



**3rd quarterly report**

**March 31,**

**2 0 2 2**

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



## 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 KTM 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

## Board of Directors

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	

## Audit Committee

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

## Human Resource & Remuneration Committee

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

## Chief Financial Officer

Syed Mohsin Raza Naqvi

## Company Secretary

Mr. Muhammad Ashraf

## Chief Internal Auditor

Mr. Zeeshan Malik Bhutta

## Auditors

M/s. Riaz Ahmad & Company  
Chartered Accountants

## Legal Adviser

Mr. Muhammad Younus  
Advocate High Court

## Registered Office

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

## Share Registrar

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

## Bankers of the Company

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

## Mills

- Peshawar Road, Rawalpindi  
Tel: (0092-51) 5495328-32  
Fax: (0092-51) 5495304
- 8 K.M., Manga Raiwind Road, District Kasur  
Tel: (0092-42) 32560683-85  
Fax: (0092-42) 32560686-87
- Gulyana Road, Gujjar Khan, District Rawalpindi  
Tel: (0092-51) 3564472-74

## Website

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

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

## DIRECTORS' REVIEW

The Directors of your Company have pleasure to present financial statements for the nine months ended 31 March 2022, in compliance with the requirements of Section 237 of the Companies Act, 2017.

### Review of Operations

The results of the Company in the first nine months of the current financial year are significantly improved over corresponding period of the previous year. This is due in large part to increases in selling prices, devaluation and timely coverage of raw materials at prices substantially lower than current market rates.

However, results of the third quarter were negatively impacted due to increased energy prices, freight rates and hike in price of synthetic fibres. This situation was further exacerbated by non-availability of shipping containers resulting in delayed shipments to customers.

Performance of the Spinning divisions is expected to be similar to those of the third quarter as the Company's raw material is covered and demand for yarns remains robust. The capacity expansion at Gujjar Khan should be fully operational by the first quarter of the coming financial year. This project has faced some delays due to late shipment of equipment from manufacturers. However, erection of machinery is now underway. At the Rawalpindi division, the Company continues to upgrade and modernize its plant and machinery and further letters of credit have been established for capacity expansion which will be operational in the second half of the coming financial year.

The results of the Weaving division are stable. The Division's expansion should be online towards the end of the calendar year, significantly expanding capacity and bringing versatility to the product lines we are able to offer.

Exports from the Home Textiles division face some headwinds due to further deterioration in availability of shipping space and increases in costs. There are signs of slowdowns of retail sales in Home Textiles in Europe and North America as economies begin to come to terms with increased inflation and energy costs. However, we strive to maintain results similar to those of the third quarter.

The Company maintains its focus on sustainability with further improvements in its ability to recycle water, rapidly approaching its target of a zero-discharge system. With the installation of a proposed grid station in the coming financial year which will enable increase of IESCO capacity, the Company's Rawalpindi site will be set to pursue large scale expansion in its solar generation capacity. Additionally, the Raiwind and Gujjar Khan sites have also begun planning further expansions to their renewable energy capacity.

### Financial Review

During the period under review, Company's sales increased by 33.52% to Rs. 28,935 million (2021: Rs. 21,671 million), while cost of sales increased by 21.05% to Rs. 21,058 million (2021: Rs. 17,396 million). This resulted in gross profit of Rs. 7,877 million (2021: Rs. 4,275 million).

Operating profit for the period under review stood at Rs. 6,040 million (2021: Rs. 2,677 million). The Company's profit after tax increased by 155% to Rs. 4,311 million (2021: Rs. 1,690 million). Earnings per share for the nine months ended 31 March 2022 stood at Rs. 14.40 against Rs. 5.65 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



