three reportable business segments. Weaving (Producing different quality of greige fabric using yarn), Dyeing (Converting greige into dyed fabric) and Power Generation (Generating and distributing power).

2.36 Ijara contracts

Under the Ijarah contracts the Company obtains usufruct of an asset for an agreed period for an agreed consideration. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

2.37 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.38 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.39 Earnings per share

The Company presents Earnings Per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.40 Contingent assets

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

2.41 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

3. AUTHORIZED SHARE CAPITAL

2023 (Number of shares)	2022 (Number of shares)		2023 Rupees	2022 Rupees
220,000,000	80,000,000	Ordinary shares of Rupees 10 each	2,200,000,000	800,000,000
30,000,000	30,000,000	Preference shares of Rupees 10 each	300,000,000	300,000,000
250,000,000	110,000,000		2,500,000,000	1,100,000,000

4. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2023 (Number of shares)	2022 (Number of shares)		2023 Rupees	2022 Rupees
28,546,003	28,546,003	Ordinary shares of Rupees 10 each fully paid in cash	285,460,030	285,460,030
18,780,031	18,780,031	Ordinary shares of Rupees 10 each issued as fully paid bonus shares	187,800,310	187,800,310
3,584,977	3,584,977	Ordinary shares of Rupees 10 each issued due to merger with Kohinoor Genertek Limited as per scheme of arrangement	35,849,770	35,849,770
50,911,011	50,911,011		509,110,110	509,110,110

5. RESERVES

Composition of reserves is as follows:

	2023 Rupees	2022 Rupees
Capital reserves		
Share premium reserve (Note 5.1)	213,406,310	213,406,310
Fair value reserve FVTOCI investment - net of deferred income tax (Note 5.2)	13,980,230	15,225,957
Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 5.3)	2,493,164,645	2,564,006,429
Balance as at 30 June	2,720,551,185	2,792,638,696
Revenue reserves		
General reserve	788,199,282	788,199,282
Accumulated profit	3,871,599,693	1,913,672,412
	4,659,798,975	2,701,871,694
Balance as at 30 June	7,380,350,160	5,494,510,390

5.1 This reserve can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

5.2 This represents the unrealized gain on re-measurement of investment at fair value through other comprehensive income and is not available for distribution. Reconciliation of fair value reserve - net of deferred income tax is as under:

	2023 Rupees	2022 Rupees
Balance as at 01 July	22,725,308	41,694,174
Fair value adjustment during the year	193,100	(18,968,866)
Balance as at 30 June	22,918,408	22,725,308
Less: Related deferred income tax liability (Note 7.2)	8,938,178	7,499,351
Balance as at 30 June - net of deferred income tax	13,980,230	15,225,957

5.3 Surplus on revaluation of operating fixed assets - net of deferred income tax

	2023 Rupees	2022 Rupees
Balance as at 01 July	2,637,443,508	2,696,005,772
Less: Incremental depreciation	55,634,151	58,562,264
Less: Transferred to accumulated profit on disposal of operating fixed assets	6,718,981	-
Balance as at 30 June	2,575,090,376	2,637,443,508
Less: Related deferred income tax liability (Note 7.2)	81,925,731	73,437,079
Balance as at 30 June - net of deferred income tax	2,493,164,645	2,564,006,429

6. LONG TERM FINANCING - SECURED

	2023 Rupees	2022 Rupees
Financing from banking companies (Note 6.1)	1,785,962,840	1,658,623,951
Less: Current portion shown under current liabilities (Note 12)	388,235,333	446,358,880
	1,397,727,507	1,212,265,071

6.1

Lender	2023	2022	Terms	Security
	Rupees			
National Bank of Pakistan (Note 6.2)	114,250,960	179,197,005	This loan is repayable in 36 stepped up quarterly instalments commenced from 30 June 2015 and ending on 31 March 2025. This loan carries mark-up at the rate of 7.70% per annum based on the average cost of funds of the bank which will be reviewed annually. Mark-up will be accrued over ten years during which the principal will be repaid. After repayment of principal, accrued mark-up will be repaid in twelve equal quarterly instalments commencing on 30 June 2025 and ending on 31 March 2028. (Note 6.3)	First pari passu charge of Rupees 1,438.550 million by way of hypothecation and mortgage charge over present and future fixed assets of the Company, pari passu charge of Rupees 944 million, ranking charge of Rupees 100 million, over current assets of the Company as margin and personal guarantees of sponsor directors.
The Bank of Punjab	-	4,780,000	This loan was repayable in 20 quarterly instalments of Rupees 1.195 million each commenced from 28 July 2017 and ended on 28 April 2023. Mark-up was payable quarterly at SBP rate + 2.5% per annum. This loan has been fully repaid during the year. (Note 6.3 and Note 6.4)	First joint pari passu charge of Rupees 1,604.754 million over present and future fixed assets of the Company.
	-	1,040,000	This loan was repayable in 20 quarterly instalments of Rupees 0.260 million each commenced from 25 August 2017 and ended on 25 May 2023. Mark-up was payable quarterly at SBP rate + 2.5% per annum. This loan has been fully repaid during the year. (Note 6.3 and Note 6.4)	
	10,965,000	54,825,000	This loan is repayable in 20 quarterly instalments of Rupees 10.965 million each commenced from 23 November 2017 and ending on 23 August 2023. Mark-up is payable quarterly at SBP rate + 2.5% per annum. (Note 6.3 and Note 6.4)	
	16,840,000	50,520,000	This loan is repayable in 20 quarterly instalments of Rupees 8.420 million each commenced from 19 March 2018 and ending on 19 December 2023. Mark-up is payable quarterly at SBP rate + 2.5% per annum. (Note 6.3 and Note 6.4)	
	4,200,000	9,800,000	This loan is repayable in 20 quarterly instalments of Rupees 1.400 million each commenced from 19 April 2018 and ending on 19 January 2024. Mark-up is payable quarterly at SBP rate + 2.5% per annum. (Note 6.3 and Note 6.4)	
	16,560,000	27,600,000	This loan is repayable in 20 quarterly instalments of Rupees 2.760 million each commenced from 01 February 2019 and ending on 01 November 2024. Mark-up is payable quarterly at SBP rate + 2.5% per annum. (Note 6.3 and Note 6.4)	
	220,000,000	300,000,000	This loan is repayable in 20 quarterly instalments of Rupees 20.000 million each commenced from 20 April 2021 and ending on 20 January 2026. Mark-up is payable quarterly at SBP rate + 2.5% per annum. (Note 6.4)	
	126,000,000	-	This loan is repayable in 20 quarterly instalments of Rupees 7.000 million each commenced from 18 April 2023 and ending on 18 January 2028. Mark-up is payable quarterly at 3 months KIBOR + 2.25% per annum.	
	394,565,000	448,565,000		

Lender	2023	2022	Terms	Security
	Rupees			
The Bank of Punjab (Note 6.2)	-	22,391,465	This loan was obtained by the Company under SBP Refinance Scheme for payment of wages and salaries to workers. This loan was repayable in 8 equal quarterly instalments of Rupees 11.194 million each commenced from 10 January 2021 and ended on 10 October 2022. Mark-up was payable quarterly in arrears at SBP refinance rate + 3% per annum. This loan has been fully repaid during the year. (Note 8.1)	First joint pari passu of Rupees 1,266.373 million over present and future current assets of the Company.
Samba Bank Limited (Note 6.4)	2,618,000	7,870,000	This loan is repayable in 16 quarterly instalments of Rupees 1.313 million each commenced from 29 January 2020 and ending on 29 October 2023. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	First joint pari passu charge of Rupees 641.415 million over fixed assets of the Company with 25% margin.
	1,553,750	4,661,250	This loan is repayable in 16 quarterly instalments of Rupees 0.777 million each commenced from 06 March 2020 and ending on 06 December 2023. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	11,768,750	18,493,750	This loan is repayable in 16 quarterly instalments of Rupees 1.681 million each commenced from 25 May 2021 and ending on 25 February 2025. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	9,050,000	13,575,000	This loan is repayable in 16 quarterly instalments of Rupees 1.131 million each commenced from 04 September 2021 and ending on 04 June 2025. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	67,443,750	97,418,750	This loan is repayable in 16 quarterly instalments of Rupees 7.494 million each commenced from 01 December 2021 and ending on 01 September 2025. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	45,000,000	60,000,000	This loan is repayable in 16 quarterly instalments of Rupees 3.750 million each commenced from 25 September 2022 and ending on 25 June 2026. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	39,000,000	48,000,000	This loan is repayable in 16 quarterly instalments of Rupees 3.000 million each commenced from 22 December 2022 and ending on 22 September 2026. Mark-up is payable quarterly at SBP rate + 2.5% per annum.	
	176,434,250	250,018,750		
Samba Bank Limited (Note 6.2)	-	37,433,694	This loan was obtained by the Company under SBP Refinance Scheme for payment of wages and salaries to workers. This loan was repayable in 8 equal quarterly instalments of Rupees 18.750 million commenced from 01 January 2021 and ended on 01 October 2022. Mark-up was payable quarterly in arrears at SBP refinance rate + 2% per annum. This loan has been fully repaid during the year. (Note 8.1)	First joint pari passu charge of Rupees 200.000 million on present and future current assets of the Company.

Lender	2023	2022	Terms	Security
	Rupees			
Askari Bank Limited	9,928,576	11,914,288	This loan is repayable in 28 quarterly instalments of Rupees 0.496 million each commenced from 28 August 2021 and ending on 28 May 2028. Mark-up is payable quarterly in arrears at SBP rate + 2.5% per annum. (Note 6.4)	First joint pari passu charge of Rupees 633.333 million over all present and future fixed assets of the Company with 25% margin.
	74,700,000	85,371,428	This loan is repayable in 28 quarterly instalments of Rupees 3.557 million each commenced from 29 September 2021 and ending on 29 June 2028. Mark-up is payable quarterly in arrears at SBP rate + 2.5% per annum. (Note 6.4)	
	2,829,750	3,368,750	This loan is repayable in 28 quarterly instalments of Rupees 0.135 million each commenced from 10 December 2021 and ending on 10 September 2028. Mark-up is payable quarterly in arrears at SBP rate + 2.5% per annum. (Note 6.4)	
	105,142,855	123,428,571	This loan is repayable in 28 quarterly instalments of Rupees 4.571 million each commenced from 26 April 2022 and ending on 26 January 2029. Mark-up is payable quarterly in arrears at 3 months KIBOR + 2% per annum.	
	192,601,181	224,083,037		
Bank Al-Falah Limited (Note 6.2 and Note 6.5)	7,379,825	10,640,000	This loan is repayable in 20 equal quarterly instalments of Rupees 0.665 million each commenced from 06 August 2021 and ending on 06 May 2026. Mark-up is payable quarterly in arrears at SBP refinance rate + 3% per annum	First joint pari passu charge of Rupees 676.447 million and ranking charge of Rupees 716.667 million over fixed assets of the Company.
	60,190,498	85,425,000	This loan is repayable in 20 equal quarterly instalments of Rupees 5.025 million each commenced from 19 October 2021 and ending on 19 July 2026. Mark-up is payable quarterly in arrears at SBP refinance rate + 3% per annum.	
	1,191,850	1,700,000	This loan is repayable in 20 equal quarterly instalments of Rupees 0.100 million each commenced from 23 November 2021 and ending on 23 August 2026. Mark-up is payable quarterly in arrears at SBP refinance rate + 3% per annum.	
	9,228,109	13,175,000	This loan is repayable in 20 equal quarterly instalments of Rupees 0.775 million each commenced from 30 November 2021 and ending on 30 August 2026. Mark-up is payable quarterly in arrears at SBP refinance rate + 3% per annum.	
	5,174,091	7,395,000	This loan is repayable in 20 equal quarterly instalments of Rupees 0.435 million each commenced from 07 December 2021 and ending on 07 September 2026. Mark-up is payable quarterly in arrears at SBP refinance rate + 3% per annum.	
	83,164,373	118,335,000		

Lender	2023	2022	Terms	Security
	----------Rupees ----------			
MCB Bank Limited (Note 6.2 and Note 6.5)	12,778,062	15,900,000	This loan is repayable in 32 quarterly instalments of Rupees 0.497 million each commencing from 23 December 2023 and ending on 23 September 2031. Mark-up is payable quarterly at SBP rate + 2.00% per annum.	First joint pari passu charge of Rupees 1,000 million over fixed assets of the Company with 25% margin and personal guarantee of a director of the Company.
	157,625,627	203,100,000	This loan is repayable in 32 quarterly instalments of Rupees 6.347 million each commencing from 10 September 2024 and ending on 10 June 2032. Mark-up is payable quarterly at SBP rate + 2.00% per annum.	
	145,610,526	-	This loan is repayable in 32 quarterly instalments of Rupees 6.619 million each commencing from 07 October 2024 and ending on 07 July 2032. Mark-up is payable quarterly at SBP rate + 2.00% per annum.	
	232,156,861	-	This loan is repayable in 32 quarterly instalments of Rupees 9.975 million each commencing from 24 December 2023 and ending on 23 September 2032. Mark-up is payable quarterly at SBP rate + 2.00% per annum.	
	548,171,076	219,000,000		
MCB Bank Limited	159,600,000	159,600,000	This loan is repayable in 32 quarterly instalments of Rupees 4.988 million each commencing from 07 June 2024 and ending on 07 March 2032. Mark-up is payable quarterly at SBP rate + 1.00% per annum. (Note 6.4)	First joint pari passu charge of Rupees 666.667 million, ranking charge of Rupees 200.000 million and third ranking charge of Rupees 333.333 million over fixed assets of the Company with 25% margin.
	117,176,000	-	This loan is repayable in 32 quarterly instalments of Rupees 3.656 million each commencing from 01 March 2025 and ending on 01 December 2031. Mark-up is payable quarterly at 3 months KIBOR + 1.50% per annum.	
	276,776,000	159,600,000		
	1,785,962,840	1,658,623,951		

6.2 These loans are recognized and measured in accordance with IFRS 9 ‘Financial Instruments’. Fair value adjustments are recognized at discount rates ranging from 7.50% to 12.00% (2022: 7.50% and 9.85%) per annum.

6.3 Repayment period includes deferment of repayment of principal loan amount by one year in accordance with State Bank of Pakistan (SBP) BPRD Circular Letter No. 13 of 2020 dated 26 March 2020.

6.4 These loans are obtained by the Company under SBP’s Long Term Financing Facility (LTFF).

6.5 These loans are obtained by the Company under SBP’s Temporary Economic Refinance Facility (TERF) scheme for purchase of new imported and locally manufactured plant and machinery.

	2023 Rupees	2022 Rupees
7. DEFERRED LIABILITIES		
Deferred accrued mark-up (Note 7.1)	268,943,767	251,400,761
Deferred income tax liability (Note 7.2)	90,750,407	80,945,454
Gas Infrastructure Development Cess (GIDC) payable (Note 7.3)	-	-
	359,694,174	332,346,215

7.1 This represents accrued mark-up on long term finance obtained from National Bank of Pakistan deferred in accordance with the terms disclosed in note 6.1 to these financial statements.

7.2 Deferred income tax liability

The liability for deferred taxation originated due to taxable / (deductable) temporary differences relating to:

	2023 Rupees	2022 Rupees
Surplus on revaluation of operating fixed assets (Note 5.3)	81,925,731	73,437,079
Unrealized gain on FVTOCI investment (Note 5.2)	8,938,178	7,499,351
Unrealized gain on FVTPL investment (Note 28.1)	(113,502)	9,024
	90,750,407	80,945,454

7.2.1 Movement in taxable / (deductable) temporary differences during the year is as follows:

	2023			
	Opening balance	Recognized in statement of profit or loss	Recognized in other comprehensive income	Closing balance
	Rupees			
Surplus on revaluation of operating fixed assets	73,437,079	(4,115,307)	12,603,959	81,925,731
Unrealized gain on FVTOCI investment	7,499,351	-	1,438,827	8,938,178
Unrealized gain / (loss) on FVTPL investments	9,024	(122,526)	-	(113,502)
	80,945,454	(4,237,833)	14,042,786	90,750,407

	2022			
	Opening balance	Recognized in statement of profit or loss	Recognized in other comprehensive income	Closing balance
	Rupees			
Surplus on revaluation of operating fixed assets	67,932,228	(3,396,611)	8,901,462	73,437,079
Unrealized gain on FVTOCI investment	9,068,482	-	(1,569,131)	7,499,351
Unrealized gain on FVTPL investments	-	9,024	-	9,024
	77,000,710	(3,387,587)	7,332,331	80,945,454

7.2.2 This represents net deferred income tax liability on surplus on revaluation of operating fixed assets, unrealized gain on remeasurement of investment at FVTOCI and unrealized gain / (loss) on remeasurement of investments at FVTPL. Provision for deferred income tax on other temporary differences was not considered necessary as the Company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001.

7.3 Gas Infrastructure Development Cess (GIDC) Payable

	2023 Rupees	2022 Rupees
Gas Infrastructure Development Cess payable at amortized cost	76,537,815	105,723,757
Add: Adjustment due to impact of IFRS 9 (Note 36)	-	3,642,196
Less: Payments made during the year	4,225,597	32,828,138
Balance as on 30 June	72,312,218	76,537,815
Less: Current portion shown under current liabilities (Note 12)	72,312,218	76,537,815
	-	-

7.3.1 This represents Gas Infrastructure Development Cess (GIDC) levied through GIDC Act, 2015. The Honorable Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. GIDC payable has been recorded at amortized cost in accordance with IFRS 9.

