



**KTM**  
Kohinoor Textile Mills Limited

1st quarterly report  
september 30  
2022



## COVER STORY

The inspiringly innovative journey of fibre to fabric – where cotton staples are tangled, weaved, and processed to perfection with multitudes of colours paving their way through stupendous designs – has always been envisioned at KTML to bring vibrancy and delight to the lives of its stakeholders. Our people are committed to the organisation's sustainable growth, ensuring our contribution to Pakistan's economy by empowering connected communities and socioeconomic segments in realising their dreams for a better tomorrow!

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## COMPANY INFORMATION

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### Board of Directors

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Mr. Tariq Sayeed Saigol	Chairman
Mr. Taufique Sayeed Saigol	Chief Executive
Mr. Sayeed Tariq Saigol	
Mr. Waleed Tariq Saigol	
Mr. Danial Taufique Saigol	
Ms. Jahanara Saigol	
Mr. Shafiq Ahmed Khan	
Mr. Zulfikar Monnoo	
Syed Mohsin Raza Naqvi	

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### Audit Committee

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Mr. Shafiq Ahmed Khan	Chairman
Mr. Zulfikar Monnoo	Member
Mr. Sayeed Tariq Saigol	Member
Mr. Waleed Tariq Saigol	Member

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### Human Resource & Remuneration Committee

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Mr. Shafiq Ahmed Khan	Chairman
Mr. Zulfikar Monnoo	Member
Mr. Sayeed Tariq Saigol	Member
Mr. Danial Taufique Saigol	Member

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### Chief Financial Officer

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Syed Mohsin Raza Naqvi

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### Company Secretary

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Mr. Muhammad Ashraf

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### Chief Internal Auditor

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Mr. Zeeshan Malik Bhutta

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### Auditors

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M/s. Riaz Ahmad & Company  
Chartered Accountants

### Mills

Peshawar Road, Rawalpindi  
Tel: (0092-51) 5495328-32  
Fax: (0092-51) 5495304

Gulyana Road, Gujar Khan,  
District Rawalpindi  
Tel: (0092-51) 3564472-74

8 K.M., Manga Raiwind Road,  
District Kasur  
Tel: (0092-42) 32560683-85,  
Fax: (0092-42) 32560686-87

### Website:

[www.kmlg.com/ktml](http://www.kmlg.com/ktml)

Note: KTML's Financial Statements are also available at the above website.

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### Legal Adviser

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Mr. Muhammad Younas  
Advocate High Court

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### Bankers of the Company

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Al Baraka Bank (Pakistan) Limited  
Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Faysal Bank Limited  
Habib Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
PAIR Investment Company Limited  
Samba Bank Limited  
The Bank of Punjab  
The Bank of Khyber  
United Bank Limited

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### Share Registrar

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Vision Consulting Limited  
1st Floor, 3-C, LDA Flats,  
Lawrence Road, Lahore  
Tel: (0092-42) 36283096-97  
Fax: (0092-42) 36312550  
E-Mail: [shares@vcl.com.pk](mailto:shares@vcl.com.pk)

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### Registered Office

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42-Lawrence Road, Lahore.  
Tel: (0092-42) 36302261-62  
Fax: (0092-42) 36368721

## DIRECTORS' REVIEW

The Directors present Un-audited accounts of the Company for the quarter ended 30 September 2022, in compliance with requirements of Section 237 of the Companies Act, 2017.

### REVIEW OF OPERATIONS

The first quarter of the current financial year saw the textile industry facing most adverse conditions, as high energy prices, rising raw material costs, galloping interest rates – domestic and international – exorbitant freight rates and extremely high inventory levels in importing countries, created a perfect storm for the sector. Inventory levels were driven up as most importers overestimated longevity of the change in purchasing patterns of consumers and consequently ordered larger quantities which went unsold. Volatile weather patterns in most cotton growing areas around the world creating droughts and floods, has caused uncertainty in raw material prices. Floods and political upheavals have caused a severe liquidity crunch in the textile chain. However, as sea freight and raw material prices have started to decline, we foresee a return to more rational cost levels and profitability in the coming quarters.

In the Company's Spinning division, expansion at the Gujar Khan site has been completed successfully and is now fully operational. Further expansions in alternative spinning technologies at the Rawalpindi site are ongoing and will be coming online in the second half of the year. Installation of a new grid station will be completed before the end of the financial year, allowing the Company to expand its solar power capacity, decreasing energy costs. The expansion in the Weaving division continues as planned and will come online at the beginning of the third quarter, improving significantly the diversity of products offered. The Processing and Cut & Sew divisions continue to grow with existing customers and look to provide higher value-added products in the future.

Despite an increase in the topline compared to the corresponding period, profitability declined due to shrinking margins. Owing to the possibilities of a recession, both domestic and international, we envisage decrease in profits in the coming quarter but expect a return to rational levels by the end of the financial year as order returns to the markets.

### FINANCIAL REVIEW

During the period under review, Company's sales increased by 20.37% to Rs. 9,585 million (2021: Rs. 7,963 million), while cost of sales increased by 36.58% to Rs. 8,033 million (2021: Rs. 5,881 million). This resulted in gross profit of Rs. 1,552 million (2021: Rs. 2,082 million). Operating profit for the period under review stood at Rs. 954 million (2021: Rs. 1,523 million). The Company made an after-tax profit of Rs. 477 million (2021: Rs. 995 million). Earnings per share for the quarter ended 30 September 2022 were at Rs. 1.59 against Rs. 3.33 for the corresponding period last year.

### ACKNOWLEDGEMENT

The Directors are grateful to the Company's members, financial institutions and customers for their cooperation and support. They also appreciate hard work and dedication of all the employees working at the various divisions.

