# KOHINOOR
## MILLS LIMITED

## ANNUAL REPORT 2024

www.kohinoormills.com

Welcome to
Kohinoor Mills Limited
Annual Report
For the Financial Year

# 2024

# ABOUT THIS REPORT

This Report provides a thorough overview of KML, including essential background information and a comprehensive review of the Company's performance during FY 2023-24. It features the financial information contained in the approved Audited Financial Statements for the year ended on June 30, 2024, with relevant comparative information which have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Additional data and information have been included in line with the best corporate and sustainability reports criteria prescribed by ICAP-ICMAP, SECP and the Pakistan Stock Exchange.

This Report features detailed financial and operational data, enhanced with graphs, charts, and analyses for data visualization and interpretation. The narrative sections highlight key aspects of the Company's operations in descriptive form. This year's Report includes KML journey towards achieving sustainability development goals, leadership commitments, risks and opportunities, Human Resource, corporate governance, future prospects, mandatory and statutory annexures.

The Report covers the period from July 01, 2023, to June 30, 2024. However, subsequent events and developments up to the date of printing of the Report have been included where relevant, to keep the information up to date. There have been no significant changes to the scope, boundary, or reporting basis since the last reporting date of June 30, 2023.




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## Sustainability & Human Resource



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# **COMPANY**
# PROFILE

From its incorporation in 1987 as a small weaving mill, over the last 37 years Kohinoor Mills has evolved into one of Pakistan's largest vertically integrated textile operations with approximately 2,186 employees and annual turnover of PKR 30 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 greige, white and dyed fabrics to leading fashion brands and retailers around the globe.

# **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. Waheed Amainat Ali

**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
Soneri 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
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

# MISSION

To craft innovative, high-quality textiles with a commitment to sustainability, ethics, and transparency.

# VISION

To lead the global textile industry with forward- thinking, adaptable, and responsible practices.

# VISION 2030

We aim to achieve fully green manufacturing, producing every garment with net zero emissions to reinforce our commitment to a sustainable future in fashion.

# **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 22 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.

# 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.



# FINANCIAL HIGHLIGHTS 2024

**Sales**
RUPEES IN BILLION
**29.85** PKR

**Gross Profit**
RUPEES IN BILLION
**4.24** PKR

**Gross Profit Ratio**
**14.22%**

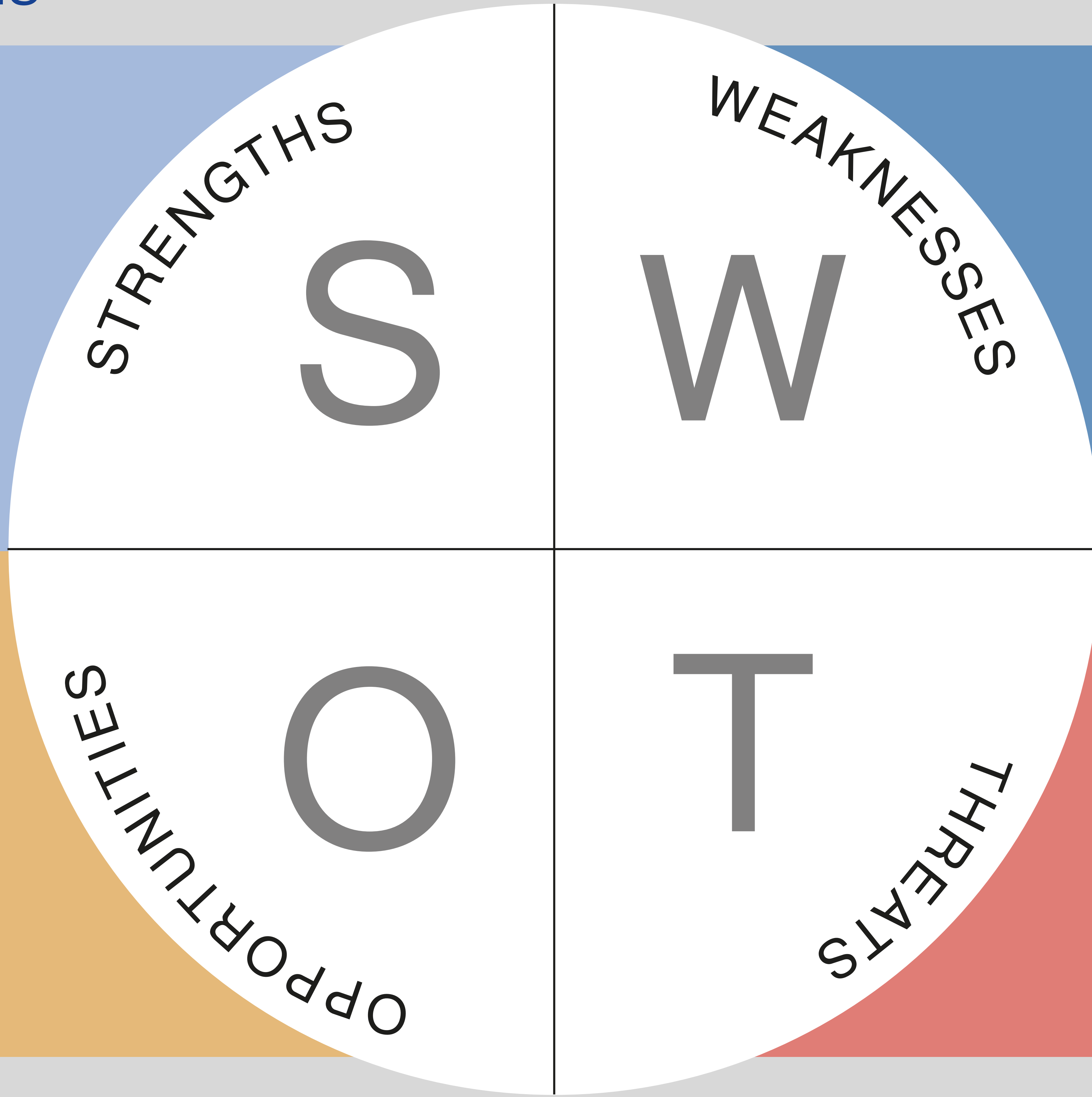
**Profit Before Tax**
RUPEES IN MILLION
**428** PKR

**Loss After Tax**
RUPEES IN MILLION
**19** PKR

**Loss Per Share -Basic and Diluted**
**0.39** PKR

**Shareholders' Total Equity**
RUPEES IN MILLION
**9,952** PKR

# SWOT ANALYSIS



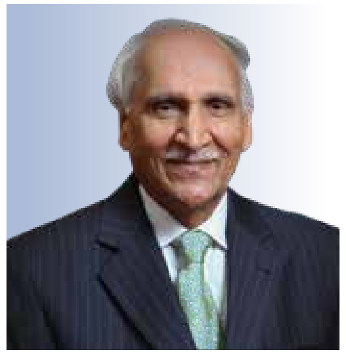

- Experienced business specialists' team.
- State of the art cutting edge technology.
- Vertically integrated units for efficiency.
- Captive power unit with fuel mix for optimum operations.
- Quick sampling and product development.
- Creating the best experience for the customers locally and globally.
- Building long-term relationship with brands.
- Retaining human capital resources of 2186 employees at average.
- Technologically advanced information system.

- Refund processing delays by Regulators.
- Elevated utility expenses.
- Supply chain disruptions due to geopolitical tensions.

- Tapping non-traditional markets.
- Unexplored fashion and workwear garment makers.
- Expected reduction in interest rates.
- Anticipated government commitment to provide utilities at controlled rates.

- Worldwide recession.
- Inconsistent government policies.
- High Tax burden on operations.
- Stringent tax measures by Federal Board of Revenue.
- Interbank exchange rate depreciation.

# **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 37 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

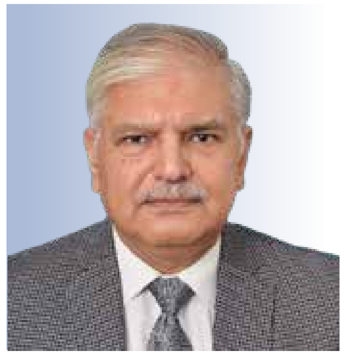
Mr. Ismail Aamir Fayyaz is the son of Mr. Aamir Fayyaz Sheikh. He joined the company in 2016 after studying Physics and Philosophy at McGill University, Canada. For the past 8 years he has been heavily involved in sales and marketing, travelling extensively to new markets in order to grow KML's customer 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.

# **QUALITY** CERTIFICATIONS

**ISO 9001**
Quality Management System

**ISO 14001**
Environmental Management System

**ISO 45001**
Occupational Health & Safety Management System

**ISO 50001**
Energy Management System

European Flax Linen Certification



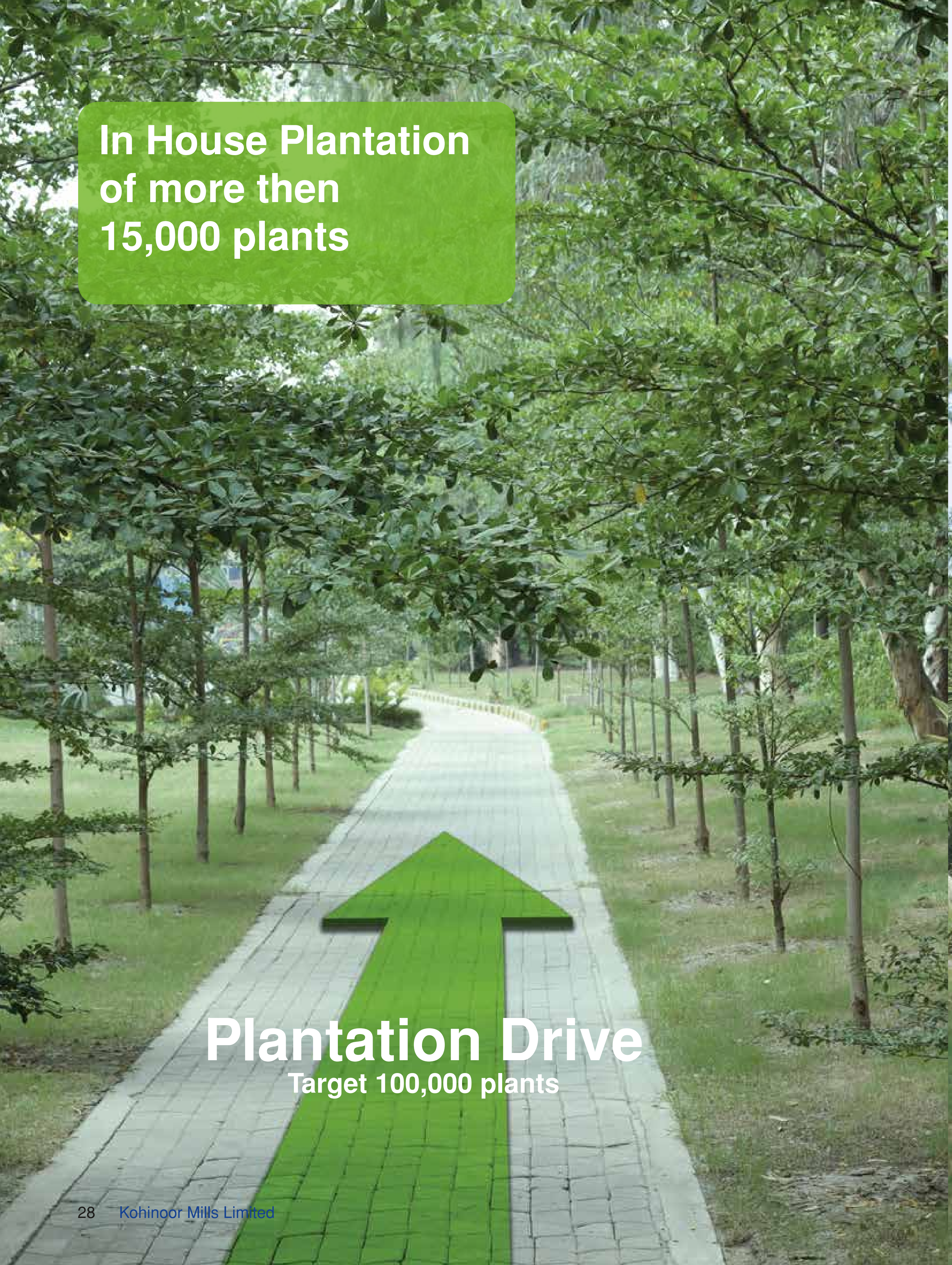
# **SOME OF OUR** VALUABLE CUSTOMERS

- DECATHLON
- Levi's
- NEXT
- ZARA
- C&A
- LANDS' END
- Lee
- MANGO
- JACK&JONES
- BOSS HUGO BOSS
- Wrangler
- Dillard's The Style of Your Life.
- celio
- carhartt
- BANANA REPUBLIC
- AMERICAN EAGLE
- H&M
- TOMMY HILFIGER

# **TOWARDS** SUSTAINABLITY

As a leading textile manufacturer, we are committed to advancing sustainability through efforts to reduce our carbon footprint, optimize water use, and uphold ethical practices across our supply chain.

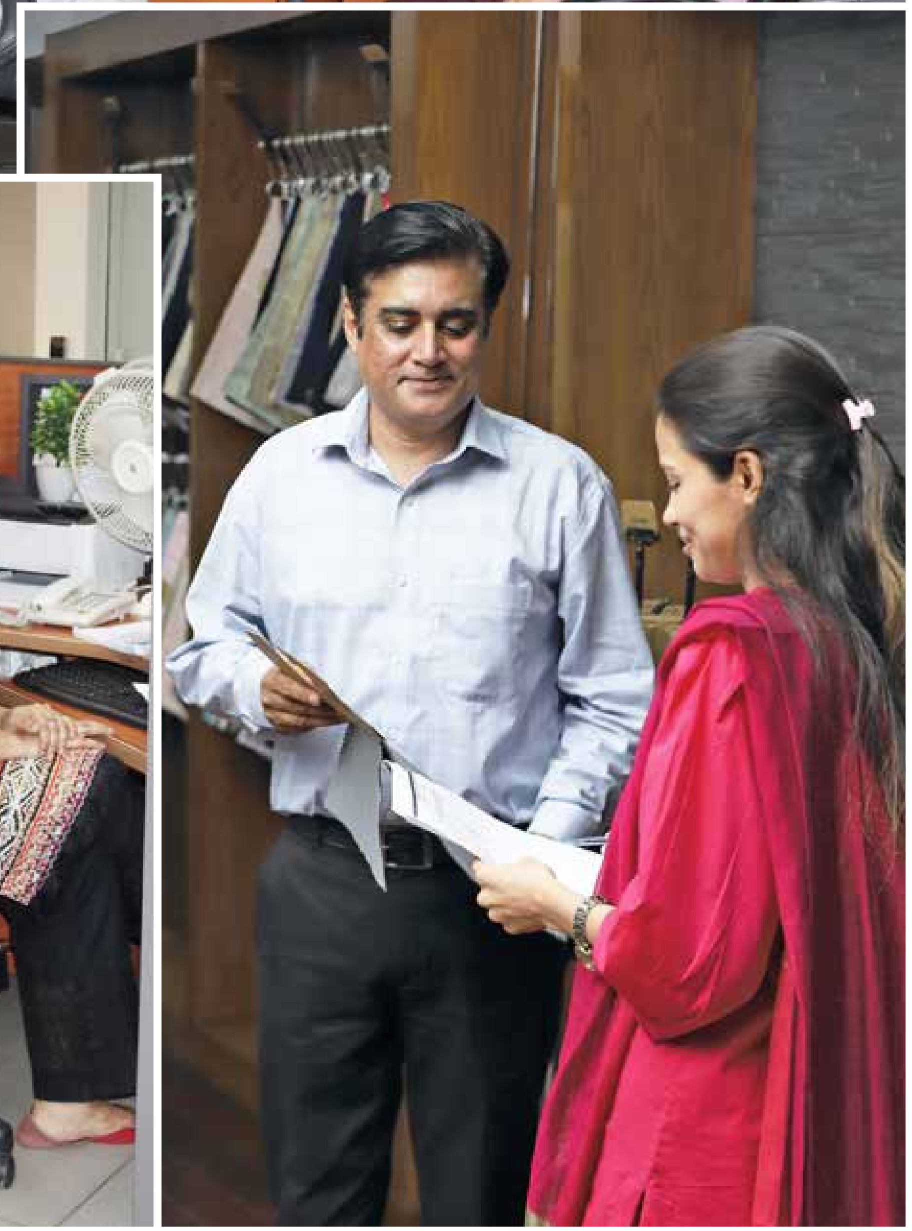
- **80%** Thermal energy generated via agricultural biomass.
- **30%** Waste water is reused in our processes.
- **100%** Waste diverted from landfills.


In House Plantation
of more then
15,000 plants
Plantation Drive
Target 100,000 plants


Donation of
more then 30,000 plants to
Environment Protection
Department, Punjab

# EQUAL **EMPLOYMENT OPPORTUNITY** AND HEALTHY WORKING ENVIRONMENT

At Kohinoor, we believe in creating an inclusive and supportive work environment where every individual can thrive. As an equal opportunity employer, we're committed to increasing diversity, particularly by empowering more women within our workforce. To ensure a healthy work-life balance, we offer on-site daycare facilities and flexible work options, while our company colony and daily meals provide comfort and convenience for our employees. By fostering a workplace that prioritizes both personal well-being and professional growth, we are building a community where everyone can succeed.




RESERVED

# GENDER PAY GAP STATEMENT
## UNDER SECP'S CIRCULAR 10 OF 2024

**Following is the Gender Pay Gap calculated for the year ended June 30, 2024**

**(1) Mean Gender Pay Gap:** (57.15)%

**(2) Median Gender Pay Gap:** (30.59)%

The above percentage reflects the gender pay gap of relevant male versus female employees across the organization.

Chief Executive Officer

Date: September 16, 2024

# 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.<br><br>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.<br><br>The Company strictly adheres to the principles of good corporate governance and is committed to high standards of corporate governance.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.

# ANTI 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.



# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 37th Annual General Meeting of the Company will be held at 8 Kilometer, Manga Raiwind Road, District Kasur on Monday, October 28, 2024 at 2:45 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, 2024, together with the Chairman's Review, Directors' and Auditors' Reports thereon.

2. To appoint auditors for the year ending June 30, 2025 and fix their remuneration.

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

By Order of the Board

Kasur:
Monday, October 7, 2024

(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 22, 2024 to October 28, 2024 (both days inclusive) for determination 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 Monday, October 21, 2024, 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 to determine voting rights of the shareholders for attending the meeting.

**2. Prohibition of grant of gifts to Shareholders**

The Securities and Exchange Commission of Pakistan (the "SECP"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway/packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense and companies failing to comply may face penalties.

**3.** 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.

### 4. Audited Financial Statements and Notice of Meeting

The Annual Audited Financial Statements of the Company for the year ended June 30, 2024, have been placed on the Company's website, which can be accessed / downloaded from the following link and QR code:

https://www.kohinoormills.com/uploads/financialstatement/KMLAnnualReport2024.pdf

The Annual Audited Financial Statements along with the reports and Notice of AGM are being sent to members who have provided their email addresses. Physical copy of the Annual Report will be provided to the members on demand by email to Company Secretary at cskml@kohinoormills.com.

**5.** Shareholders are requested to submit a copy of their valid CNIC and 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. 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.

The above mentioned information/documents, if not earlier provided / notified may please supplied at the earliest 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)

**6.** 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.

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

**8.** 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 16, 2024

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, 2024.

## Global Economic Review

The global economy demonstrated notable resilience in 2023, achieving a growth rate of 3.1%, according to the International Monetary Fund (IMF). Growth is expected to remain steady at 3.1% in 2024 and slightly increase to 3.2% by 2025. Advanced economies expanded by 1.7%, while emerging markets and middle-income economies drove global growth with a robust 4.2% increase. This progress occurred despite several headwinds, including geopolitical tensions between Russia and Ukraine, conflicts in the Red Sea, disruptions in global trade, rising transportation costs, and strained supply chains. Additionally, elevated inflation prompted many central banks to implement coordinated monetary tightening and raise interest rates, further impacting business conditions worldwide.

Similarly, the slow economic recovery in China and other large emerging markets further weighed on global trade. Despite numerous pessimistic and gloomy forecasts, the global economy successfully avoided a recession. The banking system demonstrated remarkable resilience, with major emerging market economies managing to avoid abrupt halts.

Encouragingly, global headline inflation decreased more rapidly than anticipated, dropping from 8.7% in 2022 to 6.8% in 2023, and is projected to fall further to 5.8% in 2024 and 4.4% in 2025, leading central banks in major economies to likely begin reducing policy rates in the latter half of 2024. Other factors contributing to the global economy's momentum include notable recoveries in the United States and other significant emerging markets and middle-income economies. This recovery is supported by stronger than expected private consumption, despite tight but gradually easing labor markets. In advanced economies, household spending increased due to savings accumulated during the pandemic, and higher than expected government spending further boosted aggregate demand across most regions.

## Pakistan Economic Review

Pakistan's economy moved towards stability in FY-24 with decreasing inflation, a negligible current account deficit, and a stable exchange rate. The external account position improved due to contained imports resulting from prudent fiscal and monetary management, while exports and remittances increased significantly. To further strengthen stability, government has recently reached a staff level agreement with IMF on a 37-month Extended Fund Facility Arrangement (EFF) for USD 7 billion.

Inflationary pressures, which have been a major concern, started to ease in FY-24. CPI inflation was recorded at 12.6% YoY in June 2024, compared to 29.4% in June 2023 while average headline inflation contracted to 23.4% from 29.2% in the previous year. This significant reduction is attributed to monetary tightening, fiscal consolidation, stable global commodity prices, and improved food supply chains.

Pakistan's GDP growth fluctuated over recent years. After achieving 6.1% growth in FY-22, driven by post-pandemic recovery, the economy contracted sharply by -0.17% in FY-23 due to floods, political instability, and global economic challenges. However, in FY-24, the economy posted a modest recovery with a GDP growth rate of 2.38%, supported by IMF-led reforms, improved agricultural output, and stabilization efforts in the macroeconomic environment.

The slowdown in economic growth, combined with high inflation, inadvertently contributed to a sharp reduction in Pakistan's Current Account Deficit (CAD). Domestic demand for imports declined due to high interest rates and import restrictions, resulting in the lowest CAD in 13 years at USD 0.68 billion, or 0.2% of GDP. One key reason for this reduction was the growth in exports and stable imports. Pakistan's goods trade deficit improved by 11.1% from USD 24.8 billion in FY-23 to USD 22.1 billion in FY-24, with exports rising by 11.5% year-on-year to USD 31.1 billion in FY-24 compared to USD 27.8 billion in FY-23, while imports rose marginally by 2.8% to USD 53.1 billion in FY-24 from USD 51.7 billion in FY-23. Additionally, remittances played a crucial role in improving the current account, reaching USD 30.3 billion for FY-24. A more stable currency in the second half of the year helped boost remittance inflows by discouraging dollar hoarding.