8. DEFERRED INCOME - GOVERNMENT GRANT

	2023 Rupees	2022 Rupees
Balance as at 01 July	396,337	5,405,384
Add: Recognized during the year	243,132,708	-
Less: Amortized during the year (Note 35)	34,533,492	5,009,047
	208,995,553	396,337
Less: Current portion shown under current liabilities (Note 12)	40,359,162	396,337
Balance as at 30 June	168,636,391	-

8.1 The State Bank of Pakistan (SBP), through its Circular No. 01 and 02 of 2020 dated 17 March 2020 and Circular No. 09 of 2020 dated 08 May 2020 introduced a Temporary Economic Refinance Facility (TERF) for setting of new industrial units and for undertaking Balancing, Modernization and Replacement and / or expansion of projects / businesses and through Circular No. 06 of 2020 dated 10 April 2020 introduced a Refinance Scheme for payment of wages and salaries to the workers and employees of business concerns. These refinances were available through Banks / DFIs. One of the key feature of these refinance facilities is that the borrowers obtained loans at mark-up rates that were below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance', the benefit of a Government loan at a below-market rate of interest is treated as a Government grant. The Company has obtained these loans as disclosed in note 6.1 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loans obtained under the refinance facilities were initially recognized at fair value which is the present value of loans proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating. There are no unfulfilled conditions or contingencies attached to this grant. Loans under Refinance Scheme for payment of wages and salaries to workers have been fully repaid during the year.

9. TRADE AND OTHER PAYABLES

	2023 Rupees	2022 Rupees
Creditors	3,906,553,906	2,870,054,056
Accrued and other liabilities (Note 9.1)	467,569,132	473,614,615
Contract liabilities-unsecured	82,760,081	68,847,038
Sales commission payable	91,335,815	55,640,791
Loans from related parties (Note 9.2)	11,601,970	10,351,970
Sales / income tax withheld	17,654,955	13,836,125
Security deposits - interest free (Note 9.3)	50,000	565,110
Workers' profit participation fund (Note 9.4)	79,589,642	105,925,292
Workers' welfare fund (Note 9.5)	94,383,356	44,384,715
	4,751,498,857	3,643,219,712

9.1 These include Rupees 55.527 million (2022: Rupees 58.192 million) payable to legal heirs of deceased director.

9.2 These represent interest free, unsecured and repayable on demand, loans obtained from following related parties:

	2023 Rupees	2022 Rupees
Close relatives of the chief executive officer	2,219,970	969,970
Director	9,382,000	9,382,000
	11,601,970	10,351,970

9.3 These deposits are interest free and repayable on completion of contracts. These deposits have been utilized for the purpose of business in accordance with the terms of written agreements with contractors.

9.4 Workers' profit participation fund

	2023 Rupees	2022 Rupees
Balance as at 01 July	105,925,292	263,750,037
Add: Allocation for the year (Note 34)	131,049,018	66,430,161
Add: Interest accrued for the year (Note 36)	20,667,976	39,495,131
Less: Paid during the year	178,052,644	263,750,037
Balance as at 30 June	79,589,642	105,925,292

9.4.1 The Company retains workers' profit participation fund for its business operations till the date of allocation to workers. Interest is accrued 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
9.5 Workers' welfare fund		
Balance as at 01 July	44,384,715	19,440,946
Add: Allocation for the year (Note 34)	49,998,641	24,943,769
Balance as at 30 June	94,383,356	44,384,715

10. ACCRUED MARK-UP

	2023 Rupees	2022 Rupees
Long term financing	35,897,326	17,478,163
Short term borrowings	242,135,810	54,099,854
	278,033,136	71,578,017

11. SHORT TERM BORROWINGS - SECURED

From banking companies

	2023 Rupees	2022 Rupees
SBP refinance (Note 11.1 and Note 11.2)	4,266,370,003	4,032,370,000
Other short term finances (Note 11.1 and Note 11.3)	2,683,879,998	785,630,000
Temporary bank overdraft	330,400,381	264,318,845
	7,280,650,382	5,082,318,845

11.1 These facilities are secured against hypothecation charge on current assets, lien on export contracts / letters of credit, first joint pari passu charge on fixed and current assets, personal guarantees of directors and ranking charge on current assets of the Company.

11.2 These carry mark-up ranging from 3.00% to 18.00% (2022: 3.00% to 7.50%) per annum on outstanding balance.

11.3 These carry mark-up ranging from 14.66% to 24.11% (2022: 8.49% to 16.39%) per annum on outstanding balance.

12. CURRENT PORTION OF NON CURRENT LIABILITIES

	2023 Rupees	2022 Rupees
Current portion of long term financing - secured (Note 6)	388,235,333	446,358,880
Current portion of GIDC payable (Note 7.3)	72,312,218	76,537,815
Current portion of deferred income - Government grant (Note 8)	40,359,162	396,337
	500,906,713	523,293,032

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 On 13 December 2022, Collector of customs (adjudication) passed an order whereby a demand of Rupees 27.499 million (along with default surcharge) has been raised against the Company on account certain benefits availed under the Customs Act, 1969 during the years 2008 to 2010 on import of raw materials and machinery. The Company challenged the order on certain grounds and filed an appeal before the Customs, Excise & Sales Tax Appellate Tribunal, Lahore against the order. The Customs, Excise & Sales Tax Appellate Tribunal, Lahore has granted stay against the recovery proceedings. However, the Company has paid Rupees 20.000 million under protest during the year. The Company is actively pursuing the case and is hopeful for favourable outcome.

13.1.2 During the year ended 30 June 2011, pursuant to the sale of assets agreement with M/s Interloop Limited, the Company is contingently liable for Rupees 31.958 million against payment of certain outstanding dues to Employees' Old-Age Benefits Institution (EOBI) and bifurcation of gas connections in favour of M/s Interloop Limited. To secure the performance of aforesaid conditions, the Company has pledged equity investment (note 17.2) and bank balance (note 29.3) with Allied Bank Limited. However, no provision has been recognized in these financial statements as the management is confident to fulfil the conditions in accordance with the sale of assets agreement.

13.1.3 During the year ended 30 June 2010, Lahore Electric Supply Company Limited (LESCO) served a notice to the Company in connection with violation of Power Purchase Agreement. According to the aforesaid notice, the Company was using gas along with Refined Furnace Oil (RFO) in the ratio of 50:50 as co-fuel in order to generate electric power for sale to LESCO whereas tariff was charged to LESCO on the basis of RFO. The matter has been referred for arbitration and is being resolved under the provisions of above said Power Purchase Agreement. The proceedings of arbitration are in process. An amount of Rupees 86.833 million receivable by the Company from LESCO is still unpaid. Full provision against this receivable has been made in books of account. However, the Company is confident that the said amount will be recovered.

13.1.4 Bank guarantees of Rupees 203.199 million (2022: Rupees 157.189 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

13.1.5 Bank guarantee of Rupees Nil (2022: Rupees 7.000 million) is given by the bank of the Company in favour of Director, Excise and Taxation to cover the disputed amount of infrastructure cess.

13.1.6 Bank guarantees of Rupees 20.288 million (2022: Rupees 8.164 million) are given by the bank of the Company in favour of Lahore Electric Supply Company Limited against electricity connections.

13.1.7 Post dated cheques amounting to Rupees 92.679 million (2022: Rupees 229.964 million) are issued to custom authorities.

13.2 Commitments

13.2.1 Aggregate commitments for capital expenditure and revenue expenditures are amounting to Rupees 39.836 million and Rupees 104.868 million (2022: Rupees 663.561 million and Rupees 193.514 million) respectively.

13.2.2 Post dated cheques amounting to Rupees 1,007.791 million (2022: 1,052.561 million) are issued to creditors of the Company.

14. FIXED ASSETS

	2023 Rupees	2022 Rupees
Property, plant and equipment		
Operating fixed assets (Note 14.1)	8,415,815,628	7,147,998,813
Capital work-in-progress (Note 14.2)	650,919,802	764,754,848
	9,066,735,430	7,912,753,661

14.1 Reconciliations of carrying amounts of operating fixed assets at the beginning and end of the year are as follows:

Description	Operating fixed assets								
	Freehold land	Residential building	Factory building	Plant and machinery	Electric Installations	Furniture, fixtures and equipment	Computers	Motor vehicles	Total
	(RUPEES)								
As at 30 June 2021									
Cost / revalued amount	1,917,811,000	321,819,601	1,682,281,137	6,016,632,041	185,924,507	119,214,227	56,855,225	152,267,862	10,452,805,600
Accumulated depreciation	-	(120,642,601)	(477,521,137)	(2,916,305,875)	(117,738,708)	(84,037,006)	(53,748,703)	(70,851,674)	(3,840,845,704)
Accumulated impairment loss	-	-	-	(54,082,319)	-	-	-	-	(54,082,319)
Net book value	1,917,811,000	201,177,000	1,204,760,000	3,046,243,847	68,185,799	35,177,221	3,106,522	81,416,188	6,557,877,577
Year ended 30 June 2022									
Opening net book value	1,917,811,000	201,177,000	1,204,760,000	3,046,243,847	68,185,799	35,177,221	3,106,522	81,416,188	6,557,877,577
Additions	244,550,909	7,790,506	12,355,783	749,692,468	25,013,290	5,256,302	-	23,811,002	1,068,470,260
Disposals:									
Cost	-	-	-	(381,023,985)	-	-	-	(8,499,256)	(389,523,241)
Accumulated depreciation	-	-	-	265,498,545	-	-	-	5,046,208	270,544,753
	-	-	-	(115,525,440)	-	-	-	(3,453,048)	(118,978,488)
Depreciation charge	-	(10,253,611)	(60,427,703)	(262,645,848)	(8,611,188)	(3,588,999)	(931,957)	(12,911,230)	(359,370,536)
Closing net book value	2,162,361,909	198,713,895	1,156,688,080	3,417,765,027	84,587,901	36,844,524	2,174,565	88,862,912	7,147,998,813
As at 30 June 2022									
Cost / revalued amount	2,162,361,909	329,610,107	1,694,636,920	6,385,300,524	210,937,797	124,470,529	56,855,225	167,579,608	11,131,752,619
Accumulated depreciation	-	(130,896,212)	(537,948,840)	(2,913,453,178)	(126,349,896)	(87,626,005)	(54,680,660)	(78,716,696)	(3,929,671,487)
Accumulated impairment loss	-	-	-	(54,082,319)	-	-	-	-	(54,082,319)
Net book value	2,162,361,909	198,713,895	1,156,688,080	3,417,765,027	84,587,901	36,844,524	2,174,565	88,862,912	7,147,998,813
Year ended 30 June 2023									
Opening net book value	2,162,361,909	198,713,895	1,156,688,080	3,417,765,027	84,587,901	36,844,524	2,174,565	88,862,912	7,147,998,813
Additions	29,332,905	-	241,692,482	1,349,004,872	72,333,439	11,969,683	12,214,492	118,156,869	1,834,704,742
Disposals:									
Cost / revalued amount	-	-	(31,643,221)	(254,060,288)	-	-	-	(27,465,905)	(313,169,414)
Accumulated depreciation	-	-	8,139,718	186,596,757	-	-	-	14,532,864	209,269,339
	-	-	(23,503,503)	(67,463,531)	-	-	-	(12,933,041)	(103,900,075)
Depreciation charge	-	(9,935,694)	(59,848,208)	(351,416,977)	(11,943,500)	(4,123,446)	(3,259,568)	(22,460,459)	(462,987,852)
Closing net book value	2,191,694,814	188,778,201	1,315,028,851	4,347,889,391	144,977,840	44,690,761	11,129,489	171,626,281	8,415,815,628
As at 30 June 2023									
Cost / revalued amount	2,191,694,814	329,610,107	1,904,686,181	7,480,245,108	283,271,236	136,440,212	69,069,717	258,270,572	12,653,287,947
Accumulated depreciation	-	(140,831,906)	(589,657,330)	(3,078,273,398)	(138,293,396)	(91,749,451)	(57,940,228)	(86,644,291)	(4,183,390,000)
Accumulated impairment loss	-	-	-	(54,082,319)	-	-	-	-	(54,082,319)
Net book value	2,191,694,814	188,778,201	1,315,028,851	4,347,889,391	144,977,840	44,690,761	11,129,489	171,626,281	8,415,815,628
Depreciation rate % per annum	-	5	5	10	10	10	30	20	

14.1.1 Freehold land and buildings of the Company were revalued as at 30 June 2021 by an independent valuer, Messrs Hamid Mukhtar and Company (Private) Limited. Had there been no revaluation, the value of the assets would have been lower by Rupees 2,575.090 million (2022: Rupees 2,637.444 million). Forced sale value of freehold land and buildings as on the date of valuation was Rupees 1,534.249 million and Rupees 1,124.749 million respectively.

14.1.2 The book value of freehold land and buildings on cost basis is Rupees 666.934 million and Rupees 453.477 million (2022: Rupees 637.601 million and Rupees 242.719 million) respectively.

14.1.3 Detail of operating fixed assets exceeding book value of Rupees 500,000 disposed of during the year is as follows:

Particulars	Quantity	Cost / revalued amount	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchaser
		(Rupees)						
Factory Building								
Building Roof	1	31,643,221	8,139,718	23,503,503	4,734,227	(18,769,276)	Negotiation	A.B Traders, Pattoki
Plant and Machinery	70	254,060,288	186,596,757	67,463,531	104,600,078	37,136,547	Negotiation	Denim & Denim Mills (Private) Limited, Karachi
Toyota Looms								
Motor vehicles								
Toyota Yaris ADY-21-791	1	2,608,890	638,308	1,970,582	1,970,582	-	Company policy	Mr. Amir Saeed, Company's ex-employee, Lahore
Toyota XLI LEA-16A-5983	1	1,701,310	1,045,387	655,923	2,500,000	1,844,077	Negotiation	Mr. Muhammad Irfan, Company's employee, Lahore
Honda City LEC-19-2100	1	3,519,285	1,468,828	2,050,457	3,635,000	1,584,543	Insurance claim	Admajee Insurance Company Limited, Lahore
Toyota Yaris AFT-21-710	1	2,513,590	363,074	2,150,516	2,493,000	342,484	Insurance claim	Admajee Insurance Company Limited, Lahore
Toyota GLI LE-16-5924	1	1,946,010	1,226,241	719,769	2,450,000	1,730,231	Negotiation	Mr. Mazhar Noor, Company's employee, Lahore
		12,289,085	4,741,838	7,547,247	13,048,582	5,501,335		
Aggregate of vehicles with individual book values not exceeding Rupees 500,000	14	15,176,820	9,791,026	5,385,794	16,263,342	10,877,548	Negotiation	-
		27,465,905	14,532,864	12,933,041	29,311,924	16,378,883		
		313,169,414	209,269,339	103,900,075	138,646,229	34,746,154		

	2023 Rupees	2022 Rupees
14.1.4 The depreciation charge for the year has been allocated as follows:		
Cost of sales (Note 31)	442,176,619	344,016,904
Distribution cost (Note 32)	4,152,565	2,295,297
Administrative expenses (Note 33)	16,658,668	13,058,335
	462,987,852	359,370,536

14.1.5 Particulars of immovable properties (i.e. land and buildings) are as follows:

Manufacturing units and office	Address	Area of land	Covered area of buildings
		Acres	Square feet
Manufacturing units:			
Weaving	8-K.M., Manga Raiwind Road, District Kasur.	57.803	407,801
Open land	Moza Rosa and Bhail, 8-K.M., Manga Raiwind Road, District Kasur.	65.575	-
Dyeing	8-K.M., Manga Raiwind Road, District Kasur.	8.670	503,918
Power generation	8-K.M., Manga Raiwind Road, District Kasur.	21.010	109,880
Office	8-K.M., Manga Raiwind Road, District Kasur.	0.410	19,591
		153.468	1,041,190

14.2 Movement in capital work in progress

	Advance against purchase of land	Buildings	Plant and machinery	Electric installations	Advance against purchase of vehicles	Stores held for capital expenditures	Total
	(RUPEES)						
At 30 June 2021	-	271,980,950	168,335,515	11,770,463	11,568,000	5,266,642	468,921,570
Add: Additions during the year	245,350,909	148,381,039	894,142,490	6,398,394	17,954,229	8,899,966	1,321,127,027
Less: Capitalized during the year	244,550,909	20,146,289	723,181,467	23,356,251	13,895,229	-	1,025,130,145
Less: Charged to statement of Profit or loss	-	-	-	-	-	163,604	163,604
Add / (less): Reclassification	-	-	(7,984,422)	7,984,422	-	-	-
At 30 June 2022	800,000	400,215,700	331,312,116	2,797,028	15,627,000	14,003,004	764,754,848
Add: Additions during the year	28,532,905	333,434,628	1,131,228,809	70,084,970	5,386,000	-	1,568,667,312
Less: Capitalized during the year	29,332,905	239,379,788	1,319,885,518	69,220,453	15,627,000	8,899,966	1,682,345,630
Less: Charged to statement of profit or loss	-	-	-	-	-	156,728	156,728
Add / (less): Reclassification	-	(23,596,742)	23,596,742	-	-	-	-
At 30 June 2023	-	470,673,798	166,252,149	3,661,545	5,386,000	4,946,310	650,919,802

15. INTANGIBLE ASSET

15.1 Intangible asset - computer software having cost of Rupees 9.297 million has been fully amortized at the rate of 20.00% per annum. However, it is still in use of the Company.

	2023 Rupees	2022 Rupees
16. INVESTMENT PROPERTY		
Land (Note 16.1)	1,981,607	1,981,607

16.1 This represents 13.7 kanal agricultural land located at Sahiwal, Farooqa Road, Sargodha.

16.2 No expenses directly related to investment property were incurred during the year. The market value of land is estimated at Rupees 4.795 million (2022: Rupees 4.453 million). Forced sale value of investment property as on the reporting date is Rupees 3.836 million (2022: Rupees 3.562 million). The valuation has been carried out by an independent valuer.

