

KOHINOOR MILLS LIMITED



**HALF YEARLY REPORT
31 DECEMBER 2024**

www.kohinoormills.com

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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)

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

DIRECTORS' Review

The Directors of the company are pleased to present the interim financial statements for the half year ended 31 December 2024.

Global Economic Review

In 2024, the global economy demonstrated resilience, maintaining a stable growth rate of 3.2%, in line with the previous year. This performance was underpinned by improving supply chain efficiencies and accommodative monetary policies, which also contributed to a notable decline in global inflation. Inflation fell from 8.7% in 2022 to 5.9% in 2024, driven by easing commodity prices and sustained policy interventions by central banks. This disinflationary trajectory is expected to continue into 2025, with inflation projected to moderate further to 4.5%, supported by stabilized input costs and fiscal consolidation efforts across major economies.

Looking ahead, global growth is expected to remain steady at approximately 3.3% in 2025, with marginal improvements fueled by a revival in international trade, ongoing digital transformation, and sustained infrastructure investments. However, persistent geopolitical tensions, trade disputes, and environmental concerns continue to pose risks, contributing to market volatility and uncertainty. These challenges underscore the need for prudent fiscal management, strengthened supply chain resilience, and adaptive strategies to navigate an increasingly complex economic landscape. Businesses and policymakers must remain proactive in mitigating risks and capitalizing on emerging opportunities to ensure sustainable economic growth.

Pakistan Economic Review

Pakistan's economy demonstrated a continued improvement in H1-FY25, building upon the stabilization achieved in FY-24, when GDP expanded by 2.5% after the previous year's contraction. The positive momentum was fueled by sound macroeconomic management, effective inflation control measures, and enhanced fiscal and external accounts stability.

Inflation remained persistently elevated at 23.4% in FY-24 after reaching multi-decade high of 29.2% in FY-23. However, the government's measures led to a notable decline in inflation in H1-FY25, as the Consumer Price Index (CPI) inflation dropped to 7.2% from 28.8% same period last year. This substantial reduction in inflation highlights the effectiveness of an optimal policy mix, including fiscal consolidation, targeted interventions by the State Bank of Pakistan (SBP), and exchange rate stability, alongside favorable external conditions. These measures have played a crucial role in alleviating inflationary pressures and fostering a more stable macroeconomic environment.

The current account balance posted a surplus of USD 1.21 billion in H1-FY25 reversing a USD 1.39 billion deficit from the same period last year driven by record-high remittance inflows and strong export performance offset the increasing import bill.

The goods trade deficit widened by 15.7% to USD 11.5 billion as import growth outpaced exports. Exports increased by 6.15% to USD 16.2 billion supported by both textile and non-textile sectors. Meanwhile, imports grew by 9.9% to USD 27.7 billion, primarily due to higher demand for machinery, transport, metal, and textile-related goods. Workers' remittances surged 32.8% to USD 17.8 billion, fueled by increased migration and exchange rate stability significantly contributing to the current account surplus.

At the onset of FY-25, improving economic fundamentals and easing inflationary pressures enabled a strategic shift in monetary policy. In June 2024, the State Bank of Pakistan initiated policy normalization after maintaining the policy rate at 22% for nearly a year. By the end of January 2025, the rate had been reduced by a cumulative 1,000 basis points to 12%, signaling a more accommodative stance. This adjustment is expected to stimulate economic activity, strengthen business confidence, and support a sustained recovery. Additionally, it underscores the central bank's commitment to fostering macroeconomic stability and addressing the subdued growth observed in previous quarters.

Textile Industry Outlook

Pakistan's textile exports amounted to USD 9.1 billion in H1-FY25, reflecting a 9.67% increase compared to USD 8.3 billion in the same period last year (SPLY). The recent growth in Pakistan's textile sector can be attributed to several key factors. Global trade shifts have played a significant role, with international

buyers redirecting orders due to internal disruptions in Bangladesh and trade restrictions on Chinese textile exports. Additionally, government initiatives focused on stabilizing the rupee and facilitating exports have contributed to improved sector performance.

However, the industry continues to grapple with uncompetitive energy tariffs in the region, high costs of imported raw materials, and increasing global competition. Despite these obstacles, Pakistan's textile sector has maintained its dominant position, accounting for 55.97% of the country's total exports, reinforcing its critical role in the national economy.

Operating & Financial Results

During the period under review, your Company recorded a revenue of Rs. 14.51 billion, compared to Rs. 15.28 billion in the same period last year. This resulted in a gross profit of Rs. 1.99 billion, down from Rs. 2.76 billion in the comparative period. However, rising raw material costs, increased conversion expenses, and higher utility tariffs following the removal of subsidies for Export-Oriented Units (EOUs) significantly impacted profit margins. Consequently, the Company reported a net profit of Rs. 171.2 million (EPS: Rs. 3.36 per share), compared to Rs. 400.5 million (EPS: Rs. 7.87 per share) in the corresponding period of the previous financial year.

Performance Overview

A brief overview of performance of your company for the half year ended 31 December 2024 is discussed below:

Weaving Division

The economic difficulties have had severe strain on the profit margin of the division in the first six months of the preceding year. Recovering from this position, through a devoted proactive approach to cut costs and improved economic conditions, has resulted in bottom line becoming positive to a net profit of Rs. 161 million in the current six months of FY-25.

Going forward, the favorable economic condition such as a steady rate of inflation and monetary policy cuts by the State Bank of Pakistan will further lessen the pressure on profit margins. In order to increase our profitability going forward, we are also committed to growing our market presence.