**Taufique Sayeed Saigol**  
Chief Executive



**Syed Mohsin Raza Naqvi**  
Director

Lahore  
April 20, 2022

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Note	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2021: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2021: 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 2021: 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		14,568,536	10,856,251
		<u>16,019,027</u>	<u>12,306,742</u>
<b>Total equity</b>		<u>23,869,842</u>	<u>20,157,557</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	3,429,080	3,173,974
Deferred government grants		18,438	24,287
Gas Infrastructure Development Cess (GIDC) payable		-	14,294
Deferred income tax liability		771,390	671,102
		<u>4,218,908</u>	<u>3,883,657</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		3,645,378	2,657,455
Accrued mark-up		116,513	65,021
Short term borrowings		5,974,810	5,558,536
Current portion of non-current liabilities		1,365,152	1,299,221
Unclaimed dividend		34,777	30,592
Taxation - net		887,361	482,216
		<u>12,023,991</u>	<u>10,093,041</u>
<b>Total liabilities</b>		<u>16,242,899</u>	<u>13,976,698</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>40,112,741</u>	<u>34,134,255</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 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	11,791,527	10,706,281
Investment properties		1,824,360	1,824,360
Long term investments		11,078,733	11,078,733
Long term deposits		54,472	52,961
		<u>24,749,092</u>	<u>23,662,335</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		967,840	811,473
Stock-in-trade		6,917,153	3,972,858
Trade debts		4,433,821	3,266,729
Advances		1,209,605	612,203
Short term prepayments		26,375	14,599
Other receivables		1,453,884	1,410,306
Short term investments		178,860	133,866
Cash and bank balances		176,111	249,886
		<u>15,363,649</u>	<u>10,471,920</u>
<b>TOTAL ASSETS</b>		<u><u>40,112,741</u></u>	<u><u>34,134,255</u></u>



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM  
STATEMENT OF PROFIT OR LOSS (Un-audited)**  
For the nine months ended 31 March 2022

	Nine months ended		Quarter ended	
	March 2022	March 2021	March 2022	March 2021
	..... (Rupees in thousand) .....			
Revenue	28,934,647	21,671,110	10,351,159	7,681,110
Cost of sales	(21,057,847)	(17,396,195)	(7,646,379)	(5,965,040)
Gross profit	7,876,800	4,274,915	2,704,780	1,716,070
Distribution cost	(1,121,999)	(885,479)	(399,152)	(360,331)
Administrative expenses	(540,564)	(481,971)	(178,531)	(165,576)
Other expenses	(438,288)	(318,562)	(136,301)	(121,725)
	(2,100,851)	(1,686,012)	(713,984)	(647,632)
Other income	5,775,949	2,588,903	1,990,796	1,068,438
	263,889	87,757	48,453	13,879
Profit from operations	6,039,838	2,676,660	2,039,249	1,082,317
Finance cost	(603,794)	(507,883)	(194,071)	(166,891)
Profit before taxation	5,436,044	2,168,777	1,845,178	915,426
Taxation				
- Current	(1,024,879)	(378,244)	(376,212)	(205,667)
- Deferred	(100,288)	(100,105)	4,786	(28,375)
	(1,125,167)	(478,349)	(371,426)	(234,042)
Profit after taxation	4,310,877	1,690,428	1,473,752	681,384
Earnings per share - basic and diluted (Rupees)	14.40	5.65	4.92	2.28

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 nine months ended 31 March 2022

	Nine months ended		Quarter ended	
	March 2022	March 2021	March 2022	March 2021
	..... (Rupees in thousand) .....			
Profit after taxation	4,310,877	1,690,428	1,473,752	681,384
Other comprehensive income				
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>4,310,877</b>	<b>1,690,428</b>	<b>1,473,752</b>	<b>681,384</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 nine months ended 31 March 2022