	2023 Rupees	2022 Rupees
17. LONG TERM INVESTMENTS		
Equity instruments		
Fair value through other comprehensive income		
Associated company (without significant influence)		
K-2 Hosiery (Private) Limited - unquoted 1,194,000 (2022: 1,194,000) ordinary shares of Rupees 10 each (Note 17.1)	-	-
Other		
Security General Insurance Company Limited - unquoted (Note 17.2) 643,667 (2022: 643,667) fully paid ordinary shares of Rupees 10 each	704,171	704,171
Add: Fair value adjustment	22,918,408	22,725,308
	23,622,579	23,429,479
	23,622,579	23,429,479

17.1 Investment in K-2 Hosiery (Private) Limited has been impaired and written off. This investment was made in accordance with requirements of the Companies Act, 2017.

17.2 Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 36.70 (2022: Rupees 36.40) per share using present value technique. 640,000 ordinary shares of Security General Insurance Company Limited have been pledged in favour of Allied Bank Limited to serve the performance of certain conditions of sale of assets agreement with M/s Interloop Limited.

	2023 Rupees	2022 Rupees
18. LONG TERM LOANS		
Considered good:		
Executives - secured (Note 18.1 and Note 18.2)	32,272,196	14,003,271
Other employees - secured (Note 18.2)	1,931,945	16,702,735
	34,204,141	30,706,006
Less: Current portion shown under current assets (Note 23)		
Executives	19,497,196	2,100,000
Other employees	1,605,280	6,353,880
	21,102,476	8,453,880
	13,101,665	22,252,126

18.1 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 37.604 million (2022: Rupees 17.003 million).

18.2 These represent interest free loans given to executives and other employees as per the Company's policy for general purposes. These are secured against balance to the credit of employees in the provident fund trust and are recoverable in monthly installments.

18.3 The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments' arising in respect of staff loans is not considered material and hence not recognized.

	2023 Rupees	2022 Rupees
19. LONG TERM DEPOSITS		
Security deposits	80,913,312	91,159,847
20. STORES, SPARES AND LOOSE TOOLS		
Stores and spares (Note 20.1)	1,022,918,117	879,242,064
Loose tools	1,899,119	1,668,854
	1,024,817,236	880,910,918
Less: Provision for slow moving, obsolete and damaged store items (Note 20.2)	119,885,289	112,793,166
	904,931,947	768,117,752

20.1 These include stores in transit of Rupees 62.032 million (2022: Rupees 86.018 million)

20.2 Provision for slow moving, obsolete and damaged store items

	2023 Rupees	2022 Rupees
Balance as on 01 July	112,793,166	108,013,010
Add: Provision made during the year (Note 34)	7,092,123	4,780,156
Balance as on 30 June	119,885,289	112,793,166

21. STOCK-IN-TRADE

	2023 Rupees	2022 Rupees
Raw material (Note 21.1)	1,940,953,244	1,535,984,629
Work-in-process	659,146,612	447,555,892
Finished goods (Note 21.2 and 21.3)	2,945,315,056	2,068,681,756
	5,545,414,912	4,052,222,277

21.1 This includes raw material of Rupees 90.040 million (2022: Rupees 68.854 million) valued at net realizable value.

21.2 These include finished goods of Rupees 157.834 million (2022: Rupees 46.719 million) valued at net realizable value.

21.3 Finished goods include stock-in-transit amounting to Rupees 720.319 million (2022: Rupees 701.515 million).

21.4 The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 95.628 million (2022: Rupees 45.145 million).

21.5 Stock in trade of Rupees 28.714 million (2022: Rupees 56.087 million) is sent to outside parties for processing.

	2023 Rupees	2022 Rupees
22. TRADE DEBTS		
Other than related parties - considered good:		
Secured (against letters of credit)	1,857,055,203	503,238,457
Unsecured	2,070,943,216	836,598,030
	3,927,998,419	1,339,836,487
Less: Allowance for expected credit losses (Note 22.1)	210,180,669	122,591,411
	3,717,817,750	1,217,245,076
22.1 Allowance for expected credit losses		
Balance as at 01 July	122,591,411	99,460,104
Add: Recognized during the year (Note 34)	87,589,258	23,462,900
Less: Trade debts written off during the year against expected credit losses	-	331,593
Balance as at 30 June	210,180,669	122,591,411
22.2 Types of counterparties		
Export		
Corporate	1,937,204,424	734,728,620
Others	-	-
	1,937,204,424	734,728,620
Local		
Corporate	1,946,232,032	590,303,522
Others	44,561,963	14,804,345
	1,990,793,995	605,107,867
	3,927,998,419	1,339,836,487
22.3 Foreign jurisdictions of trade debts		
Australia	2,485,390	11,753,166
Asia	433,927,447	555,042,765
Europe	1,008,786,197	147,257,183
North America	413,308,323	18,070,284
South America	-	847,120
Africa	78,697,067	1,758,102
	1,937,204,424	734,728,620

	2023 Rupees	2022 Rupees
23. LOANS AND ADVANCES		
Considered good:		
Advances to staff:		
-Against salary (Note 23.1)	5,797,936	8,890,451
-Against expenses (Note 23.2)	4,831,103	16,617,334
-Current portion of long term loans to executives and employees (Note 18)	21,102,476	8,453,880
	31,731,515	33,961,665
Advances to suppliers	159,804,481	285,199,154
Letters of credit	357,095	1,539,886
	191,893,091	320,700,705

23.1 These include interest free advances to executives amounting to Rupees Nil (2022: Rupees 3.047 million).

	2023 Rupees	2022 Rupees
23.2 Advances to staff against expenses		
Considered good	4,831,103	16,617,334
Advances to staff against expenses - considered doubtful (Note 23.2.1)	9,308,043	9,308,043
Less: Provision for doubtful advances to staff against expenses	9,308,043	9,308,043
	-	-
	4,831,103	16,617,334

23.2.1 These include unsecured advance against expenses of Rupees 5.895 million (2022: Rupees 5.895 million) given to Mr. Aamir Alam Qureshi (Ex.General manager marketing).

	2023 Rupees	2022 Rupees
24. SHORT TERM DEPOSITS AND PREPAYMENTS		
Security deposits	25,481,638	57,083,692
Prepayments	-	374,036
	25,481,638	57,457,728
25. PROVISION FOR TAXATION - NET / ADVANCE INCOME TAX - NET		
Advance income tax	489,779,249	378,936,585
Provision for taxation	(504,588,475)	(307,570,190)
	(14,809,226)	71,366,395

	2023 Rupees	2022 Rupees

26. SALES TAX RECOVERABLE

	2023 Rupees	2022 Rupees
Sales tax recoverable	2,316,173,830	1,708,787,336
Less: Provision for doubtful sales tax recoverable (Note 26.1)	101,663,773	78,368,537
	2,214,510,057	1,630,418,799

26.1 Provision for doubtful sales tax recoverable

	2023 Rupees	2022 Rupees
Balance as at 01 July	78,368,537	57,412,946
Add: Provision for the year (Note 34)	23,295,236	20,955,591
Balance as at 30 June	101,663,773	78,368,537

27. OTHER RECEIVABLES

Considered good:

	2023 Rupees	2022 Rupees
Export rebate and claims (Note 27.1)	37,763,720	28,546,726
Duty draw back (Note 27.2)	-	2,795,160
Receivable from employees' provident fund trust	349,944	5,908,569
Miscellaneous receivables (Note 27.3)	1,766,056	6,482,298
	39,879,720	43,732,753

27.1 Export rebate and claims

	2023 Rupees	2022 Rupees
Considered good	37,763,720	28,546,726
Considered doubtful	17,548,870	16,257,635
Less: Provision for doubtful export rebate and claims (Note 27.1.1)	17,548,870	16,257,635
	-	-
	37,763,720	28,546,726

27.1.1 Provision for doubtful export rebate and claims

	2023 Rupees	2022 Rupees
Balance as at 01 July	16,257,635	15,710,984
Add: Provision for the year (Note 34)	1,291,235	546,651
Balance as at 30 June	17,548,870	16,257,635

27.2 Duty draw back

	2023 Rupees	2022 Rupees
Considered good	-	2,795,160
Considered doubtful	23,691,987	20,896,827
Less: Provision for doubtful duty draw back (Note 27.2.1)	23,691,987	20,896,827
	-	-
	-	2,795,160

	2023 Rupees	2022 Rupees
27.2.1 Provision for doubtful duty draw back		
Balance as at 01 July	20,896,827	20,114,903
Add: Provision for the year (Note 34)	2,795,160	781,924
Balance as at 30 June	23,691,987	20,896,827
27.3 Miscellaneous receivables		
Considered good	1,766,056	6,482,298
Considered doubtful	545,000	545,000
Less: Provision for doubtful miscellaneous receivables	545,000	545,000
	-	-
	1,766,056	6,482,298

28. SHORT TERM INVESTMENTS

	2023 Rupees	2022 Rupees
At fair value through profit or loss		
Mutual funds (Note 28.1)	383,859,900	56,772,172

28.1 Mutual funds

2023	2022	Name of fund	2023			2022		
Number of units			Carrying value	Unrealised gain/(loss)	Fair value	Carrying value	Unrealised gain	Fair value
			(RUPEES)					
7,401,519.249	936,238.123	Pakistan Cash Management Fund	373,323,089	(408,644)	372,914,445	47,249,878	-	47,249,878
1,096,771.937	958,835.691	NBP Money Market Fund	10,892,221	53,234	10,945,455	9,491,176	31,118	9,522,294
8,498,291.186	1,895,073.814		384,215,310	(355,410)	383,859,900	56,741,054	31,118	56,772,172

29. CASH AND BANK BALANCES

	2023 Rupees	2022 Rupees
Cash in hand (Note 29.1)	26,934,550	15,158,693
Cash with banks:		
On current accounts (Note 29.1 and Note 29.3)	328,571,497	483,578,603
On deposit accounts (Note 29.2 and 29.4)	83,207,571	107,413,334
	411,779,068	590,991,937
	438,713,618	606,150,630

29.1 Cash and bank balances include foreign currencies disclosed in note 47.1 (a)(i) to these financial statements.

29.2 Rate of profit on bank deposits ranges from 12.25% to 19.5% (2022: 5.50% to 12.25%) per annum.

29.3 Cash with banks on current accounts includes an amount of Rupees 8.491 million (2022: Rupees 8.491 million) with Allied Bank Limited, in a non-checking account, to secure performance of certain conditions of sale of assets agreement with M/s Interloop Limited (Note 13.1.2).

29.4 These include term deposit receipts of Rupees 18.00 million (2022: Rupees 18.00 million) which are under lien with Habib Metropolitan Bank Limited.

	2023 Rupees	2022 Rupees
30. REVENUE		
Revenue from contracts with customers:		
Export sales	18,430,227,581	16,506,144,998
Local sales (Note 30.1)	9,507,890,556	4,729,271,771
Processing income	210,874,439	161,732,043
	28,148,992,576	21,397,148,812
Export rebate	59,452,485	54,318,892
Duty draw back	-	1,380,612
	28,208,445,061	21,452,848,316
30.1 Local sales		
Sales (Note 30.1.1)	11,253,781,530	5,533,380,174
Less: Sales tax	1,745,890,974	804,108,403
	9,507,890,556	4,729,271,771

30.1.1 These include sales of Rupees 6,176.297 million (2022: Rupees 3,106.530 million) made to direct exporters against standard purchase orders (SPOs). Further, local sales include waste sales of Rupees 155.204 million (2022: Rupees 121.747 million).

30.2 The amount of Rupees 51.210 million included in contract liabilities (Note 9) at 30 June 2022 has been recognized as revenue in 2023 (2022: Rupees 263.462 million).

30.3 Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Description	Weaving		Dyeing		Total	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Geographical market						
Australia	-	-	56,915,445	282,942,821	56,915,445	282,942,821
Asia	1,758,954,792	1,740,486,551	7,877,577,939	8,559,416,200	9,636,532,731	10,299,902,751
Europe	6,824,574,168	4,140,821,802	507,031,996	827,399,627	7,331,606,164	4,968,221,428
North America	-	50,394,185	1,083,043,879	558,276,077	1,083,043,879	608,670,263
South America	-	-	-	28,365,825	-	28,365,825
Africa	75,591,966	176,361,247	246,537,396	141,680,663	322,129,362	318,041,910
Pakistan	1,971,064,430	1,430,612,547	7,747,700,565	3,460,391,267	9,718,764,995	4,891,003,814
	10,630,185,356	7,538,676,332	17,518,807,220	13,858,472,480	28,148,992,576	21,397,148,812
Export rebate	12,028,628	5,779,313	47,423,857	48,539,579	59,452,485	54,318,892
Duty draw back	-	565,848	-	814,764	-	1,380,612
	10,642,213,984	7,545,021,493	17,566,231,077	13,907,826,823	28,208,445,061	21,452,848,316
Major products / service lines						
Greige cloth	10,370,758,300	7,328,614,131	-	-	10,370,758,300	7,328,614,131
Dyed cloth	-	-	17,329,114,343	13,722,865,490	17,329,114,343	13,722,865,490
Yarn	142,493,852	117,889,996	-	-	142,493,852	117,889,996
Processing income	-	-	210,874,439	161,732,043	210,874,439	161,732,043
Waste	128,961,832	98,517,366	26,242,295	23,229,290	155,204,127	121,746,656
	10,642,213,984	7,545,021,493	17,566,231,077	13,907,826,823	28,208,445,061	21,452,848,316
Timing of revenue recognition						
Products and services transferred at a point in time	10,642,213,984	7,545,021,493	17,566,231,077	13,907,826,823	28,208,445,061	21,452,848,316
Products and services transferred over time	-	-	-	-	-	-
	10,642,213,984	7,545,021,493	17,566,231,077	13,907,826,823	28,208,445,061	21,452,848,316

30.4 Revenue is recognized at point in time as per the terms and conditions of underlying contracts with customers.

	2023 Rupees	2022 Rupees

31. COST OF SALES

	2023 Rupees	2022 Rupees
Raw material consumed (Note 31.1)	16,990,764,302	14,100,613,926
Chemicals consumed	1,755,733,536	1,329,090,754
Salaries, wages and other benefits	991,791,922	785,851,993
Employees' provident fund contributions	48,695,810	28,001,403
Cloth conversion and processing charges	87,583,263	56,187,165
Fuel, oil and power	2,287,006,488	1,406,979,083
Stores, spares and loose tools consumed	358,209,212	268,472,952
Packing materials consumed	129,442,963	106,609,047
Repair and maintenance	108,325,373	68,764,198
Insurance	44,160,556	28,383,716
Other manufacturing expenses	185,615,347	105,357,403
Depreciation on operating fixed assets (Note 14.1.4)	442,176,619	344,016,904
Cost of goods manufactured	23,429,505,391	18,628,328,544
Work-in-process inventory		
As on 01 July	447,555,892	245,407,748
As on 30 June	(659,146,612)	(447,555,892)
	(211,590,720)	(202,148,144)
	23,217,914,671	18,426,180,400
Finished goods inventory		
As on 01 July	2,068,681,756	1,648,676,602
As on 30 June	(2,945,315,056)	(2,068,681,756)
	(876,633,300)	(420,005,154)
	22,341,281,371	18,006,175,246

31.1 Raw material consumed

	2023 Rupees	2022 Rupees
Opening stock	1,535,984,629	1,021,049,307
Add: Purchased during the year	17,395,732,917	14,615,549,248
	18,931,717,546	15,636,598,555
Less: Closing stock	(1,940,953,244)	(1,535,984,629)
	16,990,764,302	14,100,613,926

	2023 Rupees	2022 Rupees

32. DISTRIBUTION COST

	2023 Rupees	2022 Rupees
Salaries and other benefits	205,131,001	136,234,118
Employees' provident fund contributions	6,852,295	4,987,584
Travelling, conveyance and entertainment	61,735,575	13,532,860
Printing and stationery	720,395	516,925
Postage and communications	117,468,776	52,970,492
Vehicles' running	14,302,467	8,722,364
Insurance	19,094,182	12,761,366
Repair and maintenance	597,744	139,234
Commission to selling agents	337,793,797	229,662,899
Outward freight and handling	487,292,244	536,586,550
Clearing and forwarding	110,165,551	95,380,992
Sales promotion and advertising	987,617	939,822
Depreciation on operating fixed assets (Note 14.1.4)	4,152,565	2,295,297
Miscellaneous	3,471,265	5,421,302
	1,369,765,475	1,100,151,805

33. ADMINISTRATIVE EXPENSES

	2023 Rupees	2022 Rupees
Salaries and other benefits	325,822,333	236,109,232
Employees' provident fund contributions	12,155,942	8,083,441
Travelling, conveyance and entertainment	127,095,488	74,814,028
Printing and stationery	10,757,121	7,954,912
Communications	8,165,467	5,836,297
Vehicles' running	32,066,576	18,967,689
Legal and professional	10,967,168	8,752,995
Insurance	20,937,851	13,738,800
Fee, subscription and taxes	11,177,603	8,436,833
Repair and maintenance	42,332,151	22,211,055
Electricity, gas and water	4,524,752	3,584,530
Auditors' remuneration (Note 33.1)	3,247,386	2,792,750
Depreciation on operating fixed assets (Note 14.1.4)	16,658,668	13,058,335
Miscellaneous	76,796,841	49,727,370
	702,705,347	474,068,267

33.1 Auditors' remuneration

	2023 Rupees	2022 Rupees
Audit fee	2,250,000	2,000,000
Half yearly review	650,000	500,000
Other certifications	100,000	80,000
Reimbursable expenses	247,386	212,750
	3,247,386	2,792,750

	2023 Rupees	2022 Rupees
34. OTHER EXPENSES		
Workers' profit participation fund (Note 9.4)	131,049,018	66,430,161
Workers' welfare fund (Note 9.5)	49,998,641	24,943,769
Donations (Note 34.1)	19,400,000	15,700,000
Unrealized loss on remeasurement of FVTPL investments (Note 28.1)	355,410	-
Loss on sale of stores	5,559,121	-
Exchange loss - net	2,739,881	141,676,513
Provision for slow moving, obsolete and damaged store items (Note 20.2)	7,092,123	4,780,156
Provision for doubtful duty draw back (Note 27.2.1)	2,795,160	781,924
Provision for doubtful export rebate and claims (Note 27.1.1)	1,291,235	546,651
Provision for doubtful sales tax recoverable (Note 26.1)	23,295,236	20,955,591
Advances to suppliers written off	142,991	4,161,717
Allowance for expected credit losses (Note 22.1)	87,589,258	23,462,900
	331,308,074	303,439,382

34.1 The names of donees are as follows:

	2023 Rupees	2022 Rupees
Cancer Care Hospital and Research Center	-	10,000,000
Progressive Education Network	3,000,000	2,000,000
Anjuman-E-Mohammadi	1,500,000	1,000,000
Friends of Punjab Institute of Cardiology	-	700,000
Decent Departmental Store (for distribution of ration)	2,000,000	2,000,000
Lahore Institute of Health Sciences	6,000,000	-
All Pakistan Textile Mills Association	5,000,000	-
Lahore Businessmen Association for Rehabilitation of the Disabled	1,500,000	-
SOS Children's Village of Pakistan	200,000	-
Individual person	200,000	-
	19,400,000	15,700,000

34.1.1 There is no interest of any director or his spouse in donee’s fund except for Friends of Punjab Institute of Cardiology where Mr. Amir Fayyaz Sheikh Chief Executive Officer of the Company is Trustee.