Additionally, the sharp contraction in the current account deficit during FY-24, along with official inflows, helped Pakistan's foreign reserves grow from USD 4.1 billion at the end of FY-23 to USD 9.4 billion by end of FY-24, despite debt payments. As a result, the PKR appreciated by 3% against the USD, strengthening from 286.6 in June 2023 to 277.7 in June 2024, reflecting an improved external account position.

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

The textile sector in Pakistan faced significant challenges throughout FY-24, which severely impacted its performance. The global economic slowdown dampened demand for textile products internationally, while domestically, high energy costs, expensive financing, and increased government taxation escalated the cost of doing business. Collectively, these factors affected both the current performance and future prospects of the textile industry.

In FY-22, Pakistan's textile exports were robust at around USD 19.3 billion. However, in FY-23, exports contracted by 14.5% to USD 16.5 billion due to weakened external demand and increasing competition from China. In FY-24, exports saw a modest recovery with a 0.94% increase to USD 16.6 billion, though the sector continued to struggle with challenges such as rising power tariffs, high costs of imported raw materials, and elevated interest rates. Despite these obstacles, textile products maintained a consistent share of 53.57% in national exports.

While signs of a slow recovery are emerging, the industry must navigate fluctuating demand and uncertainties. Many companies have seen a significant drop in orders due to weaker consumer spending amid inflationary pressures. This trend highlights the need for the industry to adapt and develop strategies to overcome these challenges and achieve sustainable growth.

As inflation eased and the current account deficit shrank, the State Bank of Pakistan (SBP) took steps to lower the policy rate, reducing it to 20.5% in June 2024 from 22.0% which was prevalent since the start of the FY-24, and further to 17.5% in September 2024. These cuts aim to reduce borrowing costs, potentially benefiting the textile sector by improving access to cheaper financing, which could enhance its competitiveness both domestically and globally.

## Operating & Financial Results

During the period under review, despite the prevalent economic instability and impediments on various grounds, both globally and locally, your Company has managed to achieve a top line of Rs. 29.85 billion compared to Rs. 28.21 billion for the same period last year which resulted in Gross Profit of Rs. 4.24 billion against a gross profit of Rs. 5.86 billion for the comparative period. However, the inflationary impact on the raw materials, conversion costs, higher utility cost due to removal of subsidy for Export Oriented Units (EOUs) augmented with the increased finance cost, severely impacted the margins, resulted in a bottom line loss of Rs. 19.6 million (LPS: Re. 0.39 per share) compared to a profit of Rs. 2,001.5 million (EPS: Rs. 39.31 per share) in previous financial year.

Similarly, finance costs surged by 37.6%, totaling Rs. 1,718.8 million, up from Rs. 1,249.4 million in the corresponding period of last year. This substantial increase was driven by macroeconomic factors, including higher policy rates, inflationary pressures, and greater working capital needs, all of which contributed to the rise in finance costs during the period.

## Dividend

In order to rebuild the working capital of the company and to cater for unforeseen contingencies that may arise due to certain Government policies, directors have regrettably decided to omit payout of dividend this year.

## Performance Overview

A brief overview of performance of your company for the year ended 30 June 2024 is discussed below:

## Weaving Division

The Weaving Division has seen a remarkable transformation with the replacement of 258 old looms and the addition of 14 state-of-the-art looms and ancillary equipment in the previous year. This demonstrates the management's dedication to innovation and operational excellence. Despite the challenges faced by the weaving industry, the division continues to make progress. In comparison to the previous financial year, the weaving division achieved a gross turnover of Rs. 19,672 million, up from Rs. 17,168 million.

Looking forward, the better economic situation, such as a stable inflation rate and the State Bank of Pakistan's cuts in monetary policy, will alleviate the strain on profit margins. Additionally, we are dedicated to enacting proactive approaches to minimize costs, expand our market presence, and to address these obstacles and boost our profitability in the future.

## Dyeing Division

In FY 2024, the global retail industry grappled with significant challenges, including persistent inflation, rising operational costs, supply chain disruptions, and intensified e-commerce competition. These factors notably impacted Pakistan's fashion retail sector, which is heavily reliant on exports. Elevated costs for raw materials and energy squeezed profit margins, while ongoing supply chain issues led to delays and increased expenses. Additionally, the global shift towards sustainability required Pakistani manufacturers to invest in eco-friendly practices, adding further financial pressure. The competitive e-commerce landscape also demanded rapid digital transformation, necessitating substantial investment. Together, these challenges strained Pakistan's fashion industry, complicating efforts to maintain its competitive position globally despite its strong textile base.

The Dyeing Division navigated these difficult conditions by maintaining its gross turnover at Rs. 18,530 million, compared to Rs. 18,115 million in the same period last year. However, gross profit fell from Rs. 3,240 million to Rs. 2,715 million, and net profit declined from Rs. 1,308 million to Rs. 663 million.

To mitigate the adverse effects of these challenges, the management implemented a comprehensive strategy, focusing on cost management, process innovation, resource optimization, and fostering a culture of continuous improvement. Despite current headwinds, there is optimism that easing inflation and declining interest rates will drive a demand rebound, positively impacting the textile sector in the near future.

### Genertek Division

Due to a significant increase in natural gas prices and electricity tariff of national grid, the company is facing ever present challenges to maintain competitive energy costs. These factors have caused a decline in profit margins in current period under review. Despite the hardships, your company is committed to achieve energy efficiency and now more focused on clean, green renewable energy sources.

For steam generation, the rise in natural gas prices also raises the risk of higher in prices for alternate biofuels, the division is prone to availability of seasonal bio fuels which are cheaper and cost effective.

The Company is working to significantly improve the fuel mix by keeping the balance between cheaper and seasonal biofuels. The company is also committed to achieve higher energy efficiency in steam generation to become more sustainable and environmentally 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 2,186 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 performance oriented 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 their 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-24 | Rs. 401.209 million (Un-audited) |
| 30-Jun-23 | Rs. 306.624 million (Audited) |

### 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, five (5) 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 | 5/5 |
| 2 | Mr. Aamir Fayyaz Sheikh | - Chief Executive | 5/5 |
| 3 | Mr. Ismail Aamir Fayyaz | - Director | 5/5 |
| 4 | Mr. Matiuddin Siddiqui | - Director (NIT Nominee) | 5/5 |
| 5* | Ms. Imrat Aamir Fayyaz | - Director | 3/5 |
| 6 | Mrs. Hajra Arham | - Director | 5/5 |
| 7 | Mr. Muhammad Anwarul Haq Siddiqui | - Director | 5/5 |

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

There has been no trading in shares during the year under review by the Directors, Executives, their spouses and minor children.

### 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 2024-25.

## Audit Committee

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

| Sr. No. | Name of 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:

| Sr. No. | Name of 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, 2024, as required under the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019, is annexed with this report.

### Future Outlook

The global economy is rebounding from the challenges posed by the pandemic, the Russia-Ukraine conflict, and the escalating conflict in the Middle East, with major trading partners showing signs of economic recovery. Global supply chain disruptions are expected to ease by 2024, setting the stage for improvements in the industrial sector in FY-25. Enhanced business confidence and a stable exchange rate is anticipated to boost domestic production, reduce supply chain distortions, and contribute to price stability.

However, Pakistan's Large-Scale Manufacturing (LSM) sector has encountered significant challenges and undergone key initiatives during the period under review, amidst ongoing domestic reforms and global uncertainties. Political stability, along with decisive macroeconomic policy-making and reforms, will be critical to ensuring economic stabilization. The escalating conflict in the Middle East presents a potential risk of supply chain disruptions, further complicating the external economic landscape. Securing IMF support for a medium-term reform agenda would be pivotal in boosting market confidence and unlocking more affordable external financing from additional sources.

Domestically, the federal budget for 2024-25, has transitioned the exporters from the Final Tax Regime to the Normal Tax Regime, resulting in the imposition of an advance minimum tax of 1% on export proceeds, in addition to the existing 1% tax. This change is poised to further diminish the profitability of a sector that is already facing significant challenges. Furthermore, the budget lacks concrete measures to expedite the processing of refunds for exporters, which will likely exacerbate liquidity constraints within the industry. To promote sustainable growth and manage the trade deficit, the government must prioritize export-oriented sectors by offering competitive energy tariffs and a reliable supply of Re-Gasified Liquefied Natural Gas (RLNG). Despite expectations for tariff relief in FY-25, fiscal constraints have delayed substantial reforms, leaving the local textile industry facing grid power rates that are 100% higher than regional averages, undermining its competitiveness.

Looking ahead, FY-25 presents both challenges and opportunities for Pakistan's textile industry. Inflation is gradually declining in key economies like the US, Europe, and the UK, and interest rate hikes are slowing, signaling a potential improvement in global markets. This, coupled with internal efforts by companies to maintain cost efficiency through optimized capacity utilization and expense rationalization, is expected to support the textile sector's resilience. In this context, your company remains focused on expanding its footprint, improving operational efficiency, and navigating global demand slowdowns. With an encouraging order pipeline and higher capacity levels following modernization, the company is optimistic about delivering growth and generating value for shareholders, even amid uncertain market conditions.

### 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, 2025. 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:<br>September 16, 2024 | Aamir Fayyaz Sheikh<br>Chief Executive | Ismail Aamir Fayyaz<br>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 2024**

| 2.2 Number of Shareholders | Shares held Range From | | To | Total Shares held | Percentage |
|---|---|---|---|---|---|
| 364 | 1 | - | 100 | 7,233 | 0.01 |
| 669 | 101 | - | 500 | 141,837 | 0.28 |
| 83 | 501 | - | 1000 | 64,056 | 0.13 |
| 163 | 1001 | - | 5000 | 400,033 | 0.79 |
| 24 | 5001 | - | 10000 | 180,478 | 0.35 |
| 13 | 10001 | - | 15000 | 168,968 | 0.33 |
| 7 | 15001 | - | 20000 | 123,914 | 0.24 |
| 3 | 20001 | - | 25000 | 68,500 | 0.13 |
| 2 | 25001 | - | 30000 | 57,000 | 0.11 |
| 1 | 30001 | - | 35000 | 34,000 | 0.07 |
| 1 | 40001 | - | 45000 | 41,500 | 0.08 |
| 1 | 45001 | - | 50000 | 46,000 | 0.09 |
| 1 | 50001 | - | 55000 | 50,003 | 0.10 |
| 1 | 55001 | - | 60000 | 59,500 | 0.12 |
| 2 | 65001 | - | 70000 | 132,973 | 0.26 |
| 1 | 70001 | - | 75000 | 72,500 | 0.14 |
| 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 |
| 1,354 | 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) | | |
| | 27,713,809 | 54.4358 |
| **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)** | 15,580,503 | 30.6034 |
| **2.3.8 General Public** | | |
| a. Local | 3,024,475 | 5.9407 |
| b. Foreign | 82,680 | 0.1624 |
| c. Joint Stock Companies | 270,628 | 0.5316 |
| **2.3.9 Others** | | |
| Trustee Kohinoor Mills Ltd Staff Provident Fund | 909,500 | 1.7865 |
| Trustee National Bank of Pakistan Emp Benevolent Fund Trust | 7,806 | 0.0153 |
| Lahore Stock Exchange | 680 | 0.0013 |
| 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 |
| | 1,142,149 | 2.2434 |
| TOTAL | 50,911,011 | 100.0000 |

**Shareholders holding 5% or more voting rights:**

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

# 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

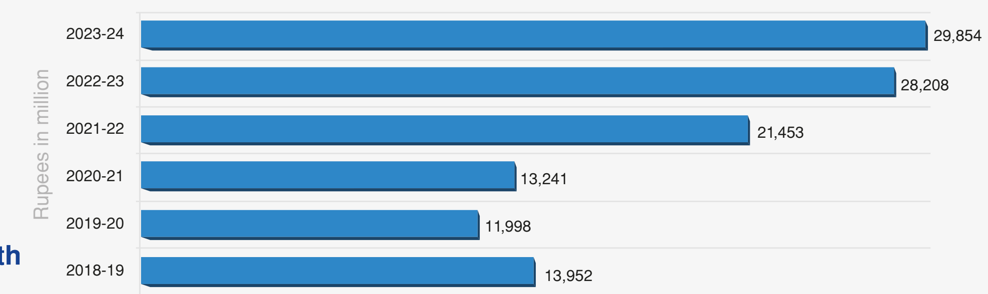
6. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company

# SIX YEARS' PERFORMANCE

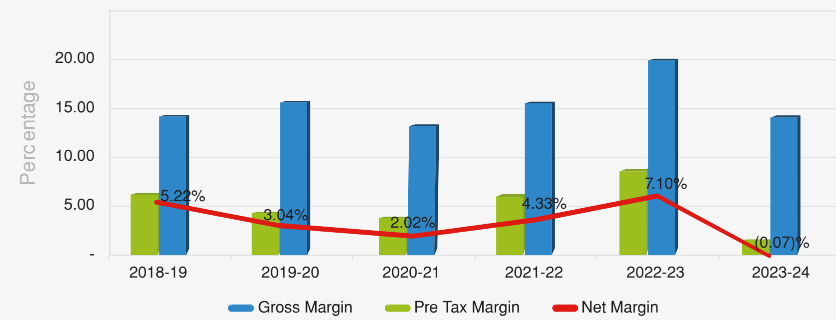
| | | 2023-24 | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|---|---|---|---|---|---|---|---|
| **Operating** | | | | | | | |
| Gross margin | % | 14.22 | 20.80 | 16.07 | 12.99 | 15.56 | 14.43 |
| Pre tax margin | % | 1.43 | 8.69 | 5.70 | 3.53 | 4.05 | 6.19 |
| Net margin | % | (0.07) | 7.10 | 4.33 | 2.02 | 3.04 | 5.22 |
| **Performance** | | | | | | | |
| Return on long term assets | % | (0.16) | 21.79 | 11.53 | 3.75 | 7.17 | 14.68 |
| Total assets turnover | x | 1.20 | 1.25 | 1.27 | 0.98 | 1.17 | 1.28 |
| Fixed assets turnover | x | 2.54 | 3.11 | 2.71 | 1.88 | 2.39 | 2.86 |
| Inventory turnover | Days | 91 | 92 | 84 | 96 | 86 | 57 |
| Return on equity | % | (0.20) | 25.37 | 15.46 | 5.25 | 9.22 | 19.43 |
| Return on capital employed | % | 17.83 | 37.69 | 22.58 | 12.58 | 17.46 | 27.23 |
| Retention | % | 100.00 | 92.37 | 89.03 | 100.00 | 100.00 | 79.04 |
| **Leverage** | | | | | | | |
| Debt:equity | | 44:56 | 53:47 | 53:47 | 50:50 | 49:51 | 54:46 |
| **Liquidity** | | | | | | | |
| Current | Times | 1.01 | 1.05 | 0.95 | 0.90 | 0.94 | 0.94 |
| Quick | Times | 0.52 | 0.55 | 0.43 | 0.41 | 0.48 | 0.58 |
| **Valuation** | | | | | | | |
| Earnings per share (pre tax) | Rs. | 8.41 | 48.12 | 24.01 | 9.17 | 9.54 | 16.96 |
| (Loss)/earnings per share (after tax) | Rs. | (0.39) | 39.31 | 18.24 | 5.26 | 7.17 | 14.31 |
| Breakup value | Rs. | 195.48 | 154.97 | 117.92 | 100.21 | 77.77 | 73.68 |
| Dividend payout - cash | Rs. | - | 3.00 | 2.00 | - | - | 3.00 |
| Payout ratio - cash (after tax) | % | - | 7.63 | 10.97 | - | - | 20.96 |
| Price earning ratio | Times | (90.24) | 1.09 | 1.47 | 5.70 | 5.30 | 1.53 |
| Market price to breakup value | Times | 0.18 | 0.28 | 0.23 | 0.30 | 0.49 | 0.31 |
| Dividend yield | % | - | 6.98 | 7.48 | - | - | 13.73 |
| Market value per share | Rs. | 34.78 | 42.95 | 26.75 | 30.00 | 38.00 | 21.85 |
| Market capitalization | Rs. in million | 1,771 | 2,187 | 1,362 | 1,527 | 1,935 | 1,112 |
| **Historical trends** | | | | | | | |
| Turnover | Rs. in million | 29,854 | 28,208 | 21,453 | 13,241 | 11,998 | 13,952 |
| Gross profit | Rs. in million | 4,246 | 5,867 | 3,447 | 1,720 | 1,867 | 2,014 |
| Profit before tax | Rs. in million | 428 | 2,450 | 1,222 | 467 | 486 | 863 |
| (Loss)/profit after tax | Rs. in million | (20) | 2,002 | 928 | 268 | 365 | 729 |
| **Financial position** | | | | | | | |
| Shareholder's funds | Rs. in million | 9,952 | 7,889 | 6,004 | 5,102 | 3,959 | 3,751 |
| Property plant and equipment | Rs. in million | 11,763 | 9,066 | 7,913 | 7,027 | 5,028 | 4,884 |
| Current assets | Rs. in million | 12,970 | 13,463 | 8,824 | 6,440 | 5,195 | 5,904 |
| Current liabilities | Rs. in million | 12,824 | 12,833 | 9,328 | 7,149 | 5,505 | 6,288 |
| Long term assets | Rs. in million | 11,898 | 9,186 | 8,052 | 7,134 | 4,964 | 5,032 |
| Long term liabilities | Rs. in million | 2,091 | 1,926 | 1,545 | 1,323 | 828 | 829 |