Dyeing Division

In 2024, the fashion retail industry navigated a complex landscape shaped by economic uncertainty, evolving consumer behaviour, and global trade disruptions. Growth remained sluggish, driven primarily by higher sales volumes rather than price increases, as inflationary pressures made consumers more price-sensitive. Additionally, inventory management challenges, including excess stock and supply chain inefficiencies, placed further strain on margins. Amid cost pressures, sustainability initiatives took a backseat, as brands focused on financial stability and competitive differentiation. Meanwhile, luxury brands saw a slowdown, particularly in China, while the non-luxury segment outperformed by leveraging cost efficiency and strategic pricing to maintain market share.

Reflecting these global trends, Pakistan's dyeing industry faced mounting challenges in 2024, grappling with rising trade restrictions, increased tariffs, and soaring production costs. A fivefold surge in trade barriers disrupted supply chains, while geopolitical instability in key fashion markets weakened export demand. Additionally, sustainability mandates from international brands placed added pressure on dyeing units, requiring eco-friendly production processes despite high compliance costs and weak consumer willingness to pay premiums. As global retailers prioritized cost efficiency and affordability, Pakistan's dyeing sector had to navigate shifting market demands while ensuring competitiveness in an increasingly constrained business environment.

Despite these headwinds, the Dyeing Division successfully managed challenging market conditions, achieving a gross turnover of Rs. 9,212 million, compared to Rs. 9,025 million in the same period last year. However, gross profit declined from Rs. 1,766 million to Rs. 1,020 million, primarily due to a reduction in contribution margins driven by rising energy costs, increased raw material prices, and intensified competition.

To counter these pressures, management adopted a strategic approach focused on cost efficiency, process innovation, and resource optimization. Looking ahead, easing inflation and lower interest rates are expected to revitalize demand, fostering positive growth prospects for the dyeing sector.

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.

Future Outlook

The textile sector in Pakistan faces a complex landscape in FY-25. While the recent monetary policy statement indicated a positive outlook and increased investment, several challenges loom. The introduction of higher income taxes for exports, supply chain disruptions and a potential reliance on imported cotton inputs due to lower domestic production, could negatively impact the sector's competitiveness. Furthermore, the IMF's insistence on phasing out preferential treatment and tax exemptions for agriculture and textiles adds to the pressure. The government's commitment to reducing the circular debt will likely lead to further increases in utility tariffs, exacerbating the sector's cost pressures. Despite the challenges, the textile sector is well positioned to absorb displaced orders from Bangladesh provided the swift policy adaptation is ensured to seize the opportunity. Overall, the textile sector's growth trajectory in FY-25 hinges on the government's ability to address these challenges and implement policies that support its sustainability and competitiveness.

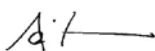
The 17% increase in captive gas rates from Rs. 3,000/MMBTU to Rs. 3,500/MMBTU w.e.f 1st February 2025 will further erode the competitiveness of the country's textile exports. With grid electricity rates already at 15.5 US cents per unit, the above revision brings the per unit cost close to grid rates. This cost is significantly higher than that of regional competitors. The higher energy costs are expected to weigh heavily on the energy-intensive segments of the value chain, including spinning and weaving.

Domestically, the near-term outlook of textile sector is promising, with positive macroeconomic trends such as stable currency, narrowed current account deficit, controlled inflation, improved foreign exchange reserves, and increased industrial output and exports. Amid these dynamics, your company remains committed to strengthening its market position, enhancing operational efficiencies, and responding to shifting global demand. With a strong order pipeline and expanded production capacity following modernization efforts, the company is well-positioned to drive sustainable growth and create long-term value for shareholders, despite persistent market uncertainties.

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



Amir Fayyaz Sheikh
Chief Executive



Rashid Ahmed
Director

Kasur:
February 19, 2025

INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of Kohinoor Mills Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of KOHINOOR MILLS LIMITED as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2024.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor’s review report is Mubashar Mehmood.