	2023 Rupees	2022 Rupees

35. OTHER INCOME

Income from financial assets

	2023 Rupees	2022 Rupees
Dividend income	30,668,690	24,510,530
Return on bank deposits	22,183,096	9,942,683
Unrealized gain on remeasurement of FVTPL investments (Note 28.1)	-	31,118
Income from non-financial assets		
Scrap sales	111,188,656	75,234,085
Gain on sale of operating fixed assets - net (Note 14.1.3)	34,746,154	13,558,733
Amortization of deferred grant (Note 8)	34,533,492	5,009,047
Others	2,701,152	7,080,551
	236,021,241	135,366,747

36. FINANCE COST

	2023 Rupees	2022 Rupees
Mark-up on long term financing	126,468,363	83,460,376
Mark-up on short term borrowings	793,191,317	192,399,879
Adjustment due to impact of IFRS - 9 on long term financing	52,575,596	20,367,932
Bank commission and other financial charges	256,569,372	142,770,164
Interest on workers' profit participation fund (Note 9.4)	20,667,976	39,495,131
Adjustment due to impact of IFRS - 9 on GIDC (Note 7.3)	-	3,642,196
	1,249,472,624	482,135,678

37. TAXATION

	2023 Rupees	2022 Rupees
Current (Note 37.1)	423,075,952	307,570,190
Prior year adjustment	29,583,814	(10,310,772)
Deferred	(4,237,833)	(3,387,587)
	448,421,933	293,871,831

37.1 The Company falls under the ambit of presumptive tax regime under section 169 of the Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Provision for super tax on income is calculated as per Section 4C of the Income Tax Ordinance, 2001. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

37.2 Provision for deferred income tax is not required as the Company is chargeable to tax under section 169 of the Income Tax Ordinance, 2001 and no temporary differences are expected to arise in the foreseeable future except for deferred tax liability as explained in note 7.2.

	2023 Rupees	2022 Rupees
37.3 Reconciliation between tax expense and accounting profit		
Accounting profit before taxation	2,449,933,411	1,222,244,685
Applicable tax rate	29%	29%
Tax on accounting profit	710,480,689	354,450,959
Tax effect of change in prior year's tax	29,583,814	(10,310,772)
Tax effect of dividend income taxed at a lower rate	(4,293,617)	(3,431,474)
Tax effect of deferred tax	(4,237,833)	(3,387,587)
Tax effect of gain on disposal of operating fixed assets	19,805,858	-
Tax effect of income that are not considered in determining taxable liability	(10,014,713)	(1,461,648)
Tax effect of final tax regime income taxed at a lower rate	(406,415,690)	(121,731,664)
Tax effect of super tax	113,513,425	79,744,017
	448,421,933	293,871,831

38. EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share, which is based on:

		2023 Rupees	2022 Rupees
Profit attributable to ordinary shareholders	(Rupees)	2,001,511,478	928,372,854
Weighted average number of ordinary shares	(Numbers)	50,911,011	50,911,011
Earnings per share	(Rupees)	39.31	18.24

	2023 Rupees	2022 Rupees
39. CASH GENERATED FROM OPERATIONS		
Profit before taxation	2,449,933,411	1,222,244,685
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	462,987,852	359,370,536
Dividend income	(30,668,690)	(24,510,530)
Gain on sale of operating fixed assets - net	(34,746,154)	(13,558,733)
Adjustment due to impact of IFRS - 9 on long term financing	52,575,596	20,367,932
Adjustment due to impact of IFRS - 9 on GIDC	-	3,642,196
Unrealized loss / (gain) on remeasurement of FVTPL investment	355,410	(31,118)
Amortization of deferred grant	(34,533,492)	(5,009,047)
Allowance for expected credit losses	87,589,258	23,462,900
Provision for slow moving, obsolete and damaged store items	7,092,123	4,780,156
Provision for doubtful duty draw back	2,795,160	781,924
Provision for doubtful export rebate and claims	1,291,235	546,651
Provision for doubtful sales tax recoverable	23,295,236	20,955,591
Advances to suppliers written off	142,991	4,161,717
Finance cost	1,196,897,028	458,125,550
Working capital changes (Note 39.1)	(3,554,810,422)	(1,782,704,274)
	630,196,542	292,626,136

39.1 Working capital changes

	2023 Rupees	2022 Rupees
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(143,906,318)	(205,119,749)
Stock-in-trade	(1,493,192,635)	(1,137,088,620)
Trade debts	(2,588,161,932)	(287,946,462)
Loans and advances	137,815,084	(250,362,527)
Short term deposits and prepayments	31,976,090	(18,947,785)
Other receivables	(233,362)	136,179,838
Sales tax recoverable	(607,386,494)	(779,168,734)
	(4,663,089,567)	(2,542,454,039)
Increase in trade and other payables	1,108,279,145	759,749,765
	(3,554,810,422)	(1,782,704,274)

39.2 Reconciliation of movement of liabilities to cash flows arising from financing activities.

	2023			
	Liabilities from financing activities			Total
	Long term financing	Short term borrowings	Unclaimed dividend	
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2022	1,658,623,951	5,082,318,845	7,119,615	6,748,062,411
Dividend declared	-	-	101,822,022	101,822,022
Dividend paid	-	-	(101,501,067)	(101,501,067)
Short term borrowing obtained	-	16,939,940,382	-	16,939,940,382
Repayment of short term borrowings	-	(14,741,608,845)	-	(14,741,608,845)
Long term financing obtained	788,172,000	-	-	788,172,000
Repayment of long term financing	(470,275,999)	-	-	(470,275,999)
Impact of IFRS 9 - non-cash movement	52,575,596	-	-	52,575,596
	(417,700,403)	-	-	(417,700,403)
Deferred income - Government Grant recognized - non-cash movement	(243,132,708)	-	-	(243,132,708)
Balance as at 30 June 2023	1,785,962,840	7,280,650,382	7,440,570	9,074,053,792

	2022			
	Liabilities from financing activities			Total
	Long term financing	Short term borrowings	Unclaimed dividend	
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2021	1,414,880,245	3,681,196,820	7,119,615	5,103,196,680
Short term borrowings obtained	-	13,766,842,113	-	13,766,842,113
Repayment of short term borrowings	-	(12,365,720,088)	-	(12,365,720,088)
Long term financing obtained	781,115,857	-	-	781,115,857
Repayment of long term financing	(557,740,083)	-	-	(557,740,083)
Impact of IFRS 9 - non-cash movement	20,367,932	-	-	20,367,932
	(537,372,151)	-	-	(537,372,151)
Balance as at 30 June 2022	1,658,623,951	5,082,318,845	7,119,615	6,748,062,411

40. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2023 of Rupees 3.00 per share (2022: Rupees 2.00 per share) at their meeting held on 20 September, 2023. However, this event has been considered as non-adjusting events under IAS 10 'Events after the Reporting Period' and has not been recognized in these financial statements.

41. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amounts charged in these financial statements for remuneration, including all benefits to chief executive officer, directors and other executives are as follows:

	2023			2022		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	(RUPEES)					
Managerial remuneration	14,025,000	11,550,000	126,339,361	11,880,000	9,157,500	89,753,132
House rent	3,570,000	2,940,000	43,368,064	2,970,000	2,289,375	21,090,781
Utilities	1,402,500	1,155,000	12,290,977	1,187,778	915,579	8,973,609
Special allowance	-	-	10,558,560	2,376,000	1,831,500	15,232,527
Contribution to provident fund	1,168,284	962,112	10,235,776	989,607	762,825	7,476,442
Other allowances	1,402,500	1,155,000	12,419,895	1,188,000	915,750	8,975,313
	21,568,284	17,762,112	215,212,633	20,591,385	15,872,529	151,501,804
Number of persons	1	2	54	1	2	40

41.1 Chief executive officer, directors and certain executives of the Company are provided with free use of the Company's owned and maintained cars.

41.2 Meeting fee of Rupees 3.950 million (2022: Rupees 2.840 million) was paid to the non-executive directors for attending meetings.

41.3 No remuneration was paid to non-executive directors of the Company.

42. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel, close members of the family of the key management personnel and provident fund trust. The Company in the normal course of business carries out transactions with related parties. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2023 Rupees	2022 Rupees
Advance to close relative of chief executive officer	-	6,044,485
Advance received back from close relative of chief executive officer	-	6,044,485
Loan received from close relative of chief executive officer	5,300,000	-
Repayment of loans to close relatives of the chief executive officer	4,050,000	15,180,545
Repayment of loans to legal heirs of the deceased director	2,664,000	6,115,000
Dividend paid to directors	54,007,618	-
Dividend paid to Kohinoor Mills Limited Staff Provident Fund Trust	1,819,000	-

42.1 Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 41.

42.2 Following are the related parties with whom the Company have arrangements / agreements in place:

Name of the related party	Basis of relationship	Transactions entered or agreements and / or arrangements in place during the financial year		Percentage of shareholding
		2023	2022	
Punjab Social Security Health Management Company	Common directorship	No	No	None
Master Wind Energy Limited	Common directorship	No	No	None
Lalpir Power Limited	Common directorship	No	No	None
Kohinoor Mills Limited Staff Provident Fund Trust	Post-employment benefit plan	Yes	Yes	None
Friends of Punjab Institute of Cardiology	Director is trustee of the trust	No	Yes	None
Mr. Aamir Fayyaz Sheikh	Director	Yes	Yes	-
Mr. Ismail Aamir Fayyaz	Director	Yes	Yes	-
Ms. Imrat Aamir Fayyaz	Director	Yes	Yes	-
Mrs. Hajra Arham	Director	Yes	Yes	-
Mr. Muhammad Anwarul Haq Siddiqui	Director	Yes	Yes	-
Mr. Rashid Ahmed	Director	Yes	Yes	-
Mr. Matiuddin Siddiqui	Director	Yes	Yes	-

43. PROVIDENT FUND

As at the reporting date, the Kohinoor Mills Limited Staff Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

44. NUMBER OF EMPLOYEES

	2023	2022
Number of employees as on June 30	2,124	1,961
Average number of employees during the year	2,059	1,896

45. SEGMENT INFORMATION

45.1 The Company has three reportable segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving	Production of different qualities of greige fabric using yarn.
Dyeing	Processing of greige fabric for production of dyed fabric.
Power Generation	Generation and distribution of power and steam using gas, coal and oil.

	Weaving		Dyeing		Power Generation		Elimination of Inter-segment transactions		Total - Company	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	(RUPEES)									
Sales										
-External	10,642,213,984	7,545,021,493	17,566,231,077	13,907,826,823	-	-	-	-	28,208,445,061	21,452,848,316
-Intersegment	6,526,167,261	5,827,380,274	549,150,443	156,276,165	1,679,949,099	1,121,226,627	(8,755,266,803)	(7,104,883,066)	-	-
	17,168,381,245	13,372,401,767	18,115,381,520	14,064,102,988	1,679,949,099	1,121,226,627	(8,755,266,803)	(7,104,883,066)	28,208,445,061	21,452,848,316
Cost of sales	(14,565,429,555)	(11,503,950,329)	(14,875,313,201)	(12,407,858,066)	(1,655,805,418)	(1,199,249,917)	8,755,266,803	7,104,883,066	(22,341,281,371)	(18,006,175,246)
Gross profit / (loss)	2,602,951,690	1,868,451,438	3,240,068,319	1,656,244,922	24,143,681	(78,023,290)	-	-	5,867,163,690	3,446,673,070
Distribution cost	(572,192,694)	(435,847,800)	(797,572,781)	(664,304,005)	-	-	-	-	(1,369,765,475)	(1,100,151,805)
Administrative expenses	(312,221,563)	(230,329,098)	(366,326,356)	(229,115,257)	(24,157,428)	(14,623,912)	-	-	(702,705,347)	(474,068,267)
	(884,414,257)	(666,176,898)	(1,163,899,137)	(893,419,262)	(24,157,428)	(14,623,912)	-	-	(2,072,470,822)	(1,574,220,072)
Profit / (loss) before taxation and unallocated income / expenses	1,718,537,433	1,202,274,540	2,076,169,182	762,825,660	(13,747)	(92,647,202)	-	-	3,794,692,868	1,872,452,998
Unallocated income and expenses:										
Finance cost									(1,249,472,624)	(482,135,678)
Other expenses									(331,308,074)	(303,439,382)
Other income									236,021,241	135,366,747
Taxation									(448,421,933)	(293,871,831)
									(1,793,181,390)	(944,080,144)
Profit after taxation									2,001,511,478	928,372,854

45.2 **Reconciliation of reportable segment assets and liabilities**

	Weaving		Dyeing		Power Generation		Total - Company	
	2023	2022	2023	2022	2023	2022	2023	2022
	(RUPEES)							
Segment assets	10,531,125,016	7,861,287,785	7,828,977,820	5,684,860,200	1,614,515,501	1,383,383,783	19,974,618,337	14,929,531,768
Unallocated assets							2,674,238,889	1,946,229,239
Total assets as per the statement of financial position							22,648,857,226	16,875,761,007
Segment liabilities	2,898,049,564	1,918,667,447	1,632,102,322	1,524,424,341	173,661,423	132,203,879	4,703,813,309	3,575,295,667
Unallocated liabilities:								
Long term financing - secured							1,785,962,840	1,658,623,951
Deferred liabilities							432,006,392	408,884,030
Deferred income - Government grant							208,995,553	396,337
Accrued mark-up							278,033,136	71,578,017
Short term borrowings - secured							7,280,650,382	5,082,318,845
Trade and other payables							47,685,548	67,924,045
Unclaimed dividend							7,440,570	7,119,615
Provision for taxation - net							14,809,226	-
Total liabilities as per the statement of financial position							14,759,396,956	10,872,140,507

45.3 Geographical information

The Company's revenue from external customers by geographical location is detailed below:

	2023 Rupees	2022 Rupees
Australia	56,915,445	282,942,821
Asia	9,636,532,731	10,299,902,751
Europe	7,331,606,164	4,968,221,428
North America	1,083,043,879	608,670,263
South America	-	28,365,825
Africa	322,129,362	318,041,910
Pakistan	9,718,764,995	4,891,003,814
	28,148,992,576	21,397,148,812
Export rebate	59,452,485	54,318,892
Duty draw back	-	1,380,612
	28,208,445,061	21,452,848,316

45.4 All non-current assets of the Company as at the reporting date are located and operating in Pakistan.

45.5 Revenue from major customers

The Company's revenue is earned from a large mix of customers.

46. PLANT CAPACITY AND PRODUCTION

	2023	2022
Weaving		
Number of looms in operation	266	230
Rated capacity of operative looms converted to 60 picks (square meter)	114,262,659	81,589,424
Actual production converted to 60 picks (square meter)	94,082,434	80,146,089
Number of days worked during the year (3 shifts per day)	360	365
Dyeing		
Rated capacity in 3 shifts (linear meter)	48,000,000	48,000,000
Actual production for three shifts (linear meter)	34,923,859	33,335,435
Number of days worked during the year (3 shifts per day)	347	348
Power generation		
Number of generators installed	7	7
Installed capacity (Mega Watt Hours)	288,029	288,029
Actual generation (Mega Watt Hours)	40,389	40,689

46.1 REASON FOR LOW PRODUCTION

Under utilization of available capacity for dyeing division and weaving division is due to routine maintenance and BMR respectively. Actual power generation in comparison to installed capacity is low due to periodical scheduled and unscheduled maintenance of generators, BMR and low demand.