	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			
Balance as at 30 June 2020 - (audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	8,698,514	10,149,005	14,978,126	17,971,090	
Transaction with owners:										
- Final dividend for the year ended 30 June 2020 @ Rupee 1 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
- Interim dividend for the year ended 30 June 2021 @ Rupee 1 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
Profit for the period	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)	(598,592)
Other comprehensive income for the period	-	-	-	-	-	1,690,428	1,690,428	1,690,428	1,690,428	1,690,428
Total comprehensive income for the period	-	-	-	-	-	1,690,428	1,690,428	1,690,428	1,690,428	1,690,428
Balance as at 31 March 2021 - (un-audited)	2,992,964	986,077	3,843,044	4,829,121	1,450,491	9,790,350	11,240,841	16,069,962	19,062,926	
Profit for the period	-	-	28,730	28,730	-	1,065,901	1,065,901	1,065,901	1,065,901	1,065,901
Other comprehensive income for the period	-	-	-	-	-	-	-	-	28,730	28,730
Total comprehensive income for the period	-	-	28,730	28,730	-	1,065,901	1,065,901	1,094,631	1,094,631	1,094,631
Balance as at 30 June 2021 - (audited)	2,992,964	986,077	3,871,774	4,857,851	1,450,491	10,856,251	12,306,742	17,164,593	20,157,557	
Transaction with owners:										
- Final dividend for the year ended 30 June 2021 @ Rupee 1 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
- Interim dividend for the year ended 30 June 2022 @ Rupee 1 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	(299,296)
Profit for the period	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)	(598,592)
Other comprehensive income for the period	-	-	-	-	-	4,310,877	4,310,877	4,310,877	4,310,877	4,310,877
Total comprehensive income for the period	-	-	-	-	-	4,310,877	4,310,877	4,310,877	4,310,877	4,310,877
Balance as at 31 March 2022 - (un-audited)	2,992,964	986,077	3,871,774	4,857,851	1,450,491	14,568,536	16,019,027	20,876,878	23,869,842	

Rupees in thousand

Balance as at 30 June 2020 - (audited)

Transaction with owners:

- Final dividend for the year ended 30 June 2020 @ Rupee 1 per share
- Interim dividend for the year ended 30 June 2021 @ Rupee 1 per share

Profit for the period

- Other comprehensive income for the period
- Total comprehensive income for the period

Balance as at 31 March 2021 - (un-audited)

Profit for the period

- Other comprehensive income for the period
- Total comprehensive income for the period

Balance as at 30 June 2021 - (audited)

Transaction with owners:

- Final dividend for the year ended 30 June 2021 @ Rupee 1 per share
- Interim dividend for the year ended 30 June 2022 @ Rupee 1 per share

Profit for the period

- Other comprehensive income for the period
- Total comprehensive income for the period

Balance as at 31 March 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 nine months ended 31 March 2022

	Note	March 2022 (Rupees in thousand)	March 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	2,671,713	80,915
Finance cost paid		(541,419)	(600,112)
Income tax paid		(619,734)	(478,361)
Gas Infrastructure Development Cess (GIDC) paid		(9,222)	-
Net increase in long term deposits		(1,511)	-
<b>Net cash generated from / (used in) operating activities</b>		<b>1,499,827</b>	<b>(997,558)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(1,662,302)	(874,089)
Proceeds from disposal of property, plant and equipment		58,183	64,800
Short term investments made		(40,000)	(20,000)
Interest received		13,224	8,095
<b>Net cash used in investing activities</b>		<b>(1,630,895)</b>	<b>(821,194)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		982,985	1,156,721
Repayment of long term financing		(750,040)	(200,741)
Grant received during the period		2,481	-
Short term borrowings - net		416,274	1,121,288
Dividend paid		(594,407)	(299,157)
<b>Net cash from financing activities</b>		<b>57,293</b>	<b>1,778,111</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(73,775)</b>	<b>(40,641)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>249,886</b>	<b>186,613</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>176,111</b>	<b>145,972</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 nine months ended 31 March 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 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.

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 2021. 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 computations 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 2021.

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2021.

	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>5. LONG TERM FINANCING - SECURED</b>		
Balance at beginning of the period / year	4,206,691	2,968,283
Add : Obtained during the period / year	985,466	1,719,338
Less: Discounting adjustments for recognition at fair value - deferred government grant	(2,481)	(107,544)
Add: Unwinding of discount on liability	31,208	45,930
	5,220,884	4,626,007
Less: Repaid during the period / year	(750,040)	(419,316)
	4,470,844	4,206,691
Less: Current portion shown under current liabilities	(1,041,764)	(1,032,717)
	3,429,080	3,173,974

- 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 an 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).