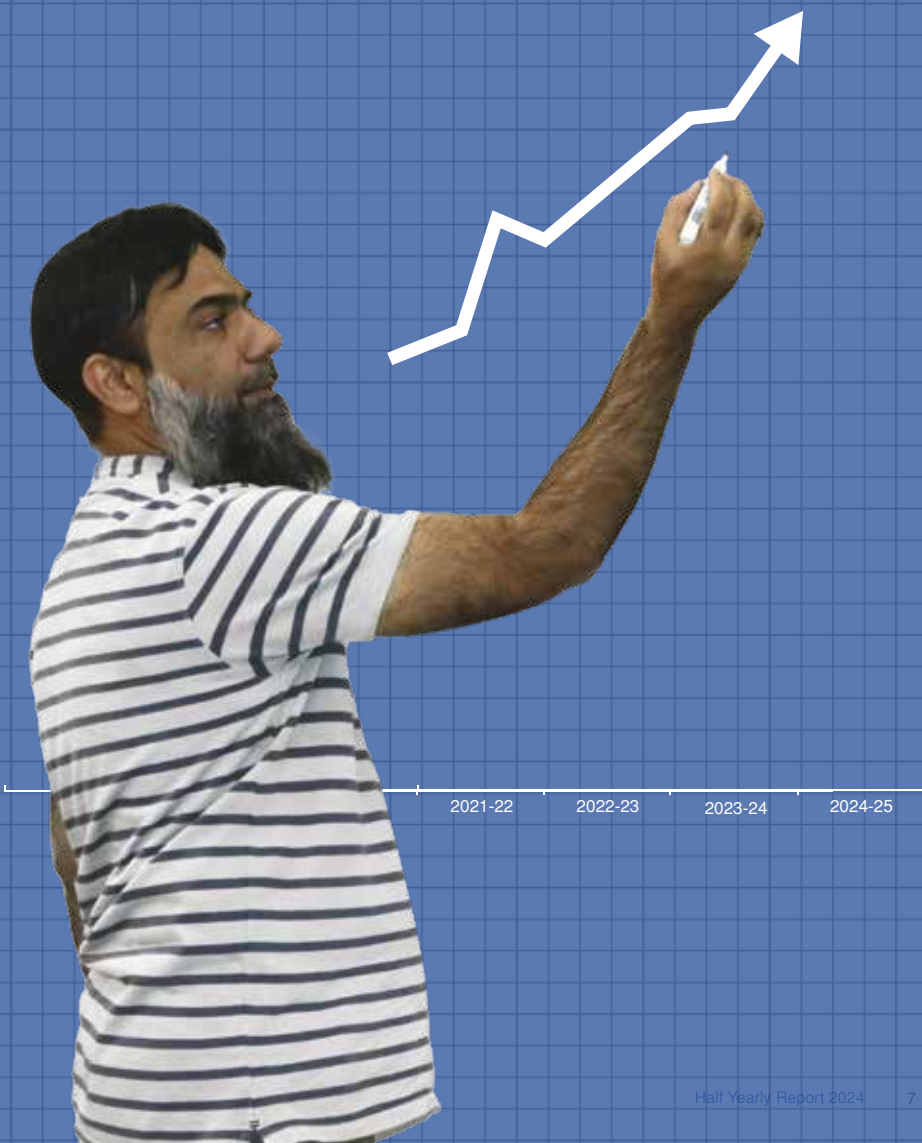
RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: 19 February 2025

UDIN: RR202410158k0XanqSwe

CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 31 December 2024




CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
220,000,000 (30 June 2024: 220,000,000) ordinary shares of Rupees 10 each		2,200,000,000	2,200,000,000
30,000,000 (30 June 2024: 30,000,000) preference shares of Rupees 10 each		300,000,000	300,000,000
		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up share capital			
50,911,011 (30 June 2024: 50,911,011) ordinary shares of Rupees 10 each		509,110,110	509,110,110
Capital reserves			
Share premium reserve		213,406,310	213,406,310
Fair value reserve FVTOCI investment- net of tax		13,222,441	13,222,441
Surplus on revaluation of operating fixed assets - net of tax		4,656,941,648	4,680,440,417
Revenue reserves			
General reserve		788,199,282	788,199,282
Accumulated profit		3,942,408,208	3,747,664,119
Total equity		<u>10,123,287,999</u>	<u>9,952,042,679</u>
LIABILITIES			
Non-current liabilities			
Long term financing - secured	4	1,185,820,015	1,350,555,023
Deferred liabilities		532,504,819	611,020,988
Deferred income - Government grant		112,937,426	130,402,994
		<u>1,831,262,260</u>	<u>2,091,979,005</u>
Current liabilities			
Trade and other payables		6,521,663,330	5,683,338,905
Accrued mark-up		153,900,598	341,781,210
Short term borrowings - secured		7,379,552,363	6,095,500,000
Current portion of non-current liabilities		532,553,236	553,311,106
Provision for taxation and levy payable - net		122,047,392	142,021,630
Unclaimed dividend		8,423,728	8,423,728
		<u>14,718,140,647</u>	<u>12,824,376,579</u>
Total liabilities		<u>16,549,402,907</u>	<u>14,916,355,584</u>
Contingencies and commitments			
	5		
TOTAL EQUITY AND LIABILITIES		<u>26,672,690,906</u>	<u>24,868,398,263</u>

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR

		Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
ASSETS			
Non-current assets			
Fixed assets	6	11,613,148,254	11,763,739,019
Intangible asset		6,459,582	7,190,857
Investment property		1,981,607	1,981,607
Long term investment		22,380,302	22,380,302
Long term loans		2,973,945	4,698,750
Long term security deposits		125,584,561	98,005,598
		<u>11,772,528,251</u>	<u>11,897,996,133</u>
Current assets			
Stores, spares and loose tools		1,058,037,057	884,924,646
Stock-in-trade		5,726,851,928	5,372,384,556
Trade debts		5,125,141,564	4,988,199,010
Loans and advances		208,883,495	207,695,197
Short term deposits and prepayments		64,534,360	23,617,937
Sales tax recoverable		1,004,515,171	245,920,913
Other receivables		61,236,750	66,713,979
Short term investments	7	1,008,850,832	707,445,355
Cash and bank balances		642,111,498	473,500,537
		<u>14,900,162,655</u>	<u>12,970,402,130</u>
TOTAL ASSETS		<u><u>26,672,690,906</u></u>	<u><u>24,868,398,263</u></u>