For and on behalf of the Board



**Syed Mohsin Raza Naqvi**  
Director



**Taufique Sayeed Saigol**  
Chief Executive

Lahore  
October 19, 2022





**KOHINOOR TEXTILE MILLS LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED  
30 SEPTEMBER 2022**

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2022: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2022: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<u>4,000,000</u>	<u>4,000,000</u>
<b>Issued, subscribed and paid up share capital</b>			
299,296,456 (30 June 2022: 299,296,456) ordinary shares of Rupees 10 each		2,992,964	2,992,964
<b>Reserves</b>			
<b>Capital reserves</b>			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		3,871,774	3,871,774
		<u>4,857,851</u>	<u>4,857,851</u>
<b>Revenue reserves</b>			
General reserve		1,450,491	1,450,491
Unappropriated profit		15,475,016	14,998,382
		<u>16,925,507</u>	<u>16,448,873</u>
<b>Total equity</b>		<u>24,776,322</u>	<u>24,299,688</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	4,846,496	4,303,554
Deferred government grants		16,362	17,400
Deferred income tax liability		924,281	860,560
		<u>5,787,139</u>	<u>5,181,514</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,200,314	2,962,356
Accrued mark-up		141,554	108,158
Short term borrowings		5,898,724	5,234,795
Current portion of non-current liabilities		1,102,646	1,180,230
Unclaimed dividend		32,467	32,634
Taxation - net		860,556	923,139
		<u>11,236,261</u>	<u>10,441,312</u>
<b>Total liabilities</b>		<u>17,023,400</u>	<u>15,622,826</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	6	<u>41,799,722</u>	<u>39,922,514</u>

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022 (Rupees in thousand)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	13,943,905	13,112,163
Investment properties		1,824,360	1,824,360
Long term investments		11,092,755	11,106,754
Long term deposits		54,484	54,473
		<b>26,915,504</b>	<b>26,097,750</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		970,693	985,823
Stock-in-trade		7,196,330	5,967,667
Trade debts		3,564,633	4,413,988
Advances		1,291,474	705,247
Short term prepayments		15,074	31,506
Other receivables		1,121,401	998,782
Short term investments		520,376	412,122
Cash and bank balances		204,237	309,629
		<b>14,884,218</b>	<b>13,824,764</b>
<b>TOTAL ASSETS</b>		<b>41,799,722</b>	<b>39,922,514</b>


  
 CHIEF EXECUTIVE OFFICER


  
 DIRECTOR


  
 CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

For the quarter ended 30 September 2022

	30 September 2022	30 September 2021
	(Rupees in thousand)	
REVENUE	9,585,251	7,963,248
COST OF SALES	(8,033,083)	(5,881,481)
GROSS PROFIT	1,552,168	2,081,767
DISTRIBUTION COST	335,700	(333,617)
ADMINISTRATIVE EXPENSES	(287,085)	(184,958)
OTHER EXPENSES	(57,941)	(125,827)
	(680,726)	(644,402)
OTHER INCOME	871,442	1,437,365
	82,929	85,767
PROFIT FROM OPERATIONS	954,371	1,523,132
FINANCE COST	(286,123)	(186,985)
PROFIT BEFORE TAXATION	668,248	1,336,147
TAXATION		
- Current	(127,893)	(254,851)
- Deferred	(63,721)	(86,011)
	(191,614)	(340,862)
PROFIT AFTER TAXATION	476,634	995,285
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	1.59	3.33

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

For the quarter ended 30 September 2022

	30 September 2022 (Rupees in thousand)	30 September 2021
<b>PROFIT AFTER TAXATION</b>	476,634	995,285
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>476,634</b>	<b>995,285</b>

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the quarter ended 30 September 2022

SHARE CAPITAL	RESERVES						TOTAL EQUITY		
	CAPITAL RESERVES		REVENUE RESERVES			Total reserves			
	Share premium	Surplus on revaluation of freehold land and investment properties	Sub-total	General reserve	Unappropriated profit			Sub-total	
2,992,964	986,077	3,871,774	4,857,851	1,450,491	10,856,251	12,306,742	17,164,693	20,157,557	
-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
-	-	-	-	-	995,285	995,285	995,285	995,285	995,285
-	-	-	-	-	995,285	995,285	995,285	995,285	995,285
2,992,964	986,077	3,871,774	4,857,851	1,450,491	11,552,240	13,002,731	17,860,682	20,853,546	
-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
-	-	-	-	-	3,745,438	3,745,438	3,745,438	3,745,438	3,745,438
-	-	-	-	-	3,745,438	3,745,438	3,745,438	3,745,438	3,745,438
2,992,964	986,077	3,871,774	4,857,851	1,450,491	14,998,382	16,443,873	21,306,724	24,299,888	
-	-	-	-	-	476,634	476,634	476,634	476,634	476,634
-	-	-	-	-	476,634	476,634	476,634	476,634	476,634
2,992,964	986,077	3,871,774	4,857,851	1,450,491	15,475,016	16,925,507	21,783,358	24,776,322	

Rupees in thousand

Balance as at 30 June 2021 - (Audited)

Transaction with owners:

- final dividend for the year ended 30 June 2021 @ Rupee 1.00 per share

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 September 2021 - (Un-audited)

Transaction with owners:

- interim dividend for the year ended 30 June 2022 @ Rupee 1.00 per share

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 June 2022 - (Audited)

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 September 2022 - (Un-audited)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the quarter ended 30 September 2022