47. FINANCIAL RISK MANAGEMENT

47.1 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors (the Board). The Company's finance department evaluates and hedges financial risk. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions 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 the United States Dollar (USD), Great Britain Pound (GBP), Arab Emirates Dirham (AED), Chinese Yuan (CNY), Euro and Saudi Riyal (SAR). Currently, the Company's foreign exchange risk exposure is restricted to foreign currency bank balances and the amounts receivable from / payable to the foreign entities. The Company uses forward exchange contracts to hedge its foreign currency risk, when considered appropriate. The Company's exposure to currency risk was as follows:

	2023	2022
Cash at bank - USD	22,720	35,353
Cash in hand - USD	49,598	18,458
Cash in hand - Euro	9,845	7,080
Cash in hand - GBP	15,200	4,925
Cash in hand - AED	5,940	5,940
Cash in hand - SAR	1,500	-
Trade debts - USD	6,572,432	3,501,616
Trade debts - Euro	170,800	125,914
Trade and other payable - USD	(304,616)	(272,706)
Trade and other payable - Euro	(11,482)	(6,974)
Trade and other payable - CNY	-	(9,914)
Net exposure - USD	6,340,134	3,282,721
Net exposure - Euro	169,163	126,020
Net exposure - GBP	15,200	4,925
Net exposure - CNY	-	(9,914)
Net exposure - AED	5,940	5,940
Net exposure - SAR	1,500	-

The following significant exchange rates were applied during the year:

	2023	2022
Rupees per USD		
Average rate	252.57	179.29
Reporting date rate	286.60	202.50
Rupees per Euro		
Average rate	266.64	199.13
Reporting date rate	313.72	212.00
Rupees per GBP		
Average rate	306.15	235.07
Reporting date rate	364.77	246.00
Rupees per AED		
Average rate	69.26	48.85
Reporting date rate	78.59	55.10
Rupees per SAR		
Average rate	67.35	43.00
Reporting date rate	76.51	54.27
Rupees per CNY		
Average rate	36.31	26.94
Reporting date rate	39.91	28.04

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP, Euro, AED, SAR and CNY with all other variables held constant, the impact on profit after taxation for the year would have been higher / lower by Rupees 86.367 million (2022: Rupees 31.875 million) mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(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 not exposed to commodity price risk.

(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 except for bank deposits. The Company's interest rate risk arises from long term financing and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

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

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial liabilities		
Long term financing	1,437,643,985	1,535,195,380
Short term borrowings	4,266,370,003	4,032,370,000
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	83,207,571	107,413,334
Financial liabilities		
Long term financing	348,318,855	123,428,571
Short term borrowings	2,683,879,998	785,630,000

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit for the year would have been Rupees 27.426 million lower / higher (2022: Rupees 7.455 million lower / higher), mainly as a result of higher / lower interest expense / income. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

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

	2023 Rupees	2022 Rupees
Investments	407,482,479	80,201,651
Long term loans	34,204,141	30,706,006
Loans and advances	5,797,936	8,890,451
Deposits	106,394,950	148,243,539
Trade debts	3,717,817,750	1,217,245,076
Other receivables	1,766,056	6,482,298
Bank balances	411,779,068	590,991,937
	4,685,242,380	2,082,760,958

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2023	2022
Banks	**Short Term**	**Long term**	**Agency**	**Rupees**	**Rupees**
National Bank of Pakistan	A1+	AAA	PACRA	4,111,734	1,414,898
Allied Bank Limited	A1+	AAA	PACRA	38,747,286	11,980,363
Askari Bank Limited	A1+	AA+	PACRA	82,492,427	274,704,606
Bank Alfalah Limited	A1+	AA+	PACRA	44,529,200	22,544,267
Faysal Bank Limited	A1+	AA	PACRA	521,643	2,521,642
Habib Bank Limited	A-1+	AAA	VIS	25,080,045	27,759,196
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	18,151,077	20,113,820
The Bank of Punjab	A1+	AA+	PACRA	98,094,167	80,718,956
MCB Bank Limited	A1+	AAA	PACRA	49,227,560	129,229,327
MCB Islamic Bank Limited	A1	A	PACRA	23,716,201	808,591
Silk Bank Limited	A-2	A -	VIS	11,608,443	3,630,890
United Bank Limited	A-1+	AAA	VIS	32,118	2,432,157
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	100,413	100,413
Samba Bank Limited	A-1	AA	VIS	357,095	220,211
Meezan Bank Limited	A-1+	AAA	VIS	15,009,659	12,812,600
				411,779,068	590,991,937
Investments					
Security General Insurance Company Limited	- - - - - AA+ (IFS) - - - -		VIS	23,622,579	23,429,479
Pakistan Cash Management Fund	- - - - - - AA+ (f) - - - - - -		PACRA	372,914,445	47,249,878
NBP Money Market Fund	- - - - - - - - AA (f) - - - - - - -		PACRA	10,945,455	9,522,294
				407,482,479	80,201,651
				819,261,547	671,193,588

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

Trade debts

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. These trade receivables are netted off with the collateral obtained, if any, from these customers to calculate the net exposure towards these customers. The Company has concluded that the expected loss rates for trade debts against local sales are different from the expected loss rates for trade debts against export sales.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has accordingly adjusted the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows:

At 30 June 2023

	Local Sales			Export Sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	Rupees		%	Rupees	
Not past due	0.00%	694,716,603	-	0.00%	316,818,661	-
Up to 30 days	11.92%	442,425,519	52,741,345	0.27%	169,391,993	454,769
31 to 60 days	15.30%	175,705,130	26,882,648	1.14%	80,907,386	922,300
61 to 90 days	34.70%	13,931,035	4,834,396	4.43%	-	-
91 to 180 days	61.43%	2,744,732	1,686,219	16.76%	56,319,814	9,441,590
181 to 360 days	64.01%	13,238,629	8,473,688	54.87%	-	-
361 days and above	100.00%	101,587,977	101,587,977	100.00%	3,155,737	3,155,737
		1,444,349,625	196,206,273		626,593,591	13,974,396
Trade debts which are not subject to risk of default		546,444,370	-		1,310,610,833	-
Total		1,990,793,995	196,206,273		1,937,204,424	13,974,396

At 30 June 2022

	Local Sales			Export Sales		
	Expected loss rate	Trade debts	Loss allowance	Expected loss rate	Trade debts	Loss allowance
	%	Rupees		%	Rupees	
Not past due	0.00%	223,676,048	-	0.00%	230,781,818	-
Up to 30 days	7.19%	107,101,036	7,695,592	0.40%	54,170,553	218,144
31 to 60 days	14.29%	19,593,693	2,799,229	2.42%	57,306,232	1,385,647
61 to 90 days	32.60%	15,749,308	5,133,768	9.04%	19,422,769	1,755,180
91 to 180 days	51.35%	4,022,420	2,065,644	22.07%	2,846,811	628,355
181 to 360 days	59.22%	1,018,047	602,865	53.65%	2,014,823	1,080,922
361 days and above	100.36%	93,092,994	93,424,587	100.00%	5,801,478	5,801,478
		464,253,546	111,721,685		372,344,484	10,869,726
Trade debts which are not subject to risk of default		140,854,321	-		362,384,136	-
Total		605,107,867	111,721,685		734,728,620	10,869,726

(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 availability of funding through an adequate amount of committed credit facilities. At 30 June 2023, the Company had Rupees 4,904.480 million (2022: Rupees 6,568.596 million) available borrowing limits from financial institutions and Rupees 438.714 million (2022: Rupees 606.151 million) cash and bank balances. The management believes the liquidity risk to be manageable. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2023

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(RUPEES)					
Non-derivative financial liabilities						
Long term financing	1,785,962,840	2,516,529,751	262,701,019	265,309,058	561,285,706	1,427,233,968
Trade and other payables	4,477,110,823	4,477,110,823	4,477,110,823	-	-	-
Accrued mark-up	546,976,903	546,976,903	278,033,136	-	22,518,184	246,425,583
Short term borrowings	7,280,650,382	7,577,794,824	7,577,794,824	-	-	-
Unclaimed dividend	7,440,570	7,440,570	7,440,570	-	-	-
	14,098,141,518	15,125,852,871	12,603,080,372	265,309,058	583,803,890	1,673,659,551

Contractual maturities of financial liabilities as at 30 June 2022

	Carrying Amount	Contractual cash flows	6 month or less	6-12 month	1-2 Year	More than 2 Years
	(RUPEES)					
Non-derivative financial liabilities						
Long term financing	1,658,623,951	1,935,677,925	297,643,575	227,641,319	395,911,944	1,014,481,087
Trade and other payables	3,410,226,542	3,410,226,542	3,410,226,542	-	-	-
Accrued mark-up	322,978,778	322,978,778	71,578,017	-	-	251,400,761
Short term borrowings	5,082,318,845	5,162,789,308	5,162,789,308	-	-	-
Unclaimed dividend	7,119,615	7,119,615	7,119,615	-	-	-
	10,481,267,731	10,838,792,168	8,949,357,057	227,641,319	395,911,944	1,265,881,848

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 note 6 and note 11 to these financial statements.

47.2 Financial instruments by categories

Assets as per the statement of financial position

At 30 June 2023

	2023				2022			
	Amortised cost	FVTPL	FVTOCI	Total	Amortised cost	FVTPL	FVTOCI	Total
	(RUPEES)				(RUPEES)			
Investments	-	383,859,900	23,622,579	407,482,479	-	56,772,172	23,429,479	80,201,651
Long term loans	34,204,141	-	-	34,204,141	30,706,006	-	-	30,706,006
Loans and advances	5,797,936	-	-	5,797,936	8,890,451	-	-	8,890,451
Deposits	106,394,950	-	-	106,394,950	148,243,539	-	-	148,243,539
Trade debts	3,717,817,750	-	-	3,717,817,750	1,217,245,076	-	-	1,217,245,076
Other receivables	1,766,056	-	-	1,766,056	6,482,298	-	-	6,482,298
Cash and bank balances	438,713,618	-	-	438,713,618	606,150,630	-	-	606,150,630
	4,304,694,451	383,859,900	23,622,579	4,712,176,930	2,017,718,000	56,772,172	23,429,479	2,097,919,651

	2023	2022
	Financial liabilities at amortized cost	
	Rupees	Rupees
Liabilities as per the statement of financial position		
Long term financing	1,785,962,840	1,658,623,951
Accrued mark-up	546,976,903	322,978,778
Short term borrowings	7,280,650,382	5,082,318,845
Trade and other payables	4,477,110,823	3,410,226,542
Unclaimed dividend	7,440,570	7,119,615
	14,098,141,518	10,481,267,731

47.3 Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2023			2022		
	Financial assets	Non-financial assets	Total	Financial assets	Non-financial assets	Total
	(RUPEES)			(RUPEES)		
Assets						
Long term investments	23,622,579	-	23,622,579	23,429,479	-	23,429,479
Long term loans	13,101,665	-	13,101,665	22,252,126	-	22,252,126
Long term deposits	80,913,312	-	80,913,312	91,159,847	-	91,159,847
Loans and advances	26,900,412	164,992,679	191,893,091	17,344,331	303,356,374	320,700,705
Short term deposits and prepayments	25,481,638	-	25,481,638	57,083,692	374,036	57,457,728
Trade debts	3,717,817,750	-	3,717,817,750	1,217,245,076	-	1,217,245,076
Other receivables	1,766,056	38,113,664	39,879,720	6,482,298	37,250,455	43,732,753
Short term investment	383,859,900	-	383,859,900	56,772,172	-	56,772,172
Cash and bank balances	438,713,618	-	438,713,618	606,150,630	-	606,150,630
	4,712,176,930	203,106,343	4,915,283,273	2,097,919,651	340,980,865	2,438,900,516

	2023			2022		
	Financial liabilities	Non-financial liabilities	Total	Financial liabilities	Non-financial liabilities	Total
	(RUPEES)			(RUPEES)		
Liabilities						
Long term financing	1,785,962,840	-	1,785,962,840	1,658,623,951	-	1,658,623,951
Accrued mark-up	546,976,903	-	546,976,903	322,978,778	-	322,978,778
Short term borrowings	7,280,650,382	-	7,280,650,382	5,082,318,845	-	5,082,318,845
Trade and other payables	4,477,110,823	274,388,034	4,751,498,857	3,410,226,542	232,993,170	3,643,219,712
Unclaimed dividend	7,440,570	-	7,440,570	7,119,615	-	7,119,615
	14,098,141,518	274,388,034	14,372,529,552	10,481,267,731	232,993,170	10,714,260,901

47.4 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to off setting as there are no enforceable master netting arrangements and similar agreements.

47.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide 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 share holders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, and short term borrowings obtained by the Company as referred to in note 6 and note 11 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'. The Company's strategy, remained unchanged from last year.

	2023 Rupees	2022 Rupees
Borrowings	9,066,613,222	6,740,942,796
Total equity	7,889,460,270	6,003,620,500
Total capital employed	16,956,073,492	12,744,563,296
Gearing ratio (Percentage)	53.47	52.89

The increase in the gearing ratio resulted primarily from increase in borrowings of the Company.

48 RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognised 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 instruments into the following three levels. An explanation of each level follows underneath the table.

Recurring fair value measurements At 30 June 2023	Level 1	Level 2	Level 3	Total
	--------------------	(RUPEES)	--------------------	
Financial assets				
Investment at fair value through profit or loss	383,859,900	-	-	383,859,900
Investment at fair value through other comprehensive income	-	-	23,622,579	23,622,579
Total financial assets	383,859,900	-	23,622,579	407,482,479

Recurring fair value measurements At 30 June 2022	Level 1	Level 2	Level 3	Total
	--------------------	(RUPEES)	--------------------	
Financial assets				
Investment at fair value through profit or loss	56,772,172	-	-	56,772,172
Investment at fair value through other comprehensive income	-	-	23,429,479	23,429,479
Total financial assets	56,772,172	-	23,429,479	80,201,651

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There was no transfer in and out of level 1 and level 3 measurements during the year.

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

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity 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 maximise 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.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments and the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurement using significant unobservable inputs (level 3)

The following table presents the changes in level 3 item for the years ended 30 June 2023 and 30 June 2022:

	Unlisted equity investment Rupees
Balance as on 01 July 2021	42,398,345
Less : Deficit recognized in other comprehensive income	(18,968,866)
Balance as on 30 June 2022	23,429,479
Add : Surplus recognized in other comprehensive income	193,100
Balance as on 30 June 2023	23,622,579

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurement.

Description	Fair value as at		Un observable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
	30 June 2023	30 June 2022		30 June 2023	
	Rupees	Rupees			
Investment					
Security General Insurance Company Limited	23,622,579	23,429,479	Terminal growth factor Risk adjusted discount rate	2.00% 22.73%	Increase / decrease in terminal growth factor by 1.00% and decrease / increase in discount rate by 1.00% would increase / decrease fair value by Rupees +2.143 million / -1.757 million.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

Independent valuer performs the valuation of non-property item required for financial reporting purposes, including level 3 fair values. The independent valuer reports directly to the chief financial officer. Discussions of valuation processes and results are held between the chief financial officer and the valuation team at least once every six month, in line with the Company's half yearly reporting period.

The main level 3 inputs used by the Company are derived and evaluated as follows:

Discount rate for financial instrument is determined using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Earnings growth factor for unlisted equity security is estimated based on market information for similar types of companies.

Changes in level 2 and 3 fair values are analysed at the end of each half yearly reporting period during the valuation discussion between the chief financial officer and the independent valuer. As part of this discussion the independent valuer presents a report that explains the reason for the fair value movements.

49 RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-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 non-financial assets into the following three levels.

As at 30 June 2023	Level 1	Level 2	Level 3	Total
		------------------ (RUPEES) ------------------		
Property, plant and equipment:				
- Freehold land	-	2,191,694,814	-	2,191,694,814
- Buildings	-	1,503,807,052	-	1,503,807,052
Total non-financial assets	-	3,695,501,866	-	3,695,501,866

As at 30 June 2022	Level 1	Level 2	Level 3	Total
		------------------ (RUPEES) ------------------		
Property, plant and equipment:				
- Freehold land	-	2,162,361,909	-	2,162,361,909
- Buildings	-	1,355,401,975	-	1,355,401,975
Total non-financial assets	-	3,517,763,884	-	3,517,763,884

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) 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 three years. 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.

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 at the end of every three years. As at 30 June 2021, the fair values of the items of property, plant and equipment were determined by Messers Hamid Mukhtar and Company (Private) Limited, the approved valuer.

Changes in fair values are analysed between the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

50 FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made for non-financial assets not measured at fair value in these financial statements but for which the fair value is described in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

As at 30 June 2023	Level 1	Level 2	Level 3	Total
	------------------ (RUPEES) ------------------			
Investment property:				
- Land	-	4,795,000	-	4,795,000
Total non-financial asset	-	4,795,000	-	4,795,000

As at 30 June 2022	Level 1	Level 2	Level 3	Total
	------------------ (RUPEES) ------------------			
Investment property:				
- Land	-	4,453,000	-	4,453,000
Total non-financial asset	-	4,453,000	-	4,453,000

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

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

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

The Company obtains independent valuations for its investment property at least annually. At the end of each reporting period, the management updates the assessment of the fair value of each property, taking into account the most recent independent valuations. The management determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's investment property at the end of every financial year. As at 30 June 2023, the fair value of the investment property has been determined by Hamid Mukhtar and Company (Private) Limited.

Change in fair value is analysed at the end of each year during the valuation discussion between the chief financial officer and the valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

51. UNUTILIZED CREDIT FACILITIES

	Non-funded		Funded	
	2023	2022	2023	2022
	------------------------ (Rupees) ------------------------			
Total facilities	2,416,690,000	1,959,588,000	13,806,050,000	12,003,406,000
Utilized at the end of the year	2,002,663,000	1,713,650,000	8,901,570,000	5,434,810,000
Unutilized at the end of the year	414,027,000	245,938,000	4,904,480,000	6,568,596,000

52. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on 20 September 2023.

53. CORRESPONDING FIGURES

Corresponding figures have been re-arranged / reclassified, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made.

54. GENERAL

Figures have been rounded off to nearest of Rupee.

AAMIR FAYYAZ SHEIKH	KAMRAN SHAHID	ISMAIL AAMIR FAYYAZ
CHIEF EXECUTIVE	CHIEF FINANCIAL OFFICER	DIRECTOR

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PROXY FORM

36th Annual General Meeting 2023

I/We ____

of ____________________ in the district of ______________________________ being a member of

KOHINOOR MILLS LIMITED hereby appoint ____

__________________________ of ____________another member of the Company or failing him/her

appoint ____

of ______________________________________ another member of the Company as my / our proxy

to vote for me/us and on my/our behalf, at the 36th Annual General Meeting of the Company to be held on Thursday, October 26, 2023 at 2:30 p.m., and at any adjournment thereof.