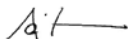
KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Half year ended		Quarter ended	
		31 December 2024 Rupees	31 December 2023 Rupees	31 December 2024 Rupees	31 December 2023 Rupees
REVENUE	8	14,512,470,719	15,285,764,747	7,492,381,352	7,713,233,951
COST OF SALES	9	(12,513,473,682)	(12,526,147,255)	(6,423,258,293)	(6,469,768,937)
GROSS PROFIT		1,998,997,037	2,759,617,492	1,069,123,059	1,243,465,014
DISTRIBUTION COST		(715,983,746)	(713,553,865)	(374,367,523)	(363,647,645)
ADMINISTRATIVE EXPENSES		(368,747,511)	(369,799,499)	(199,859,732)	(163,481,646)
OTHER EXPENSES		(40,775,724)	(238,849,310)	(29,372,274)	(166,893,111)
		(1,125,506,981)	(1,322,202,674)	(603,599,529)	(694,022,402)
		873,490,056	1,437,414,818	465,523,530	549,442,612
OTHER INCOME		94,165,315	114,453,813	51,573,765	64,563,952
PROFIT FROM OPERATIONS		967,655,371	1,551,868,631	517,097,295	614,006,564
FINANCE COST		(666,545,973)	(917,595,438)	(301,331,601)	(442,819,297)
PROFIT BEFORE LEVY AND TAXATION		301,109,398	634,273,193	215,765,694	171,187,267
LEVY		(147,969,129)	(220,424,791)	(77,662,397)	(144,687,655)
PROFIT BEFORE TAXATION		153,140,269	413,848,402	138,103,297	26,499,612
TAXATION		18,105,051	(13,291,362)	22,266,275	(8,504,943)
PROFIT AFTER TAXATION		171,245,320	400,557,040	160,369,572	17,994,669
EARNINGS PER SHARE					
- BASIC AND DILUTED		3.36	7.87	3.15	0.35

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR

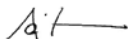


KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Half year ended		Quarter ended	
	31 December 2024 Rupees	31 December 2023 Rupees	31 December 2024 Rupees	31 December 2023 Rupees
PROFIT AFTER TAXATION	171,245,320	400,557,040	160,369,572	17,994,669
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss:				
Surplus arising on remeasurement of investment at fair value through other comprehensive income	-	1,177,911	-	1,177,911
Deferred income tax relating to this item	-	(459,385)	-	(459,385)
	-	718,526	-	718,526
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period - net of tax	-	718,526	-	718,526
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	171,245,320	401,275,566	160,369,572	18,713,195

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR




KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Note	Half year ended	
		31 December 2024 Rupees	31 December 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH GENERATED FROM OPERATIONS	10	564,110,058	1,946,154,707
Income tax and levy paid		(228,354,485)	(145,783,163)
Finance cost paid		(823,821,364)	(820,228,943)
Net decrease in long term loans		1,724,805	3,254,416
Net increase in long term security deposits		(27,578,963)	(12,637,477)
		(1,078,030,007)	(975,395,167)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES		(513,919,949)	970,759,540
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(155,386,685)	(175,351,124)
Proceeds from disposal of operating fixed assets		53,740,499	10,480,509
Dividend received		12,888,833	4,183,836
Proceeds from disposal of short term investment		1,275,352,677	1,360,600,000
Short term investment made		(1,574,405,476)	(1,215,417,067)
NET CASH USED IN INVESTING ACTIVITIES		(387,810,152)	(15,503,846)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing obtained		24,060,000	40,492,000
Repayment of long term financing		(237,771,301)	(214,602,724)
Dividend paid		-	(151,577,275)
Short term borrowings - net		1,284,052,363	(608,657,537)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		1,070,341,062	(934,345,536)
NET INCREASE IN CASH AND CASH EQUIVALENTS		168,610,961	20,910,158
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		473,500,537	438,713,618
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		642,111,498	459,623,776

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



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2024

	Reserves							TOTAL EQUITY	
	SHARE CAPITAL			Capital Reserves		Revenue Reserves			
	Share premium reserve	Fair value reserve FYTOCI 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 2023 - (audited)	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	7,869,460,270
Transactions 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	-	-	-	(24,210,104)	(24,210,104)	-	24,210,104	24,210,104	-
Profit for the half year ended 31 December 2023	-	-	718,526	-	-	-	400,557,040	400,557,040	400,557,040
Other comprehensive income for the half year ended 31 December 2023	-	-	718,526	-	-	-	400,557,040	400,557,040	718,526
Total comprehensive income for the half year ended 31 December 2023	-	-	718,526	-	-	-	400,557,040	400,557,040	401,275,566
Balance as at 31 December 2023 - (Un-audited)	509,110,110	213,406,310	14,698,756	2,468,954,541	2,697,059,607	788,199,282	4,143,663,804	4,931,833,086	8,138,002,803
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(24,210,103)	(24,210,103)	-	24,210,103	24,210,103	-
Less for the half year ended 30 June 2024	-	-	-	-	-	-	(420,179,788)	(420,179,788)	(420,179,788)
Other comprehensive income for the half year ended 30 June 2024	-	-	(1,476,315)	2,235,695,979	2,234,219,664	-	-	23,498,769	2,234,219,664
Total comprehensive income for the half year ended 30 June 2024	-	-	(1,476,315)	2,235,695,979	2,234,219,664	-	(420,179,788)	(420,179,788)	1,814,039,876
Balance as at 30 June 2024 - (audited)	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
Transferred from surplus on revaluation of operating fixed assets - net of tax	-	-	-	(23,498,769)	(23,498,769)	-	23,498,769	23,498,769	-
Profit for the half year ended 31 December 2024	-	-	-	-	-	-	171,245,320	171,245,320	171,245,320
Other comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	-	-	-	-
Total comprehensive income for the half year ended 31 December 2024	-	-	-	-	-	-	171,245,320	171,245,320	171,245,320
Balance as at 31 December 2024 - (Un-audited)	509,110,110	213,406,310	13,222,441	4,656,941,648	4,883,570,399	788,199,282	3,942,408,208	4,730,607,490	10,123,287,999

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

A

AMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE

Rashid Ahmed

RASHID AHMED
DIRECTOR

Kamran Shahid

KAMRAN SHAHID
CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 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 fiber and to generate electricity.