Note	30 September 2022 (Rupees in thousand)	30 September 2021	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	8	308,581	(3,089,559)
Finance cost paid		(252,552)	(153,357)
Income tax paid		(190,476)	(65,657)
Gas Infrastructure Development Cess (GIDC) paid		-	(9,222)
Net increase in long term deposits		(11)	(6)
<b>Net cash used in operating activities</b>		<b>(134,458)</b>	<b>(3,317,801)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(1,039,007)	(392,473)
Proceeds from disposal of property, plant and equipment		727	7,859
Proceeds from disposal of long term investment		13,999	-
Short term investments - net		(108,254)	(20,000)
Interest received		13,668	1,679
Dividend received		20,026	-
<b>Net cash used in investing activities</b>		<b>(1,098,841)</b>	<b>(402,935)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		725,079	214,450
Repayment of long term financing		(260,934)	(192,044)
Short term borrowings - net		663,929	3,576,895
Dividend paid		(167)	(1,647)
<b>Net cash from financing activities</b>		<b>1,127,907</b>	<b>3,597,654</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(105,392)</b>	<b>(123,082)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>309,629</b>	<b>249,886</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>204,237</b>	<b>126,804</b>

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

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

## For the quarter ended 30 September 2022

### 1. THE COMPANY AND ITS OPERATIONS

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now the Companies Act, 2017) and listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

### 2. BASIS OF PREPARATION

2.1 These unconsolidated 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 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 from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated 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 2022. These unconsolidated condensed interim financial statements are Un-audited, 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. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these unconsolidated 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 2022.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated 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 unconsolidated 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 2022.

	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Balance at beginning of the period / year	5,164,912	4,206,688
Add : Obtained during the period / year	725,079	1,946,684
Less: discounting adjustments for recognition at fair value - deferred government grant	-	(2,481)
Add: unwinding of discount on liability	4,520	37,671
	5,894,511	6,188,562
Less: Repaid during the period / year	(260,934)	(1,023,650)
	5,633,577	5,164,912
Less: Current portion shown under current liabilities	(787,081)	(861,358)
Balance as at end of the period / year	4,846,496	4,303,554

- 5.1** Long term financing include loans obtained under “SBP Temporary Economic Refinance Facility for import of plant and machinery” and “SBP Refinance Scheme for payment of wages and salaries to workers”. These loans have been measured at their fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loans and loan proceeds have been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

## **6. CONTINGENCIES AND COMMITMENTS**

### **6.1 Contingencies**

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2022.

### **6.2 Commitments in respect of:**

- a) Letters of credit for capital expenditure amounting to Rupees 2,597.228 million (30 June 2022: Rupees 2,994.800 million).
- b) Letters of credit other than for capital expenditure amounting to Rupees 1,742.772 million (30 June 2022: Rupees 2,244.977 million).

	Note	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	12,573,750	11,272,055
Capital work-in-progress	7.2	1,370,155	1,840,108
		<u>13,943,905</u>	<u>13,112,163</u>
<b>7.1 Operating fixed assets</b>			
Net book value at the beginning of the year		11,272,055	10,119,371
Add : Cost of additions / transfers during the period / year	7.1.1	1,508,960	1,933,784
		<u>12,781,015</u>	<u>12,053,155</u>
Less : Book value of deletions during the period / year	7.1.2	1,614	26,177
		<u>12,779,401</u>	<u>12,026,978</u>
Less : Depreciation charged during the period / year		205,651	754,923
		<u>12,573,750</u>	<u>11,272,055</u>
<b>7.1.1 Cost of additions</b>			
Buildings		127,728	265,526
Plant and machinery		1,361,107	1,562,904
Services and other equipment		3,356	670
Computers and IT installations		677	8,791
Furniture and fixtures		328	5,823
Office equipment		1,643	15,210
Vehicles		14,121	74,860
		<u>1,508,960</u>	<u>1,933,784</u>
<b>7.1.2 Book value of deletions</b>			
Plant and machinery		1,614	17,215
Computer and IT installations		-	238
Vehicles		-	8,724
		<u>1,614</u>	<u>26,177</u>

		Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>7.2 Capital work-in-progress</b>			
Civil works and buildings		481,364	436,236
Plant and machinery		152,905	1,031,236
Advances for capital expenditure		735,886	372,636
		1,370,155	1,840,108
		1,370,155	1,840,108
	Note	Un-audited 30 September 2022 (Rupees in thousand)	Un-audited 30 September 2021
<b>8. CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
Profit before taxation		668,248	1,336,147
Adjustments for non-cash charges and other items:			
Depreciation		205,651	176,110
Finance cost		286,123	186,985
Loss / (Gain) on sale of property, plant and equipment		887	(6,637)
Allowance for expected credit losses		8,842	22,793
Dividend income		(20,026)	-
Return on bank deposits		(13,668)	(1,679)
Working capital changes	8.1	(827,476)	(4,803,278)
		308,581	(3,089,559)
		308,581	(3,089,559)
<b>8.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets:</b>			
Stores, spare parts and loose tools		15,130	(323,317)
Stock-in-trade		(1,228,663)	(2,664,076)
Trade debts		840,513	(223,952)
Advances		(586,227)	(1,962,913)
Security deposits and short term prepayments		16,432	(99,257)
Other receivables		(122,619)	(258,755)
		(1,065,434)	(5,532,270)
<b>Increase in trade and other payables</b>		237,958	728,992
		(827,476)	(4,803,278)
		(827,476)	(4,803,278)

## 9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated undertakings, directors of the Company and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

	Un-audited Quarter ended	
	30 September 2022	30 September 2021
	(Rupees in thousand)	
<b>i) Transactions</b>		
<b>Subsidiary companies</b>		
<b>Maple Leaf Cement Factory Limited</b>		
Purchase of goods and services	700	31,897
<b>Maple Leaf Capital Limited</b>		
Funds transferred	-	200,000
Mark-up on loan	-	-
<b>Key management personnel</b>		
Remuneration and other benefits	168,053	58,273
<b>Post employment benefit plan</b>		
Company's contribution to provident fund trust	22,742	18,067
	Un-audited 30 September 2022	Audited 30 June 2022
	(Rupees in thousand)	
<b>ii) Period end balances</b>		
<b>Maple Leaf Cement Factory Limited</b>		
Trade and other payables	(35,344)	(38,402)
<b>Maple Leaf Capital Limited</b>		
Other receivables	4,539	4,240

**9.1** The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [24.52%] (30 June 2022: 73,390,896) and 55,256,992 [18.46%] (30 June 2022: 55,256,992) ordinary shares respectively of the Company on which dividend amounting to Rupees Nil (30 June 2022: Rupees 146,781,792) and Rupees Nil (30 June 2022: Rupees 99,279,984) respectively was paid during the period.