# PERFORMANCE
# OVERVIEW

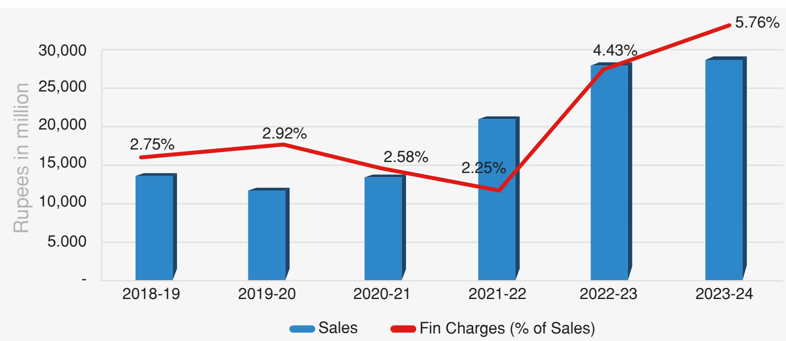
## Sales Growth



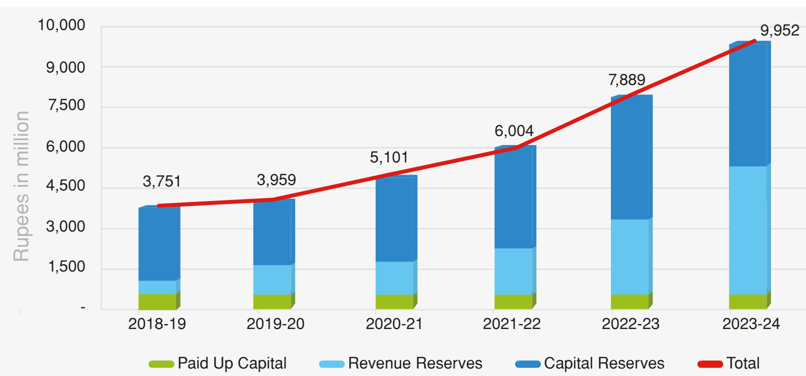

## Profitability Ratios



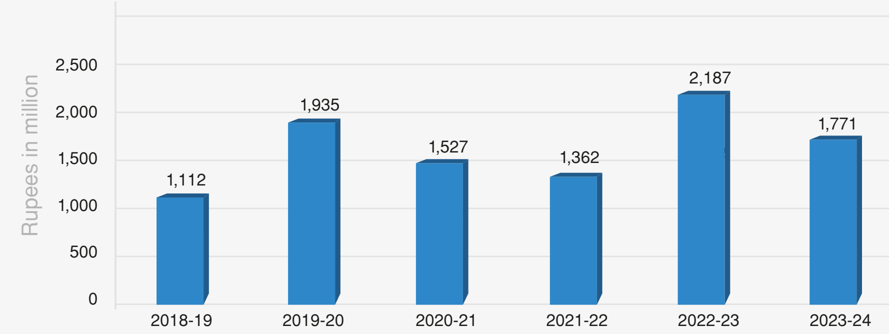

## Financial Charges %



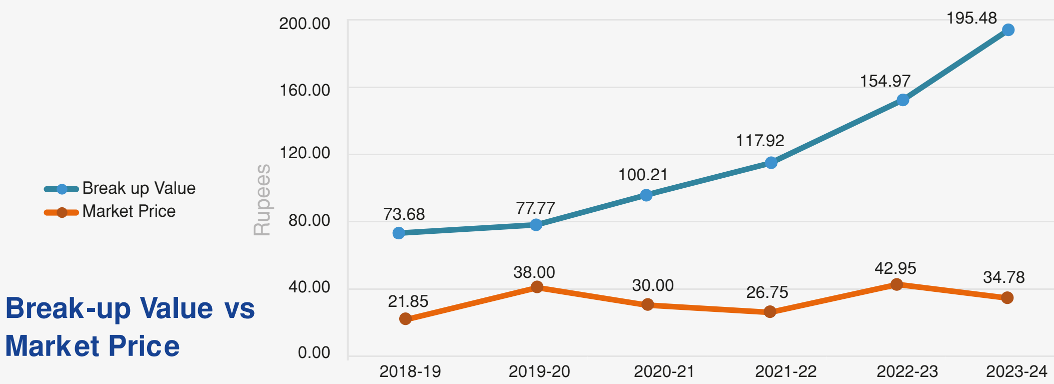

## Shareholder's Equity



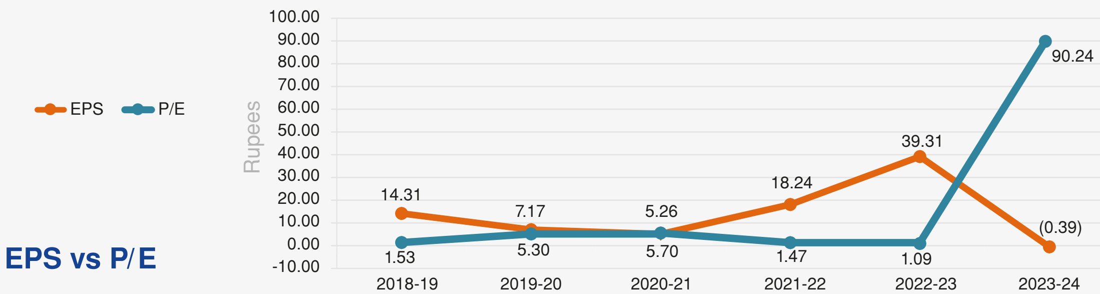

## Market Capitalization



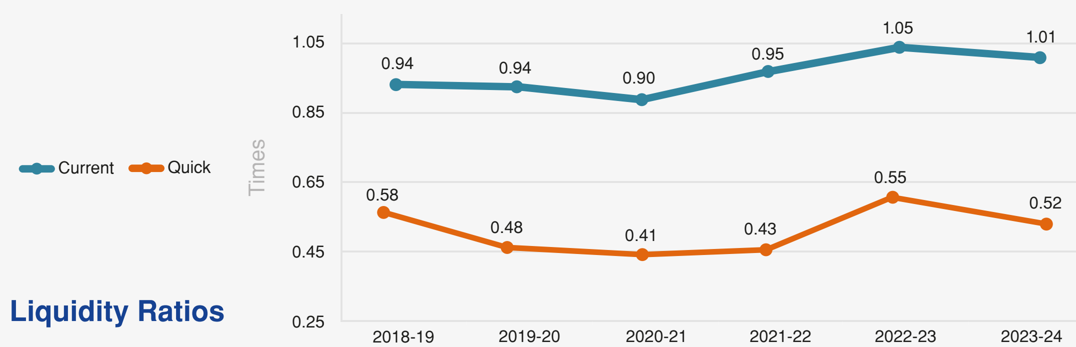

## Break-up Value vs Market Price




## EPS vs P/E



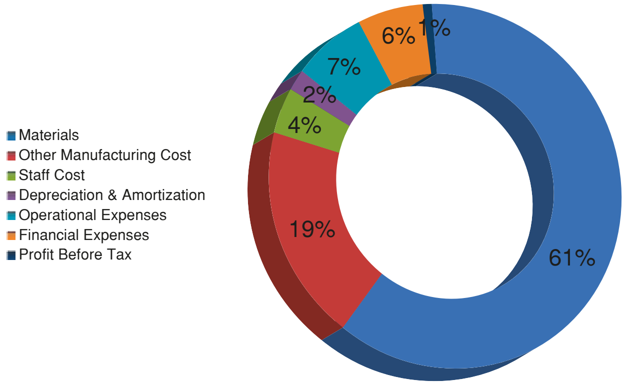

## Liquidity Ratios



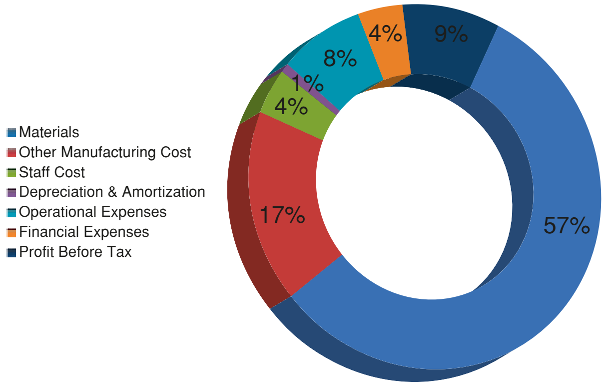
# STATEMENT OF VALUE ADDITION

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | %age | Amount (000) | %age | Amount (000) |
| **Value Added** | | | | |
| Local Sales | 44% | 13,132,856 | 34% | 9,718,765 |
| Export Sales | 56% | 16,721,386 | 66% | 18,489,680 |
| Total Sales | 100% | 29,854,242 | 100% | 28,208,445 |
| **Value Allocated** | | | | |
| Materials | 61% | 18,123,606 | 57% | 16,201,599 |
| Other Manufacturing Cost | 19% | 5,734,217 | 17% | 4,725,883 |
| Staff Cost | 4% | 1,267,810 | 4% | 992,160 |
| Depreciation & Amortization | 2% | 482,675 | 1% | 421,639 |
| Operational Expenses | 7% | 2,098,762 | 8% | 2,167,758 |
| Financial Expenses | 6% | 1,718,887 | 4% | 1,249,473 |
| Profit Before Tax | 1% | 428,285 | 9% | 2,449,933 |
| | 100% | 29,854,242 | 100% | 28,208,445 |

**Application of Revenue for 2023-24**




**Application of Revenue for 2022-23**






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

Name of Company: Kohinoor Mills Limited
Year ended: June 30, 2024

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<br>Mr. Muhammad Anwarul Haq Siddiqui |
| b | Non-Executive Directors | Mr. Rashid Ahmed - Chairman<br>Mr. Matiuddin Siddiqui (NIT Nominee) |
| c | Executive Directors | Mr. Aamir Fayyaz Sheikh - Chief Executive<br>Mr. Ismail Aamir Fayyaz<br>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 2024-25:

**Name of Director**
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, 2024.

b) HR and Remuneration Committee

Four meetings of HR and Remuneration Committee were held during the financial year ended June 30, 2024.

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**<br>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.<br><br>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**<br>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 | **Significant policies**<br>The board is required to approve anti-harassment policy to safeguard the rights and well-being of employees. | During the year, Securities and Exchange Commission of Pakistan (SECP) amended regulation 10 of the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time. | 10(4)(xvi) |
| 4 | **Role of the Board and its members to address Sustainability Risks and Opportunities**<br>The board is responsible for governance and oversight of sustainability risks and opportunities within the Company by setting the Company's sustainability strategies, priorities and targets to create long term corporate value. | During the year, SECP introduced new regulation 10A in the Regulations on 12 June 2024. Currently, the management is assessing this amendment and compliance thereof, as applicable, will be performed in due course of time. | 10(A) |
| 5 | **Nomination Committee**<br>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 |

| | | | |
|---|---|---|---|
| 6 | **Risk Management Committee**<br>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 |
| 7 | **Disclosure of significant policies on website**<br>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.

Lahore:
September 16, 2024

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 2024 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

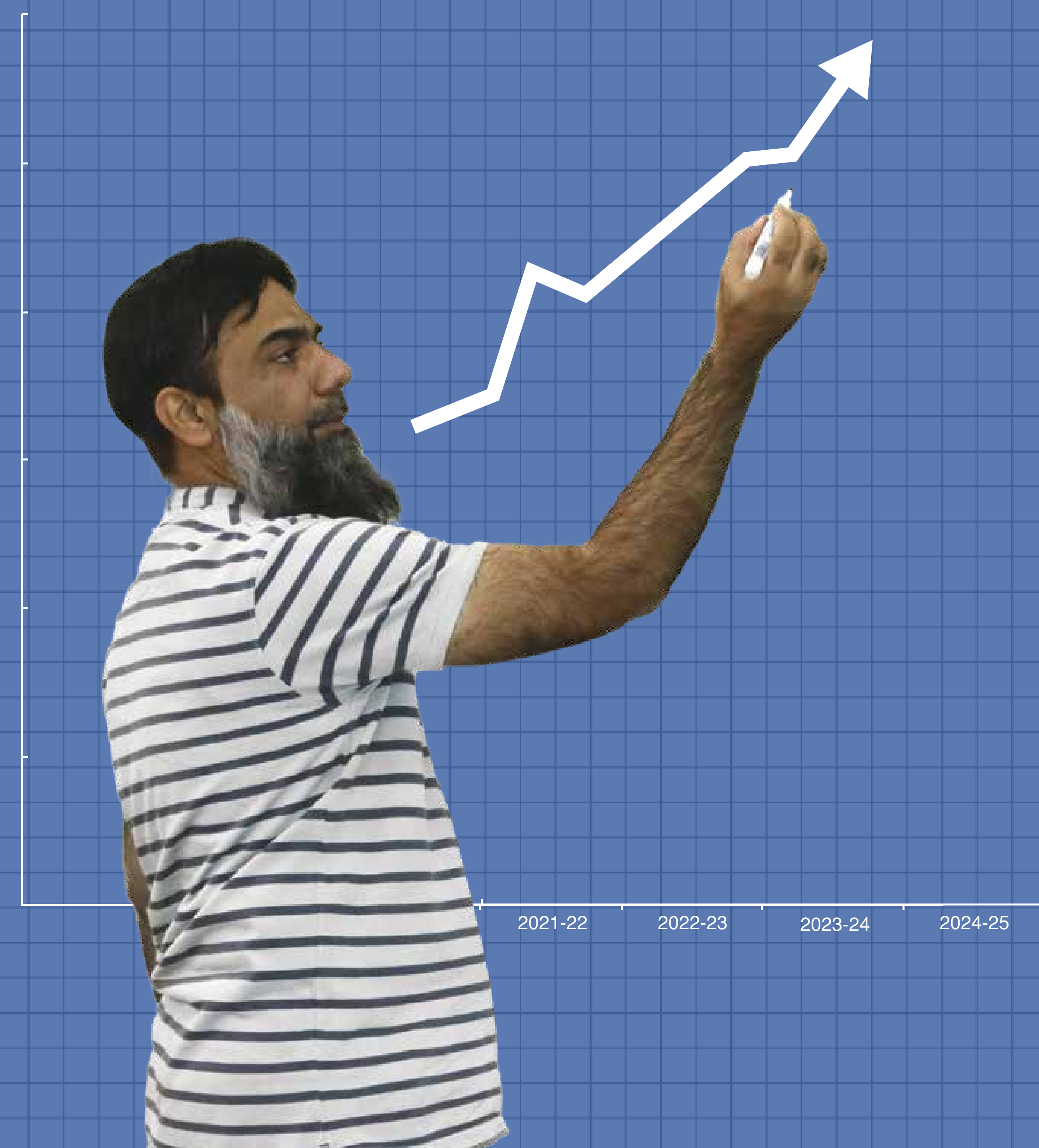
Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the .requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024
.

**RIAZ AHMAD & COMPANY**
Chartered Accountants

Lahore
September 18, 2024
UDIN: CR2024101588Vu90KfDC

# Financial Statements

for the year ended 30 June 2024



# 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 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2024 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### 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:

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---|---|---|
| 1. | **Inventory existence and valuation**<br><br>Inventory as at 30 June 2024 amounted to Rupees 6,257.310 million, break up of which is as follows:<br><br>- Stores, spares and loose tools Rupees 884.925 million<br><br>- Stock-in-trade Rupees 5,372.385 million<br><br>Inventory is measured at lower of cost and net realizable value.<br><br>We identified existence and valuation of inventory as a key audit matter due to its size, representing 25.16% of total assets of the Company as at 30 June 2024, and the judgment involved in valuation.<br><br>For further information on inventory, refer to the following:<br><br>- Material accounting policy information, Inventories note 2.16 to the financial statements.<br><br>- Stores, spares and loose tools note 22 and Stock-in-trade note 23 to the financial statements. | Our procedures over existence and valuation of inventory included, but were not limited to:<br><br>• 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.<br><br>• For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets.<br><br>• 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.<br><br>• 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.<br><br>• We assessed the percentage write down applied to older inventory with reference to historic inventory write downs and recoveries on slow moving inventory.<br><br>• 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.<br><br>• 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. |

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---|---|---|
| 2. | **Revenue recognition**<br><br>The Company recognized net revenue of Rupees 29,854.242 million for the year ended 30 June 2024.<br><br>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.<br><br>For further information, refer to the following:<br><br>- Material accounting policy information, Revenue recognition note 2.17 to the financial statements.<br><br>- Revenue note 31 to the financial statements. | Our procedures included, but were not limited to:<br><br>• 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.<br><br>• We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents.<br><br>• 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.<br><br>• We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'.<br><br>• We also considered the appropriateness of disclosures in the financial statements. |

### 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 Mubashar Mehmood.

Riaz Ahmad &

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: September 18, 2024
UDIN: AR202410158VRS3Oul8e

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# STATEMENT OF **FINANCIAL POSITION**

AS AT 30 JUNE 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Share capital and reserves** | | | |
| Authorized share capital | 4 | 2,500,000,000 | 2,500,000,000 |
| Issued, subscribed and paid-up share capital | 5 | 509,110,110 | 509,110,110 |
| **Capital reserves** | | | |
| Share premium reserve | 6 | 213,406,310 | 213,406,310 |
| Fair value reserve | 6 | 13,222,441 | 13,980,230 |
| Surplus on revaluation of operating fixed assets - net of tax | 6 | 4,680,440,417 | 2,493,164,645 |
| **Revenue reserves** | | | |
| General reserve | 6 | 788,199,282 | 788,199,282 |
| Accumulated profit | 6 | 3,747,664,119 | 3,871,599,693 |
| **Total equity** | | 9,952,042,679 | 7,889,460,270 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Long term financing - secured | 7 | 1,350,555,023 | 1,397,727,507 |
| Deferred liabilities | 8 | 611,020,988 | 359,694,174 |
| Deferred income - Government grant | 9 | 130,402,994 | 168,636,391 |
| | | 2,091,979,005 | 1,926,058,072 |
| **Current liabilities** | | | |
| Trade and other payables | 10 | 5,683,338,905 | 4,751,498,857 |
| Accrued mark-up | 11 | 341,781,210 | 278,033,136 |
| Short term borrowings - secured | 12 | 6,095,500,000 | 7,280,650,382 |
| Current portion of non-current liabilities | 13 | 553,311,106 | 500,906,713 |
| Provision for taxation and levy payable - net | 14 | 142,021,630 | 14,809,226 |
| Unclaimed dividend | | 8,423,728 | 7,440,570 |
| | | 12,824,376,579 | 12,833,338,884 |
| **Total liabilities** | | 14,916,355,584 | 14,759,396,956 |
| **Contingencies and commitments** | 15 | | |
| **TOTAL EQUITY AND LIABILITIES** | | 24,868,398,263 | 22,648,857,226 |

| | Note | 2024 Rupees | 2023 Rupees |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Fixed assets | 16 | 11,763,739,019 | 9,066,735,430 |
| Intangible assets | 17 | 7,190,857 | - |
| Investment property | 18 | 1,981,607 | 1,981,607 |
| Long term investments | 19 | 22,380,302 | 23,622,579 |
| Long term loans | 20 | 4,698,750 | 13,101,665 |
| Long term deposits | 21 | 98,005,598 | 80,913,312 |
| | | 11,897,996,133 | 9,186,354,593 |
| **Current assets** | | | |
| Stores, spares and loose tools | 22 | 884,924,646 | 904,931,947 |
| Stock-in-trade | 23 | 5,372,384,556 | 5,545,414,912 |
| Trade debts | 24 | 4,988,199,010 | 3,717,817,750 |
| Loans and advances | 25 | 207,695,197 | 191,893,091 |
| Short term deposits and prepayments | 26 | 23,617,937 | 25,481,638 |
| Sales tax recoverable | 27 | 245,920,913 | 2,214,510,057 |
| Other receivables | 28 | 66,713,979 | 39,879,720 |
| Short term investments | 29 | 707,445,355 | 383,859,900 |
| Cash and bank balances | 30 | 473,500,537 | 438,713,618 |
| | | 12,970,402,130 | 13,462,502,633 |
| **TOTAL ASSETS** | | 24,868,398,263 | 22,648,857,226 |

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 **PROFIT OR LOSS**

FOR THE YEAR ENDED 30 JUNE 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|---|---|---|
| REVENUE | 31 | 29,854,242,225 | 28,208,445,061 |
| COST OF SALES | 32 | (25,608,307,363) | (22,341,281,371) |
| GROSS PROFIT | | 4,245,934,862 | 5,867,163,690 |
| DISTRIBUTION COST | 33 | (1,450,441,665) | (1,369,765,475) |
| ADMINISTRATIVE EXPENSES | 34 | (739,680,550) | (702,705,347) |
| OTHER EXPENSES | 35 | 190,843,077 | (331,308,074) |
| | | (2,380,965,292) | (2,403,778,896) |
| | | 1,864,969,570 | 3,463,384,794 |
| OTHER INCOME | 36 | 282,203,777 | 236,021,241 |
| PROFIT FROM OPERATIONS | | 2,147,173,347 | 3,699,406,035 |
| FINANCE COST | 37 | (1,718,887,557) | (1,249,472,624) |
| PROFIT BEFORE TAXATION AND LEVY | | 428,285,790 | 2,449,933,411 |
| LEVY | 38 | (443,885,281) | (407,773,261) |
| (LOSS) / PROFIT BEFORE TAXATION | | (15,599,491) | 2,042,160,150 |
| TAXATION | 39 | (4,023,257) | (40,648,672) |
| (LOSS) / PROFIT AFTER TAXATION | | (19,622,748) | 2,001,511,478 |
| (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED | 40 | (0.39) | 39.31 |

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 2024

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **(LOSS) / PROFIT AFTER TAXATION** | (19,622,748) | 2,001,511,478 |
| **OTHER COMPREHENSIVE INCOME** | | |
| **Items that will not be reclassified to profit or loss:** | | |
| Fair value adjustment arising on remeasurement of investment at fair value through other comprehensive income | (1,242,277) | 193,100 |
| Deferred income tax relating to this item | 484,488 | (1,438,827) |
| | (757,789) | (1,245,727) |
| Surplus on revaluation of operating fixed assets | 2,758,818,650 | - |
| Deferred income tax relating to this item | (523,122,671) | (12,603,959) |
| | 2,235,695,979 | (12,603,959) |
| **Items that may be reclassified subsequently to profit or loss** | - | - |
| **Other comprehensive income / (loss) for the year - net of tax** | 2,234,938,190 | (13,849,686) |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | 2,215,315,442 | 1,987,661,792 |

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 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| CASH GENERATED FROM OPERATIONS | 41 | 4,343,859,281 | 630,196,542 |
| Income tax paid - net | | (13,744,810) | (100,780,843) |
| Levy paid | | (309,318,926) | (265,703,302) |
| Net (increase) / decrease in long term deposits | | (17,092,286) | 10,246,535 |
| Gas infrastructure development cess paid | | - | (4,225,597) |
| Finance cost paid | | (1,583,733,859) | (972,898,903) |
| NET CASH FROM / (USED IN) OPERATING ACTIVITIES | | 2,419,969,400 | (703,165,568) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (453,545,620) | (1,720,869,696) |
| Intangible assets acquired | 17 | (7,312,736) | - |
| Proceeds from disposal of operating fixed assets | | 18,100,789 | 138,646,229 |
| Investments made | | (2,684,148,538) | (2,494,843,138) |
| Investments disposed of | | 2,360,600,000 | 2,167,400,000 |
| Dividend received | | 51,015,598 | 30,668,690 |
| NET CASH USED IN INVESTING ACTIVITIES | | (715,290,507) | (1,878,997,915) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term financing obtained | 41.2 | 80,082,000 | 788,172,000 |
| Repayment of long term financing | 41.2 | (413,073,717) | (470,275,999) |
| Short term borrowings - net | | (1,185,150,382) | 2,198,331,537 |
| Dividend paid | 41.2 | (151,749,875) | (101,501,067) |
| NET CASH (USED IN) / FROM FINANCING ACTIVITIES | | (1,669,891,974) | 2,414,726,471 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | | 34,786,919 | (167,437,012) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | | 438,713,618 | 606,150,630 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 30 | 473,500,537 | 438,713,618 |

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 2024

| | 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 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 |
| Transaction with owners - Final dividend for the year ended 30 June 2023 @ Rupees 3.00 per share | - | - | - | - | - | - | (152,733,033) | (152,733,033) | (152,733,033) |
| Transferred from surplus on revaluation of operating fixed assets - net of tax | - | - | - | (48,420,207) | (48,420,207) | - | 48,420,207 | 48,420,207 | - |
| Loss for the year ended 30 June 2024 | - | - | - | - | - | - | (19,622,748) | (19,622,748) | (19,622,748) |
| Other comprehensive income for the year ended 30 June 2024 | - | - | (757,789) | 2,235,695,979 | 2,234,938,190 | - | - | - | 2,234,938,190 |
| Total comprehensive income for the year ended 30 June 2024 | - | - | (757,789) | 2,235,695,979 | 2,234,938,190 | - | (19,622,579) | (19,622,579) | 2,215,315,442 |
| **Balance as at 30 June 2024** | 509,110,110 | 213,406,310 | 13,222,441 | 4,680,440,417 | 4,907,069,168 | 788,199,282 | 3,747,664,119 | 4,535,863,401 | 9,952,042,679 |

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

# NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2024

## 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, power generation and apparel) 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 fibre and to generate, and supply electricity.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 and levy**

In making the estimates for income tax and levy 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.

**Deferred income tax**

From the financial year ending on 30 June 2025, tax year 2025, income of the Company will be taxed under normal tax regime, hence, as on 30 June 2024, deferred tax on taxable temporary differences between the accounting and tax base of fixed assets is required to be calculated. This is the first time the Company is transitioning to this regime. Previously, the Company was neither required nor claimed tax depreciation against final tax regime, hence, accounting written-down value (WDV) of fixed assets is now being used as tax base for the calculation of taxable temporary differences against fixed assets. This critical accounting estimation, used by the management in the calculation of deferred tax, is based on the advice of legal counsel, and it reflects the best available information for the calculation of deferred tax.

**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 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement')'
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes').
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors').
- 'Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules.

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 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.

**f) Standards and amendments to published approved accounting standards that are not yet effective but relevant to the Company**

Following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2024 or later periods:

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 2024. 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'.

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.

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (deferred indefinitely) to clarify the treatment of the sale or contribution of assets from an investor to its associates or joint venture, as follows: require full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 'Business Combinations'); require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognized only to the extent of the unrelated investors' interests in that associate or joint venture. These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occur by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

Lack of Exchangeability (Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates'). The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after 01 January 2025.

IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 01 January 2027) with a focus on updates to the statement of profit or loss. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The key new concepts introduced in IFRS 18 relate to: the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

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

**g) 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 2024 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 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.

### 2.3 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.

### 2.4 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.

### 2.5 Taxation and levy

#### 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. Except for the tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company, final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in the statement of profit or loss. Tax (final tax) deducted by subsidiaries, associates or joint arrangements on distribution of dividend to the Company is charged as current tax in the statement of profit or loss. The charge for current tax and levy also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years. Previously, component representing levy was included in provision for current tax and was not separately charged in the statement of profit or loss. Now, the Company has changed its accounting policy of taxation and levy in accordance with "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes" issued by Institute of Chartered Accountants of Pakistan through circular 7/2024. This change in accounting policy has been applied retrospectively in accordance with the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and resulted in following reclassification of corresponding figures:

| Reclassified from | Reclassified to | 30 June 2023<br>Rupees |
|---|---|---|
| **Statement of profit or loss:** | | |
| Taxation | Levy | 407,773,261 |
| **Statement of financial position:** | | |
| Advance income tax | Prepaid levy | 309,318,926 |
| Provision for taxation | Levy payable | 476,971,745 |

Had there been no change in the above referred accounting policy, amount of levy Rupees 443,885,281, prepaid levy Rupees 242,136,772 and levy payable Rupees 611,358,100 would have been presented as taxation expense, advance income tax and provision for taxation respectively in these financial statements for the year ended 30 June 2024. This change in accounting policy has no impact on (loss) / earnings per share of the Company. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective application does not have an effect on the information in the statement of financial position at the beginning of the preceding period.