2. BASIS OF PREPARATION

2.1. These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2. These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2024. These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

3.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim 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.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

	Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
4. LONG TERM FINANCING - SECURED		
Opening balance	1,793,320,514	1,785,962,840
Add: Obtained during the period / year	24,060,000	80,082,000
Less: Repaid during the period / year	(237,771,301)	(413,073,717)
Add: Transfer from deferred mark-up	-	279,674,945
Add: Adjustment due to impact of IFRS - 9 during the period / year	10,752,857	20,315,284
Add: Deferred income amortised during the period / year (Note 4.1)	19,852,364	40,359,162
	<u>1,610,214,434</u>	<u>1,793,320,514</u>
Less: Current portion shown under current liabilities	424,394,419	442,765,491
	<u>1,185,820,015</u>	<u>1,350,555,023</u>

- 4.1** This represents impact of benefit of loans obtained under the schemes of State Bank of Pakistan at below market rate of interest.

5. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in the status of contingencies as reported in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024 except for the following:

- (i) Bank guarantees of Rupees 278.504 million (30 June 2024: Rupees 261.220 million) are given by the banks of the Company in favour of Sui Northern Gas Pipelines Limited against gas connections.

Commitments

- (i) Aggregate commitments for capital and revenue expenditures are amounting to Rupees 19.363 million and Rupees 115.676 million (30 June 2024: Rupees 22.841 million and Rupees 89.678) respectively.
- (ii) Post dated cheques amounting to Rupees 1,112.072 million (30 June 2024: Rupees 446.683 million) are issued to creditors of the Company.
- (iii) Outstanding foreign currency forward contracts are of Rupees 3,671.997 million (30 June 2024: Rupees 1,079.433 million).

	Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
6. FIXED ASSETS		
Property, plant and equipment		
Operating fixed assets (Note 6.1)	11,264,986,949	11,535,325,319
Capital work-in-progress (Note 6.2)	348,161,305	228,413,700
	<u>11,613,148,254</u>	<u>11,763,739,019</u>
6.1 Operating fixed assets		
Opening net book value	11,535,325,319	8,415,815,628
Add: Revaluation surplus arising on land and buildings during the period / year	-	2,758,818,650
Add: Cost of additions during the period / year (Note 6.1.1)	35,639,080	876,051,722
	<u>11,570,964,399</u>	<u>12,050,686,000</u>
Less: Book value of deletions during the period / year (Note 6.1.2)	44,411,821	6,281,286
Less: Depreciation charged during the period / year	261,565,629	509,079,395
Closing net book value	<u>11,264,986,949</u>	<u>11,535,325,319</u>
6.1.1 Cost of additions		
Factory building	-	517,320,045
Plant and machinery	6,240,967	261,156,980
Electric installations	12,600,000	28,003,080
Furniture, fixtures and equipment	-	2,951,000
Computers	-	4,578,231
Motor vehicles	16,798,113	62,042,386
	<u>35,639,080</u>	<u>876,051,722</u>
6.1.2 Book value of deletions		
Plant and machinery	41,783,418	897,425
Motor vehicles	2,628,403	5,383,861
	<u>44,411,821</u>	<u>6,281,286</u>
6.2 Capital work-in-progress		
Plant and machinery	174,968,258	76,475,496
Electric installations	124,642,237	124,249,153
Furniture fixtures and equipment	13,658,197	4,805,489
Buildings	22,739,309	921,520
Stores held for capital expenditures	12,153,304	5,879,171
Advance against purchase of vehicles	-	16,082,871
	<u>348,161,305</u>	<u>228,413,700</u>

	Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
7. SHORT TERM INVESTMENTS		
At fair value through profit or loss		
Mutual funds:		
Pakistan Cash Management Fund 262,629.661 (30 June 2024: 13,760,130.976) units	13,254,338	694,443,538
MCB Cash Management Optimizer 8,815,566.057 (30 June 2024: NIL) units	980,237,815	-
NBP Money Market Fund 1,194,480.288 (30 June 2024: 1,299,116.435) units	13,006,001	12,964,900
	<u>1,006,498,154</u>	<u>707,408,438</u>
Add: Fair value adjustment	2,352,678	36,917
	<u><u>1,008,850,832</u></u>	<u><u>707,445,355</u></u>