**9.2** TRG Pakistan Limited is the associated company of the Company due to common directorship. The Company has not entered into any transaction with TRG Pakistan Limited during the period.



## 11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### Fair value hierarchy

Judgments 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 classify its financial instruments into the following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

- **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.

## 12. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

### Fair value hierarchy

Judgments and estimates are made in determining the fair value of 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.

At 30 September 2022	Level 1	Level 2	Level 3	Total
----- (RUPEES IN THOUSAND) -----				
Investment properties - land and building	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	-	2,768,287
<b>Total non-financial assets</b>	-	<b>4,592,647</b>	-	<b>4,592,647</b>

At 30 June 2022	Level 1	Level 2	Level 3	Total
----- (RUPEES IN THOUSAND) -----				
Investment properties - land and building	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	-	2,768,287
<b>Total non-financial assets</b>	-	4,592,647	-	4,592,647

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

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

#### Valuation techniques used to determine level 2 fair values

The Company obtains independent valuations for its investment properties and freehold land (classified as property, plant and equipment) 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 of 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 valuers to determine the fair value of the Company's investment properties and freehold land at the end of every financial year. As at 30 June 2022, the fair values of the investment properties and freehold land have been determined by Anderson Consulting (Private) Limited (an approved valuer).

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

### 13. 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 2022.

#### 14. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 19 October 2022 by the Board of Directors of the Company.

#### 15. CORRESPONDING FIGURES

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

No significant rearrangements / reclassifications of corresponding figures have been made.

#### 16. GENERAL

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**KOHINOOR TEXTILE MILLS LIMITED**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED  
30 SEPTEMBER 2022**



## DIRECTORS' REVIEW

The Directors are pleased to present the Un-audited consolidated condensed interim financial statements of Kohinoor Textile Mills Limited (the Holding Company) and its Subsidiary Companies Maple Leaf Cement Factory Limited (57.43%), Maple Leaf Power Limited (57.43%) and Maple Leaf Capital Limited (82.92%) (Together referred to as Group) for the quarter ended 30 September 2022.

### GROUP RESULTS

The Group has earned gross profit of Rupees 5,427 million as compared to Rupees 4,480 million of corresponding period. The Group has earned pre-tax profit of Rupees 3,911 million this period as compared to Rupees 754 million during the previous period. The overall Group financial results are as follows:

	2022 (Rupees in million)	2021
Revenue	22,412	17,827
Gross profit	5,427	4,480
Profit from operations	4,798	1,287
Financial charges	886	533
Net profit after taxation	2,938	313
	----- (Rupees) -----	
Earnings per share - Basic and diluted	7.13	0.56

### SUBSIDIARY COMPANIES

#### Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 29.63% in its sales over previous period and has earned gross profit of 27.82% (30 Sep 2021: 19.49%) amounting to Rupees 3,569 million (30 Sep 2021: 1,929 million).

It has earned after tax profit of Rupees 1,210 million (30 Sep 2021: Rupees 563 million).

#### Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 134 million (30 Sep 2021: Rupees 283 million).

#### Maple Leaf Capital Limited (MLCL)

MLCL has earned / incurred after tax profit / (loss) of Rupees 835 million (30 Sep 2021: Rupees (1,658) million).

### ACKNOWLEDGMENT

The Directors are grateful to the Group's members, financial institutions, customers and employees for their cooperation and support. They also appreciate the hard work and dedication of the employees working at various divisions.

For and on behalf of the Board

Lahore  
19 October 2022

  
Syed Mohsin Raza Naqvi  
Director

  
Taufique Sayeed Saigol  
Chief Executive

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2022: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2022: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		<b>4,000,000</b>	<b>4,000,000</b>
<b>Issued, subscribed and paid-up share capital</b>			
299,296,456 (30 June 2022: 299,296,456) ordinary shares of Rupees 10 each.		2,992,964	2,992,964
<b>Reserves</b>			
<b>Capital reserves</b>			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		4,070,446	4,070,446
Fair value reserve		2,978	2,978
		<b>5,059,501</b>	<b>5,059,501</b>
<b>Revenue reserves</b>			
General reserve		1,450,491	1,450,491
Unappropriated profit		31,650,480	29,263,044
		<b>33,100,971</b>	<b>30,713,535</b>
<b>Equity attributable to equity holders of the Holding Company</b>		<b>41,153,436</b>	<b>38,766,000</b>
<b>Non-controlling interest</b>		<b>18,489,426</b>	<b>18,114,640</b>
<b>Total equity</b>		<b>59,642,862</b>	<b>56,880,640</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	22,905,983	21,051,422
Deferred grant		755,472	804,158
Long term liability against right of use assets		24,943	27,136
Long term deposits		8,214	8,214
Retirement benefits		241,737	235,329
Deferred income tax liability		5,782,044	5,372,229
		<b>29,718,393</b>	<b>27,498,488</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		13,934,610	12,367,040
Accrued mark-up		1,033,300	764,694
Short term borrowings		10,762,914	9,793,373
Current portion of non-current liabilities		4,564,094	4,302,719
Unclaimed dividend		59,996	60,203
Taxation - net		424,686	328,266
		<b>30,779,600</b>	<b>27,616,295</b>
<b>Total liabilities</b>		<b>60,497,993</b>	<b>55,114,783</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	6	<b>120,140,855</b>	<b>111,995,423</b>