#### 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.

### 2.6 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 16. 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.

### 2.7 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.

### 2.8 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.

### 2.9 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.

### 2.10 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.

### 2.11 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.

### 2.12 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.

### 2.13 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.

## 2.14 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.

## 2.15 Equity investments in associated companies

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

## 2.16 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.

## 2.17 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.

## 2.18 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.

## 2.19 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.

## 2.20 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.

## 2.21 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.

### 2.22 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.

### 2.23 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.

### 2.24 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..

### 2.25 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.

### 2.26 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.

### 2.27 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.

### 2.28 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.

### 2.29 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 four reportable business segments. Weaving (Producing different quality of greige fabric using yarn), Dyeing (Converting greige into dyed fabric), Apparel (manufacturing of garments using processed fabric) and Power Generation (Generating and distributing power).

### 2.30 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.

### 2.31 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.

### 2.32 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. SUMMARY OF OTHER ACCOUNTING POLICIES

### 3.1 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.

### 3.2 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.

### 3.3 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.

### 3.4 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.

### 3.5 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.

### 3.6 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.

### 3.7 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.

### 3.8 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.

### 3.9 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.

## 4. AUTHORIZED SHARE CAPITAL

| 2024 (Number of shares) | 2023 (Number of shares) | | 2024 Rupees | 2023 Rupees |
|---|---|---|---|---|
| 220,000,000 | 220,000,000 | Ordinary shares of Rupees 10 each | 2,200,000,000 | 2,200,000,000 |
| 30,000,000 | 30,000,000 | Preference shares of Rupees 10 each | 300,000,000 | 300,000,000 |
| 250,000,000 | 250,000,000 | | 2,500,000,000 | 2,500,000,000 |

## 5. ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| 2024 (Number of shares) | 2023 (Number of shares) | | 2024 Rupees | 2023 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 |

## 6. RESERVES

**Composition of reserves is as follows:**

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **Capital reserves** | | |
| Share premium reserve (Note 6.1) | 213,406,310 | 213,406,310 |
| Fair value reserve FVTOCI investment - net of deferred income tax (Note 6.2) | 13,222,441 | 13,980,230 |
| Surplus on revaluation of operating fixed assets - net of deferred income tax (Note 6.3) | 4,680,440,417 | 2,493,164,645 |
| Balance as at 30 June | 4,907,069,168 | 2,720,551,185 |
| Revenue reserves | | |
| General reserve | 788,199,282 | 788,199,282 |
| Accumulated profit | 3,747,664,119 | 3,871,599,693 |
| | 4,535,863,401 | 4,659,798,975 |
| Balance as at 30 June | 9,442,932,569 | 7,380,350,160 |

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

**6.2** 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:

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Balance as at 01 July | 22,918,408 | 22,725,308 |
| Fair value adjustment during the year | (1,242,277) | 193,100 |
| Balance as at 30 June | 21,676,131 | 22,918,408 |
| Less: Related deferred income tax liability (Note 8.2) | 8,453,690 | 8,938,178 |
| Balance as at 30 June - net of deferred income tax | 13,222,441 | 13,980,230 |

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

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Balance as at 01 July | 2,575,090,376 | 2,637,443,508 |
| Add: Surplus on revaluation incorporated during the year (Note 16.1) | 2,758,818,650 | - |
| Less: Incremental depreciation | 52,516,494 | 55,634,151 |
| Less: Transferred to accumulated profit on disposal of operating fixed assets | - | 6,718,981 |
| Balance as at 30 June | 5,281,392,532 | 2,575,090,376 |
| Less: Related deferred income tax liability (Note 8.2) | 600,952,115 | 81,925,731 |
| Balance as at 30 June - net of deferred income tax | 4,680,440,417 | 2,493,164,645 |

## 7. LONG TERM FINANCING - SECURED

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Financing from banking companies (Note 7.1) | 1,793,320,514 | 1,785,962,840 |
| Less: Current portion shown under current liabilities (Note 13) | 442,765,491 | 388,235,333 |
| | 1,350,555,023 | 1,397,727,507 |



**7.1**

| Lender | 2024 Rupees | 2023 Rupees | Terms | Security |
|---|---|---|---|---|
| National Bank of Pakistan (Note 7.2 and 7.3) | | | 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 8.1) | 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 guarantee of sponsor director. |
| Loan amount | 44,376,028 | 114,250,960 | | |
| Deferred mark-up | 279,674,945 | - | | |
| | 324,050,973 | 114,250,960 | | |
| The Bank of Punjab | - | 10,965,000 | This loan was repayable in 20 quarterly instalments of Rupees 10.965 million each commenced from 23 November 2017 and ended on 23 August 2023. Mark-up was payable quarterly at SBP rate + 2.5% per annum. (Note 7.3 and Note 7.4) | First joint pari passu charge of Rupees 1604.754 million, ranking charge of Rupees 888.393 million over present and future fixed assets of the Company and personal guarantee of a director of the Company. |
| | - | 16,840,000 | This loan was repayable in 20 quarterly instalments of Rupees 8.420 million each commenced from 19 March 2018 and ended on 19 December 2023. Mark-up was payable quarterly at SBP rate + 2.5% per annum. (Note 7.3 and Note 7.4) | |
| | - | 4,200,000 | This loan was repayable in 20 quarterly instalments of Rupees 1.400 million each commenced from 19 April 2018 and ended on 19 January 2024. Mark-up was payable quarterly at SBP rate + 2.5% per annum. (Note 7.3 and Note 7.4) | |
| | 5,520,000 | 16,560,000 | 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 7.3 and Note 7.4) | |
| | 140,000,000 | 220,000,000 | 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 7.4) | |
| | 98,000,000 | 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. | |
| | 243,520,000 | 394,565,000 | | |

| Lender | 2024 | 2023 | Terms | Security |
|---|---|---|---|---|
| | Rupees | | | |
| Samba Bank Limited (Note 7.4) | - | 2,618,000 | This loan was repayable in 16 quarterly instalments of Rupees 1.313 million each commenced from 29 January 2020 and ended on 30 October 2023. Mark-up was payable quarterly at SBP rate + 2.5% per annum. | First joint pari passu charge of Rupees 641.415 million (inclusive of margin) over fixed assets of the Company. |
| | - | 1,553,750 | This loan was repayable in 16 quarterly instalments of Rupees 0.777 million each commenced from 06 March 2020 and ended on 06 December 2023. Mark-up was payable quarterly at SBP rate + 2.5% per annum. | |
| | 5,043,750 | 11,768,750 | 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. | |
| | 4,525,000 | 9,050,000 | 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. | |
| | 37,468,750 | 67,443,750 | 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. | |
| | 30,000,000 | 45,000,000 | 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. | |
| | 27,000,000 | 39,000,000 | 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. | |
| | 104,037,500 | 176,434,250 | | |
| Askari Bank Limited | 7,942,864 | 9,928,576 | 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 7.4) | First joint pari passu charge of Rupees 633.333 million over all present and future fixed assets of the Company with 25% margin. |
| | 60,471,427 | 74,700,000 | 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 7.4) | |
| | 2,290,750 | 2,829,750 | 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 7.4) | |
| | 86,857,139 | 105,142,855 | 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. | |
| | 157,562,180 | 192,601,181 | | |

| Lender | 2024 | 2023 | Terms | Security |
|---|---|---|---|---|
| | Rupees | | | |
| Bank Al-Falah Limited (Note 7.2 and Note 7.5) | 5,047,617 | 7,379,825 | 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. |
| | 42,744,792 | 60,190,498 | 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. | |
| | 846,315 | 1,191,850 | 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. | |
| | 6,552,682 | 9,228,109 | 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. | |
| | 3,673,921 | 5,174,091 | 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. | |
| | 58,865,327 | 83,164,373 | | |

| Lender | 2024 | 2023 | Terms | Security |
|---|---|---|---|---|
| | Rupees | | | |
| Bank Al-Falah Limited | 10,350,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 0.647 million each commencing from 28 February 2025 and ending on 24 November 2028. Mark-up is payable quarterly at 3 month KIBOR + 2% 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. |
| | 4,630,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 0.289 million each commencing from 24 February 2025 and ending on 30 November 2028. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 21,990,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 1.374 million each commencing from 14 March 2025 and ending on 14 December 2028. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 3,522,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 0.220 million each commencing from 29 March 2025 and ending on 29 December 2028. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 2,130,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 0.133 million each commencing from 15 April 2025 and ending on 15 January 2029. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 1,800,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 0.112 million each commencing from 26 June 2025 and ending on 26 March 2029. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 15,340,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 0.958 million each commencing from 27 June 2025 and ending on 29 March 2029. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 16,200,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 1.012 million each commencing from 05 July 2025 and ending on 05 April 2029. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 4,120,000 | - | This loan is repayable in 16 quarterly instalments of Rupees 0.257 million each commencing from 24 July 2025 and ending on 24 April 2029. Mark-up is payable quarterly at 3 month KIBOR + 2% per annum. | |
| | 80,082,000 | - | | |

| Lender | 2024 | 2023 | Terms | Security |
|---|---|---|---|---|
| | Rupees | | | |
| MCB Bank Limited (Note 7.2 and Note 7.5) | 11,923,758 | 12,778,062 | This loan is repayable in 32 quarterly instalments of Rupees 0.497 million each commenced 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 3,832.667 million, ranking charge of Rupees 2333.334 million over fixed assets of the Company and personal guarantee of a director of the Company. |
| | 165,548,142 | 157,625,627 | 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. | |
| | 156,482,304 | 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. | |
| | 219,459,830 | 232,156,861 | This loan is repayable in 32 quarterly instalments of Rupees 9.975 million each commenced from 24 December 2023 and ending on 23 September 2032. Mark-up is payable quarterly at SBP rate + 2.00% per annum. | |
| | 553,414,034 | 548,171,076 | | |
| MCB Bank Limited | 154,612,500 | 159,600,000 | This loan is repayable in 32 quarterly instalments of Rupees 4.988 million each commenced from 07 June 2024 and ending on 07 March 2032. Mark-up is payable quarterly at SBP rate + 1.00% per annum. (Note 7.4) | |
| | 117,176,000 | 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. | |
| | 271,788,500 | 276,776,000 | | |
| | 1,793,320,514 | 1,785,962,840 | | |

**7.2** 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% (2023: 7.50% to 12.00%) per annum.

**7.3** 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.

**7.4** These loans are obtained by the Company under SBP's Long Term Financing Facility (LTFF).

**7.5** 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.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|

## 8. DEFERRED LIABILITIES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Deferred accrued mark-up (Note 8.1) | - | 268,943,767 |
| Deferred income tax liability (Note 8.2) | 611,020,988 | 90,750,407 |
| Gas Infrastructure Development Cess (GIDC) payable (Note 8.3) | - | - |
| | 611,020,988 | 359,694,174 |

**8.1** This represents accrued mark-up on long term finance obtained from National Bank of Pakistan deferred in accordance with the terms disclosed in note 7.1 to these financial statements. During the year, this has been transferred to long term financing-secured and is repayable from 30 June 2025.

### 8.2 Deferred income tax liability

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

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Surplus on revaluation of operating fixed assets (Note 6.3) | 600,952,115 | 81,925,731 |
| Unrealized gain on FVTOCI investment (Note 6.2) | 8,453,690 | 8,938,178 |
| Unrealized gain / (loss) on FVTPL investment (Note 29.1) | 42,444 | (113,502) |
| Unrealized gain on forward exchange contracts (Note 36) | 1,572,739 | - |
| | 611,020,988 | 90,750,407 |

**8.2.1 Movement in taxable / (deductible) temporary differences during the year is as follows:**

| | 2024 | | | |
|---|---|---|---|---|
| | Opening balance | Recognized in statement of profit or loss | Recognized in other comprehensive income | Closing balance |
| | Rupees | | | |
| Surplus on revaluation of operating fixed assets | 81,925,731 | (4,096,287) | 523,122,671 | 600,952,115 |
| Unrealized gain / (loss) on FVTOCI | 8,938,178 | - | (484,488) | 8,453,690 |
| Unrealized (loss) / gain on FVTPL on FVTPL investments | (113,502) | 155,946 | - | 42,444 |
| Unrealized gain on forward exchange contracts | - | 1,572,739 | - | 1,572,739 |
| | 90,750,407 | (2,367,602) | 522,638,183 | 611,020,988 |

| | 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 |

### 8.3 Gas Infrastructure Development Cess (GIDC) Payable

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Gas Infrastructure Development Cess payable at amortized cost | 72,312,218 | 76,537,815 |
| Less: Payments made during the year | - | 4,225,597 |
| Balance as on 30 June | 72,312,218 | 72,312,218 |
| Less: Current portion shown under current liabilities (Note 13) | 72,312,218 | 72,312,218 |
| | - | - |

**8.3.1** 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.

## 9. DEFERRED INCOME - GOVERNMENT GRANT

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Balance as at 01 July | 208,995,553 | 396,337 |
| Add: Recognized during the year | - | 243,132,708 |
| Less: Amortized during the year (Note 36) | 40,359,162 | 34,533,492 |
| | 168,636,391 | 208,995,553 |
| Less: Current portion shown under current liabilities (Note 13) | 38,233,397 | 40,359,162 |
| Balance as at 30 June | 130,402,994 | 168,636,391 |

9.1 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. This refinance was available through Banks / DFIs. One of the key feature of this refinance facility 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 this loan as disclosed in note 7.1 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loan obtained under the refinance facility was initially recognized at fair value which is the present value of loan 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.

## 10. TRADE AND OTHER PAYABLES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Creditors (Note 10.1) | 2,817,575,282 | 3,906,553,906 |
| Accrued and other liabilities (Note 10.2) | 480,398,887 | 439,691,732 |
| Payable to banks under discounting bill arrangement | 1,967,458,144 | - |
| Contract liabilities-unsecured (Note 31.2) | 109,865,071 | 82,760,081 |
| Sales commission payable | 60,848,324 | 91,335,815 |
| Loans from related parties (Note 10.3) | 88,814,490 | 39,479,370 |
| Sales / income tax withheld | 33,529,973 | 17,654,955 |
| Security deposits - interest free (Note 10.4) | 50,000 | 50,000 |
| Workers' profit participation fund (Note 10.5) | 20,791,823 | 79,589,642 |
| Workers' welfare fund (Note 10.6) | 103,123,882 | 94,383,356 |
| Payable to employees' provident fund trust | 883,029 | - |
| | 5,683,338,905 | 4,751,498,857 |

10.1 These include Rupees 0.235 million (2023: Rupees 0.556 million) payable to Security General Insurance Company Limited - related party of the Company.

10.2 These include Rupees 24.900 million (2023: Rupees 27.650 million) payable to legal heirs of deceased director.

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

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Close relatives of the chief executive officer | 27,532,490 | 30,097,370 |
| Chief executive officer | 44,000,000 | - |
| Director | 17,282,000 | 9,382,000 |
| | 88,814,490 | 39,479,370 |

10.4 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.

### 10.5 Workers' profit participation fund

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Balance as at 01 July | 79,589,642 | 105,925,292 |
| Add: Allocation for the year (Note 35) | 21,077,871 | 131,049,018 |
| Add: Interest accrued for the year (Note 37) | 14,468,842 | 20,667,976 |
| Less: Paid during the year | 94,344,532 | 178,052,644 |
| Balance as at 30 June | 20,791,823 | 79,589,642 |

10.5.1 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.

### 10.6 Workers' welfare fund

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Balance as at 01 July | 94,383,356 | 44,384,715 |
| Add: Allocation for the year (Note 35) | 8,740,526 | 49,998,641 |
| Balance as at 30 June | 103,123,882 | 94,383,356 |

## 11. ACCRUED MARK-UP

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Long term financing | 34,634,383 | 35,897,326 |
| Short term borrowings | 307,146,827 | 242,135,810 |
| | 341,781,210 | 278,033,136 |

## 12. SHORT TERM BORROWINGS - SECURED

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **From banking companies** | | |
| SBP refinance (Note 12.1 and Note 12.2) | 3,021,000,000 | 4,266,370,003 |
| Other short term finances (Note 12.1 and Note 12.3) | 3,074,500,000 | 2,683,879,998 |
| Temporary bank overdraft | - | 330,400,381 |
| | 6,095,500,000 | 7,280,650,382 |

12.1 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.

12.2 These carry mark-up ranging from 13.00% to 19.00% (2023: 3.00% to 18.00%) per annum on outstanding balance.

12.3 These carry mark-up ranging from 21.68% to 26.44% (2023: 14.66% to 24.11%) per annum on outstanding balance.

## 13. CURRENT PORTION OF NON CURRENT LIABILITIES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Current portion of long term financing - secured (Note 7) | 442,765,491 | 388,235,333 |
| Current portion of GIDC payable (Note 8.3) | 72,312,218 | 72,312,218 |
| Current portion of deferred income - Government grant (Note 9) | 38,233,397 | 40,359,162 |
| | 553,311,106 | 500,906,713 |

## 14. PROVISION FOR TAXATION AND LEVY PAYABLE - NET

### 14.1 Provision for taxation - net

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Provision for taxation | 22,536,300 | 27,616,730 |
| Less: Advance income tax | 249,915,998 | 180,460,323 |
| | (227,379,698) | (152,843,593) |

### 14.2 Levy payable - net

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Levy payable | 611,538,100 | 476,971,745 |
| Less: Prepaid levy | 242,136,772 | 309,318,926 |
| | 369,401,328 | 167,652,819 |
| | 142,021,630 | 14,809,226 |

## 15. CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

15.1.1 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 19.1) and bank balance (note 30.3) 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.

15.1.2 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.

15.1.3 Bank guarantees of Rupees 261.220 million (2023: Rupees 203.199 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

15.1.4 Bank guarantees of Rupees 20.288 million (2023: Rupees 20.288 million) are given by the bank of the Company in favour of Lahore Electric Supply Company Limited against electricity connections.

15.1.5 Post dated cheques amounting to Rupees 2,000.000 million (2023: Rupees 92.679 million) are issued to Collector of Customs (Appraisement) Lahore.

### 15.2 Commitments

15.2.1 Aggregate commitments for capital expenditure and revenue expenditures are amounting to Rupees 22.841 million and Rupees 89.678 million (2023: Rupees 39.836 million and Rupees 104.868 million) respectively.

15.2.2 Post dated cheques amounting to Rupees 446.683 million (2023: Rupees 1,007.791 million) are issued to creditors of the Company.

15.2.3 Outstanding foreign currency forward contracts are of Rupees 1,079.433 million (2023: Rupees Nil).

## 16. FIXED ASSETS

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **Property, plant and equipment** | | |
| Operating fixed assets (Note 16.1) | 11,535,325,319 | 8,415,815,628 |
| Capital work-in-progress (Note 16.2) | 228,413,700 | 650,919,802 |
| | 11,763,739,019 | 9,066,735,430 |

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

| Description | Freehold land | Residential building | Factory building | Plant and machinery | Electric Installations | Furniture, fixtures and equipment | Computers | Motor vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Operating fixed assets | | | | | | | | |
| | (RUPEES) | | | | | | | | |
| **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 |
| **Year ended 30 June 2024** | | | | | | | | | |
| Opening 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 |
| Additions | - | - | 517,320,045 | 261,156,980 | 28,003,080 | 2,951,000 | 4,578,231 | 62,042,386 | 876,051,722 |
| Disposals: | | | | | | | | | |
| Cost | - | - | - | (2,604,362) | - | - | - | (15,334,945) | (17,939,307) |
| Accumulated depreciation | - | - | - | 1,706,937 | - | - | - | 9,951,084 | 11,658,021 |
| | - | - | - | (897,425) | - | - | - | (5,383,861) | (6,281,286) |
| Depreciation charge | - | (9,438,910) | (70,777,651) | (373,946,072) | (16,101,603) | (4,585,784) | (4,442,095) | (29,787,280) | (509,079,395) |
| Revaluation surplus incorporated during the year (Note 6.3) | 2,215,729,186 | 65,222,709 | 477,866,755 | - | - | - | - | - | 2,758,818,650 |
| Closing net book value | 4,407,424,000 | 244,562,000 | 2,239,438,000 | 4,234,202,874 | 156,879,317 | 43,055,977 | 11,265,625 | 198,497,526 | 11,535,325,319 |
| **As at 30 June 2024** | | | | | | | | | |
| Cost / revalued amount | 4,407,424,000 | 394,832,816 | 2,899,872,981 | 7,738,797,726 | 311,274,316 | 139,391,212 | 73,647,948 | 304,978,013 | 16,270,219,012 |
| Accumulated depreciation | - | (150,270,816) | (660,434,981) | (3,450,512,533) | (154,394,999) | (96,335,235) | (62,382,323) | (106,480,487) | (4,680,811,374) |
| Accumulated impairment loss | - | - | - | (54,082,319) | - | - | - | - | (54,082,319) |
| Net book value | 4,407,424,000 | 244,562,000 | 2,239,438,000 | 4,234,202,874 | 156,879,317 | 43,055,977 | 11,265,625 | 198,497,526 | 11,535,325,319 |
| Depreciation rate % per annum | - | 5 | 5 | 10 | 10 | 10 | 30 | 20 | |



**16.1.1** Freehold land and buildings of the Company have been revalued as at 30 June 2024 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 5,281.393 million (2023: Rupees 2,575.090 million). Forced sale value of freehold land and buildings as on the date of valuation was Rupees 3,525.939 million and Rupees 1,987.201 million respectively.

**16.1.2** The book value of freehold land and buildings on cost basis is Rupees 666.934 million and Rupees 943.097 million (2023: Rupees 666.934 million and Rupees 453.477 million) respectively.