As witness my/our hand seal this ____________________ day of __________________, 2023

Folio No.	CDC Account Holders		No. of Ordinary Shares held
	Participant I.D. No.	Account / Sub-Account No.	

Signatures on Fifty Rupees Revenue Stamp

The Signature should agree with the specimen registered with the Company

Witness 1

Signature ______________________________

Name ______________________________

CNIC No.______________________________

Passport No. ______________________________

Address ______________________________

____

Witness 2

Signature ______________________________

Name ______________________________

CNIC No.______________________________

Passport No. ______________________________

Address ______________________________

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Important Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office situated at 8th K.M. Manga Raiwind Road, District Kasur, not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

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

3. No person can act as proxy unless he / she is member of the Company, except that a corporation may appoint a person who is not a member.

For CDC Account Holders / Corporate entities

In addition to the above, the following requirements have to be met.

a) The proxy form shall be witnessed by two persons whose name, address and Computerized National Identity Card (CNIC) number shall be mentioned on the form.
b) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
c) The proxy shall produce original CNIC or passport at the time of attending the meeting.
d) In case of the Corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

AFFIX
CORRECT
POSTAGE

The Company Secretary

KOHINOOR MILLS LIMITED
8-KM, Manga Raiwind Road,
Distt. Kasur,
Pakistan.

پراکسی (مختار نامہ) فارم 2023
36واں سالانہ جنرل اجلاس

میں / ہم --

ساکن ----------------------------- ضلع --------- کا/ کے رہائشی ہوں / ہیں۔ کوہ نور ملز لمیٹڈ کا ممبر ہونے کے ناطے

میں / ہم ---------------------------- ساکن -----------------

کے رہائشی کو جو کہ کمپنی کا ایک اور ممبر ہے اپنا / اپنے متبادل مقرر کرتا ہوں / کرتے ہیں یا ---------------------------

ساکن ----------------------- کے رہائشی کو جو کہ کمپنی کا ایک اور ممبر ہے اپنا / اپنے متبادل مقرر کرتا ہوں / کرتے ہیں۔ جو میرے / ہمارے لئے اور میری / ہماری طرف سے 26 اکتوبر 2023ء بروز جمعرات دوپہر 2:30 بجے ہونے والے کمپنی کے 36 ویں سالانہ جنرل اجلاس میں میری / ہمارے طرف سے بحیثیت پراکسی ووٹ دینے کا مجاز ہوگا۔

آج مورخہ ------------------ 2023

فولیو نمبر	سی ڈی سی اکاؤنٹ / ذیلی اکاؤنٹ نمبر	عام حصص کی تعداد

-/50 روپے کی ریونیو ٹکٹ
پر دستخط کریں
(دستخط کمپنی کے ساتھ رجسٹرڈ نمونہ کیساتھ اتفاق کرنا چاہئے)

گواہ شدگان 1

دستخط ------------------------------

نام ------------------------------

شناختی کارڈ نمبر ------------------------------

پاسپورٹ نمبر ------------------------------

پتہ ------------------------------

گواہ شدگان 2

دستخط ------------------------------

نام ------------------------------

شناختی کارڈ نمبر ------------------------------

پاسپورٹ نمبر ------------------------------

پتہ ------------------------------

نوٹ:

1۔ اجلاس شروع ہونے سے 48 گھنٹے پہلے 8 کلومیٹر مانگا رائیونڈ روڈ ضلع قصور میں واقع کمپنی کے رجسٹرڈ آفس میں پہنچنے والا دستخط شدہ اور مہر لگا ہوا پراکسی فارم (مختار نامہ) موثر تصور کیا جائے گا۔

2۔ اگر ایک ممبر نے کمپنی میں ایک سے زیادہ پراکسی (متبادل رکن) مقرر کئے یا فارم جمع کروائے تو اس کے وہ تمام فارم غلط قرار دیئے جائینگے۔

3۔ کوئی بھی فرد اس وقت تک متبادل رکن کے طور پر کام نہیں کرسکتا جب تک وہ کمپنی کا ممبر نہ ہو، سوائے کارپوریشن کے جو کسی بھی شخص کو متبادل رکن مقرر کرسکتی ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز اور کارپوریٹ اداروں کیلئے

مذکورہ بالا کے علاوہ مندرجہ ذیل ضروریات کو بھی مدنظر رکھا جائے

1۔ پراکسی فارم دو افراد سے دستخط شدہ ہو اور ان کے نام، پتہ اور شناختی کارڈ نمبر واضح لکھے ہوئے ہوں۔

2۔ اصل مالکان اور متبادل اراکین کے شناختی کارڈ یا پاسپورٹ کی نقول پراکسی فارم کیساتھ منسلک کی جائیں۔

3۔ متبادل رکن کو اجلاس کے وقت اصل شناختی کارڈ یا پاسپورٹ دکھانا ہوگا۔

4۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی دستخط شدہ قرارداد / پاور آف اٹارنی (مختار عام) پراکسی فارم کیساتھ کمپنی کو جمع کرانا ہوگا۔

AFFIX

CORRECT

POSTAGE

The Company Secretary

KOHINOOR MILLS LIMITED
8-KM, Manga Raiwind Road,
Distt. Kasur,
Pakistan.

عملی کو نافذ کرنے کے ذریعے لاگت کی کارکردگی کو برقرار رکھنے کے لیے ایک ٹھوس کوشش کی جا رہی ہے۔ کمپنی اپنے حصص یافتگان کو زیادہ سے زیادہ مالی فائدہ پہنچانے کے لیے پُرعزم ہے۔ انتظامی ٹیم مسلسل دباؤ کے دوران طلب میں عالمی سست روی کے اثرات کو کم کرنے پر بھی پوری توجہ مرکوز کر رہی ہے۔ مالی سال 24 کے لیے آرڈر کی پوزیشن حوصلہ افزاء دکھائی دیتی ہے اور انتظامیہ جدت کے بعد حاصل ہونے والی زیادہ صلاحیت کی سطح کو بروئے کار لانے کے لیے پُر امید ہے۔

آڈیٹرز

کمپنی کے بیرونی آڈیٹرز، میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس آئندہ سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے کمپنیز ایکٹ، 2017 کے تحت دوبارہ تقرری کے اہل ہونے کے باعث، انہوں نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹر کے طور پر اپنی خدمات پیش کی ہیں۔ بورڈ آف ڈائریکٹرز نے ان کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی سفارشات کی توثیق کی ہے۔

آڈیٹرز نے آگاہ کیا ہے کہ انہیں انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے اور آڈٹ اور سائٹ بورڈ آف پاکستان کے ہاں رجسٹرڈ کوالٹی کنٹرول رویو پروگرام کے تحت تسلی بخش درجہ بندی حاصل کی گئی ہے۔ فرم انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) کے جاری کردہ ضابطہ اخلاق کے مطابق تعمیل کرتی ہے۔ مزید یہ کہ وہ کمپنی کو کوئی متعلقہ خدمات بھی نہیں دے رہے ہیں۔ آڈیٹرز نے اس بات کی بھی تصدیق کی ہے کہ نہ تو فرم اور نہ ہی اس کا کوئی شراکت دار، ان کے شریک حیات یا نابالغ بچے نے سال کے دوران کسی بھی وقت کمپنی کے حصص میں کاروبار یا تجارت نہیں کی ہے اور یہ کہ فرم کا کوئی پارٹنر یا فرد قریبی رشتہ دار یعنی میاں بیوی، والدین، سی ای او، سی ایف او، اندرونی آڈٹ کے سربراہ، کمپنی سیکرٹری یا کمپنی کے ڈائریکٹر کے خود کفیل اور زیرِ کفالت بچے آڈٹ میں شامل نہیں ہے۔

اعتراف

بورڈ اپنے قابل قدر حصص یافتگان، بینکوں، مالیاتی اداروں اور صارفین کا شکریہ ادا کرتا ہے، جن کی مدد، مسلسل تعاون اور سرپرستی نے کمپنی کو مسلسل بہتری کے لیے کوشاں رہنے کے قابل بنایا ہے۔ زیر جائزہ مدت کے دوران، انتظامیہ اور ملازمین کے درمیان خوشگوار تعلقات رہے اور ہم کمپنی کے ملازمین کی لگن، استقامت اور تندہی کو بھی سراہتے ہیں۔

برائے اور منجانب بورڈ

عامر فیاض شیخ	اسمٰعیل عامر فیاض	قصور
چیف ایگزیکٹو	ڈائریکٹر	20 ستمبر 2023ء

منسلک ہے ان پروفیشنل سٹینڈرڈز اور کارپوریٹ اقدار کو سمجھ سکے۔

حصص داری کا اجمال

30 جون2023 کو حصص داری کا اجمال ہمراہ کمپنی کے حصص یافتگان کی اقسام جیسا کہ کمپنیز ایکٹ2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں کہا گیا ہے اس رپورٹ میں منسلک ہے۔

مستقبل کے امکانات

پاکستان میں ٹیکسٹائل کی صنعت کو بہت سی مشکلات کا سامنا ہے جس کی وجہ سے دونوں علاقائی اور عالمی سطح پر مقابلہ کرنا مشکل ہوتا جا رہا ہے۔ ان رکاوٹوں میں عالمی طلب میں کمی، بڑھتی ہوئی افراط زر، آپریشن کی زیادہ قیمت، کپاس کی کم پیداوار، مہنگی درآمدات، ناکافی خام مال، کرنسی میں مسلسل اتار چڑھاؤ، اور حکومتی ٹیکسوں میں اضافہ شامل ہیں۔ نتیجتاً بہت سے چھوٹے اور درمیانے درجہ کے ٹیکسٹائل کاروبار بند ہونے پر مجبور ہو رہے ہیں۔ اس کے برعکس، بڑی اور مربوط پیداواری سہولیات اس مشکل ماحول میں لچک کا مظاہرہ کر رہی ہیں۔ ان مشکلات کے باوجود، صنعت کی انتظامیہ لاگت کی بچت کے اقدامات کو ترجیح دے کر اور معاون حکومتی پالیسیوں کی فعال طور پر وکالت کر کے منافع حاصل کرنے کے بارے میں پُر امید ہے۔

پائیدار نمو حاصل کرنے اور تجارتی خسارہ کو مؤثر طریقے سے کم کرنے کے لیے حکومت کو برآمدات پر مبنی شعبوں کو ترجیح دینی چاہیے۔ اس میں بجلی کے لیے علاقائی طور پر مسابقتی توانائی کے ٹیرف فراہم کرنا اور ری گیسیفائیڈ مائع قدرتی گیس (RLNG) کی مسلسل فراہمی کو یقینی بنانا شامل ہے۔ یہ اسٹریٹجک اقدامات نہ صرف بین الاقوامی منڈیوں میں پاکستانی مصنوعات کی مسابقت کو بڑھائیں گے بلکہ سرمایہ کاری، معاشی نمو اور روزگار کے مواقع کو بھی متحرک کریں گے، جس سے بالآخر ملک کی مجموعی معیشت کو فائدہ ہوگا۔ مزید برآں، جب کہ پاکستانی روپیہ کی قدر میں کمی سے برآمد کنندگان کو کسی حد تک فائدہ ہوتا ہے، یہ ذکر کرنا ضروری ہے کہ درآمد شدہ خام کپاس/ دھاگے، رنگوں اور کیمیکلز کی لاگت میں اضافہ اور کرنسی کی قدر میں کمی کی وجہ سے اضافی ورکنگ کیپیٹل پر مالیاتی لاگت ان میں سے زیادہ تر فوائد کو زائل کر دیتی ہے۔

برآمدات پر مبنی شعبوں کی مدد کے لیے ان کوششوں کو ان اقدامات کے ساتھ جوڑ کر جو خام مال کی بڑھتی ہوئی قیمتوں سے درپیش مشکلات سے نمٹتے ہیں، پاکستان زیادہ متوازن تجارتی صورتحال کے حصول اور پائیدار اقتصادی نمو کو فروغ دینے کے لیے کام کر سکتا ہے۔

اسٹیٹ بینک آف پاکستان (SBP) نے ایکسپورٹ فنانس اسکیم (EFS) اور لانگ ٹرم فنانسنگ فیسیلیٹی (LTFF) کی شرح سود کو %3 کم فرق پر برقرار رکھا۔ لیکن ، پالیسی شرح %13.75 سے بڑھ کر %22 ہوگئی۔ اس کے نتیجے میں مجموعی شرح سود مالی سال 23 کے آغاز میں 10 فیصد سے بڑھ کر مالی سال کے اختتام پر 19 فیصد تک پہنچ گئی۔ فنانسنگ کی شرحوں میں اس بالائی رفتار کا ٹیکسٹائل سیکٹر کی زیریں لائن کے منافع پر اثر کم ہو رہا ہے۔

کمپنی نے پہلے ہی گارمنٹس یونٹ پر کام شروع کر دیا ہے جس سے موجودہ مالی سال کی آخری سہ ماہی میں 5,000 گارمنٹس یومیہ کی مجموعی صلاحیت کے ساتھ پیداوار شروع ہونے کی توقع ہے، جو کمپنی کو ہم آہنگی کے فوائد حاصل کرنے کے قابل بنائے گی۔ ابتدائی طور پر اپیرل ڈویژن ڈائنگ ڈویژن کی کسٹمر بیس کو تیار شدہ مصنوعات فراہم کرے گا۔

کمپنی کے آپریشنز کے بارے میں، حکمت عملیوں جیسے کہ صلاحیت کے استعمال کو بہتر بنانے، اخراجات کو معقول بنانے، اور بائیوماس پروکیورمنٹ کی ایک موثر حکمت

انسانی وسائل اور معاوضہ کمیٹی

بورڈ نے مندرجہ ذیل ممبروں پر مشتمل ایک انسانی وسائل اور معاوضہ کمیٹی تشکیل دی ہے۔

نمبر شمار	نام رکن	عہدہ
1	جناب محمد انوار الحق صدیقی	چیئرمین
2	جناب رشید احمد	ممبر
3	محترمہ ہاجرہ ارحم	ممبر

انسانی وسائل اور معاوضہ کمیٹی (ایچ آر اینڈ آر) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تقاضوں کے تحت بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ ضوابط کے مطابق کام کرتی ہے۔

زیر جائزہ سال کے دوران انسانی وسائل اور معاوضہ کمیٹی کے چار (4) اجلاس منعقد ہوئے ان میں ہر ممبر کی حاضری درج ذیل ہے:

نمبر شمار	ممبرز کا نام	شرکت کردہ اجلاس کی تعداد
1	جناب محمد انوار الحق - چیئرمین	4/4
2	جناب رشید احمد - ممبر	4/4
3	محترمہ ہاجرہ ارحم - ممبر	4/4

نان ایگزیکٹو/ آزاد ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے "ڈائریکٹرز کے معاوضہ سے متعلق پالیسی منظور کی ہے، جس کی اہم خصوصیات درج ذیل ہیں:

☆ بورڈ آف ڈائریکٹرز کا کوئی واحد ممبر خود اپنا مشاہرہ متعین نہیں کر سکتا۔

☆ آزاد ڈائریکٹرز سمیت نان ایگزیکٹو ڈائریکٹرز کا معاوضہ کمپنی کی موزوں تجربہ کار اور اہل بورڈ ممبرز کو برقرار رکھنے کی ضرورت کے لحاظ سے اور مارکیٹ پریکٹس کے مساوی طے کیا جاتا ہے۔

انسانی وسائل اور معاوضہ کمیٹی ہر مالی سال کے اختتام پر یا اس سے پہلے ایکسٹرنل مارکیٹ میں تقابلی معاوضے کی سطحوں کے سروے کی بنیاد پر بورڈ کو سفارشات پیش کرتی ہے۔

☆ کمپنی کے منعقدہ اجلاسوں میں شرکت اور دیگر امور کے لئے ڈائریکٹرز کی طرف سے خرچ کئے جانے والے تمام مناسب اخراجات، بشمول سفری، ہوٹل چارجز اور دیگر اخراجات کمپنی کی پالیسی کے مطابق کمپنی سے وصول کرنے کے اہل ہونگے۔

☆ معاوضے پر ٹیکس کی ذمہ داری کمپنی برداشت کرے گی۔

ضابطہ اخلاق

بورڈ، سینئر مینجمنٹ اور کمپنی کے دیگر ملازمین میں دیانتداری کی ترجیح کے لئے بورڈ نے ضابطہ اخلاق بنا کر کمپنی کی ویب سائٹ پر شائع کیا ہے تاکہ ہر شخص جو کمپنی سے

نام ڈائریکٹرز	نمبر شمار
جناب اسماعیل عامر فیاض	1
جناب مطیع الدین صدیقی (NIT نامزد)	2
محترمہ امرت عامر فیاض	3
جناب محمد انوار الحق صدیقی	4

درج ذیل ڈائریکٹرز لسٹڈ کمپنیوں کے بورڈز میں کم از کم 14 سالہ تعلیم اور 15 سالہ تجربہ کے استثنٰی کے معیار پر پورا اترتے ہیں، اس لیے ڈائریکٹرز کے تربیتی پروگرام سے مستثنٰی ہیں:

نام ڈائریکٹرز	نمبر شمار
جناب عامر فیاض شیخ۔چیف ایگزیکٹو	1
جناب رشید احمد۔ڈائریکٹر	2

محترمہ ہاجرہ ارحم مالی سال 24-2023 میں ڈائریکٹرز کے تربیتی پروگرام میں شامل ہوں گی۔