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

	Note	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	74,529,043	71,468,745
Investment properties		1,824,360	1,824,360
Intangibles		9,541	10,415
Long term loans to employees		22,493	19,366
Long term investment		351,764	350,763
Long term deposits		112,254	112,073
		<u>76,849,455</u>	<u>73,785,722</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		16,111,115	14,311,149
Stock -in- trade		10,822,660	8,609,732
Trade debts		6,433,913	6,480,200
Loans and advances		1,836,442	1,311,235
Security deposits and short term prepayments		630,388	592,411
Other receivables		1,215,864	1,063,074
Short term investments		5,411,826	4,680,242
Cash and bank balances		829,192	1,161,658
		<u>43,291,400</u>	<u>38,209,701</u>
<b>TOTAL ASSETS</b>		<u><u>120,140,855</u></u>	<u><u>111,995,423</u></u>


  
 CHIEF EXECUTIVE OFFICER


  
 DIRECTOR


  
 CHIEF FINANCIAL OFFICER

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (Un-audited)

For the quarter ended 30 September 2022

	30 September 2022	30 September 2021
	(Rupees in thousand)	
REVENUES	22,411,895	17,826,908
COST OF SALES	(16,984,463)	(13,346,916)
GROSS PROFIT	5,427,432	4,479,992
DISTRIBUTION COST	(753,041)	(733,148)
ADMINISTRATIVE EXPENSES	(699,734)	(427,321)
OTHER EXPENSES	(312,838)	(2,170,326)
	(1,765,613)	(3,330,795)
OTHER INCOME	3,661,819	1,149,197
	1,135,768	137,632
PROFIT FROM OPERATIONS	4,797,587	1,286,829
FINANCE COST	(886,126)	(533,009)
PROFIT BEFORE TAXATION	3,911,461	753,820
TAXATION	(973,229)	(441,118)
PROFIT AFTER TAXATION	2,938,232	312,702
SHARE OF PROFIT ATTRIBUTABLE TO :		
EQUITY HOLDERS OF HOLDING COMPANY	2,135,076	167,778
NON-CONTROLLING INTEREST	803,156	144,924
	2,938,232	312,702
EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	7.13	0.56

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-audited)

For the quarter ended 30 September 2022

	30 September 2022	30 September 2021
(Rupees in thousand)		
<b>PROFIT AFTER TAXATION</b>	2,938,232	312,702
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the period - net of tax	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	2,938,232	312,702
<b>SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Equity holders of Holding Company	2,135,076	167,778
Non-controlling interest	803,156	144,924
	2,938,232	312,702

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

## For the quarter ended 30 September 2022

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY										
Share capital	Capital reserves				Revenue reserves			Total reserves	Non-controlling interest	Total equity
	Share premium	Surplus on revaluation of freehold land and investment properties	Fair value reserve	Sub-total	General reserves	Unappropriated profit	Sub-total			
2,992,964	986,077	4,070,446	-	5,056,523	1,450,491	26,092,086	27,542,577	32,599,100	17,048,461	52,640,515
-	-	-	-	-	-	(299,296)	(299,296)	(299,296)	-	(299,296)
-	-	-	-	-	167,778	167,778	167,778	167,778	144,924	312,702
-	-	-	-	-	167,778	167,778	167,778	167,778	144,924	312,702
2,992,964	986,077	4,070,446	-	5,056,523	1,450,491	25,960,588	27,411,089	32,467,582	17,193,375	52,660,957
-	-	-	-	-	-	(101,699)	(101,699)	(101,699)	(394,730)	(496,429)
-	-	-	-	-	-	(299,296)	(299,296)	(299,296)	-	(299,296)
-	-	-	-	-	-	(400,995)	(400,995)	(400,995)	(394,730)	(795,725)
-	-	-	2,978	2,978	-	3,702,815	3,702,815	3,702,815	1,314,869	5,017,684
-	-	-	2,978	2,978	656	656	656	3,634	1,126	4,760
2,992,964	986,077	4,070,446	2,978	5,059,501	1,450,491	29,263,044	30,713,535	35,773,036	18,114,640	56,888,640
-	-	-	-	-	-	252,360	252,360	252,360	(428,370)	(176,010)
-	-	-	-	-	-	2,135,076	2,135,076	2,135,076	803,156	2,938,232
-	-	-	-	-	-	2,135,076	2,135,076	2,135,076	803,156	2,938,232
2,992,964	986,077	4,070,446	2,978	5,059,501	1,450,491	31,650,480	33,100,971	38,160,472	18,489,426	59,649,898

(Rupees in thousand)

Balance as at 30 June 2021 - (Audited)

Transaction with owners:

- Final dividend for the year ended 30 June 2021

@ Rupee 1.00 per share

-

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 September 2021 - (Un-audited)

Transactions with owners:

- Transaction with non-controlling interests

- Interim dividend for the year ended 30 June 2022

@ Rupee 1.00 per share

-

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 June 2022 - (Audited)

Transaction with owners:

- Transaction with non-controlling interests

Profit for the period

Other comprehensive income for the period

Total comprehensive income for the period

Balance as at 30 September 2022 - (Un-audited)

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-audited)