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

| Particulars | Quantity | Cost | Accumulated depreciation | Net book value | Sale proceeds | Gain / (loss) | Mode of disposal | Particulars of purchaser |
|---|---|---|---|---|---|---|---|---|
| | | (Rupees) | | | | | | |
| **Plant and Machinery** | | | | | | | | |
| Standard Washers and Air Conditioners | 5 | 2,604,362 | 1,706,937 | 897,425 | 78,516 | (818,909) | Negotiation | Mr. Rana Akbar, Lahore |
| **Motor vehicles** | | | | | | | | |
| Honda City LEE-14-5375 | 1 | 1,723,660 | 1,206,036 | 517,624 | 2,300,000 | 1,782,376 | Negotiation | Mr. Sameer Khan, Lahore |
| Toyota Corolla LEE-16-1813 | 1 | 1,819,910 | 1,180,452 | 639,458 | 3,200,000 | 2,560,542 | Negotiation | Mr. Muhammad Ali, Company's employee, Lahore |
| Toyota Corolla LEF-16-5700 | 1 | 2,466,860 | 1,621,698 | 845,162 | 3,825,000 | 2,979,838 | Negotiation | Mr. Abdullah Ahsan, Lahore |
| Suzuki Cultus LEC-13-3042 | 1 | 2,140,185 | 1,543,628 | 596,557 | 1,550,000 | 953,443 | Negotiation | Mr. Arif Shafique, Company's employee, Lahore |
| Toyota Corolla LEF-15-4311 | 1 | 1,819,960 | 1,214,920 | 605,040 | 2,350,000 | 1,744,960 | Negotiation | Mr. Imran Mazhar, Company's ex-employee, Lahore |
| Suzuki Cultus LEH-19-5116 | 1 | 1,519,810 | 715,935 | 803,875 | 1,666,765 | 862,890 | Negotiation | Mr. Arslan Mustafa, Company's ex-employee, Lahore |
| MF 360 Tractor - LET 299 | 1 | 1,996,000 | 1,299,879 | 696,121 | 1,080,508 | 384,387 | Negotiation | Ahmed Traders, Faisalabad |
| | | 13,486,385 | 8,782,548 | 4,703,837 | 15,972,273 | 11,268,436 | | |
| Aggregate of vehicles with individual book values not exceeding Rupees 500,000 | 2 | 1,848,560 | 1,168,536 | 680,024 | 2,050,000 | 1,369,976 | Negotiation | - |
| | | 15,334,945 | 9,951,084 | 5,383,861 | 18,022,273 | 12,638,412 | | |
| | | 17,939,307 | 11,658,021 | 6,281,286 | 18,100,789 | 11,819,503 | | |

**16.1.4** The depreciation charge for the year has been allocated as follows:

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Cost of sales (Note 32) | 481,908,820 | 442,176,619 |
| Distribution cost (Note 33) | 6,449,683 | 4,152,565 |
| Administrative expenses (Note 34) | 20,720,892 | 16,658,668 |
| | 509,079,395 | 462,987,852 |

16.1.5 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:** | | | |
| Open land | Moza Rosa and Bhail, 8-K.M., Manga Raiwind Road, District Kasur. | 63.005 | - |
| Weaving | 8-K.M., Manga Raiwind Road, District Kasur. | 57.803 | 414,605 |
| Power generation | 8-K.M., Manga Raiwind Road, District Kasur. | 21.010 | 117,296 |
| Dyeing | 8-K.M., Manga Raiwind Road, District Kasur. | 8.670 | 370,183 |
| Apparel | 8-K.M., Manga Raiwind Road, District Kasur. | 2.570 | 134,412 |
| Office | 8-K.M., Manga Raiwind Road, District Kasur. | 0.410 | 19,591 |
| | | 153.468 | 1,056,087 |

## 16.2 Movement in capital work in progress

| | Advance against purchase of land | Buildings | Plant and machinery | Electric installations | Advance against purchase of vehicles | Furniture, fixtures and equipment | Computers | Stores held for capital expenditures | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | (RUPEES) | | | | |
| **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 |
| Add: Additions during the year | - | 88,522,958 | 136,162,466 | 122,246,968 | 18,956,361 | 2,202,840 | 2,076,871 | 118,953 | 370,287,417 |
| Less: Capitalized during the year | - | 517,319,957 | 238,915,583 | 16,453,080 | 8,259,490 | 750,000 | 2,076,871 | - | 783,774,981 |
| Less: Charged to statement of profit or loss | - | 7,101,538 | 1,917,000 | - | - | - | - | - | 9,018,538 |
| Add / (less): Reclassification | - | (33,853,741) | 14,893,464 | 14,793,720 | - | 3,352,649 | - | 813,908 | - |
| **At 30 June 2024** | - | 921,520 | 76,475,496 | 124,249,153 | 16,082,871 | 4,805,489 | - | 5,879,171 | 228,413,700 |

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **17. INTANGIBLE ASSETS** | | |
| **As at 01 July** | | |
| Cost | 9,296,899 | 9,296,899 |
| Accumulated amortization | (9,296,899) | (9,296,899) |
| Net book value | - | - |
| **Year ended 30 June** | | |
| Opening net book value | - | - |
| Additions (Note 17.1) | 7,312,736 | - |
| Amortization charge (Note 33) | (121,879) | - |
| Closing net book value | 7,190,857 | - |
| **As at 30 June** | | |
| Cost | 16,609,635 | 9,296,899 |
| Accumulated amortization | (9,418,778) | (9,296,899) |
| Net book value | 7,190,857 | - |
| Amortization rate % per annum | 20 | 20 |

17.1 These represent cost incurred on development and designing of mobile application, mobile application dashboard and website of the Company.

17.2 Intangible asset - computer software having cost of Rupees 9.297 million has been fully amortized. However, it is still in use of the Company.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **18. INVESTMENT PROPERTY** | | |
| Land (Note 18.1) | 1,981,607 | 1,981,607 |

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

18.2 No expenses directly related to investment property were incurred during the year. The market value of land is estimated at Rupees 5.480 million (2023: Rupees 4.795 million). Forced sale value of investment property as on the reporting date is Rupees 4.384 million (2023: Rupees 3.836 million). The valuation has been carried out by an independent valuer.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **19. 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 (2023: 1,194,000) ordinary shares of Rupees 10 each | - | - |
| **Other** | | |
| Security General Insurance Company Limited - unquoted (Note 19.1 and 19.2) 643,667 (2023: 643,667) fully paid ordinary shares of Rupees 10 each | 704,171 | 704,171 |
| Add: Fair value adjustment | 21,676,131 | 22,918,408 |
| | 22,380,302 | 23,622,579 |
| | 22,380,302 | 23,622,579 |

**19.1** Ordinary shares of Security General Insurance Company Limited have been valued by an independent valuer at Rupees 34.77 (2023: Rupees 36.70) 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.

**19.2** Mr. Ismail Aamir Fayyaz (a director of the Company) has been elected as director of Security General Insurance Company Limited on 30 April 2024. As a result, Security General Insurance Company Limited has become an associated company (without significant influence) with effect from 30 April 2024 due to common directorship.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **20. LONG TERM LOANS** | | |
| **Considered good:** | | |
| Executives - secured (Note 20.1 and Note 20.2) | 28,379,087 | 32,272,196 |
| Other employees - secured (Note 20.2) | 2,040,734 | 1,931,945 |
| | 30,419,821 | 34,204,141 |
| Less: Current portion shown under current assets (Note 25) | | |
| Executives | 24,179,087 | 19,497,196 |
| Other employees | 1,541,984 | 1,605,280 |
| | 25,721,071 | 21,102,476 |
| | 4,698,750 | 13,101,665 |

**20.1** Maximum aggregate balance due from executives at the end of any month during the year was Rupees 37.552 million (2023: Rupees 37.604 million).

**20.2** 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 instalments.

**20.3** 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.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **21. LONG TERM DEPOSITS** | | |
| Security deposits | 98,005,598 | 80,913,312 |
| **22. STORES, SPARES AND LOOSE TOOLS** | | |
| Stores and spares (Note 22.1) | 1,020,150,751 | 1,022,918,117 |
| Loose tools | 2,108,345 | 1,899,119 |
| | 1,022,259,097 | 1,024,817,236 |
| Less: Provision for slow moving, obsolete and damaged store items (Note 22.2) | 137,334,451 | 119,885,289 |
| | 884,924,646 | 904,931,947 |
| **22.1** These include stores in transit of Rupees 22.614 million (2023: Rupees 62.032 million) | | |
| **22.2 Provision for slow moving, obsolete and damaged store items** | | |
| Balance as on 01 July | 119,885,289 | 112,793,166 |
| Add: Provision made during the year (Note 35) | 17,449,162 | 7,092,123 |
| Balance as on 30 June | 137,334,451 | 119,885,289 |
| **23. STOCK-IN-TRADE** | | |
| Raw material (Note 23.1 and Note 23.2) | 1,808,596,976 | 1,940,953,244 |
| Work-in-process | 506,883,363 | 659,146,612 |
| Finished goods (Note 23.3, Note 23.4 and Note 23.6) | 3,056,904,217 | 2,945,315,056 |
| | 5,372,384,556 | 5,545,414,912 |

**23.1** This includes raw material of Rupees 188.495 million (2023: Rupees 90.040 million) valued at net realizable value.

**23.2** This includes raw material in transit of Rupees 17.079 million (2023: Nil).

**23.3** These include finished goods of Rupees 69.304 million (2023: Rupees 157.834 million) valued at net realizable value.

**23.4** Finished goods include stock-in-transit amounting to Rupees 655.968 million (2023: Rupees 720.319 million).

**23.5** The aggregate amount of write-down of inventories to net realizable value recognized as an expense during the year was Rupees 56.965 million (2023: Rupees 95.628 million).

**23.6** Stock in trade of Rupees 12.118 million (2023: Rupees 28.714 million) is sent to outside parties for processing.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **24. TRADE DEBTS** | | |
| **Other than related parties - considered good:** | | |
| Secured (against letters of credit) | 2,886,841,849 | 1,857,055,203 |
| Unsecured | 2,235,447,345 | 2,070,943,216 |
| | 5,122,289,194 | 3,927,998,419 |
| Less: Allowance for expected credit losses (Note 24.1) | 134,090,184 | 210,180,669 |
| | 4,988,199,010 | 3,717,817,750 |
| **24.1 Allowance for expected credit losses** | | |
| Balance as at 01 July | 210,180,669 | 122,591,411 |
| (Reversed) / recognized during the year (Note 35 and Note 36) | (74,881,967) | 87,589,258 |
| Less: Trade debts written off during the year against expected credit losses | 1,208,518 | - |
| Balance as at 30 June | 134,090,184 | 210,180,669 |
| **24.2 Types of counterparties** | | |
| **Export** | | |
| Corporate | 2,938,280,872 | 1,937,204,424 |
| Others | - | - |
| | 2,938,280,872 | 1,937,204,424 |
| **Local** | | |
| Corporate | 2,116,833,761 | 1,946,232,032 |
| Others | 67,174,561 | 44,561,963 |
| | 2,184,008,322 | 1,990,793,995 |
| | 5,122,289,194 | 3,927,998,419 |
| **24.3 Foreign jurisdictions of trade debts** | | |
| Australia | 17,512,211 | 2,485,390 |
| Asia | 1,623,049,469 | 433,927,447 |
| Europe | 1,157,252,714 | 1,008,786,197 |
| North America | 104,157,140 | 413,308,323 |
| Africa | 36,309,338 | 78,697,067 |
| | 2,938,280,872 | 1,937,204,424 |



**24.4** Trade debts includes receivables provided to bank under bill discounting arrangement with full recourse amounting to Rupees 1,608.612 million.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **25. LOANS AND ADVANCES** | | |
| **Considered good:** | | |
| Advances to staff: | | |
| -Against salary | 2,747,781 | 5,797,936 |
| -Against expenses (Note 25.1) | 5,474,996 | 4,831,103 |
| -Current portion of long term loans to executives and employees (Note 20) | 25,721,071 | 21,102,476 |
| | 33,943,848 | 31,731,515 |
| Advances to suppliers | 172,239,659 | 159,804,481 |
| Letters of credit | 1,511,690 | 357,095 |
| | 207,695,197 | 191,893,091 |
| **25.1 Advances to staff against expenses** | | |
| Considered good | 5,474,996 | 4,831,103 |
| Advances to staff against expenses - considered doubtful (Note 25.1.1) | 9,308,043 | 9,308,043 |
| Less: Provision for doubtful advances to staff against expenses | 9,308,043 | 9,308,043 |
| | - | - |
| | 5,474,996 | 4,831,103 |

**25.1.1** These include unsecured advance against expenses of Rupees 5.895 million (2023: Rupees 5.895 million) given to Mr. Aamir Alam Qureshi (Ex.General manager marketing).

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **26. SHORT TERM DEPOSITS AND PREPAYMENTS** | | |
| Security deposits | 4,927,176 | 25,481,638 |
| Prepayments | 18,690,761 | - |
| | 23,617,937 | 25,481,638 |
| **27. SALES TAX RECOVERABLE** | | |
| Sales tax recoverable | 360,207,808 | 2,316,173,830 |
| Less: Provision for doubtful sales tax recoverable (Note 27.1) | 114,286,895 | 101,663,773 |
| | 245,920,913 | 2,214,510,057 |

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **27.1 Provision for doubtful sales tax recoverable** | | |
| Balance as at 01 July | 101,663,773 | 78,368,537 |
| Add: Provision for the year (Note 35) | 12,623,122 | 23,295,236 |
| Balance as at 30 June | 114,286,895 | 101,663,773 |

## 28. OTHER RECEIVABLES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **Considered good:** | | |
| Export rebate and claims (Note 28.1) | 52,734,113 | 37,763,720 |
| Duty draw back (Note 28.2) | - | - |
| Receivable from employees' provident fund trust | - | 349,944 |
| Fair value of forward exchange contracts | 4,032,665 | - |
| Miscellaneous receivables (Note 28.3) | 9,947,201 | 1,766,056 |
| | 66,713,979 | 39,879,720 |

### 28.1 Export rebate and claims

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Considered good | 52,734,113 | 37,763,720 |
| Considered doubtful | 18,037,845 | 17,548,870 |
| Less: Provision for doubtful export rebate and claims (Note 28.1.1) | 18,037,845 | 17,548,870 |
| | - | - |
| | 52,734,113 | 37,763,720 |

### 28.1.1 Provision for doubtful export rebate and claims

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Balance as at 01 July | 17,548,870 | 16,257,635 |
| Add: Provision for the year (Note 35) | 488,975 | 1,291,235 |
| Balance as at 30 June | 18,037,845 | 17,548,870 |

### 28.2 Duty draw back

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Considered good | - | - |
| Considered doubtful | 23,691,987 | 23,691,987 |
| Less: Provision for doubtful duty draw back (Note 28.2.1) | 23,691,987 | 23,691,987 |
| | - | - |
| | - | - |

### 28.2.1 Provision for doubtful duty draw back

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Balance as at 01 July | 23,691,987 | 20,896,827 |
| Add: Provision for the year (Note 35) | - | 2,795,160 |
| Balance as at 30 June | 23,691,987 | 23,691,987 |

### 28.3 Miscellaneous receivables

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Considered good | 9,947,201 | 1,766,056 |
| Considered doubtful | 545,000 | 545,000 |
| Less: Provision for doubtful miscellaneous receivables | 545,000 | 545,000 |
| | - | - |
| | 9,947,201 | 1,766,056 |

## 29. SHORT TERM INVESTMENTS

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **At fair value through profit or loss** | | |
| Mutual funds (Note 29.1) | 707,445,355 | 383,859,900 |

### 29.1 Mutual funds

| Number of units 2024 | Number of units 2023 | Name of fund | 2024 Carrying value | 2024 Unrealized gain | 2024 Fair value | 2023 Carrying value | 2023 Unrealized (loss) / gain | 2023 Fair value |
|---|---|---|---|---|---|---|---|---|
| | | | (RUPEES) | | | | | |
| 13,760,130.976 | 7,401,519.249 | Pakistan Cash Management Fund | 694,443,538 | - | 694,443,538 | 373,323,089 | (408,644) | 372,914,445 |
| 1,299,116.435 | 1,096,771.937 | NBP Money Market Fund | 12,964,900 | 36,917 | 13,001,817 | 10,892,221 | 53,234 | 10,945,455 |
| 15,059,247.411 | 8,498,291.186 | | 707,408,438 | 36,917 | 707,445,355 | 384,215,310 | (355,410) | 383,859,900 |

## 30. CASH AND BANK BALANCES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Cash in hand (Note 30.1) | 26,684,576 | 26,934,550 |
| Cash with banks: | | |
| On current accounts (Note 30.1 and Note 30.3) | 321,525,455 | 328,571,497 |
| On deposit accounts (Note 30.2 and Note 30.4) | 125,290,506 | 83,207,571 |
| | 446,815,961 | 411,779,068 |
| | 473,500,537 | 438,713,618 |

**30.1** Cash and bank balances include foreign currencies disclosed in note 49.1 (a)(i) to these financial statements.

**30.2** Rate of profit on bank deposits ranges from 19.50% to 20.50% (2023: 12.25% to 19.50% ) per annum.

**30.3** Cash with banks on current accounts includes an amount of Rupees 8.491 million (2023: 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 15.1.1).

**30.4** These include term deposit receipts of Rupees Nil (2023: Rupees 18.00 million) which were under lien with Habib Metropolitan Bank Limited.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **31. REVENUE** | | |
| Revenue from contracts with customers: | | |
| Export sales | 16,672,261,853 | 18,430,227,581 |
| Local sales (Note 31.1) | 12,889,055,384 | 9,507,890,556 |
| Processing income | 243,800,954 | 210,874,439 |
| | 29,805,118,191 | 28,148,992,576 |
| Export rebate | 49,124,034 | 59,452,485 |
| | 29,854,242,225 | 28,208,445,061 |
| **31.1 Local sales** | | |
| Sales (Note 31.1.1) | 14,634,946,358 | 11,253,781,530 |
| Less: Sales tax | 1,745,890,974 | 1,745,890,974 |
| | 12,889,055,384 | 9,507,890,556 |

**31.1.1** These include sales of Rupees 8,128.187 million (2023: Rupees 6,176.297 million) made to direct exporters against standard purchase orders (SPOs) and under export facilitation scheme. Further, local sales include waste sales of Rupees 222.270 million (2023: Rupees 155.204 million).

**31.2** The amount of Rupees 71.918 million included in contract liabilities (Note 10) at 30 June 2023 has been recognized as revenue in 2024 (2023: Rupees 51.210 million).

### 31.3 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 | | Apparel | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees | 2024 Rupees | 2023 Rupees |
| **Geographical market** | | | | | | | | |
| Australia | - | - | 169,501,266 | 56,915,445 | - | - | 169,501,266 | 56,915,445 |
| Asia | 2,064,157,218 | 1,758,954,792 | 6,557,631,786 | 7,877,577,939 | - | - | 8,621,789,004 | 9,636,532,731 |
| Europe | 5,913,636,927 | 6,824,574,168 | 387,630,956 | 507,031,996 | - | - | 6,301,267,883 | 7,331,606,164 |
| North America | 150,205,889 | - | 1,209,134,249 | 1,083,043,879 | - | - | 1,359,340,138 | 1,083,043,879 |
| Africa | 13,148,431 | 75,591,966 | 207,215,133 | 246,537,396 | - | - | 220,363,564 | 322,129,362 |
| Pakistan | 3,721,703,352 | 1,971,064,430 | 9,406,180,686 | 7,747,700,565 | 4,972,298 | | 13,132,856,336 | 9,718,764,995 |
| | 11,862,851,817 | 10,630,185,356 | 17,937,294,076 | 17,518,807,220 | 4,972,298 | - | 29,805,118,191 | 28,148,992,576 |
| Export rebate | 11,758,313 | 12,028,628 | 37,365,721 | 47,423,857 | - | - | 49,124,034 | 59,452,485 |
| | 11,874,610,130 | 10,642,213,984 | 17,974,659,797 | 17,566,231,077 | 4,972,298 | - | 29,854,242,225 | 28,208,445,061 |
| **Major products / service lines** | | | | | | | | |
| Greige cloth | 11,307,903,631 | 10,370,758,300 | 4,538,489,666 | - | - | - | 15,846,393,297 | 10,370,758,300 |
| Dyed cloth | 330,422,972 | - | 13,149,384,710 | 17,329,114,343 | - | - | 13,479,807,682 | 17,329,114,343 |
| Yarn | 54,025,544 | 142,493,852 | - | - | - | - | 54,025,544 | 142,493,852 |
| Garments | - | - | - | - | 4,972,298 | - | 4,972,298 | - |
| Processing income | - | - | 248,773,252 | 210,874,439 | - | - | 248,773,252 | 210,874,439 |
| Waste | 182,257,982 | 128,961,832 | 38,012,170 | 26,242,295 | - | - | 220,270,152 | 155,204,127 |
| | 11,874,610,129 | 10,642,213,984 | 17,974,659,798 | 17,566,231,077 | 4,972,298 | - | 29,854,242,225 | 28,208,445,061 |
| **Timing of revenue recognition** | | | | | | | | |
| Products and services transferred at a point in time | 11,874,610,130 | 10,642,213,984 | 17,974,659,797 | 17,566,231,077 | 4,972,298 | - | 29,854,242,225 | 28,208,445,061 |
| Products and services transferred over time | - | - | - | - | - | - | - | - |
| | 11,874,610,130 | 10,642,213,984 | 17,974,659,797 | 17,566,231,077 | 4,972,298 | - | 29,854,242,225 | 28,208,445,061 |

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

## 32. COST OF SALES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Raw material consumed (Note 32.1) | 18,094,819,218 | 16,990,764,302 |
| Chemicals consumed | 1,841,936,405 | 1,755,733,536 |
| Salaries, wages and other benefits | 1,195,069,815 | 991,791,922 |
| Employees' provident fund contributions | 70,726,602 | 48,695,810 |
| Cloth conversion and processing charges | 95,296,341 | 87,583,263 |
| Fuel, oil and power | 2,718,247,282 | 2,287,006,488 |
| Stores, spares and loose tools consumed | 453,847,964 | 358,209,212 |
| Packing materials consumed | 165,639,570 | 129,442,963 |
| Repair and maintenance | 198,934,373 | 108,325,373 |
| Insurance | 49,753,306 | 44,160,556 |
| Other manufacturing expenses | 201,453,580 | 185,615,347 |
| Depreciation on operating fixed assets (Note 16.1.4) | 481,908,820 | 442,176,619 |
| Cost of goods manufactured | 25,567,633,276 | 23,429,505,391 |
| Work-in-process inventory | | |
| As on 01 July | 659,146,612 | 447,555,892 |
| As on 30 June | (506,883,363) | (659,146,612) |
| | 152,263,249 | (211,590,720) |
| | 25,719,896,525 | 23,217,914,671 |
| Finished goods inventory | | |
| As on 01 July | 2,945,315,056 | 2,068,681,756 |
| As on 30 June | (3,056,904,217) | (2,945,315,056) |
| | (111,589,162) | (876,633,300) |
| | 25,608,307,363 | 22,341,281,371 |

### 32.1 Raw material consumed

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Opening stock | 1,940,953,244 | 1,535,984,629 |
| Add: Purchased during the year | 17,962,462,950 | 17,395,732,917 |
| | 19,903,416,194 | 18,931,717,546 |
| Less: Closing stock | (1,808,596,976) | (1,940,953,244) |
| | 18,094,819,218 | 16,990,764,302 |

## 33. DISTRIBUTION COST

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Salaries and other benefits | 203,924,314 | 205,131,001 |
| Employees' provident fund contributions | 8,839,055 | 6,852,295 |
| Travelling, conveyance and entertainment | 78,001,302 | 61,735,575 |
| Printing and stationery | 818,501 | 720,395 |
| Postage and communications | 119,914,864 | 117,468,776 |
| Vehicles' running | 18,278,157 | 14,302,467 |
| Insurance | 17,614,700 | 19,094,182 |
| Repair and maintenance | 148,023 | 597,744 |
| Commission to selling agents | 486,128,132 | 337,793,797 |
| Outward freight and handling | 408,533,920 | 487,292,244 |
| Clearing and forwarding | 94,978,284 | 110,165,551 |
| Sales promotion and advertising | 5,230,776 | 987,617 |
| Depreciation on operating fixed assets (Note 16.1.4) | 6,449,683 | 4,152,565 |
| Amortization on intangible assets (Note 17) | 121,879 | - |
| Miscellaneous | 1,460,076 | 3,471,265 |
| | 1,450,441,665 | 1,369,765,475 |

## 34. ADMINISTRATIVE EXPENSES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Salaries and other benefits | 354,157,532 | 325,822,333 |
| Employees' provident fund contributions | 16,591,634 | 12,155,942 |
| Travelling, conveyance and entertainment | 129,572,979 | 127,095,488 |
| Printing and stationery | 5,481,741 | 10,757,121 |
| Communications | 14,479,433 | 8,165,467 |
| Vehicles' running | 36,673,404 | 32,066,576 |
| Legal and professional (Note 34.1) | 11,122,411 | 10,967,168 |
| Insurance | 23,532,605 | 20,937,851 |
| Fee, subscription and taxes | 8,312,944 | 11,177,603 |
| Repair and maintenance | 25,885,585 | 42,332,151 |
| Electricity, gas and water | 9,437,667 | 4,524,752 |
| Auditors' remuneration (Note 34.2) | 4,059,233 | 3,247,386 |
| Depreciation on operating fixed assets (Note 16.1.4) | 20,720,892 | 16,658,668 |
| Miscellaneous | 79,652,491 | 76,796,841 |
| | 739,680,550 | 702,705,347 |

**34.1** These include Rupees 0.721 million (2023: Rupees 0.630 million) income tax return filing fee paid to Riaz Ahmad & Company, Chartered Accountants.