## **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 2021.

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

- a) Letters of credit for capital expenditure amounting to Rupees 3,636.278 million (30 June 2021: Rupees 927.920 million).
- b) Letters of credit other than for capital expenditure amounting to Rupees 914.479 million (30 June 2021: Rupees 3,303.062 million).

	Note	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	11,225,229	10,119,371
Capital work-in-progress	7.2	363,824	586,910
Stores held for capitalization		202,474	-
		<u>11,791,527</u>	<u>10,706,281</u>
<b>7.1 Operating fixed assets</b>			
Net book value at the beginning of the period / year		10,119,371	9,260,304
Add : Cost of additions / transfers during the period / year	7.1.1	1,682,914	1,548,474
Add : Revaluation surplus on freehold land during the period / year		-	28,730
		<u>11,802,285</u>	<u>10,837,508</u>
Less : Book value of deletions during the period / year	7.1.2	(21,501)	(77,402)
		<u>11,780,784</u>	<u>10,760,106</u>
Less : Depreciation charged during the period / year		(555,555)	(640,735)
Net book value at the end of the period / year		<u>11,225,229</u>	<u>10,119,371</u>
<b>7.1.1 Cost of additions / transfers</b>			
Buildings		219,125	188,729
Plant and machinery		1,395,219	1,194,990
Services and other equipment		327	20,296
Computers and IT installations		2,526	13,958
Furniture and fixtures		4,856	57,507
Office equipment		7,494	9,866
Vehicles		53,367	63,128
		<u>1,682,914</u>	<u>1,548,474</u>
<b>7.1.2 Book value of deletions</b>			
Plant and machinery		14,019	66,712
Computers and IT installations		139	883
Vehicles		7,343	9,807
		<u>21,501</u>	<u>77,402</u>

	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>7.2 Capital work-in-progress</b>		
Civil works and buildings	276,315	175,859
Plant and machinery	87,509	408,896
Advances for capital expenditure	-	2,155
	363,824	586,910
	Un-audited Nine months ended March 2022 (Rupees in thousand)	March 2021
<b>8. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	5,436,044	2,168,777
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	555,555	472,374
Finance cost	603,794	507,883
Gain on disposal of property, plant and equipment	(36,682)	(13,313)
Gain on remeasurement of GIDC payable	(5,424)	(19,588)
Allowance for expected credit losses	31,045	37,547
Return on bank deposits	(18,218)	(8,095)
Working capital changes (Note 8.1)	(3,894,401)	(3,064,670)
	2,671,713	80,915
<b>8.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets:</b>		
Stores, spare parts and loose tools	(156,367)	(121,347)
Stock-in-trade	(2,944,295)	207,398
Trade debts	(1,198,137)	(1,321,606)
Advances	(597,402)	(664,296)
Short term prepayments	(11,776)	(32,811)
Other receivables	(43,578)	(549,416)
	(4,951,555)	(2,482,078)
<b>Increase / (decrease) in trade and other payables</b>	1,057,154	(582,592)
	(3,894,401)	(3,064,670)