For the quarter ended 30 September 2022

	Note	30 September 2022	30 September 2021
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	8	1,779,030	(3,827,292)
Finance cost paid		(614,339)	(506,335)
Income tax paid		(466,994)	(465,872)
Retirement benefits paid		(16,415)	(8,750)
Gas Infrastructure Development Cess (GIDC) payable		-	(9,222)
Net increase in long term deposits		(181)	(6)
<b>Net cash generated from / (used in) operating activities</b>		<b>681,101</b>	<b>(4,817,477)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(3,973,399)	(1,855,481)
Long term loan to employees - net		(3,127)	(2,352)
Long term investment made		(15,000)	(207)
Proceeds from disposal of long term investment		13,999	-
Proceeds from disposal of property, plant and equipment		10,051	9,159
Interest received		13,579	5,214
Dividend received		81,370	-
<b>Net cash used in investing activities</b>		<b>(3,872,527)</b>	<b>(1,843,667)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Transaction with non-controlling interests		(176,010)	-
Proceeds from long term financing		2,327,292	423,900
Repayment of long term financing		(260,934)	(192,044)
Lease rentals paid during the period		(722)	-
Short term borrowings - net		969,541	6,712,909
Dividend paid		(207)	(1,787)
<b>Net cash from financing activities</b>		<b>2,858,960</b>	<b>6,942,978</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(332,466)</b>	<b>281,834</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>1,161,658</b>	<b>844,039</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>829,192</b>	<b>1,125,873</b>

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

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

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

For the quarter ended 30 September 2022

## 1. THE GROUP AND ITS OPERATIONS

### 1.1 Holding Company

Kohinoor Textile Mills Limited ("the Holding Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) and listed on Pakistan Stock Exchange (PSX). The registered office of the Company is situated at 42-Lawrence Road, Lahore. The principal activity of the Holding Company is manufacturing of yarn and cloth, processing and stitching the cloth and trade of textile products.

The Holding Company holds 57.43% (30 June 2022: 56.12%) shares of Maple Leaf Cement Factory Limited, 82.92% (30 June 2022: 82.92%) shares of Maple Leaf Capital Limited and 57.43% (30 June 2022: 56.12%) shares of Maple Leaf Power Limited.

### 1.2 Subsidiary Companies

#### 1.2.1 Maple Leaf Cement factory Limited (MLCFL)

Maple Leaf Cement Factory Limited ("the Subsidiary Company") was incorporated in Pakistan on 13 April 1960 under the Companies Act, 1913 (now the Companies Act, 2017) as a public company limited by shares. MLCFL is listed on Pakistan Stock Exchange Limited. The registered office of MLCFL is situated at 42-Lawrence Road, Lahore. MLCFL is engaged in production and sale of cement.

#### 1.2.2 Maple Leaf Capital Limited (MLCL)

Maple Leaf Capital Limited ("the Subsidiary Company") was incorporated in Pakistan on 25 April 2014 under the Companies Ordinance, 1984 (now the Companies Act, 2017) as a public company limited by shares. The registered office of MLCL is situated at 42-Lawrence Road, Lahore. The principal objects of MLCL are to buy, sell, hold or otherwise acquire or invest the capital in any sort of financial instruments and commodities.

#### 1.2.3 Maple Leaf Power Limited (MLPL)

Maple Leaf Power Limited was incorporated in Pakistan on 15 October 2015 as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017). It is subsidiary of MLCFL, which is subsidiary of the Holding company. MLPL has been established to set up and operate a 40-megawatt coal fired power generation plant at Iskanderabad, District Mianwali for generation of electricity. The registered office of MLPL is located at 42-Lawrence Road, Lahore. The principal object of MLPL is to develop, design, operate and maintain electric power generation plant and in connection therewith to engage in the business of generation, sale and supply of electricity to MLCFL.

## 2. BASIS OF PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standard 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 from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated 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 Group for the year ended 30 June 2022. These consolidated condensed interim financial statements are Un-audited 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. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended 30 June 2022.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated 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 Group'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 consolidated condensed interim financial statements, the significant judgments made by the management in applying the Group'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 Group for the year ended 30 June 2022.

	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>5. LONG TERM FINANCING</b>		
<b>Secured</b>		
Balance at beginning of the period / year	24,532,580	17,548,049
Add : Obtained during the period / year	2,327,292	11,935,164
Less: discounting adjustments for recognition at fair value - deferred government grant	(1,089)	(952,948)
Add: unwinding of discount on liability	52,227	116,370
	26,911,010	28,646,635
Less: Repaid during the period / year	(260,934)	(4,114,055)
	26,650,076	24,532,580
Less: Current portion shown under current liabilities	(3,744,093)	(3,481,158)
	22,905,983	21,051,422

**5.1** Long term financing include loans obtained under “SBP Temporary Economic Refinance Facility” and “SBP Refinance Scheme for payment of wages and salaries to workers”. These loans have been measured at their fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loans and loan proceeds have been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

## **6. CONTINGENCIES AND COMMITMENTS**

### **6.1 Contingencies**

There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Group for the year ended 30 June 2022.

### **6.2 Commitments in respect of letters of credit**

- (i) Letters of credit for capital expenditure amount to Rupees 7,566.198 million (30 June 2022: Rupees 8,617.945 million).
- (ii) Letters of credit other than for capital expenditure amount to Rupees 2,764.004 million (30 June 2022: Rupees 4,640.741 million).
- (iii) Future contracts - shares in respect of which the settlement is outstanding amount to Rupees Nil (30 June 2022: Rupees 491.136 million).