8. REVENUE

**Revenue from contracts with customers
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 (Note 8.2)			Total			
	Half year ended	Quarter ended		Half year ended	Quarter ended		Half year ended	Quarter ended		Half year ended	Quarter ended		
	31 December 2024	31 December 2024	31 December 2023	31 December 2024	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2024	31 December 2023	31 December 2023	
Geographical market													
Australia	-	-	-	38,849,163	40,639,885	15,865,795	-	-	-	99,369,494	38,849,163	40,639,885	15,865,795
Asia	664,166,878	1,295,190,576	656,264,497	3,914,545,810	3,451,819,027	1,789,862,327	-	-	-	4,578,710,488	4,717,009,603	2,390,459,729	2,425,066,824
Europe	2,224,731,035	3,245,091,278	1,894,234,007	166,046,634	61,238,391	113,290,085	-	-	-	2,390,776,669	3,552,287,083	1,156,473,698	1,489,981,918
North America	86,096,261	70,454,566	34,327,237	253,306,077	818,107,461	323,087,654	-	-	-	339,402,338	886,582,027	357,415,391	378,653,946
Africa	-	-	-	297,711,606	126,590,164	24,246,807	-	-	-	297,711,606	126,590,164	55,107,661	24,246,807
Pakistan	2,922,538,461	1,671,720,966	951,042,673	4,475,265,163	4,260,651,985	2,413,860,023	-	-	-	6,797,834,624	5,932,372,351	5,522,019,766	3,364,902,696
Export rebate	5,297,538,635	6,252,457,396	2,681,755,502	9,196,270,584	4,789,560,550	4,698,788,770	-	-	-	14,493,804,219	15,255,650,391	7,481,316,052	7,698,189,776
	2,653,657	7,768,658	3,185,464	16,012,843	22,345,698	11,095,300	-	-	-	18,686,500	30,114,366	11,085,300	14,414,975
	5,300,187,292	6,260,226,044	3,015,215,670	9,212,283,427	4,800,625,850	4,698,018,281	-	-	-	14,512,470,719	15,285,769,747	7,492,381,352	7,713,233,951
Major products / service lines													
Geog cloth	5,151,452,683	6,106,195,535	2,950,189,906	-	-	-	-	-	-	5,151,452,683	6,106,195,535	2,632,304,669	2,560,188,806
Dyed cloth	-	-	-	8,628,435,960	-	4,621,247,240	-	-	-	8,628,435,960	8,663,192,890	4,517,300,049	4,621,247,240
Garments	58,144,407	29,518,046	19,250,869	-	-	-	-	-	-	58,144,407	29,518,046	19,250,869	9,773,098
Processing income	90,590,202	124,512,463	40,189,664	365,096,043	140,033,892	66,776,131	-	-	-	395,086,043	140,033,892	174,093,608	66,776,131
Waste	5,300,187,292	6,260,226,044	2,681,755,502	18,761,424	20,311,831	9,994,907	-	-	-	109,351,626	144,824,294	49,431,657	65,247,673
	5,300,187,292	6,260,226,044	3,015,215,670	9,212,283,427	4,800,625,850	4,698,018,281	-	-	-	14,512,470,719	15,285,769,747	7,492,381,352	7,713,233,951
Timing of revenue recognition													
Products and services transferred at a point in time	5,300,187,292	6,260,226,044	3,015,215,670	9,212,283,427	4,800,625,850	4,698,018,281	-	-	-	14,512,470,719	15,285,769,747	7,492,381,352	7,713,233,951
Products and services transferred over time	-	-	-	-	-	-	-	-	-	-	-	-	-
	5,300,187,292	6,260,226,044	3,015,215,670	9,212,283,427	4,800,625,850	4,698,018,281	-	-	-	14,512,470,719	15,285,769,747	7,492,381,352	7,713,233,951

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

8.2 During the year, apparel division has made sale of Rupees 854,039 made to weaving division which has been eliminated due to intersegment sales.

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2024 Rupees	31 December 2023 Rupees	31 December 2024 Rupees	31 December 2023 Rupees
9. COST OF SALES				
Raw material consumed	8,887,587,485	9,256,482,681	4,328,425,392	4,490,062,077
Chemical consumed	905,494,342	890,914,022	464,175,805	438,083,572
Salaries, wages and other benefits	650,395,765	634,607,510	317,243,532	326,691,936
Employees' provident fund contributions	40,037,930	35,852,085	19,951,638	19,126,066
Cloth conversion and processing charges	201,430,331	108,206,701	128,115,175	79,577,398
Fuel, oil and power	1,473,580,239	1,317,452,875	719,410,466	677,273,297
Stores, spares and loose tools consumed	179,980,560	252,354,733	75,509,017	137,459,831
Packing material consumed	84,038,632	88,105,286	44,707,810	42,502,685
Repair and maintenance	49,649,461	75,803,356	29,033,356	38,651,369
Insurance	24,799,990	24,945,723	12,370,718	12,936,632
Other manufacturing expenses	86,095,611	118,874,300	41,579,621	70,641,682
Depreciation on operating fixed assets	246,554,861	235,286,985	123,565,182	116,938,787
	12,829,645,207	13,038,886,257	6,304,087,712	6,449,945,332
Work-in-process inventory				
Opening stock	506,883,363	659,146,612	756,678,468	800,908,813
Closing stock	(711,348,188)	(791,133,772)	(711,348,188)	(791,133,772)
	(204,464,825)	(131,987,160)	45,330,280	9,775,041
Cost of goods manufactured	12,625,180,382	12,906,899,097	6,349,417,992	6,459,720,373
Finished goods inventory				
Opening stock	3,056,904,216	2,945,315,056	3,242,451,217	3,336,115,462
Closing stock	(3,168,610,916)	(3,326,066,898)	(3,168,610,916)	(3,326,066,898)
	(111,706,700)	(380,751,842)	73,840,301	10,048,564
	12,513,473,682	12,526,147,255	6,423,258,293	6,469,768,937