آڈٹ کمیٹی

بورڈ نے مندرجہ ذیل ممبروں پر مشتمل ایک آڈٹ کمیٹی تشکیل دی ہے۔

1	محترمہ ہاجرہ ارحم	چیئر پرسن
2	جناب رشید احمد	رکن
3	جناب محمد انوار الحق صدیقی	رکن

آڈٹ کمیٹی بورڈ آف ڈائریکٹرز کے طے کردہ طریقہ کار کے مطابق کام کرتی ہے۔ یہ کوڈ آف کارپوریٹ گورننس کی بہترین پریکٹیسز اور متعلقہ قانونی تقاضوں، اکاؤنٹنگ پالیسیز اور پریکٹیسز میں تبدیلی، لاگو اکاؤنٹنگ سٹینڈرڈز اور لسٹنگ کے قواعد کی نگرانی پر توجہ مرکوز رکھتی ہے۔

یہ بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تقرری کی شرائط اور آڈٹ سے متعلق جائزہ کی سفارشات پیش کرتی ہے۔ دیگر ذمہ داریوں میں انٹرنل آڈٹ فنکشن، کمپنی کے اثاثوں کا انٹرنل کنٹرول سسٹم کے ذریعے تحفظ اور مالیاتی اور آپریشنل کنٹرول، اکاؤنٹنگ کا نظام اور رپورٹنگ کے طریقہ کار، کاروباری منصوبوں کا ابتدائی جائزہ اور بورڈ کی توثیق اور نتیجہ کی اشاعت سے پہلے سہ ماہی، ششماہی اور سالانہ کارکردگی کا جائزہ لیتی ہے۔

زیر جائزہ سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس منعقد ہوئے ان میں ہر ممبر کی حاضری درج ذیل ہے:

نمبر شمار	ممبرز کا نام	شرکت کردہ اجلاس کی تعداد
1	محترمہ ہاجرہ ارحم - چیئر پرسن	4/4
2	جناب رشید احمد - ممبر	4/4
3	جناب محمد انوار الحق صدیقی - ممبر	4/4

بورڈ کی تبدیلیاں

زیرِ جائزہ سال کے دوران بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی۔

زیرِ جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے سات (7) اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی حاضری درج ذیل ہے:

نمبر شمار	ڈائریکٹرز کے نام	اجلاس میں شرکت کی تعداد
1	جناب رشید احمد چیئرمین	7/7
2	جناب عامر فیاض شیخ چیف ایگزیکٹو	7/7
3	جناب اسمٰعیل عامر فیاض ڈائریکٹر	6/7
4	جناب مطیع الدین صدیقی ڈائریکٹر NIT نامزدہ	7/7
5	محترمہ امرت عامر فیاض ڈائریکٹر	5/7
6	محترمہ ہاجرہ ارحم ڈائریکٹر	7/7
7	جناب محمد انوار الحق صدیقی ڈائریکٹر	7/7

اجلاس میں شرکت نہ کر سکنے والے ڈائریکٹرز کو غیر حاضری کی رخصت دی گئی۔

درج ذیل بیان کے علاوہ، زیرِ جائزہ سال کے دوران ڈائریکٹر، ایگزیکٹوز، ان کے شریک حیات اور نابالغ بچوں کی طرف سے حصص میں کوئی تجارت نہیں کی گئی:

ڈائریکٹرز کا نام	ٹرانزیکشن کی نوعیت	خرید کردہ حصص کی تعداد
جناب عامر فیاض شیخ چیف ایگزیکٹو	اوپن مارکیٹ	871,500

بورڈ کی سالانہ کارکردگی کا جائزہ

بورڈ اپنی کارکردگی جانچنے کے عمل کو بہترین نظم و نسق کا ایک اہم حصہ تصور کرتا ہے، کیونکہ یہ عمل ڈائریکٹرز کو بورڈ کی حالیہ کارکردگی، اس کے کردار اور ذمہ داریوں کے متعلق رائے فراہم کرتا ہے۔ اس بات کا ادراک کرتے ہوئے بورڈ نے اپنی کمیٹیوں کی اور ارکان کی کارکردگی میں مدد فراہم کرنے کے لئے معروف طریقوں سے متعلق ایک سوالنامہ وضع کیا ہے۔ کمپنی سیکرٹری بات چیت اور جائزہ کے لئے بورڈ کو سالانہ خلاصہ رپورٹ پیش کرتا ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ کے ارکان کا معاوضہ بذات خود بورڈ منظور کرتا ہے۔ تاہم، کارپوریٹ گورننس کے کوڈ کے تحت، یہ یقینی بنایا جاتا ہے کہ کسی بھی ڈائریکٹر نے خود کا معاوضہ طے کرنے کے فیصلہ میں حصہ نہیں لیا ہے۔ کمپنی نان ایگزیکٹو ڈائریکٹرز کو اجلاسوں میں شامل ہونے کی فیس کے علاوہ کوئی معاوضہ نہیں دیتی۔ بہترین ذہنوں کو اپنے پاس رکھنے کے لئے، کمپنی کی معاوضہ پالیسی مضبوط ہے جو کہ انڈسٹری ٹرینڈ اور کاروباری طریقوں کے مطابق ہے۔ ڈائریکٹرز اور سی ای او کی معاوضے کی معلومات کے لئے، براہ کرم مالی گوشواروں کے نوٹس ملاحظہ کریں۔

ڈائریکٹرز کے تربیتی پروگرام

بورڈ نے مندرجہ ذیل کے لیے ڈائریکٹرز کے تربیتی پروگرام کا اہتمام کیا ہے:

اندرونی مالیاتی کنٹرول کی کافیت

کمپنی نے کمپنی کے اثاثوں کی حفاظت، دھوکہ دہی کو روکنے اور اس کا پتہ لگانے اور تمام قانونی اور قانونی تقاضوں کی تعمیل کو یقینی بنانے کے لیے اندرونی اور مالیاتی کنٹرول کا ایک موثر اور موثر نظام قائم کیا ہے۔ اندرونی کنٹرول کے ڈھانچے کا باقاعدگی سے جائزہ لیا جاتا ہے اور بورڈ کے ذریعہ قائم کردہ اندرونی آڈٹ فنکشن کے ذریعے نگرانی کی جاتی ہے۔ آڈٹ کمیٹی اپنے حوالہ کی مدت کے مطابق سہ ماہی بنیادوں پر اندرونی کنٹرول سسٹم کا جائزہ لیتی ہے۔

بورڈ آف ڈائریکٹرز

کمپنی کے مکمل نظم ونسق اور انتظامات کے لئے بورڈ آف ڈائریکٹرز ذمہ دار ہیں۔ تمام ڈائریکٹرز اپنے فرائض اور اختیارات سے بخوبی آگاہ ہیں۔ تمام ڈائریکٹرز بورڈ کے ہر سہ ماہی میں منعقد ہونے والے اجلاس کے ذریعے اپنی قانونی ذمہ داریاں ادا کرتے ہیں۔ جن میں کمپنی کے مالیاتی گوشواروں پر نظر ثانی کرنے کے اور انکی منظوری کے علاوہ کمپنی کے اہم منصوبے، فیصلے، اندازے اور مالی تخمینہ جات وغیرہ ہر ذیلی کمیٹی کی دی گئی سفارشات کی روشنی میں مشاورت اور ان پر عمل کروانا شامل ہے ان کے فرائض میں کمپنی کے اسٹریٹجک مقاصد کو قائم کرنا، قیادت کی فراہمی، کاروبار کے انتظام کی نگرانی اور حصص یافتگان کو رپورٹ کرنا شامل ہے۔

ڈائریکٹرز کی کل تعداد سات(7) ہے۔ جن کے نام درج ذیل ہیں:

a)۔ مرد حضرات

i۔ جناب رشید احمد - **چیئرمین / نان ایگزیکٹو ڈائریکٹر**

ii۔ جناب عامر فیاض شیخ - **چیف ایگزیکٹو / ایگزیکٹو ڈائریکٹر**

iii۔ جناب اسمٰعیل عامر فیاض - **ایگزیکٹو ڈائریکٹر**

iv۔ جناب محمد انوار الحق صدیقی - **انڈیپینڈنٹ ڈائریکٹر**

v۔ جناب مطیع الدین صدیقی (NIT نامزدہ) - **نان ایگزیکٹو ڈائریکٹر**

b)۔ خواتین

vi۔ محترمہ امرت عامر فیاض - **ایگزیکٹو ڈائریکٹر**

vii۔ محترمہ ہاجرہ ارحم - **انڈیپینڈنٹ ڈائریکٹر**

ویلیوایڈیشن اوراس کی تقسیم اور مالی خطرات

ویلیوایڈیشن اوراس کی تقسیم،اس رپورٹ کے ساتھ منسلک ہے۔

کارپوریٹ اور مالیاتی فریم ورک

کمپنی کے بورڈ آف ڈائریکٹرز، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ کوڈ آف کارپوریٹ گورننس کے متعلق اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔مندرجہ ذیل بیانات کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے چلانے کے لئے کمپنی کے عزم کا اظہار کرتے ہیں۔

- a• مالیاتی گوشوارے کمپنیز ایکٹ 2017 کے مطابق تیار کئے گئے ہیں۔کمپنی کی انتظامیہ کی طرف سے تیارکردہ، مالیاتی گوشوارے،اس کے معاملات، آپریشنز کے نتائج،نقدی بہاؤ اور ایکوئٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- b• کمپنی نے اکاؤنٹس کی کتابوں کا صحیح ریکارڈ رکھا ہوا ہے۔
- c• مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- d• مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے اور کسی انحراف کا واضح انکشاف اور وضاحت کی گئی ہے۔
- e• اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موئثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- f• کاروبار جاری رکھنے کے لئے کمپنی کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔
- g• لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز،2019 میں دیئے گئے قواعد وضوابط کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- h• کمپنی کے کاروبار کے کسی بھی حصے میں تنظیم نو، کاروبار کی توسیع یا کاروبار کو بند کرنے کا کوئی اہم منصوبہ نہیں ہے۔
- i• گزشتہ چھ سالوں کے آپریٹنگ اور مالی اعدادوشمار رپورٹ ہذا سے منسلک ہیں۔
- J• بقایا ٹیکسز، ڈیوٹیز، لیویز اور دیگر چارجز (اگر کوئی ہو) کی مد میں قانونی ادائیگیوں کی بابت معلومات نظر ثانی شدہ گوشواروں کے متعلقہ نوٹ میں دی گئی ہیں۔
- k• کمپنی حفاظتی قواعد وضوابط کے معیارات کی سختی سے تعمیل کرتی ہے۔یہ ماحول دوست پالیسیوں پر بھی عمل کرتی ہے۔
- l• سٹاف ریٹائرمنٹ فنڈ (پراویڈنٹ فنڈ) کی طرف سے کی جانے والی سرمایہ کاری کا تخمینہ ان غیر پڑتال شدہ اکاؤنٹس پر مبنی ہے جو کہ درج ذیل ہیں:

30 جون 2023 306.624 ملین روپے (غیر نظر ثانی شدہ)

30 جون 2022 221.364 ملین روپے (نظر ثانی شدہ)

انسانی وسائل اور تربیت

تقریباً 2,059 ملازمین کمپنی کا حصہ ہیں۔ کمپنی کا ماننا ہے کہ اس کے مستقبل کی بہتری میں یہ انسانی وسائل اہم ترین جزو ہیں اور ہر ایک فرد کا کمپنی کی کامیابی میں حصہ شامل ہے۔

آپ کی کمپنی کی ایچ آر ٹیم انتہائی ہنرمند اور تجربہ کار لوگوں پر مشتمل ہے۔ جو ملازم کاروباری ٹیم کے ساتھ ملکر کام کرتے ہیں۔ تا کہ کمپنی کے اہداف حاصل کر سکے۔ کمپنی ہر فرد کے احترام کو برابر کا موقع فراہم کرنے اور اچھی کارکردگی کے ماحول کو پروان چڑھنے کو خصوصی اہمیت دیتی ہے۔ اسکے ساتھ ساتھ ملازمین کو ہر سطح پر آگے بڑھنے کے مواقع فراہم کیے جاتے ہیں۔ اور مختلف قسم کے تجربات سے گزارا جاتا ہے۔ جوان کا مستقبل بہتر بنا سکتے ہیں۔ جدید ترین ٹیکنالوجی اور ایچ آر انفارمیشن سسٹم کے ملاپ سے بہترین ماحول پیدا کیا جا سکتا ہے۔ جس میں افراد اپنی ذاتی اور پروفیشنل خوابوں کی تکمیل کر سکتے ہیں۔

تربیت اور ترقی

کمپنی کا یقین ہے کہ تربیت اور ترقی کے ذریعے انسانی وسائل میں بہتری لاتے رہنا چاہئے۔ پیداوار کے تمام مراحل میں تربیت دینے کو خصوصی اہمیت دی جاتی ہے۔ اہم تکنیکی تبدیلیاں جیسے کہ ویورز ٹیکنالوجی اور کوالٹی کنٹرول معائنہ کاروں کی تربیت کے لئے سال کے دوران مؤثر تربیتی پروگرام بنائے گئے ہیں۔ اس سے امیدواران کو تربیتی سکیم کے ذریعے 6 ماہ تک کمپنی کے اندر تربیت دی جاتی ہے۔ اس سے کمپنی کو تربیت یافتہ افراد ڈھونڈنے میں مدد ملتی ہے۔ اور کسی کے چھوڑ جانے کی صورت میں متبادل موجود رہتا ہے۔ کمپنی کے اندر عمومی نظام آگ بجھانا، طبی امداد، صحت حفاظت اور کمپیوٹر اور تکنیکی شعبوں میں تربیتی کورس کروائے جاتے ہیں۔

حفاظت، صحت اور ماحولیات

آپ کی کمپنی اپنے تمام ملازمین کے لئے ایک محفوظ اور صحتمند کام کی جگہ فراہم کرنے پر توجہ مرکوز رکھتی ہے اور ہم جس معاشرے اور ماحول میں کام کرتے ہیں اس کے لئے ذمہ داری کے ساتھ کام کرنے کے لئے پُرعزم ہیں۔ کارپوریٹ قیادت، عملے کی لگن اور کام کی جگہ پر اعلیٰ ترین پیشہ ورانہ معیارات کے اطلاق کے ذریعہ ہماری حفاظت، صحت اور ماحول کی کارکردگی میں مستقل بہتری سے یہ کامیابی حاصل ہوگی۔

کارپوریٹ سماجی ذمہ داری

آپ کی کمپنی کے پاس بہت منفرد کارپوریٹ سماجی ذمہ داری (سی ایس آر) پالیسی ہے جس کا مقصد جہاں وہ کام کرتی ہے اس کمیونٹی کو تحفظ فراہم کرنے کی اپنی ذمہ داریوں کو نبھانا ہے۔ اس کی انسان دوست سرگرمیوں میں صحت اور تعلیم کے شعبے کے اقدامات میں حصہ لینا شامل ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی تعمیل

آپ کی کمپنی کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لئے پُرعزم ہے۔ بورڈ اور اس کی ذیلی کمیٹیاں اس سلسلے میں اپنی ذمہ داریوں کو تسلیم کرتی ہیں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تعمیل کا بیان اور اسی بارے میں آڈیٹرز کی جائزہ رپورٹ منسلک ہے۔

ڈائینگ ڈویژن

فیشن ریٹیل انڈسٹری ایک متحرک اور انتہائی مسابقتی شعبہ ہے جو معاشی اتار چڑھاو کے لیے حساس ہے۔ مالی سال 23 نے دنیا کو COVID-19 وبائی بیماری، جغرافیائی سیاسی تناؤ اور سپلائی چین میں خلل کے بعد مختلف عوامل کی وجہ سے عالمی کساد بازاری سے نبرد آزما ہوتے دیکھا ہے۔ اس کے ساتھ ہی، دنیا کے کئی حصوں میں مہنگائی میں اضافہ ہو رہا ہے، جس سے کاروبار اور صارفین پر اضافی دباؤ پڑ رہا ہے۔ عالمی کساد بازاری کی وجہ سے صارفین کے اعتماد اور صوابدیدی اخراجات میں کمی واقع ہوئی ہے۔ صارفین اپنی خریداریوں، خاص طور پر فیشن جیسی غیر ضروری کیٹگریوں کے بارے میں زیادہ محتاط ہیں۔ اس کے نتیجے میں فیشن ریٹیلرز، خاص طور پر وہ لوگ جو اعلیٰ درجہ کی مارکیٹوں کو پورا کرتے ہیں، ان میں کمی واقع ہوئی ہے۔ اس مشکل معاشی ماحول میں، ترقی کی منازل طے کرنے کے لیے فیشن ریٹیلرز کو جدید اختراع اپنانے کی ضرورت ہے۔

فیشن ریٹیلرز صنعت کے اردگرد کے مجموعی مشکل ماحول کے باوجود، ڈائنگ ڈویژن اپنے مجموعی کاروبار کو 14,064 ملین روپے سے 18,115 ملین روپے تک 29% بڑھانے میں کامیاب رہا۔ مجموعی منافع بڑھ کر 3,240 ملین روپے ہوگیا جو کہ گزشتہ مالی سال کی اسی مدت میں 1,656 ملین روپے سے، سال بہ سال 96 فیصد کا اضافہ ہے۔ خالص منافع 270 ملین روپے سے بڑھ کر 1,308 ملین روپے ہوگیا جو کہ سال بہ سال 384% کا اضافہ ہے۔ ڈائینگ ڈویژن کی متاثر کن مالی کارکردگی بنیادی طور پر کرنسی کی قدر میں کمی کی وجہ سے ہے۔ فروخت کے زیادہ حجم، تنوع اور مؤثر رسک مینجمنٹ کے ذریعے پائیدار نمو حاصل کرنے کے مقصد کی حکمت عملیوں کے ساتھ اس کی تکمیل کرنا بہت ضروری ہے۔ ان مشکلات کے اختراع اور ان کے جواب میں صنعت کی صلاحیت آئندہ سالوں میں اس کی لچک اور نمو کا تعین کرے گی۔