	Note	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets:			
- Owned	7.1	54,588,752	53,959,084
- Leased	7.2	33,780	36,098
Capital work-in-progress	7.3	19,585,009	17,192,908
Major spare parts and stand-by equipments		321,502	280,655
		<u>74,529,043</u>	<u>71,468,745</u>
<b>7.1 OPERATING FIXED ASSETS - OWNED</b>			
Net book value at the beginning of the period / year		53,959,084	52,462,922
Add : Cost of additions / transfers during the period / year	7.1.1	1,540,451	5,138,405
		<u>55,499,535</u>	<u>57,601,327</u>
Less : Book value of deletions during the period / year	7.1.2	5,797	57,030
		<u>55,493,738</u>	<u>57,544,297</u>
Less : Depreciation charged during the period / year		904,986	3,585,213
		<u>54,588,752</u>	<u>53,959,084</u>
<b>7.1.1 Cost of additions / transfers</b>			
Buildings		127,728	886,613
Plant and machinery		1,386,511	4,023,345
Service and other equipment		3,356	670
Computer and IT installations		677	9,265
Furniture and fixture		6,364	35,217
Office equipment		1,694	15,245
Vehicles		14,121	168,050
		<u>1,540,451</u>	<u>5,138,405</u>
<b>7.1.2 Book value of deletions</b>			
Buildings		-	3,147
Plant and machinery		3,492	34,603
Computer and IT installations		-	238
Furniture and fixture		-	451
Vehicles		2,305	18,591
		<u>5,797</u>	<u>57,030</u>

	Note	Un-audited 30 September 2022 (Rupees in thousand)	Audited 30 June 2022
<b>7.2 Operating fixed assets - leased</b>			
Net book value at the beginning of the period / year		36,098	-
Add : Cost of additions during the period / year	7.2.1	-	44,021
		36,098	44,021
Less : Depreciation charged during the period / year		2,318	7,923
Net book value at the end of the period / year		33,780	36,098
<b>7.2.1 Cost of additions</b>			
Land		-	29,001
Building		-	15,020
		-	44,021
<b>7.3 Capital work-in-progress</b>			
Plant and machinery		11,595,295	11,723,011
Civil Works		4,489,012	3,783,549
Advances for capital expenditure		2,563,773	1,686,348
Unallocated expenses		936,929	-
		19,585,009	17,192,908
		Un-audited 30 September 2022 (Rupees in thousand)	Un-audited 30 September 2021
<b>8. CASH GENERATED FROM / (USED IN) OPERATIONS</b>			
Profit before taxation		3,911,461	753,820
<b>Adjustment for non-cash charges and other items</b>			
Depreciation		904,986	849,821
Amortization		874	505
Finance cost		886,126	533,009
Retirement benefits		22,822	15,472
Allowance for expected credit losses		38,842	46,200
Gain on disposal of property, plant and equipment		(4,254)	(6,618)
Other receivables written off		2,509	-
Return on bank deposits		(21,381)	(5,214)
Dividend income		(82,549)	-
Working capital changes	8.1	(3,880,406)	(6,014,287)
		1,779,030	(3,827,292)

	Un-audited 30 September 2022 (Rupees in thousand)	Un-audited 30 September 2021
<b>8.1 Working capital changes</b>		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(1,799,966)	(1,956,296)
Stock-in-trade	(2,212,928)	(3,202,065)
Trade debts	7,445	(742,632)
Loans and advances	(525,207)	(2,555,127)
Short Term investment - net	(731,584)	1,681,564
Security deposits and short term prepayments	(37,977)	(287,104)
Other receivables	(146,318)	(24,754)
	<b>(5,446,535)</b>	<b>(7,086,414)</b>
Increase in trade and other payables	1,566,129	1,072,127
	<b>(3,880,406)</b>	<b>(6,014,287)</b>

## 9. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries, associated undertakings, directors of the Group and their close relatives, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

	Un-audited 30 September 2022 (Rupees in thousand)	Un-audited 30 September 2021
<b>Key management personnel</b>		
Remuneration and other benefits	336,510	122,121
<b>Post employment benefit plan</b>		
Group's contribution to provident fund	80,461	67,218
Group's contribution to gratuity fund	9,892	5,015

**9.1** The Saim Family Trust, British Virgin Islands (BVI) through Mercury Management Inc., BVI and Hutton Properties Limited, BVI (related parties) holds 73,390,896 [24.52%] (30 June 2022: 73,390,896) and 55,256,992 [18.46%] (30 June 2022: 55,256,992) ordinary shares respectively of the Holding Company on which dividend amounting to Rupees Nil (30 June 2022: Rupees 146,781,792) and Rupees Nil (30 June 2022: Rupees 99,279,984) respectively was paid during the period.

**9.2** TRG Pakistan Limited is the associated company of the Holding Company due to common director ship. The Group has not entered into any transaction with TRG Pakistan Limited during the period.