	Half year ended	
	31 December 2024 Rupees	31 December 2023 Rupees
10. CASH GENERATED FROM OPERATIONS		
Profit before levy and taxation	301,109,398	634,273,193
Adjustments for non-cash charges and other items:		
Depreciation on operating fixed assets	261,565,629	248,193,303
Amortization of intangible assets	731,274	-
Dividend income	(12,888,833)	(28,407,437)
Gain on sale of operating fixed assets - net	(9,328,678)	(7,425,708)
Fair value gain on short term investments	(2,352,678)	(388,896)
Adjustment due to impact of IFRS-9 on long term financing	30,605,221	30,284,444
Provision for slow moving, obsolete and damaged store items	16,838,838	4,951,295
(Reversal) / allowance for expected credit losses	(10,598,767)	66,899,241
Amortization of deferred grant	(19,852,365)	(20,274,819)
Credit balances written back	-	(17,077,717)
Provision for doubtful export rebate	1,716,008	488,975
Provision for doubtful sales tax recoverable	-	10,720,486
Finance cost	635,940,752	887,310,994
Working capital changes (Note 10.1)	(629,375,741)	136,607,353
	564,110,058	1,946,154,707
10.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(189,951,249)	(270,379,256)
Stock-in-trade	(354,467,372)	(431,451,115)
Trade debts	(126,343,787)	317,593,599
Loans and advances	(1,188,298)	2,296,817
Short term deposits and prepayments	(40,916,423)	(32,668,215)
Other receivables	3,761,221	(2,513,560)
Sales tax recoverable	(758,594,258)	845,506,737
Increase / (decrease) in current liabilities		
Trade and other payables	838,324,425	(291,777,654)
	(629,375,741)	136,607,353

11. SEGMENT INFORMATION

11.1 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
Production and distribution of power and steam using gas, oil and coal.
Apparel
Production of garments

	Weaving		Dyeing		Power Generation		Apparel		Elimination of Inter-segment transactions		Total - Company	
	Half year ended		Half year ended		Half year ended		Half year ended		Half year ended		Half year ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Sales	5,300,187,292	6,260,226,044	9,212,283,427	9,025,538,703	-	-	-	-	-	-	14,512,470,719	15,285,764,747
External Intersgment	4,423,719,126	3,821,504,078	10,984,257	323,567,052	1,357,063,601	1,213,319,492	854,039	-	(5,792,621,023)	(5,359,390,622)	14,512,470,719	15,285,764,747
Cost of sales	9,723,906,416	10,081,730,122	9,223,267,684	9,343,105,755	(1,308,280,522)	(1,137,301,505)	(43,034,712)	(5,792,621,023)	(5,792,621,023)	5,359,390,622	(12,513,473,682)	(12,506,147,256)
Gross profit/ (loss)	972,109,656	917,392,900	1,020,285,065	1,766,216,605	48,783,079	76,017,987	(42,180,673)	-	-	1,998,997,037	2,759,617,492	(713,553,865)
Distribution cost	(228,053,141)	(301,221,550)	(487,839,750)	(412,332,315)	-	-	(30,855)	-	-	-	(715,553,865)	(689,799,498)
Administrative expenses	(167,529,065)	(200,779,570)	(185,065,867)	(160,112,071)	(14,239,340)	(8,907,858)	(1,913,239)	-	-	-	(368,747,511)	(368,747,511)
Profit/ (loss) before taxation and unallocated income/ expenses	(395,582,206)	(502,001,120)	(672,955,617)	(572,444,366)	(14,239,340)	(8,907,858)	(1,944,094)	-	-	-	(1,084,731,257)	(1,083,353,364)
Finance cost	576,527,360	415,381,780	347,319,448	1,193,772,219	34,543,739	67,110,129	(44,124,767)	-	-	-	914,265,790	1,676,264,128
Other expenses	-	-	-	-	-	-	-	-	-	-	(66,546,973)	(917,995,438)
Other income	-	-	-	-	-	-	-	-	-	-	(40,775,724)	(28,849,310)
Levy	-	-	-	-	-	-	-	-	-	-	94,165,315	114,463,813
Taxation	-	-	-	-	-	-	-	-	-	-	(147,998,129)	(20,424,791)
Profit after levy and taxation	-	-	-	-	-	-	-	-	-	-	18,105,051	(13,291,362)
Reconciliation of reportable segment assets and liabilities											171,245,320	400,557,040

11.2

Reconciliation of reportable segment assets and liabilities

	Weaving		Dyeing		Power Generation		Apparel		Elimination of Inter-segment transactions		Total - Company	
	Audited 30 June 2024		Audited 30 June 2024		Audited 30 June 2024		Audited 30 June 2024		Un-audited 31 December 2024		Audited 30 June 2024	
	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024	Un-audited 31 December 2024	Audited 30 June 2024
Segment assets	10,209,573,089	12,317,148,145	10,137,089,524	9,014,699,605	1,684,774,129	1,641,389,064	796,793,665	759,595,798	22,888,229,307	23,732,232,612	3,634,461,599	1,136,165,051
Unallocated assets	-	-	-	-	-	-	-	-	-	-	26,672,690,906	24,868,399,263
Total assets as per condensed interim statement of financial position	3,384,973,570	3,274,855,127	2,798,074,504	2,091,201,381	251,331,525	178,965,416	35,725,709	28,651,875	6,860,105,308	5,579,693,899	1,610,214,434	1,793,320,514
Segment liabilities	-	-	-	-	-	-	-	-	-	-	582,504,819	611,020,988
Unallocated liabilities:	-	-	-	-	-	-	-	-	-	-	148,784,025	168,636,391
Long term financing - secured	-	-	-	-	-	-	-	-	-	-	153,900,598	341,781,210
Deferred liabilities	-	-	-	-	-	-	-	-	-	-	7,379,552,363	6,095,500,000
Deferred income - Government grant	-	-	-	-	-	-	-	-	-	-	8,423,728	6,423,728
Accrued mark-up	-	-	-	-	-	-	-	-	-	-	143,870,240	161,957,314
Short term borrowings - secured	-	-	-	-	-	-	-	-	-	-	122,047,392	142,021,630
Unclaimed dividend	-	-	-	-	-	-	-	-	-	-	16,549,402,907	14,916,355,584
Trade and other payables	-	-	-	-	-	-	-	-	-	-	16,549,402,907	14,916,355,584
Provision for taxation and levy payable - net	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities as per condensed interim statement of financial position	-	-	-	-	-	-	-	-	-	-	16,549,402,907	14,916,355,584