### 34.2 Auditors' remuneration

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Audit fee | 2,812,500 | 2,250,000 |
| Half yearly review | 812,500 | 650,000 |
| Other certifications | 125,000 | 100,000 |
| Reimbursable expenses | 309,233 | 247,386 |
| | 4,059,233 | 3,247,386 |

## 35. OTHER EXPENSES

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Workers' profit participation fund (Note 10.5) | 21,077,871 | 131,049,018 |
| Workers' welfare fund (Note 10.6) | 8,740,526 | 49,998,641 |
| Donations (Note 35.1) | 10,200,000 | 19,400,000 |
| Unrealized loss on remeasurement of FVTPL investments (Note 29.1) | - | 355,410 |
| Loss on sale of stores | 9,699,241 | 5,559,121 |
| Exchange loss - net | 110,564,180 | 2,739,881 |
| Provision for slow moving, obsolete and damaged store items (Note 22.2) | 17,449,162 | 7,092,123 |
| Provision for doubtful duty draw back (Note 28.2.1) | - | 2,795,160 |
| Provision for doubtful export rebate and claims (Note 28.1.1) | 488,975 | 1,291,235 |
| Provision for doubtful sales tax recoverable (Note 27.1) | 12,623,122 | 23,295,236 |
| Advances to suppliers written off | - | 142,991 |
| Allowance for expected credit losses (Note 24.1) | - | 87,589,258 |
| | 190,843,077 | 331,308,074 |

**35.1** The names of donees are as follows:

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Cancer Care Hospital and Research Centre | 2,500,000 | - |
| Progressive Education Network | 2,500,000 | 3,000,000 |
| Anjuman-E-Mohammadi | 1,500,000 | 1,500,000 |
| Saleem Memorial Trust Hospital | 2,000,000 | - |
| Friends of Punjab Institute of Cardiology | 200,000 | - |
| Decent Departmental Store (for distribution of ration) | - | 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 | 1,500,000 |
| SOS Children's Village of Pakistan | - | 200,000 |
| Individual person | - | 200,000 |
| | 10,200,000 | 19,400,000 |

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

## 36. OTHER INCOME

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **Income from financial assets** | | |
| Dividend income | 51,015,598 | 30,668,690 |
| Return on bank deposits | 30,479,234 | 22,183,096 |
| Credit balances written back | 17,077,717 | - |
| Reversal of allowance for expected credit losses (Note 24.1) | 74,881,967 | - |
| Unrealized gain on forward exchange contracts | 4,032,665 | - |
| Unrealized gain on remeasurement of FVTPL investments (Note 29.1) | 36,917 | - |
| **Income from non-financial assets** | | |
| Scrap sales | 52,016,609 | 111,188,656 |
| Gain on sale of operating fixed assets - net (Note 16.1.3) | 11,819,503 | 34,746,154 |
| Amortization of deferred grant (Note 9) | 40,359,162 | 34,533,492 |
| Others | 484,404 | 2,701,152 |
| | 282,203,777 | 236,021,241 |

## 37. FINANCE COST

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Mark-up on long term financing | 148,316,431 | 126,468,363 |
| Mark-up on short term borrowings | 1,322,641,529 | 793,191,317 |
| Adjustment due to impact of IFRS - 9 on long term financing | 60,674,446 | 52,575,596 |
| Bank commission and other financial charges | 172,786,309 | 256,569,372 |
| Interest on workers' profit participation fund (Note 10.5) | 14,468,842 | 20,667,976 |
| | 1,718,887,557 | 1,249,472,624 |

## 38. LEVY

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Final tax on sales | 299,062,588 | 283,196,337 |
| Final tax on dividend income | 7,652,340 | 4,600,304 |
| Prior year adjustment | 28,943,763 | 19,255,842 |
| Related super tax | 108,226,590 | 100,720,778 |
| | 443,885,281 | 407,773,261 |

**38.1** The Company falls under the ambit of final tax regime under section 169 of the Income Tax Ordinance, 2001. Final taxes fall under levy within the scope of IFRIC 21 / IAS 37. Charge for levy has been recognised in statement of profit or loss separately. Tax (final tax) deducted by subsidiaries and associates on distribution of dividend to the Company is charged as current tax whereas the tax on dividend received from others is charged as levy. Provision for super tax on income is calculated as per Section 4C of the Income Tax Ordinance, 2001. Where calculation of super tax is based on taxable profits as defined in IAS 12, then, super tax is recognised as provision for income tax otherwise super tax is recognised as levy. Further, provision against income from other sources is made under the relevant provisions of the Income Tax Ordinance, 2001.

| | | 2024 Rupees | 2023 Rupees |
|---|---|---|---|
| **39** | **TAXATION** | | |
| | Current (Note 38.1) | 12,407,111 | 21,765,886 |
| | Prior year adjustment | (10,294,566) | 10,327,972 |
| | Related super tax | 4,278,314 | 12,792,647 |
| | Deferred | (2,367,602) | (4,237,833) |
| | | 4,023,257 | 40,648,672 |
| **39.1** | **Reconciliation between tax expense and accounting profit** | | |
| | Accounting profit before levy and taxation | 428,285,790 | 2,449,933,411 |
| | Applicable tax rate | 29% | 29% |
| | Tax on accounting profit | 124,202,879 | 710,480,689 |
| | Effect of change in prior year's tax | 18,649,197 | 29,583,814 |
| | Effect of dividend income taxed at a lower rate | (7,142,184) | (4,293,617) |
| | Effect of deferred tax | (2,367,602) | (4,237,833) |
| | Effect of gain on disposal of operating fixed assets | - | 19,805,858 |
| | Effect of income and expenses that are not considered in determining taxable liability | 8,575,813,817 | (10,014,713) |
| | Effect of final tax regime income taxed at a lower rate | (8,373,752,473) | (406,415,690) |
| | Effect of super tax | 112,504,904 | 113,513,425 |
| | Current tax liability and levy as per applicable law | 447,908,538 | 448,421,933 |
| | Taxation | (4,023,257) | (40,648,672) |
| | Levy | (443,885,281) | (407,773,261) |
| | | - | - |

## 40. EARNINGS PER SHARE - BASIC AND DILUTED

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

| | | 2024 Rupees | 2023 Rupees |
|---|---|---|---|
| (Loss) / Profit attributable to ordinary shareholders | (Rupees) | (19,622,748) | 2,001,511,478 |
| Weighted average number of ordinary shares | (Numbers) | 50,911,011 | 50,911,011 |
| (Loss) / Earnings per share | (Rupees) | (0.39) | 39.31 |

| | | 2024 Rupees | 2023 Rupees |
|---|---|---|---|
| **41.** | **CASH GENERATED FROM OPERATIONS** | | |
| | Profit before taxation and levy | 428,285,790 | 2,449,933,411 |
| | **Adjustment for non-cash charges and other items:** | | |
| | Depreciation on operating fixed assets (Note 16.1.4) | 509,079,395 | 462,987,852 |
| | Dividend income (Note 36) | (51,015,598) | (30,668,690) |
| | Gain on sale of operating fixed assets - net (Note 36) | (11,819,503) | (34,746,154) |
| | Amortization on intangible assets (Note 17) | 121,879 | - |
| | Adjustment due to impact of IFRS - 9 on long term financing (Note 37) | 60,674,446 | 52,575,596 |
| | Unrealized (gain) / loss on remeasurement of FVTPL investments (Note 29.1) | (36,917) | 355,410 |
| | Amortization of deferred grant (Note 9) | (40,359,162) | (34,533,492) |
| | Allowance for expected credit losses (Note 35) | - | 87,589,258 |
| | Reversal of allowance for expected credit losses (Note 36) | (74,881,967) | - |
| | Provision for slow moving, obsolete and damaged store items (Note 22.2) | 17,449,162 | 7,092,123 |
| | Provision for doubtful duty draw back (Note 28.2.1) | - | 2,795,160 |
| | Provision for doubtful export rebate and claims (Note 28.1.1) | 488,975 | 1,291,235 |
| | Provision for doubtful sales tax recoverable (Note 27.1) | 12,623,122 | 23,295,236 |
| | Advances to suppliers written off (Note 35) | - | 142,991 |
| | Credit balances written back (Note 36) | (17,077,717) | - |
| | Finance cost (Note 37) | 1,658,213,111 | 1,196,897,028 |
| | Working capital changes (Note 41.1) | 1,852,114,265 | (3,554,810,422) |
| | | 4,343,859,281 | 630,196,542 |
| **41.1** | **Working capital changes** | | |
| | Decrease / (Increase) in current assets: | | |
| | Stores, spares and loose tools | 2,558,139 | (143,906,318) |
| | Stock-in-trade | 173,030,356 | (1,493,192,635) |
| | Trade debts | (1,195,499,293) | (2,588,161,932) |
| | Loans and advances | (7,399,191) | 137,815,084 |
| | Short term deposits and prepayments | 1,863,701 | 31,976,090 |
| | Other receivables | (27,323,234) | (233,362) |
| | Sales tax recoverable | 1,955,966,022 | (607,386,494) |
| | | 903,196,500 | (4,663,089,567) |
| | Increase in trade and other payables | 948,917,765 | 1,108,279,145 |
| | | 1,852,114,265 | (3,554,810,422) |

### 41.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

| | 2024 | | | |
|---|---|---|---|---|
| | Liabilities from financing activities | | | Total |
| | Long term financing | Short term borrowings | Unclaimed dividend | |
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at 30 June 2023 | 1,785,962,840 | 7,280,650,382 | 7,440,570 | 9,074,053,792 |
| Dividend declared | - | - | 152,733,033 | 152,733,033 |
| Dividend paid | - | - | (151,749,875) | (151,749,875) |
| Short term borrowing obtained | - | 15,024,450,000 | - | 15,024,450,000 |
| Repayment of short term borrowings | - | (16,209,600,382) | - | (16,209,600,382) |
| Long term financing obtained | 80,082,000 | - | - | 80,082,000 |
| Transfer from deferred mark up - non cash movement (Note 8.1) | 279,674,945 | - | - | 279,674,945 |
| Repayment of long term financing | (413,073,717) | - | - | (413,073,717) |
| Impact of IFRS 9 - non-cash movement | 60,674,446 | - | - | 60,674,446 |
| | (352,399,271) | - | - | (352,399,271) |
| Balance as at 30 June 2024 | 1,793,320,514 | 6,095,500,000 | 8,423,728 | 7,897,244,242 |

| | 2023 | | | |
|---|---|---|---|---|
| | Liabilities from financing activities | | | Total |
| | Long term financing | Short term borrowings | Unclaimed dividend | |
| | Rupees | Rupees | Rupees | Rupees |
| Balance as at 30 June 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 borrowings 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 |

## 42. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a cash dividend for the year ended 30 June 2024 of Rupees Nil per share (2023: Rupees 3.00 per share) at their meeting held on 16 September 2024. 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.

## 43. 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:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Chief Executive Officer | Directors | Executives | Chief Executive Officer | Directors | Executives |
| | (RUPEES) | | | | | |
| Managerial remuneration | 16,500,000 | 13,860,000 | 162,856,347 | 14,025,000 | 11,550,000 | 126,339,361 |
| House rent | 4,200,000 | 3,528,000 | 57,357,096 | 3,570,000 | 2,940,000 | 43,368,064 |
| Utilities | 1,650,000 | 1,386,000 | 16,296,592 | 1,402,500 | 1,155,000 | 12,290,977 |
| Special allowance | - | - | 15,738,053 | - | - | 10,558,560 |
| Contribution to provident fund | 1,374,456 | 1,154,544 | 14,677,128 | 1,168,284 | 962,112 | 10,235,776 |
| Other allowances | 1,650,000 | 1,386,000 | 13,467,305 | 1,402,500 | 1,155,000 | 12,419,895 |
| | 25,374,456 | 21,314,544 | 280,392,521 | 21,568,284 | 17,762,112 | 215,212,633 |
| Number of persons | 1 | 2 | 62 | 1 | 2 | 54 |

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

**43.2** Meeting fee of Rupees 3.850 million (2023: Rupees 3.950 million) was paid to the non-executive directors for attending meetings.

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

## 44. 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:

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Loan received from chief executive officer | 44,000,000 | - |
| Loan received from directors | 24,100,000 | - |
| Repayment of loans to directors | 16,200,000 | - |
| Loan received from close relatives of the chief executive officer | - | 5,300,000 |
| Repayment of loans to close relatives of the chief executive officer | 2,564,880 | 4,360,000 |
| Repayment of loans to legal heirs of the deceased director | 2,750,000 | 2,364,600 |
| Dividend paid to directors | 83,141,427 | 54,007,618 |
| Dividend paid to Kohinoor Mills Limited Staff Provident Fund Trust | 2,728,500 | 1,819,000 |
| Dividend received from Security General Insurance Company Limited | 5,149,337 | 2,735,585 |
| Insurance premium paid to Security General Insurance Company Limited | 5,550,000 | 5,795,368 |
| Insurance expense | 5,229,167 | 5,845,255 |

**44.1** Detail of compensation to key management personnel comprising of chief executive officer, directors and executives is disclosed in note 43.

**44.2** 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 |
|---|---|---|---|---|
| | | 2024 | 2023 | |
| 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 |
| Security General Insurance Company Limited* | Common directorship | Yes | Yes | 0.95% |
| 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 | Yes | No | 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 | - |

*Security General Insurance Company Limited has become an associated company during the year with effect from 30 April 2024 due to common directorship.

## 45. 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.

## 46. NUMBER OF EMPLOYEES

| | 2024 | 2023 |
|---|---|---|
| Number of employees as on June 30 | 2174 | 2124 |
| Average number of employees during the year | 2186 | 2059 |



## 47. SEGMENT INFORMATION

**47.1** The Company has four 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. |
| Apparel | Production of garments. |

| | Weaving | | Dyeing | | Power Generation | | Apparel | | Elimination of Inter-segment transactions | | Total - Company | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (RUPEES) | | | | | | | | | | | |
| **Sales** | | | | | | | | | | | | |
| **-External** | 11,874,610,129 | 10,642,213,984 | 17,974,659,798 | 17,566,231,077 | - | - | 4,972,298 | - | - | - | 29,854,242,225 | 28,208,445,061 |
| -Intersegment | 7,796,987,078 | 6,526,167,261 | 555,703,443 | 549,150,443 | 2,453,375,060 | 1,679,949,099 | - | - | (10,806,065,581) | (8,755,266,803) | - | - |
| | 19,671,597,207 | 17,168,381,245 | 18,530,363,241 | 18,115,381,520 | 2,453,375,060 | 1,679,949,099 | 4,972,298 | - | (10,806,065,581) | (8,755,266,803) | 29,854,242,225 | 28,208,445,061 |
| Cost of sales | (18,095,533,604) | (14,565,429,555) | (15,815,509,777) | (14,875,313,201) | (2,419,462,665) | (1,655,805,418) | (83,866,898) | - | 10,806,065,581 | 8,755,266,803 | (25,608,307,363) | (22,341,281,371) |
| Gross profit / (loss) | 1,576,063,603 | 2,602,951,690 | 2,714,853,464 | 3,240,068,319 | 33,912,395 | 24,143,681 | (78,894,600) | - | - | - | 4,245,934,862 | 5,867,163,690 |
| Distribution cost | (613,219,134) | (572,192,694) | (837,227,531) | (797,572,781) | - | - | 5,000 | - | - | - | (1,450,441,665) | (1,369,765,475) |
| Administrative expenses | (359,928,721) | (312,221,563) | (349,180,910) | (366,326,356) | (24,593,566) | (24,157,428) | (5,977,353) | - | - | - | (739,680,550) | (702,705,347) |
| | (973,147,855) | (884,414,257) | (1,186,408,441) | (1,163,899,137) | (24,593,566) | (24,157,428) | (5,972,353) | - | - | - | (2,190,122,215) | (2,072,470,822) |
| Profit / (loss) before taxation, levy and unallocated income / expenses | 602,915,748 | 1,718,537,433 | 1,528,445,023 | 2,076,169,182 | 9,318,829 | (13,747) | (84,866,953) | - | - | - | 2,055,812,647 | 3,794,692,868 |
| Unallocated income and expenses: | | | | | | | | | | | | |
| Finance cost | | | | | | | | | | | (1,718,887,557) | (1,249,472,624) |
| Other expenses | | | | | | | | | | | (190,843,077) | (331,308,074) |
| Other income | | | | | | | | | | | 282,203,777 | 236,021,241 |
| Profit before taxation and levy | | | | | | | | | | | 428,285,790 | 2,449,933,411 |
| Levy | | | | | | | | | | | (443,885,281) | (407,773,261) |
| (Loss) / profit before taxation | | | | | | | | | | | (15,599,491) | 2,042,160,150 |
| Taxation | | | | | | | | | | | (4,023,257) | (40,648,672) |
| (Loss) / profit after taxation | | | | | | | | | | | (19,622,748) | 2,001,511,478 |

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

| | Weaving | | Dyeing | | Power Generation | | Apparel | | Total - Company | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | (RUPEES) | | | | | | | | | |
| Segment assets | 12,317,148,145 | 10,531,125,016 | 9,014,099,605 | 7,828,977,820 | 1,641,389,064 | 1,614,515,501 | 759,595,798 | - | 23,732,232,612 | 19,974,618,337 |
| Unallocated assets | | | | | | | | | 1,136,165,651 | 2,674,238,889 |
| Total assets as per the statement of financial position | | | | | | | | | 24,868,398,263 | 22,648,857,226 |
| Segment liabilities | 3,274,855,127 | 2,898,049,564 | 2,091,201,391 | 1,632,102,322 | 178,985,415 | 173,661,423 | 28,651,875 | - | 5,573,693,808 | 4,703,813,309 |
| Unallocated liabilities: | | | | | | | | | | |
| Long term financing - secured | | | | | | | | | 1,793,320,514 | 1,785,962,840 |
| Deferred liabilities | | | | | | | | | 611,020,985 | 359,694,174 |
| Deferred income - Government grant | | | | | | | | | 168,636,391 | 208,995,553 |
| Accrued mark-up | | | | | | | | | 341,781,210 | 278,033,136 |
| Short term borrowings - secured | | | | | | | | | 6,095,500,000 | 7,280,650,382 |
| Trade and other payables | | | | | | | | | 181,957,314 | 119,997,766 |
| Unclaimed dividend | | | | | | | | | 8,423,728 | 7,440,570 |
| Provision for taxation - net | | | | | | | | | 142,021,630 | 14,809,226 |
| Total liabilities as per the statement of financial position | | | | | | | | | 14,916,445,584 | 14,759,396,956 |

### 47.3 Geographical information

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

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Australia | 169,501,266 | 56,915,445 |
| Asia | 8,621,789,004 | 9,636,532,731 |
| Europe | 6,301,267,883 | 7,331,606,164 |
| North America | 1,359,340,138 | 1,083,043,879 |
| Africa | 220,363,564 | 322,129,362 |
| Pakistan | 13,132,856,336 | 9,718,764,995 |
| | 29,805,118,191 | 28,148,992,576 |
| Export rebate | 49,124,034 | 59,452,485 |
| | 29,854,242,225 | 28,208,445,061 |

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

### 47.5 Revenue from major customers

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

| | 2024 Rupees | 2023 Rupees |
|---|---|---|

## 48. PLANT CAPACITY AND PRODUCTION

| | 2024 | 2023 |
|---|---|---|
| **48.1 Weaving** | | |
| Number of looms in operation | 272 | 266 |
| Rated capacity of operative looms converted to 60 picks (square meter) | 116,895,072 | 114,262,659 |
| Actual production converted to 60 picks (square meter) | 103,944,265 | 94,082,434 |
| Number of days worked during the year (3 shifts per day) | 356 | 360 |
| **48.2 Dyeing** | | |
| Rated capacity in 3 shifts (linear meter) | 48,000,000 | 48,000,000 |
| Actual production for three shifts (linear meter) | 34,963,890 | 34,923,859 |
| Number of days worked during the year (3 shifts per day) | 350 | 347 |
| **48.3 Power generation** | | |
| Number of generators installed | 7 | 7 |
| Installed capacity (Mega Watt Hours) | 288,029 | 288,029 |
| Actual generation (Mega Watt Hours) | 52,250 | 40,389 |

### 48.4 Apparel

The capacity cannot be determined as this depends upon the relative proportions of various types and sizes of orders.