## 10. SEGMENT INFORMATION

### 10.1

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Elimination of inter-segment transactions		Group	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	Quarter ended 30 September 2022	30 September 2021	Quarter ended 30 September 2022	30 September 2021	Quarter ended 30 September 2022	30 September 2021	Quarter ended 30 September 2022	30 September 2021	Quarter ended 30 September 2022	30 September 2021	Quarter ended 30 September 2022	30 September 2021	Quarter ended 30 September 2022	30 September 2021	Quarter ended 30 September 2022	30 September 2021
REVENUE:	4,970,807	4,343,788	2,051,770	1,664,310	2,562,974	1,955,140	12,826,644	9,863,860	-	-	-	-	-	-	22,411,895	17,826,908
EXTERNAL INTER-SEGMENT	35,705	122,552	431,371	294,157	1,541	2,868	700	31,897	-	-	-	-	(469,317)	(421,292)	-	-
COST OF SALES	5,006,212	4,486,350	2,483,141	1,928,467	2,564,515	1,957,828	12,827,344	9,895,557	-	-	-	-	(469,317)	(421,292)	22,411,895	17,826,908
GROSS PROFIT	(4,318,013)	(3,071,715)	(2,156,114)	(1,633,526)	(2,027,573)	(1,565,635)	(8,952,080)	(7,497,332)	-	-	-	-	469,317	421,292	(16,994,463)	(13,346,916)
DISTRIBUTION COST	688,199	1,394,635	327,027	294,941	536,942	392,191	3,875,264	2,398,225	-	-	-	-	-	-	5,427,432	4,479,992
ADMINISTRATIVE EXPENSES	(18,246)	(17,909)	(64,318)	(52,496)	(252,136)	(263,212)	(417,341)	(399,531)	-	-	-	-	-	-	(753,041)	(733,148)
PROFIT / (LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(172,333)	(79,563)	(46,824)	(38,530)	(67,928)	(66,865)	(369,220)	(215,569)	(36,957)	(24,882)	(6,472)	(1,912)	-	-	(699,734)	(427,321)
UNALLOCATED INCOME AND EXPENSES	(191,579)	(97,472)	(111,142)	(91,026)	(320,064)	(330,077)	(786,561)	(615,100)	(36,957)	(24,882)	(6,472)	(1,912)	-	-	(1,452,775)	(1,160,469)
FINANCE COST	486,620	1,297,163	215,885	203,915	216,878	62,114	3,088,703	1,793,125	(36,957)	(24,882)	(6,472)	(1,912)	-	-	3,974,657	3,319,523
OTHER EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS FOR REPORTABLE SEGMENT	13,383,884	11,264,265	6,349,222	5,651,477	9,149,521	10,043,220	79,227,468	73,937,861	5,375,111	4,518,969	5,324,532	5,958,482	118,809,718	110,774,274	1,331,137	1,221,149
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	3,833,073	5,210,763	1,735,039	1,092,762	7,330,893	5,496,385	27,085,137	24,648,996	1,117,022	1,039,323	-	-	41,100,964	37,686,229	19,397,029	17,426,554
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(Rupees in thousand)

(Rupees in thousand)

### 10.2 Reconciliation of reportable segment assets

	Spinning		Weaving		Processing and Home Textile		Cement		Investment		Power		Group			
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited		Un-audited			
	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	30 June 2022	30 September 2022	
TOTAL ASSETS FOR REPORTABLE SEGMENT	13,383,884	11,264,265	6,349,222	5,651,477	9,149,521	10,043,220	79,227,468	73,937,861	5,375,111	4,518,969	5,324,532	5,958,482	118,809,718	110,774,274	1,331,137	1,221,149
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	3,833,073	5,210,763	1,735,039	1,092,762	7,330,893	5,496,385	27,085,137	24,648,996	1,117,022	1,039,323	-	-	41,100,964	37,686,229	19,397,029	17,426,554
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.

All segment liabilities are allocated to reportable segments other than trade and other payables and deferred tax liabilities.

## 11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### (i) Fair value hierarchy

Judgments 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 Group classify its financial instruments into the following three levels. An explanation of each level follows underneath the table.

At 30 September 2022	Level 1	Level 2	Level 3	Total
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----- (RUPEES IN THOUSAND) -----

#### Recurring fair value measurements

##### Financial assets

Financial assets at fair value through profit or loss	4,134,000	-	-	4,134,000
<b>Total financial assets</b>	<b>4,134,000</b>	<b>-</b>	<b>-</b>	<b>4,134,000</b>

##### Financial liabilities

Unrealized loss on re-measurement of futures contracts - shares	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

At 30 June 2022	Level 1	Level 2	Level 3	Total
-----------------	---------	---------	---------	-------

----- (RUPEES IN THOUSAND) -----

#### Recurring fair value measurements

##### Financial assets

Financial assets at fair value through profit or loss	4,096,150	-	-	4,096,150
<b>Total financial assets</b>	<b>4,096,150</b>	<b>-</b>	<b>-</b>	<b>4,096,150</b>

##### Financial liabilities

Unrealized loss on re-measurement of futures contracts - shares	4,386	-	-	4,386
<b>Total financial liabilities</b>	<b>4,386</b>	<b>-</b>	<b>-</b>	<b>4,386</b>

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 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.

The Group's policy is to recognize 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 trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

## (ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices.

## 12. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

### (i) Fair value hierarchy

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

At 30 September 2022	Level 1	Level 2	Level 3	Total
----- (RUPEES IN THOUSAND) -----				
Investment properties - land and building	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	1,192,037	3,960,324
<b>Total non-financial assets</b>	-	4,592,647	1,192,037	5,784,684

At 30 June 2022	Level 1	Level 2	Level 3	Total
----- (RUPEES IN THOUSAND) -----				
Investment properties - land and building	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	1,192,037	3,960,324
<b>Total non-financial assets</b>	-	4,592,647	1,192,037	5,784,684

The Group's policy is to recognize 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 period. Further, there was no transfer in and out of level 3 measurements.

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

The Group obtains independent valuations for its investment properties and freehold land (classified as property, plant and equipment) 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 of 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 Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties and freehold land at the end of every financial year. As at 30 June 2022, the fair values of the investment properties and freehold land of the Holding Company have been determined by Anderson Consulting (Private) Limited (an approved valuer). MLCFL's freehold land was last revalued by Arif Evaluators, an independent valuer approved by Pakistan Banks' Association (PBA) in "any amount" category, at 30 June 2020.

Changes in fair values are analyzed at each reporting date during the annual valuation discussion between the Chief Financial Officer and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

### 13. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Group for the year ended 30 June 2022.

#### 14. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 19 October 2022 by the Board of Directors of the Holding Company.

#### 15. CORRESPONDING FIGURES

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

No significant rearrangements / reclassifications of corresponding figures have been made.

#### 16. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



Kohinoor Textile Mills Limited

A Kohinoor Maple Leaf Group Company

42-Lawrence Road,  
Lahore, Pakistan