12. 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 condensed interim 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 31 December 2024 - un-audited	Level 1	Level 2	Level 3	Total
 (Rupees)			
Financial assets				
Investments at fair value through profit and loss	1,008,850,832	-	-	1,008,850,832
Investment at fair value through other comprehensive income	-	-	22,380,302	22,380,302
Derivative financial assets	-	4,254,215	-	4,254,215
Total financial assets	1,008,850,832	4,254,215	22,380,302	1,035,485,349

Recurring fair value measurements At 30 June 2024 - audited	Level 1	Level 2	Level 3	Total
 (Rupees)			
Financial assets				
Investments at fair value through profit and 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

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.

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 measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the half year ended 31 December 2024

	Unlisted equity security Rupees
Balance as on 30 June 2023 - Audited	23,622,579
Add: Surplus recognized in other comprehensive income	<u>1,177,911</u>
Balance as on 31 December 2023 - Unaudited	24,800,490
Less: Deficit recognized in other comprehensive income	<u>(2,420,188)</u>
Balance as on 30 June 2024 - Audited	22,380,302
Add/(Less): Surplus/(deficit) recognized in other comprehensive income	<u>-</u>
Balance as on 31 December 2024 - Unaudited	<u><u>22,380,302</u></u>

(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 measurements.

Description	Fair value as at		Unobservable inputs	Range of inputs (probability-weighted average) 31 December 2024	Relationship of unobservable inputs to fair value
	Un-audited 31 December 2024	Audited 30 June 2024			
	Rupees	Rupees			

FVTOCI financial asset:

Security General Insurance Company Limited	22,380,302	22,380,302	Terminal growth factor	2.00%	Increase / decrease in terminal growth factor by 1% and decrease / increase in discount rate by 1% would increase / decrease fair value by Rupees +2.105million / -1.661 million.
			Risk adjusted discount rate	22.73%	

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 rates 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.

13. 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 condensed interim 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.

At 31 December 2024 Un-audited	Level 1	Level 2	Level 3	Total
..... (Rupees)				
Property, plant and equipment:				
- Freehold land	-	4,407,424,000	-	4,407,424,000
- Buildings	-	2,421,899,914	-	2,421,899,914
Total non-financial assets	-	6,829,323,914	-	6,829,323,914

At 30 June 2024 Audited	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

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 half year ended 31 December 2024. 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.

14. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise 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 are as follows:

	Un-audited Half year ended		Un-audited Quarter ended	
	31 December 2024 Rupees	31 December 2023 Rupees	31 December 2024 Rupees	31 December 2023 Rupees
Loan obtained from:				
Chief executive officer	-	44,000,000	-	44,000,000
Directors	-	24,100,000	-	24,100,000
Repayment of loan to:				
Chief executive officer	4,200,000	-	3,200,000	-
Close relatives of				
Chief executive officer	-	1,125,000	-	300,000
Directors	-	6,400,000	-	1,400,000
Dividend paid to:				
Chief executive officer	-	52,568,277	-	52,568,277
Close relatives of				
Chief executive officer	-	15,273,300	-	15,273,300
Directors	-	30,573,150	-	30,573,150
Provident Fund	-	2,728,500	-	2,728,500
Remuneration to Chief executive officer, directors and executives	216,282,652	145,805,234	122,246,716	72,062,423
Contribution to employees' provident fund trust	54,362,559	48,657,784	27,809,590	26,284,192
Dividend received from Security General Insurance Company Limited.	3,862,002	1,914,916	-	-
Insurance expense - Security General Insurance Company Limited.	1,125,365	3,196,141	552,574	1,306,593

	Un-audited 31 December 2024 Rupees	Audited 30 June 2024 Rupees
Period end balances		
Loan from:		
Chief executive officer	39,800,000	44,000,000
Close relatives of chief executive officer	27,532,490	27,532,490
Directors	17,282,000	17,282,000
Payable to employees' provident fund trust	12,880,211	883,029
Payable to Security General Insurance Company Limited	249,787	124,422

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

16. AUTHORIZED FOR ISSUE

These condensed interim financial statements were authorized for issue on February 19, 2025 by the Board of Directors of the Company.


17. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

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

18. GENERAL

Figures have been rounded off to the nearest of Rupees unless otherwise stated.



AAMIR FAYYAZ SHEIKH
CHIEF EXECUTIVE



RASHID AHMED
DIRECTOR



KAMRAN SHAHID
CHIEF FINANCIAL OFFICER



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Mills Limited**

**8 Kilometer
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District Kasur, Pakistan.**