### 48.5 REASON FOR LOW PRODUCTION

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

## 49. FINANCIAL RISK MANAGEMENT

### 49.1 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), 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:

| | 2024 | 2023 |
|---|---|---|
| Cash at bank - USD | 61,929 | 22,720 |
| Cash in hand - USD | 37,452 | 49,598 |
| Cash in hand - Euro | 9,635 | 9,845 |
| Cash in hand - GBP | 14,060 | 15,200 |
| Cash in hand - AED | 5,940 | 5,940 |
| Cash in hand - SAR | 7,117 | 1,500 |
| Trade debts - USD | 2,863,731 | 6,572,432 |
| Trade debts - Euro | 3,060 | 170,800 |
| Trade and other payable - USD | (215,882) | (304,616) |
| Trade and other payable - Euro | - | (11,482) |
| Net exposure - USD | 2,747,230 | 6,340,134 |
| Net exposure - Euro | 12,695 | 169,163 |
| Net exposure - GBP | 14,060 | 15,200 |
| Net exposure - AED | 5,940 | 5,940 |
| Net exposure - SAR | 7,117 | 1,500 |

The following significant exchange rates were applied during the year:

| | 2024 | 2023 |
|---|---|---|
| **Rupees per USD** | | |
| Average rate | 284.80 | 252.57 |
| Reporting date rate | 277.70 | 286.60 |
| **Rupees per Euro** | | |
| Average rate | 306.85 | 266.64 |
| Reporting date rate | 293.50 | 313.72 |
| **Rupees per GBP** | | |
| Average rate | 358.02 | 306.15 |
| Reporting date rate | 349.00 | 364.77 |
| **Rupees per AED** | | |
| Average rate | 78.05 | 69.26 |
| Reporting date rate | 74.90 | 78.59 |
| **Rupees per SAR** | | |
| Average rate | 67.35 | 67.35 |
| Reporting date rate | 73.80 | 76.51 |

**Sensitivity analysis**

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD, GBP, Euro, AED and SAR with all other variables held constant, the impact on profit before taxation and levy for the year would have been higher / lower by Rupees 35.827 million (2023: Rupees 86.367 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:

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| **Fixed rate instruments** | | |
| **Financial liabilities** | | |
| Long term financing | 1,411,205,375 | 1,437,643,985 |
| Short term borrowings | 3,021,000,000 | 4,266,370,003 |
| **Floating rate instruments** | | |
| **Financial assets** | | |
| Bank balances - deposit accounts | 125,290,506 | 83,207,571 |
| **Financial liabilities** | | |
| Long term financing | 382,115,139 | 348,318,855 |
| Short term borrowings | 3,074,500,000 | 2,683,879,998 |

**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 before taxation and levy for the year would have been Rupees 30.981 million lower / higher (2023: Rupees 27.426 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:

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Investments | 729,825,657 | 407,482,479 |
| Long term loans | 30,419,821 | 34,204,141 |
| Loans and advances | 2,747,781 | 5,797,936 |
| Deposits | 102,932,774 | 106,394,950 |
| Trade debts | 4,988,199,010 | 3,717,817,750 |
| Other receivables | 13,979,866 | 1,766,056 |
| Bank balances | 446,815,961 | 411,779,068 |
| | 6,314,920,870 | 4,685,242,380 |

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:

| Banks | Rating: Short Term | Rating: Long term | Rating: Agency | 2024 Rupees | 2023 Rupees |
|---|---|---|---|---|---|
| National Bank of Pakistan | A1+ | AAA | PACRA | 4,164,870 | 4,111,734 |
| Allied Bank Limited | A1+ | AAA | PACRA | 19,129,082 | 38,747,286 |
| Askari Bank Limited | A1+ | AA+ | PACRA | 13,689,968 | 82,492,427 |
| Bank Alfalah Limited | A1+ | AA+ | PACRA | 71,395,655 | 44,529,200 |
| Faysal Bank Limited | A1+ | AA | PACRA | 385,131 | 521,643 |
| Habib Bank Limited | A-1+ | AAA | VIS | 96,106,998 | 25,080,045 |
| Habib Metropolitan Bank Limited | A1+ | AA+ | PACRA | 382,715 | 18,151,077 |
| The Bank of Punjab | A1+ | AA+ | PACRA | 149,558,018 | 98,094,167 |
| MCB Bank Limited | A1+ | AAA | PACRA | 41,189,172 | 49,227,560 |
| MCB Islamic Bank Limited | A1 | A | PACRA | 22,181,628 | 23,716,201 |
| Silk Bank Limited | A-2 | A - | VIS | 1,357,493 | 11,608,443 |
| United Bank Limited | A-1+ | AAA | VIS | 19,358 | 32,118 |
| Al Baraka Bank (Pakistan) Limited | A-1 | A+ | VIS | 100,413 | 100,413 |
| Samba Bank Limited | A-1 | AA | VIS | 2,357,546 | 357,095 |
| Meezan Bank Limited | A-1+ | AAA | VIS | 24,497,914 | 15,009,659 |
| Soneri Bank Limited | A1+ | AA- | PACRA | 300,000 | - |
| | | | | 446,815,961 | 411,779,068 |
| **Investments** | | | | | |
| Security General Insurance Company Limited | - - - - - AA+ (IFS) - - - - | | VIS | 22,380,302 | 23,622,579 |
| Pakistan Cash Management Fund | - - - - - - AA+ (f) - - - - - - | | PACRA | 694,443,538 | 372,914,445 |
| NBP Money Market Fund | - - - - - - - AA (f) - - - - - - - | | PACRA | 13,001,817 | 10,945,455 |
| | | | | 729,825,657 | 407,482,479 |
| | | | | 1,176,641,618 | 819,261,547 |



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 2024 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 2024 and 30 June 2023 was determined as follows:

**At 30 June 2024**

| | 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% | 1,203,092,579 | - | 0.00% | 158,848,092 | - |
| Up to 30 days | 1.96% | 440,354,655 | 8,628,892 | 0.24% | 102,484,328 | 246,395 |
| 31 to 60 days | 3.47% | 104,531,859 | 3,624,340 | 0.78% | 16,141,386 | 125,275 |
| 61 to 90 days | 10.93% | 66,927,306 | 7,316,596 | 2.72% | - | - |
| 91 to 180 days | 29.33% | 20,504,156 | 6,013,206 | 10.76% | 10,119,904 | 1,088,712 |
| 181 to 360 days | 45.04% | 8,600,492 | 3,873,557 | 34.88% | 1,027,970 | 358,592 |
| 361 days and above | 100.00% | 95,795,438 | 95,795,438 | 100.00% | 7,019,180 | 7,019,180 |
| | | 1,939,806,485 | 125,252,030 | | 295,640,860 | 8,838,154 |
| Trade debts which are not subject to risk of default | | 731,444,966 | - | | 2,155,396,883 | - |
| Total | | 2,671,251,451 | 125,252,030 | | 2,451,037,743 | 8,838,154 |

**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 |

## (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 2024, the Company had Rupees 7,959.245 million (2023: Rupees 4,904.480 million) available borrowing limits from financial institutions and Rupees 473.501 million (2023: Rupees 438.714 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 2024

| | 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 | 1,793,320,514 | 2,377,860,512 | 270,542,027 | 315,895,506 | 516,063,000 | 1,275,359,979 |
| Trade and other payables | 5,415,145,127 | 5,415,145,127 | 5,415,145,127 | - | - | - |
| Accrued mark-up | 341,781,210 | 341,781,210 | 341,781,210 | - | - | - |
| Short term borrowings | 6,095,500,000 | 6,306,269,379 | 6,306,269,379 | - | - | - |
| Unclaimed dividend | 8,423,728 | 8,423,728 | 8,423,728 | - | - | - |
| | 13,654,170,579 | 14,449,479,956 | 12,342,161,471 | 315,895,506 | 516,063,000 | 1,275,359,979 |

### 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 |

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 7 and note 12 to these financial statements.

## 49.2 Financial instruments by categories

### Assets as per the statement of financial position

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Amortised cost | FVTPL | FVTOCI | Total | Amortised cost | FVTPL | FVTOCI | Total |
| | (RUPEES) | | | | (RUPEES) | | | |
| Investments | - | 707,445,355 | 22,380,302 | 729,825,657 | - | 383,859,900 | 23,622,579 | 407,482,479 |
| Long term loans | 30,419,821 | - | - | 30,419,821 | 34,204,141 | - | - | 34,204,141 |
| Loans and advances | 2,747,781 | | | 2,747,781 | 5,797,936 | | | 5,797,936 |
| Short term deposits and prepayments | 102,932,774 | - | - | 102,932,774 | 106,394,950 | - | - | 106,394,950 |
| Trade debts | 4,988,199,010 | - | - | 4,988,199,010 | 3,717,817,750 | - | - | 3,717,817,750 |
| Other receivables | 9,947,201 | 4,032,665 | - | 13,979,866 | 1,766,056 | - | - | 1,766,056 |
| Cash and bank balances | 473,500,537 | - | - | 473,500,537 | 438,713,618 | - | - | 438,713,618 |
| | 5,607,747,124 | 711,478,020 | 22,380,302 | 6,341,605,446 | 4,304,694,451 | 383,859,900 | 23,622,579 | 4,712,176,930 |



| | 2024 | 2023 |
|---|---|---|
| | Financial liabilities at amortized cost | |
| | Rupees | Rupees |
| **Liabilities as per the statement of financial position** | | |
| Long term financing | 1,793,320,514 | 1,785,962,840 |
| Accrued mark-up | 341,781,210 | 546,976,903 |
| Short term borrowings | 6,095,500,000 | 7,280,650,382 |
| Trade and other payables | 5,415,145,127 | 4,477,110,823 |
| Unclaimed dividend | 8,423,728 | 7,440,570 |
| | 13,654,170,579 | 14,098,141,518 |

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

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Financial assets | Non-financial assets | Total | Financial assets | Non-financial assets | Total |
| | (RUPEES) | | | (RUPEES) | | |
| **Assets** | | | | | | |
| Long term investments | 22,380,302 | - | 22,380,302 | 23,622,579 | - | 23,622,579 |
| Long term loans | 4,698,750 | - | 4,698,750 | 13,101,665 | - | 13,101,665 |
| Long term deposits | 98,005,598 | - | 98,005,598 | 80,913,312 | - | 80,913,312 |
| Loans and advances | 28,468,852 | 179,226,345 | 207,695,197 | 26,900,412 | 164,992,679 | 191,893,091 |
| Short term deposits and prepayments | 4,927,176 | 18,690,761 | 23,617,937 | 25,481,638 | - | 25,481,638 |
| Trade debts | 4,988,199,010 | - | 4,988,199,010 | 3,717,817,750 | - | 3,717,817,750 |
| Other receivables | 13,979,866 | 52,734,113 | 66,713,979 | 1,766,056 | 38,113,664 | 39,879,720 |
| Short term investment | 707,445,355 | - | 707,445,355 | 383,859,900 | - | 383,859,900 |
| Cash and bank balances | 473,500,537 | - | 473,500,537 | 438,713,618 | - | 438,713,618 |
| | 6,341,605,446 | 250,651,219 | 6,592,256,665 | 4,712,176,930 | 203,106,343 | 4,915,283,273 |

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Financial liabilities | Non-financial liabilities | Total | Financial liabilities | Non-financial liabilities | Total |
| | (RUPEES) | | | (RUPEES) | | |
| **Liabilities** | | | | | | |
| Long term financing | 1,793,320,514 | - | 1,793,320,514 | 1,785,962,840 | - | 1,785,962,840 |
| Accrued mark-up | 341,781,210 | - | 341,781,210 | 546,976,903 | - | 546,976,903 |
| Short term borrowings | 6,095,500,000 | - | 6,095,500,000 | 7,280,650,382 | - | 7,280,650,382 |
| Trade and other payables | 5,415,145,127 | 268,193,778 | 5,683,338,905 | 4,477,110,823 | 274,388,034 | 4,751,498,857 |
| Unclaimed dividend | 8,423,728 | - | 8,423,728 | 7,440,570 | - | 7,440,570 |
| | 13,654,170,579 | 268,193,778 | 13,922,364,357 | 14,098,141,518 | 274,388,034 | 14,372,529,552 |

## 49.4 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.

## 49.5 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 7 and note 12 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.

| | 2024 Rupees | 2023 Rupees |
|---|---|---|
| Borrowings | 7,888,820,514 | 9,066,613,222 |
| Total equity | 9,952,042,679 | 7,889,460,270 |
| Total capital employed | 17,840,863,193 | 16,956,073,492 |
| Gearing ratio (Percentage) | 44.22 | 53.47 |

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

## 50 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 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | ---- (RUPEES) ---- | | | |
| **Financial assets** | | | | |
| Investment at fair value through profit or loss | 707,445,355 | - | - | 707,445,355 |
| Investment at fair value through other comprehensive income | - | - | 22,380,302 | 22,380,302 |
| Derivative financial assets | - | 4,032,665 | - | 4,032,665 |
| **Total financial assets** | 707,445,355 | 4,032,665 | 22,380,302 | 733,858,322 |

| 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 |

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 2024 and 30 June 2023:

| | Unlisted equity investment Rupees |
|---|---|
| **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 |
| Less : Deficit recognized in other comprehensive income | (1,242,277) |
| **Balance as on 30 June 2024** | 22,380,302 |

### (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 2024 | 30 June 2023 | | 30 June 2024 | |
| | Rupees | Rupees | | | |
| **Investment** | | | | | |
| Security General Insurance Company Limited | 22,380,302 | 23,622,579 | Terminal growth factor<br>Risk adjusted discount rate | 2.00%<br>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 +2.105 million / -1.661 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.

## 51 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 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | ---------- (RUPEES) ---------- | | | |
| Property, plant and equipment: | | | | |
| - Freehold land | - | 4,407,424,000 | - | 4,407,424,000 |
| - Buildings | - | 2,484,000,000 | - | 2,484,000,000 |
| **Total non-financial assets** | - | 6,891,424,000 | - | 6,891,424,000 |

| 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 |

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 2024, the fair values of the items of property, plant and equipment (land and buildings) 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.

## 52 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 2024 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | ---------------- (RUPEES) ---------------- | | | |
| Investment property: | | | | |
| - Land | - | 5,480,000 | - | 5,480,000 |
| **Total non-financial asset** | - | 5,480,000 | - | 5,480,000 |

| 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 |

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 2024, 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.

## 53. UNUTILIZED CREDIT FACILITIES

| | Non-funded | | Funded | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | ---------------------- (Rupees) ---------------------- | | | |
| Total facilities | 2,698,985,000 | 2,416,690,000 | 15,790,206,000 | 13,806,050,000 |
| Utilized at the end of the year | 2,111,444,000 | 2,002,663,000 | 7,830,961,000 | 8,901,570,000 |
| Unutilized at the end of the year | 587,541,000 | 414,027,000 | 7,959,245,000 | 4,904,480,000 |



## 54. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on 16 September 2024.

## 55. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. Except for reclassification as disclosed in note 2.5 to the financial statements, no significant rearrangements / reclassification have been made.

## 56. 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

37th Annual General Meeting 2024

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 37th Annual General Meeting of the Company to be held on Monday, October 28, 2024 at 2:45 p.m., and at any adjournment thereof.

As witness my/our hand seal this ____________________ day of ___________________, 2024

| 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 ______________________________

______________________________

**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 (مختارنامہ) فارم 2024

## 37 واں 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 جوکہ کمپنی کا ایک اور ممبر ہے اپنا/ اپنے متبادل مقرر کرتا ہوں/ کرتے ہیں یا --------------------

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

میرے /ہمارے لئے اور میری /ہماری طرف سے 28 اکتوبر 2024ء بروز سوموار دوپہر 2:45 بجے ہونے والے کمپنی کے 37 ویں سالانہ جنرل اجلاس میں میری /ہمارے طرف سے بحثیت پراکسی ووٹ دینے کا مجاز ہوگا۔

آج مورخہ -------------------- 2024

| 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 | گواہ شدگان 2 |
|---|---|
| دستخط -------------------- | دستخط -------------------- |
| نام -------------------- | نام -------------------- |
| شناختی کارڈ نمبر -------------------- | شناختی کارڈ نمبر -------------------- |
| پاسپورٹ نمبر -------------------- | پاسپورٹ نمبر -------------------- |
| پتہ -------------------- | 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 (مختارنامہ) 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
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POSTAGE

The Company Secretary

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

افزاء پائپ لائن آرڈر اور اعلیٰ صلاحیت کی سطح کے ساتھ، کمپنی مارکیٹ کے غیر یقینی حالات کے باوجود بھی نمو فراہم کرنے اور شیئر ہولڈرز کے لئے قدر پیدا کرنے کے بارے میں 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 2025 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 | 16 ستمبر 2024ء |

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

## حصص داری کا اجمال

30 جون 2024 کو حصص داری کا اجمال ہمراہ کمپنی کے حصص یافتگان کی اقسام جیسا کہ کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں کہا گیا ہے اس رپورٹ میں منسلک ہے۔

## مستقبل کا نقطہ نظر

عالمی معیشت وبائی بیماریوں، روس یوکرین تنازعہ اور مشرق وسطیٰ میں بڑھتے ہوئے تنازعات سے پیدا ہونے والی مشکلات سے نکل رہی ہے، جس میں بڑے تجارتی شراکت داروں نے معاشی بحالی ظاہر کی ہے۔ توقع ہے کہ 2024 تک عالمی سپلائی چین میں رکاوٹیں کم ہو جائیں گی جس سے مالی سال 25 میں صنعتی شعبے میں بہتری کی راہ ہموار ہوگی۔ کاروباری اعتماد میں اضافہ اور مستحکم شرح تبادلہ سے ملکی پیداوار میں اضافہ، سپلائی چین کی خرابیوں میں کمی اور قیمتوں میں استحکام آنے کی توقع ہے۔

تاہم، پاکستان کے بڑے پیمانے کے مینوفیکچرنگ (ایل ایس ایم) شعبے کو جاری مقامی اصلاحات اور عالمی غیر یقینی صورتحال کی وجہ سے اہم مشکلات کا سامنا کرنا پڑا ہے۔ معاشی استحکام کو یقینی بنانے کے لئے فیصلہ کن میکرو اکنامک پالیسی سازی اور اصلاحات کے ساتھ ساتھ سیاسی استحکام انتہائی اہم ہوگا۔ تاہم، مشرق وسطیٰ میں بڑھتے ہوئے تنازعہ نے سپلائی چین میں خلل کا ممکنہ خطرہ پیش کیا ہے، جس سے بیرونی معاشی منظرنامہ کو مزید پیچیدہ بنا دیا گیا ہے۔ وسط مدتی اصلاحاتی ایجنڈے کے لیے آئی ایم ایف کی حمایت حاصل کرنا مارکیٹ کے اعتماد کو بڑھانے اور اضافی ذرائع سے زیادہ سستی بیرونی فنانسنگ کو کھولنے میں اہم ثابت ہوگا۔

ملکی سطح پر وفاقی بجٹ برائے 25-2024ء میں برآمد کنندگان کو فائنل ٹیکس نظام سے نارمل ٹیکس نظام میں منتقل کر دیا گیا ہے جس کے نتیجے میں برآمدی آمدنی پر موجودہ ایک فیصد ٹیکس کے علاوہ کم از کم ایک فیصد ایڈوانس ٹیکس عائد کیا گیا ہے۔ یہ تبدیلی ایک ایسے شعبے کے منافع کو مزید کم کر دے گی جو پہلے ہی اہم مشکلات کا سامنا کر رہا ہے۔ مزید برآں، بجٹ میں برآمد کنندگان کے لئے ریفنڈز کی پروسیسنگ کو تیز کرنے کے لئے ٹھوس اقدامات کا فقدان ہے، جس سے ممکنہ طور پر صنعت کے اندر لیکویڈیٹی کی رکاوٹوں میں اضافہ ہوگا۔ پائیدار نمو کو فروغ دینے اور تجارتی خسارہ کو کم کرنے کے لئے، حکومت کو مسابقتی توانائی ٹیرف اور ری گیسی فائیڈ مائع قدرتی گیس (آر ایل این جی) کی قابل اعتماد فراہمی کی پیش کش کر کے برآمدی شعبوں کو ترجیح دینی چاہئے۔ مالی سال 25 میں ٹیرف ریلیف کی توقعات کے باوجود، مالی رکاوٹوں نے کافی اصلاحات میں تاخیر کی ہے، جس کی وجہ سے مقامی ٹیکسٹائل انڈسٹری کو گرڈ پاور کے نرخوں کا سامنا کرنا پڑ رہا ہے جو علاقائی اوسط سے 100 فیصد زیادہ ہیں، جس سے اس کی مسابقت کو نقصان پہنچا ہے۔

مستقبل کی طرف بڑھتے ہوئے، مالی سال 25 پاکستان کی ٹیکسٹائل انڈسٹری کے لئے دونوں مشکلات اور مواقع کی پیش کش کرتا ہے۔ امریکہ، یورپ اور برطانیہ جیسی اہم معیشتوں میں افراط زر بتدریج کم ہو رہا ہے، اور شرح سود میں اضافہ سست روی کا شکار ہے، جو عالمی منڈیوں میں ممکنہ بہتری کا اشارہ ہے۔ اس کے ساتھ ساتھ کمپنیوں کی جانب سے استعداد کار کے بہتر استعمال اور اخراجات کو معقول بنا کر لاگت کی کارکردگی کو برقرار رکھنے کی داخلی کوششوں سے ٹیکسٹائل سیکٹر کی لچک میں مدد ملنے کی توقع ہے۔ اس تناظر میں، آپ کی کمپنی اپنے قدموں کو بڑھانے، آپریشنل کارکردگی کو بہتر بنانے، اور عالمی طلب میں سست روی سے نمٹنے پر توجہ مرکوز رکھے ہوئے ہے۔ جدید کاری کے بعد حوصلہ

## 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 پانچ (5) 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 | 5/5 |
| 2 | جناب عامر فیاض شیخ چیف ایگزیکٹو | 5/5 |
| 3 | جناب اسمٰعیل عامر فیاض ڈائریکٹر | 5/5 |
| 4 | جناب مطیع الدین صدیقی ڈائریکٹر NIT نامزدہ | 5/5 |
| 5* | محترمہ امرت عامر فیاض ڈائریکٹر | 3/5 |
| 6 | محترمہ ہاجرہ ارحم ڈائریکٹر | 5/5 |
| 7 | جناب محمد انوار الحق صدیقی ڈائریکٹر | 5/5 |