جنرٹیک ڈویژن

جنرٹیک ڈویژن بعض مشکلات کا شکار ہے۔ بجلی کی طرف، حکومت پاکستان نے اپنے مسابقتی ریلیف پیکیج کے حصے کے طور پر کم شرح پر بجلی فراہم کرنا بند کر دیا۔ نتیجتاً، جنرٹیک ڈویژن بجلی پیدا کرنے کے لیے اجازت یافتہ کوٹہ کی حد تک قدرتی گیس کا استعمال کر رہا ہے اور باقی بجلی کی ضرورت زیادہ قیمت پر نیشنل گرڈ سے پوری کی جاتی ہے۔ قدرتی گیس کی قیمت بھی جنرٹیک ڈویژن کو شرح مبادلہ میں تیزی سے گراوٹ کا شکار بناتی ہے۔ توانائی کی مسابقتی لاگت کو برقرار رکھنے میں ان عوامل نے مشکلات میں نمایاں اضافہ کیا ہے۔ انتظامیہ ان مشکلات سے نمٹنے کے لیے بھرپور کوشش کر رہی ہے اور متبادل ایندھن میں مثبت پیش رفت پر توجہ مرکوز کر رہی ہے جس میں بائیو فیول پر مبنی سٹیم ٹربائن بھی شامل ہے۔

بھاپ کی پیداوار کے لیے، ڈویژن نے اپنی ایندھن کی ضروریات کو صاف، سستے اور ماحول دوست غیر روایتی گرین بائیو فیولز کے لیے متنوع بنایا ہوا ہے۔

انفارمیشن ٹیکنالوجی

آپ کی کمپنی بروقت اور مؤثر فیصلوں میں مدد کرنے والے مؤثر آئی ٹی نظام کے حصول کے لئے مستقل کوششیں کر رہی ہے۔ ملازمین کو بہترین کارکردگی کے لئے جدید ترین سہولیات فراہم کی ہیں۔ آپریشن میں استعمال ہونے والا پیداواری سامان اور مشینری تکنیکی طور پر اعلیٰ درجہ کے سافٹ ویئر کے ساتھ لیس ہیں، جو پیداوار کے عمل کے لئے حقیقی وقت میں معلومات فراہم کرتی ہے۔

کمپنی کا انٹرانیٹ سسٹم کمپنی کی پالیسی اور طریقوں اور دیگر معلومات فراہم کرنے میں مددگار ثابت ہو رہا ہے۔

قدر میں کمی فائدہ اُٹھانے میں کامیاب رہی۔اس اسٹریٹجک پوزیشن نے آپ کی کمپنی کو 30 جون 2023 کو ختم ہونے والے سال کے دوران دونوں کاروبار اور منافع میں خاطر خواہ نمو حاصل کرنے کی اجازت دی۔

نتیجتاً، آپ کی کمپنی زیر جائزہ سال میں کاروباری منافع میں نمایاں اضافہ کرنے میں کامیاب رہی۔30 جون 2023 کو ختم ہونے والے سال کے دوران، آپ کی کمپنی نے گزشتہ مالی سال کی اسی مدت کے لئے 21,453 ملین روپے کی فروخت پر 3,447 ملین روپے کے مجموعی منافع کے مقابلے میں 28,208 ملین روپے کی فروخت پر 5,867 ملین روپے کا مجموعی منافع کمایا ہے۔زیر جائزہ مدت کے دوران، آپ کی کمپنی نے خالص منافع 2,001 ملین روپے (EPS:39.31 روپے فی شیئر)، کمایا جبکہ پچھلے مالی سال میں خالص منافع 928 ملین روپے (EPS:18.24 روپے فی شیئر) تھا۔

اس مدت کے دوران مالیاتی لاگت میں 159.13 فیصد کا نمایاں اضافہ ہوا، جو کہ گزشتہ سال کی تقابلی مدت میں 482.13 ملین روپے سے بڑھ کر کل 1,249.47 ملین روپے ہوگئی۔مالیاتی اخراجات میں نمایاں اضافہ میکرو اکنامک عوامل، بشمول زیادہ پالیسی شرح، افراط زر کے زیادہ دباؤ، اور کرنسی کی قدر میں کمی کی وجہ سے ورکنگ سرمائے کی اضافی ضروریات کے امتزاج کا نتیجہ ہے۔ان عوامل نے اجتماعی طور پر زیر جائزہ مدت کے دوران مالیاتی لاگت میں قابل ذکر اضافے میں اہم کردار ادا کیا۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے 3.00 روپے فی شیئر یعنی 30% کا حتمی نقد منافع منقسمہ تجویز کیا ہے۔

کارکردگی کا جائزہ

30 جون 2023 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کی کارکردگی کا ایک مختصر جائزہ حسبِ ذیل ہے:

ویونگ ڈویژن

BMR کا جامع منصوبہ بلاشبہ ایک شاندار کامیابی ثابت ہوا ہے۔258 پرانی لومز کی تبدیلی اور جدید ترین لومز اور ذیلی آلات کے ساتھ 14 لومز کی اضافی تنصیب نے ویونگ ڈویژن میں تقریباً ایک غیر معمولی تبدیلی آئی ہے۔یہ کامیابی جدت اور آپریشنل فائدہ کے لئے انتظامیہ کے عزم کا ثبوت ہے۔ویونگ سیکٹر کو درپیش موجودہ عالمی اور ملکی مشکلات کے باوجود، یہ کمپنی کی نمو میں ایک ناقابل تردید شراکت ہے۔ویونگ ڈویژن نے پچھلے مالی سال میں 13,372 ملین روپے کے کاروبار کے مقابلے میں 17,168 ملین روپے کا مجموعی کاروبار کیا۔

آگے دیکھتے ہوئے، ہم طلب میں کمی، یوٹیلیٹی اخراجات میں اضافے، اور اسٹیٹ بینک آف پاکستان کی پالیسی شرح میں مسلسل اضافے کے باعث بڑھتی ہوئی مالیاتی لاگت منافع کے مارجن پر دباؤ ڈالتی ہوئی نظر آرہی ہیں۔اس کے جواب میں، ہم لاگت کو بہتر بنانے، اپنی مارکیٹ تک رسائی کو متوازن بنانے، اور ان مشکلات کو کم کرنے اور آئندہ سالوں میں اپنے منافع کو بڑھانے کے لیے اپنی مالیات کا مؤثر طریقے سے انتظام کی فعال حکمت عملیوں کو نافذ کرنے کے لیے پُرعزم ہیں۔ہم مستقبل میں اپنے متوقع نتائج کو نہ صرف حاصل کرنے بلکہ اس سے بھی بہتر کرنے کی امید رکھتے ہیں۔

خسارہ17.48 بلین امریکی ڈالرتھا، جس سے پچھلے سال کی اسی مدت کے مقابلے میں تقریباً85.1 فیصد کی کمی واقع ہوئی ہے۔ یہ قابل ذکر تبدیلی بنیادی طور پر درآمدات میں کمی سے منسوب ہے، جس نے ترسیلات اور برآمدات میں مشترکہ کمی کو مؤثر طریقے سے کم کیا۔

پاکستانی روپیہ-امریکی ڈالر انٹربینک ایکسچینج ریٹ نمایاں طور پر گر گیا، جو سال کے شروع میں202.50 روپے سے41.5% کی گراوٹ سے سال کے آخر تک 286.60 روپے ہوگیا۔ یہ خاطر خواہ قدر میں کمی درآمدی قیمتوں میں اضافہ اور ملکی طلب کو بڑھا کر افراط زر کو بڑھا سکتی ہے۔ ممکنہ افراط زر کو کنٹرول کرنے کے لیے، حکومت کو شرح سود بڑھانے کی ضرورت پڑ سکتی ہے، چاہے اس سے اقتصادی نمو کو قربان کرنا پڑے۔ نتیجتاً، زیر جائزہ مدت کے دوران، اوسط CPI افراط زر29.2 فیصد تک بڑھ گیا، جو کہ تقابلی مدت میں12.2 فیصد تھا۔ مہنگائی کو روکنے اور قیمتوں میں استحکام برقرار رکھنے کے لیے، اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی شرح میں825 بیسس پوائنٹس (bps) کا اضافہ کر دیا، جو مالی سال کے آغاز میں13.75 فیصد سے سال کے اختتام پر22 فیصد تک پہنچ گئی۔ یہ ایڈجسٹمنٹ افراط زر کے زیادہ دباؤ کے جواب میں تھی، جو کرنسی کی قدر میں کمی، سیلاب سے پیدا ہونے والے نقصانات، خوراک کی عالمی قیمتوں میں اضافے، اور دونوں بجلی اور ایندھن کے لیے زیادہ ٹیرف اصلاحات جیسے عوامل سے کارفرما تھی۔

پاکستان کے معاشی عدم توازن کے ساتھ ساتھ انتہائی سیاسی عدم استحکام اور غلط پاپولسٹ اقدامات اور ماحولیاتی تباہی نے معیشت کو تباہی کے دہانے پر دھکیل دیا۔ نتیجتاً پاکستان کو ایک بار پھر آئی ایم ایف اور دوست ممالک سے تعاون لینا پڑا۔ اقتصادی غیر یقینی صورتحال کے عالمی ماحول کے ساتھ ان عوامل کا مطلب یہ تھا کہ یہ ایک چیلنجنگ سال تھا اور آئندہ سال ان چیلنجوں میں مزید اضافہ متوقع ہے۔

ٹیکسٹائل صنعت کا نقطہ نظر

پاکستان کی ٹیکسٹائل برآمدات میں مالی سال23 میں14.5 فیصد کی کمی واقع ہوئی ہے، جو مالی سال-22 کی اسی مدت میں19.3 بلین امریکی ڈالر سے کم ہو کر 16.5 بلین امریکی ڈالر رہ گئی ہے۔ پاکستان کے ٹیکسٹائل سیکٹر میں گراوٹ کو متعدد عوامل سے منسوب کیا جا سکتا ہے۔ سب سے پہلے، عالمی اقتصادی سست روی نے پاکستانی ٹیکسٹائل مصنوعات کی طلب میں کمی کی ہے۔ دوم، سیلاب کے نقصانات کے نتیجے میں کپاس کی صنعت کو نقصان پہنچا ہے، جو اس صنعت کی کپاس کی ضرورت کا نصف ہے۔ آخر میں، متضاد پالیسی موقف، بشمول زیادہ پالیسی شرح، توانائی کے چارجز میں اضافہ، اور خام مال اور مشینری کی درآمد پر پابندیوں نے کاروباروں کے لیے کام کرنا اور برآمد کرنا مشکل بنا دیا ہے۔ مزید برآں، پالیسی ریٹ اور رعایتی فنانسنگ ریٹ (جیسے کہ ایکسپورٹ فنانسنگ اسکیم اور لانگ ٹرم فنانسنگ سہولت) کے درمیان پھیلاؤ میں کمی نے صنعت کاروں کی حوصلہ شکنی کی ہے جو اپنی ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کے لیے اس طرح کی فنانسنگ سہولیات پر بہت زیادہ انحصار کرتے ہیں۔ منفی عالمی اور مقامی معاشی منظر نامہ کے باوجود جیسا کہ اوپر بیان کیا گیا، پاکستان کی ٹیکسٹائل مصنوعات نے قومی برآمدات میں تقریباً59.5 فیصد کا اوسط حصہ برقرار رکھا۔

ان مشکلات کی سمت سازی کے لیے ایک کثیر جہتی نقطہ نظر کی ضرورت ہوگی جس میں دونوں مقامی اصلاحات اور عالمی مارکیٹ محرکات کی سمجھ شامل ہوں۔ پاکستان کی ٹیکسٹائل انڈسٹری کو اپنی رفتار کو برقرار رکھنے کے لیے، اسے ایک مستحکم اور مستقل پالیسی ماحول کی ضرورت ہے جو برآمدات کی حوصلہ افزائی، مسابقت کی حمایت، اور طویل مدتی نمو کو فروغ دے۔ پالیسی کی پیشن گوئی سرمایہ کاری کو راغب کرنے اور صنعت کی نمو کو فروغ دینے کے لیے اہم ہے۔

آپریٹنگ اور مالی نتائج

مذکورہ بالا چیلنجنگ مائیکرو اور میکرو اکنامک حالات کے باوجود، آپ کی کمپنی کچھ فوائد، خاص طور پر اپنی برآمدی نوعیت اور امریکی ڈالر کے مقابلے پاکستانی روپے کی

ڈائریکٹرز کا جائزہ - مالی سال 2023

کمپنی کے ڈائریکٹرز کی جانب سے 30 جون، 2023 کے اختتام پر سالانہ رپورٹ ہمراہ پڑتال شدہ مالیاتی گوشوارے اور آڈیٹر رپورٹ پیش کرنا باعث مسرت ہے۔

عالمی اقتصادی جائزہ

یوکرین پر روس کے حملے کے نتیجے میں مشرقی یورپ میں طویل عرصہ سے جاری تنازعہ عالمی استحکام کو غیر مستحکم کر رہا ہے۔ جغرافیائی سیاسی تناؤ اور فوجی تنازعات نے سپلائی چین میں خلل، توانائی کی قیمتوں کو متاثر اور عالمی مالیاتی منڈیوں میں غیر یقینی صورتحال کو بڑھا دیا۔ مہنگائی، کرنسی کی قدر میں کمی، جغرافیائی سیاسی تناؤ، اور گزشتہ تین سالوں میں COVID-19 وبائی بیماری کے اثرات نے مالی سال 23 میں دنیا کے بہت سے حصوں میں اقتصادی نمو کو سست کر دیا اور مالی سال 24 میں بھی جاری رہنے کی توقع ہے۔ ابتدائی تخمینوں سے عالمی اقتصادی نمو کی سست رفتاری کی نشاندہی ہوتی ہے، جس کی متوقع کمی 2022 میں 3.2 فیصد سے 2023 میں 2.7 فیصد ہو جائے گی، جو بالآخر 2024 میں 3.0 فیصد پر مستحکم حالت تک پہنچ جائے گی۔

امریکی فیڈرل ریزرو کی قیادت میں دنیا بھر کے مرکزی بینکوں نے مہنگائی سے نمٹنے کے لیے مالیاتی پالیسی کو جارحانہ طور پر سخت کر دیا ہے، جب کہ Covid دور کی سپورٹ کے بعد اکثر حکومتوں کیلئے بیلنس شیٹس میں مالیاتی گنجائش بہت کم ہے۔ عالمی شرح سود میں اضافے اور زندگی کی لاگت کے بحران نے ابھرتی ہوئی منڈیوں، خاص طور پر تیل اور خوراک کی درآمد کرنے والی معیشتوں میں کرنسی کے بحران کی لہر کو جنم دیا ہے۔

پاکستان کا اقتصادی جائزہ

جغرافیائی سیاسی تناؤ، سخت مالی حالات، اور افراط زر کے زیادہ دباؤ نے عالمی نمو کی توقعات کو نمایاں متاثر کیا۔ پاکستان بھی اس سے مستثنیٰ نہیں ہے۔ اس کے نتیجے میں ملکی سست روی، غیر ملکی کرنسی کے کم ذخائر، کرنسی کی قدر میں کمی، بڑھتی ہوئی مہنگائی، خام مال کی درآمد پر پابندی، فنانسنگ کی زیادہ قیمت اور توانائی کے بحران نے بیرونی شعبے کو دباؤ میں رکھا ہوا ہے۔

زیر جائزہ مدت کے دوران، پاکستان کو حکومت کی ناقص طلب پر مبنی پالیسیوں، تباہ کن سیلابوں اور سیاسی غیر یقینی صورتحال کی وجہ سے بے مثال داخلی مشکلات کا بھی سامنا کرنا پڑا ہے۔ متضاد پالیسیاں، غیر پائیدار مالیاتی خسارہ، عوامی قرضوں میں غیر معمولی اضافہ، معاشی غیر یقینی صورتحال، اور بڑھتے ہوئے گردشی قرضے مالی سال 23 میں ملک کو درپیش اہم اقتصادی مشکلات میں شامل تھے۔ نتیجتاً، حقیقی جی ڈی پی نے زیرِ جائزہ موجودہ مدت میں 0.29% کی شرح نمو درج کی جبکہ مالی سال 22 کے لیے GDP کی شرح نمو 6.1% درج کی گئی۔

مالی سال 23 میں، میکرو اکنامک عدم توازن اور مالیاتی مشکلات سے نمٹنے کے لیے بنیادی طور پر مانیٹری پالیسی کی سختی، اور اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے بڑے پیمانے پر درآمدی روک تھام کی وجہ سے درآمدی بل مالی سال 22 میں 71.5 بلین امریکی ڈالر کے برعکس 27.4 فیصد کم ہو کر 51.9 بلین امریکی ڈالر رہ گئے۔ ایک متوازی رفتار میں، ملک کی دونوں برآمدات اور ترسیلات زر میں کمی واقع ہوئی، برآمدی قدریں 32.5 بلین امریکی ڈالر سے 14.1 فیصد کم ہو کر 27.9 بلین امریکی ڈالر ہوگئیں اور ترسیلات زر 13.6 فیصد کم ہو کر 27.02 بلین امریکی ڈالر ہوگئیں جو پچھلے سال کے مقابلے میں 31.27 بلین امریکی ڈالر تھیں۔ اس کمی کی وجہ مسلسل کم عالمی معاشی نمو تھی، جس کی وجہ سے مالیاتی خطرات بڑھ گئے۔ نتیجتاً، کرنٹ اکاؤنٹ نے مالی سال 23 میں 2.6 بلین امریکی ڈالر کا خسارہ درج کرایا جو گزشتہ مالی سال کی اسی مدت میں

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