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

* ڈائریکٹرز، ایگزیکٹوز، ان کی شریک حیات اور نابالغ بچوں کے زیرِ جائزہ سال کے دوران شیئرز میں کوئی ٹریڈنگ نہیں ہوئی۔

## 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:

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

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:

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

محترمہ ہاجرہ ارحم مالی سال 25-2024 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 | چیئرمین |
| 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۔

زیرِ 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 - چیئرمین** | **4/4** |
| **2** | **جناب رشید احمد - ممبر** | **4/4** |
| **3** | **جناب محمد انوار الحق صدیقی - ممبر** | **4/4** |

## 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۔

## ویلیو ایڈیشن اور اس کی تقسیم اور مالی خطرات

ویلیو ایڈیشن اور اس 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 تیار کردہ، 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 مؤثر 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 اعداد وشمار رپورٹ ہذا سے منسلک ہیں۔
- J• بقایا ٹیکسز، ڈیوٹیز، لیویز اور دیگر چارجز (اگر کوئی ہو) کی مد میں قانونی ادائیگیوں کی بابت معلومات نظرثانی 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 2024 401.209 ملین روپے (غیر نظرثانی شدہ)

30 جون 2023 306.624 ملین روپے (نظرثانی شدہ)

## 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 نظرثانی 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)۔ خاتون

vi۔ محترمہ امرت عامر فیاض - ایگزیکٹو ڈائریکٹر

vii۔ محترمہ ہاجرہ ارحم - انڈیپینڈنٹ ڈائریکٹر

اور آپریشنل عمدگی کے لئے انتظامیہ کی لگن کو ظاہر کرتی ہے۔ ویوِنگ صنعت کو درپیش مشکلات کے باوجود، ڈویژن نمو جاری رکھے ہوئے ہے۔ ویوِنگ ڈویژن نے گزشتہ مالی سال 17,168 ملین روپے کے مقابلے میں 19,672 ملین روپے کا مجموعی کاروبار حاصل کیا۔

مستقبل کی طرف بڑھتے ہوئے، بہتر معاشی صورتحال، جیسے کہ افراطِ زر کی مستحکم شرح اور اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی میں کمی، منافع مارجن پر دباؤ کو کم کرے گی۔ مزید برآں، ہم اخراجات کو کم سے کم کرنے، مارکیٹ میں اپنی موجودگی کو بڑھانے، اور ان رکاوٹوں کو دور کرنے اور مستقبل میں اپنے منافع کو بڑھانے کے لئے فعال طریقوں کو نافذ کرنے کے لئے کوشاں ہیں۔

## ڈائینگ ڈویژن

مالی سال 2024 میں عالمی ریٹیل انڈسٹری کو اہم مشکلات کا سامنا کرنا پڑا جن میں مسلسل افراطِ زر کا بڑھنا، آپریشنل اخراجات میں اضافہ، سپلائی چین میں خلل اور ای کامرس مسابقت میں شدت شامل ہے۔ ان عوامل نے خاص طور پر پاکستان کے فیشن ریٹیل سیکٹر کو متاثر کیا، جو برآمدات پر بہت زیادہ منحصر ہے۔ خام مال اور توانائی زیادہ لاگت نے منافع مارجن کو کم کر دیا، جبکہ سپلائی چین کے موجودہ مسائل تاخیر اور اخراجات میں اضافے کا سبب بنے۔ مزید برآں، پائیداری کی طرف عالمی تبدیلی کے لئے پاکستانی مینوفیکچررز کو ماحول دوست طریقوں میں سرمایہ کاری کرنے کی ضرورت تھی، جس سے مالی دباؤ میں مزید اضافہ ہوا۔ مسابقتی ای کامرس منظرنامہ نے بھی تیزی سے ڈیجیٹل تبدیلی کا مطالبہ کیا، جس کے لئے کافی سرمایہ کاری کی ضرورت تھی۔ ان مشکلات نے مل کر پاکستان کی فیشن انڈسٹری کو تناؤ کا شکار کر دیا، جس کی وجہ سے ٹیکسٹائل کی مضبوط بنیاد کے باوجود عالمی سطح پر اپنی مسابقتی پوزیشن برقرار رکھنے کی کوششیں پیچیدہ ہو گئیں۔

متوازی طور پر ڈائینگ ڈویژن نے ان مشکل حالات سے نمٹتے ہوئے اپنا مجموعی کاروبار 18,530 ملین روپے پر برقرار رکھا جو گزشتہ سال کے اسی عرصہ میں 18,115 ملین روپے تھا۔ تاہم مجموعی منافع 3,240 ملین روپے سے کم ہو کر 2,715 ملین روپے اور خالص منافع 1,308 ملین روپے سے کم ہو کر 663 ملین روپے رہ گیا۔

ان مشکلات کے منفی اثرات کو کم کرنے کے لئے، انتظامیہ نے لاگت کے انتظام عمل کی جدت طرازی، وسائل کو بہتر بنانے اور مسلسل بہتری کی ثقافت کو فروغ دینے پر توجہ مرکوز رکھتے ہوئے ایک جامع حکمت عملی نافذ کی۔ موجودہ مشکلات کے باوجود اُمید ہے کہ افراطِ زر میں کمی اور شرح سود میں کمی سے طلب میں بہتری آئے گی جس سے مستقبل قریب میں ٹیکسٹائل کے شعبے پر مثبت اثرات مرتب ہوں گے۔

## جنرٹیک ڈویژن

قدرتی گیس کی قیمتوں اور نیشنل گرڈ کے بجلی کے نرخوں میں نمایاں اضافے کی وجہ سے کمپنی کو مسابقتی توانائی کی لاگت کو برقرار رکھنے کے لئے موجودہ مشکلات کا سامنا ہے۔ ان عوامل کی وجہ سے موجودہ مدت میں منافع مارجن میں کمی واقع ہوئی ہے۔ مشکلات کے باوجود، آپ کی کمپنی توانائی کی کارکردگی حاصل کرنے کے لئے پُرعزم ہے اور اب صاف، گرین قابل تجدید توانائی کے ذرائع پر زیادہ توجہ مرکوز کر رہی ہے۔

بھاپ کی پیداوار کے لئے، قدرتی گیس کی قیمتوں میں اضافے سے متبادل بائیو فیول کی قیمتوں میں اضافے کا خطرہ بھی بڑھ گیا ہے، ڈویژن موسمی بائیو ایندھن کی دستیابی کا امکان رکھتا ہے جو سستے اور لاگت کو کم کرتے ہیں۔

کمپنی سستے اور موسمی بائیو فیول کے درمیان توازن برقرار رکھتے ہوئے ایندھن مکس کو نمایاں طور پر بہتر بنانے کے لئے کام کر رہی ہے۔ کمپنی زیادہ پائیدار اور ماحول دوست بننے کے لئے بھاپ کی پیداوار میں توانائی کی اعلیٰ کارکردگی حاصل کرنے کے لئے بھی پُرعزم 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۔

## انسانی وسائل اور تربیت

تقریباً 2,186 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 مل کر کام کرتے ہیں۔ تاکہ 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۔ جو ان 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 اعلی ترین پیشہ ورانہ معیارات کے اطلاق کے ذریعہ ہماری حفاظت، صحت اور ماحول کی کارکردگی میں مستقل بہتری سے یہ کامیابی حاصل ہوگی۔

پاکستان کی جی ڈی پی کی شرح نمو میں حالیہ برسوں کے دوران اتار چڑھاؤ آیا ہے۔ وبائی بیماری کے بعد بحالی کی وجہ سے، مالی سال 22ء میں 6.1 فیصد شرح نمو حاصل کرنے کے بعد، سیلاب، سیاسی عدم استحکام اور عالمی معاشی مشکلات کی وجہ سے مالی سال 23 میں معیشت میں تیزی سے منفی 0.17 فیصد کی کمی واقع ہوئی۔ تاہم مالی سال 24 میں آئی ایم ایف کی زیرِ قیادت اصلاحات، بہتر زرعی پیداوار اور میکرو اکنامک ماحول میں استحکام کی کوششوں کی مدد سے معیشت نے 2.38 فیصد جی ڈی پی کی شرح نمو کے ساتھ معمولی بحالی درج کی۔

معاشی نمو میں سست روی اور افراط زر میں اضافہ نادانستہ طور پر پاکستان کے کرنٹ اکاؤنٹ خسارے (سی اے ڈی) میں تیزی سے کمی کا باعث بنا۔ زیادہ شرح سود اور درآمدی پابندیوں کی وجہ سے درآمدات کی ملکی طلب میں کمی واقع ہوئی جس کے نتیجے میں 13 سال میں سب سے کم سی اے ڈی 0.68 بلین ڈالر یا جی ڈی پی کا 0.2 فیصد رہا۔ اس کمی کی ایک اہم وجہ برآمدات میں اضافہ اور مستحکم درآمدات تھی۔ مالی سال 23 کے 24.8 بلین ڈالر کے مقابلے میں مالی سال 24 میں پاکستان کا تجارتی خسارہ 11.1 فیصد بڑھ کر 22.1 بلین ڈالر ہو گیا، مالی سال 24 میں برآمدات سال بہ سال 11.5 فیصد اضافے کے ساتھ 31.1 بلین ڈالر رہیں جو مالی سال 23 میں 27.8 بلین ڈالر تھیں جبکہ مالی سال 24 میں درآمدات 2.8 فیصد اضافے کے ساتھ مالی سال 23 میں 51.7 بلین ڈالر کے مقابلے میں 53.1 بلین ڈالر رہیں۔ مزید برآں ترسیلات زر نے کرنٹ اکاؤنٹ کو بہتر بنانے میں اہم کردار ادا کیا اور مالی سال 24ء میں 30.3 بلین ڈالر تک پہنچ گئیں۔ سال کی دوسری ششماہی میں زیادہ مستحکم کرنسی نے ڈالر کی ذخیرہ اندوزی کی حوصلہ شکنی کر کے ترسیلات زر کے بہاؤ کو بڑھانے میں مدد کی۔

اس کے علاوہ، مالی سال 24 کے دوران کرنٹ اکاؤنٹ خسارے میں تیزی سے کمی اور سرکاری آمد کی وجہ سے پاکستان کے زرمبادلہ کے ذخائر مالی سال 23 کے اختتام پر 4.1 بلین ڈالر سے بڑھ کر مالی سال 24 کے اختتام تک 9.4 بلین ڈالر تک پہنچ گئے۔ نتیجتاً امریکی ڈالر کے مقابلے میں روپیہ کی قدر میں 3 فیصد اضافہ ہوا جو جون 2023 میں 286.6 روپے سے بڑھ کر جون 2024 میں 277.7 روپے ہو گیا جو کہ بیرونی اکاؤنٹ کی بہتر پوزیشن کی عکاسی کرتی ہے۔

پاکستان کے میکرو اکنامک عدم توازن، انتہائی سیاسی عدم استحکام، غیر دانشمندانہ عوامیت پسند اقدامات اور ماحولیاتی کشیدگی نے معیشت کو تباہی کے دہانے پر پہنچا دیا ہے۔ نتیجتاً پاکستان کو ایک بار پھر آئی ایم ایف اور دوست ممالک سے مدد مانگنی پڑی۔ معاشی بے یقینی کے عالمی ماحول کے ساتھ ساتھ ان عوامل کا مطلب یہ تھا کہ یہ ایک مشکل ترین سال تھا، اور آئندہ سال میں ان مشکلات میں اضافہ ہونے کی توقع ہے۔

## ٹیکسٹائل صنعت کا نقطہ نظر

پاکستان میں ٹیکسٹائل کے شعبے کو مالی سال 24 کے دوران نمایاں مشکلات کا سامنا کرنا پڑا جس نے اس کی کارکردگی کو بُری طرح متاثر کیا۔ عالمی معاشی سست روی نے بین الاقوامی سطح پر ٹیکسٹائل مصنوعات کی طلب کو کم کر دیا، جبکہ مقامی سطح پر، توانائی کی زیادہ لاگت، قرض کی زیادہ لاگت اور حکومتی ٹیکسوں میں اضافہ نے کاروبار کرنے کی لاگت کو بڑھا دیا۔ مجموعی طور پر، ان عوامل نے ٹیکسٹائل صنعت کی موجودہ کارکردگی اور مستقبل کے امکانات دونوں کو متاثر کیا۔

مالی سال 2022 میں پاکستان کی ٹیکسٹائل برآمدات تقریباً 19.3 بلین ڈالر تھیں۔ تاہم مالی سال 23 میں بیرونی طلب میں کمی اور چین سے بڑھتی ہوئی مسابقت کی وجہ سے برآمدات 14.5 فیصد کم ہو کر 16.5 بلین ڈالر رہ گئیں۔ مالی سال 24 میں برآمدات میں 0.94 فیصد اضافے کے ساتھ 16.6 بلین ڈالر تک معمولی بحالی دیکھنے میں آئی، حالانکہ اس شعبے کو بجلی کے بڑھتے ہوئے نرخوں، درآمدی خام مال کی زیادہ قیمتوں اور زیادہ شرح سود جیسی مشکلات کا سامنا کرنا پڑا۔ ان رکاوٹوں کے باوجود ٹیکسٹائل مصنوعات نے قومی برآمدات میں 53.57 فیصد کا مستقل حصہ برقرار رکھا۔

اگرچہ سست بحالی کی علامات ظاہر ہو رہی ہیں، صنعت کو طلب کے اتار چڑھاؤ اور غیر یقینی صورتحال سے نمٹنا ہوگا۔ افراط زر کے دباؤ کے باعث صارفین کے کم اخراجات کی وجہ سے بہت سی کمپنیوں کے آرڈرز میں نمایاں کمی ہوئی ہے۔ یہ رجحان صنعت کو ان مشکلات پر قابو پانے اور پائیدار نمو حاصل کرنے کے لئے حکمت عملی اپنانے اور تیار کرنے کی ضرورت کو واضح کرتا ہے۔

افراط زر میں کمی اور کرنٹ اکاؤنٹ خسارے میں کمی کے بعد اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ کو کم کرنے کے اقدامات کیے، جو مالی سال 24 کے آغاز سے جاری 22.0 فیصد سے جون 2024 میں کم ہو کر 20.5 فیصد اور ستمبر 2024 میں مزید کم ہو کر 17.5 فیصد ہو گیا۔ اس کمی کا مقصد قرضوں کی لاگت کو کم کرنا، ممکنہ طور پر سستی فنانسنگ تک رسائی کو بہتر بنا کر ٹیکسٹائل کے شعبے کو فائدہ پہنچانا ہے، جس سے ملکی اور عالمی سطح پر اس کی مسابقت بہتر ہو سکتی ہے۔

## آپریٹنگ اور مالی نتائج

زیر جائزہ مدت کے دوران دونوں عالمی اور مقامی سطح پر مختلف وجوہات کی بدولت موجودہ معاشی عدم استحکام اور رکاوٹوں کے باوجود آپ کی کمپنی نے گزشتہ سال کے اسی عرصہ کے 28.21 بلین روپے کے مقابلے میں 29.85 بلین روپے کی ٹاپ لائن حاصل کی ہے جس کے نتیجے میں تقابلی مدت کے لئے 5.86 بلین روپے کے مجموعی منافع کے مقابلے میں 4.24 بلین روپے کا مجموعی منافع حاصل ہوا ہے۔ تاہم خام مال پر افراط زر کے اثرات، تبدیلی کے اخراجات، برآمد پر مبنی یونٹس (EOUs) کے لیے سبسڈی ختم ہونے کی وجہ سے یوٹیلیٹی لاگت میں اضافہ کے ساتھ ساتھ فنانس لاگت میں اضافہ ہوا، جس کے نتیجے میں گزشتہ مالی سال میں 2,001.5 ملین روپے کے منافع (ای پی ایس: 39.31 روپے فی شیئر) کے مقابلے میں 19.6 ملین روپے (ایل پی ایس: 0.39 روپے فی شیئر) کا نقصان ہوا۔

اسی طرح فنانس لاگت 37.6 فیصد بڑھ کر مجموعی طور پر 1,718.8 ملین روپے ہو گئی جو گزشتہ سال کے اسی عرصہ میں 1,249.4 ملین روپے تھی۔ یہ خاطر خواہ اضافہ میکرو اکنامک عوامل کی وجہ سے ہوا، جن میں پالیسی کی زیادہ شرح، افراط زر کے دباؤ، اور ورکنگ کیپیٹل کی زیادہ ضروریات شامل ہیں، جن سب نے اس عرصہ کے دوران مالی اخراجات کے اضافہ میں اہم کردار ادا کیا۔

## ڈیویڈنڈ

کمپنی کے ورکنگ کیپیٹل کو دوبارہ بنانے اور حکومت کی بعض پالیسیوں کی وجہ سے پیدا ہونے والے غیر متوقع ہنگامی حالات کو پورا کرنے کیلئے ڈائریکٹرز نے افسوس کے ساتھ اس سال ڈیویڈنڈ کی ادائیگی کو حذف کرنے کا فیصلہ کیا ہے۔

## کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کی کارکردگی کا مختصر جائزہ حسبِ ذیل ہے:

## ویونگ ڈویژن

ویونگ ڈویژن نے گزشتہ سال 258 پرانی لومز کو تبدیل کرنے اور 14 جدید ترین لومز اور معاون آلات کا اضافہ کر کے ایک قابل ذکر تبدیلی کی ہے۔ یہ جدت طرازی

# ڈائریکٹرز کا جائزہ- مالی سال 2024

کمپنی کے ڈائریکٹرز کی جانب سے 30 جون 2024 کے اختتام پر سالانہ رپورٹ ہمراہ پڑتال شدہ مالیاتی گوشوارے اور آڈیٹر رپورٹ پیش کرنا باعث مسرت ہے۔

## عالمی اقتصادی جائزہ

بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے مطابق 2023 میں عالمی معیشت نے نمایاں لچک کا مظاہرہ کیا اور 3.1 فیصد کی شرح نمو حاصل کی۔ سال 2024 میں نمو 3.1 فیصد پر مستحکم رہنے اور 2025 تک قدرے بڑھ کر 3.2 فیصد ہونے کی توقع ہے۔ ترقی یافتہ معیشتوں میں 1.7 فیصد اضافہ ہوا جبکہ ابھرتی ہوئی مارکیٹوں اور درمیانی آمدنی والی معیشتوں نے 4.2 فیصد اضافے کے ساتھ عالمی نمو کو مزید بڑھایا۔ یہ پیش رفت روس اور یوکرین کے درمیان جغرافیائی سیاسی تناؤ، بحیرہ احمر میں تنازعات، عالمی تجارت میں خلل، نقل وحمل کے زیادہ اخراجات اور کشیدہ سپلائی چین سمیت متعدد مشکلات کے باوجود ہوئی ہے۔ مزید برآں، زیادہ افراط زر نے بہت سے مرکزی بینکوں کو مربوط مالیاتی سختی نافذ کرنے اور شرح سود میں اضافہ کرنے پر مجبور کیا، جس سے دنیا بھر میں کاروباری حالات مزید متاثر ہوئے۔

اسی طرح چین اور دیگر ابھرتی ہوئی اہم مارکیٹوں میں سست معاشی بحالی نے عالمی تجارت کو مزید متاثر کیا۔ متعدد نا اُمیدی اور مایوس کن پیشگوئیوں کے باوجود، کامیابی کے ساتھ عالمی معیشت کساد بازاری سے بچ گئی۔ بینکاری نظام نے قابل ذکر لچک دکھائی ، جس میں ابھرتی ہوئی مارکیٹ کی اہم معیشتیں اچانک تعطل سے بچنے میں کامیاب رہیں۔

حوصلہ افزاء بات یہ بھی ہے کہ عالمی سطح پر افراط زر کی شرح توقع سے کہیں زیادہ تیزی سے کم ہوئی، جو 2022 میں 8.7 فیصد سے کم ہوکر 2023 میں 6.8 فیصد ہوگئی، اور 2024 میں مزید کم ہوکر 5.8 فیصد اور 2025 میں 4.4 فیصد تک گرنے کا امکان ہے کیونکہ اہم معیشتوں میں مرکزی بینک 2024 کی دوسری ششماہی میں پالیسی شرحیں کم کرنا شروع کریں گی۔ عالمی معیشت کی رفتار میں کردار ادا کرنے والے دیگر عوامل میں امریکہ اور دیگر اہم ابھرتی ہوئی مارکیٹوں اور درمیانی آمدنی والی معیشتوں میں نمایاں بحالی شامل ہے۔ یہ بحالی لیبر مارکیٹوں کو سخت مگر بتدریج آسان بنانے کے باوجود توقع سے زیادہ مضبوط نجی کنزمپشن کی بدولت ہوئیہے۔ ترقی یافتہ معیشتوں میں، وبائی بیماری کے دوران مجموعی بچت کی وجہ سے گھریلو اخراجات میں اضافہ ہوا، اور توقع سے زیادہ حکومتی اخراجات نے زیادہ ترخطوں میں مجموعی طلب میں مزید اضافہ کیا۔

## پاکستان کا اقتصادی جائزہ

مالی سال 24 میں افراط زر میں کمی، کرنٹ اکاؤنٹ خسارہ نہ ہونے کے برابر اور مستحکم شرح تبادلہ کے ساتھ پاکستان کی معیشت استحکام کی جانب گامزن ہے۔ دانشمندانہ مالیاتی اور مانیٹری انتظامات کے نتیجے میں درآمدات پر قابو پانے کی وجہ سے بیرونی کھاتوں کی پوزیشن میں بہتری آئی جبکہ برآمدات اور ترسیلات زر میں نمایاں اضافہ ہوا۔ استحکام کو مزید مستحکم کرنے کے لیے حکومت نے حال ہی میں آئی ایم ایف کے ساتھ 7 بلین ڈالر کے 37 ماہ کے توسیعی فنڈ سہولت انتظامات (ای ایف ایف) پر عملے کی سطح کا معاہدہ کیا ہے۔

افراط زر کا دباؤ، جو ایک بڑی تشویش رہا، مالی سال 24 میں کم ہونا شروع ہوا۔ جون 2023 میں سی پی آئی افراط زر 29.4 فیصد کے مقابلے میں جون 2024 میں سال بہ سال 12.6 فیصد درج کیا گیا جبکہ اوسط ہیڈ لائن افراط زر گزشتہ سال کے 29.2 فیصد سے کم ہوکر 23.4 فیصد رہ گئی۔ اس نمایاں کمی کی وجہ مالیاتی سختی، مالیاتی استحکام، عالمی اجناس کی مستحکم قیمتیں اور خوراک کی سپلائی چین میں بہتری ہے۔



## NOTES

# NOTES

Kohinoor
Mills Limited

8 Kilometer
Manga Raiwind Road
District Kasur, Pakistan.