## 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 Nine months ended		Un-audited Quarter ended	
	March 2022	March 2021	March 2022	March 2021
..... (Rupees in thousand) .....				
<b>i) Transactions</b>				
<b>Subsidiary companies</b>				
<b>Maple Leaf Cement Factory Limited</b>				
Purchase of goods and services	92,037	100,417	3,862	35,839
Common expenses	17,486	12,069	6,421	3,480
<b>Maple Leaf Capital Limited</b>				
Funds transferred	500,000	-	-	-
Receipts	300,000	-	-	-
Mark up charged	5,853	-	584	-
Loan repaid	-	445,216	-	-
Mark-up on loan	-	2,005	-	-
<b>Key management personnel</b>				
Remuneration and other benefits	180,790	172,989	61,372	59,577
<b>Post employment benefit plan</b>				
Company's contribution to provident fund trust	55,034	47,665	18,448	15,929
<b>ii) 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 2021: 73,390,896) and 49,639,992 [16.59%] (30 June 2021: 49,639,992) ordinary shares respectively of the Company on which dividend amounting to Rupees 146,781,792 (30 June 2021: Rupees 146,781,792) and Rupees 99,279,984 (30 June 2021: Rupees 99,279,984) respectively was paid during the period.</b>				
			Un-audited 31 March 2022	Audited 30 June 2021
			(Rupees in thousand)	
<b>iii) Period / year end balances</b>				
<b>Maple Leaf Cement Factory Limited</b>				
Trade and other payables			(72,720)	(96,779)
<b>Maple Leaf Capital Limited</b>				
Trade and other payables			(1,902)	(1,939)



## 10. SEGMENT INFORMATION

### 10.1

	Spinning		Weaving		Processing and Home Textile		Elimination of inter-segment transactions		Company	
	Un-audited		Un-audited		Un-audited		Un-audited		Un-audited	
	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021	March 2022	March 2021
Revenue:	15,816,758	10,296,126	5,772,988	3,926,045	7,344,901	7,448,939	-	-	28,934,647	21,671,110
External Inter-segment	368,763	970,310	899,077	1,303,622	3,960	3,960	(1,271,800)	(2,273,932)	-	-
Cost of sales	16,185,521	11,266,436	6,672,065	5,229,667	7,348,861	7,448,939	(1,271,800)	(2,273,932)	28,934,647	21,671,110
Gross profit	(10,791,278)	(8,948,451)	(6,763,082)	(4,005,356)	(6,769,287)	(6,116,321)	1,271,800	2,273,932	(21,057,847)	(17,386,196)
Distribution cost	5,388,243	2,317,985	908,983	624,312	1,579,674	1,332,618	-	-	7,876,800	4,274,915
Administrative expenses	(59,672)	(35,093)	(190,118)	(91,974)	(879,209)	(768,412)	-	-	(1,121,999)	(885,479)
Profit before tax and unallocated income and expenses	(226,552)	(203,631)	(127,436)	(110,661)	(186,677)	(167,679)	-	-	(940,564)	(481,971)
Finance cost	(279,224)	(238,724)	(317,553)	(202,635)	(1,065,786)	(926,091)	-	-	(1,662,563)	(1,367,450)
Taxation	5,109,019	2,079,261	591,430	421,677	513,788	406,527	-	-	6,214,237	2,907,465
Unallocated income and expenses										
Other expenses										
Other income										
Profit after taxation	(438,288)	(263,889)	263,889	87,757	(438,288)	(263,889)			(438,288)	(263,889)
Reconciliation of reportable segment assets and liabilities	(603,794)	(478,349)	(1,125,167)	(903,360)	(1,125,167)	(903,360)			(603,794)	(478,349)
Profit after taxation	(1,903,360)	(1,217,037)	(1,903,360)	(1,217,037)	(1,903,360)	(1,217,037)			(1,903,360)	(1,217,037)
Unallocated assets	4,310,877	1,690,428	4,310,877	1,690,428	4,310,877	1,690,428			4,310,877	1,690,428

### 10.2 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company	
	Un-audited		Un-audited		Un-audited		Un-audited	
	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021	31 March 2022	30 June 2021
Total assets for reportable segments	10,096,265	6,987,209	4,902,007	3,619,156	6,862,368	5,555,619	21,860,630	16,161,984
Unallocated assets							18,252,111	17,972,271
Total assets as per unconsolidated condensed interim statement of financial position							40,112,741	34,134,255
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.							11,709,043	10,452,395
Total liabilities for reportable segments	4,921,120	3,581,834	1,433,883	781,283	5,354,040	6,089,278	4,533,856	3,524,303
Unallocated liabilities							16,242,899	13,976,698
Total liabilities as per unconsolidated condensed interim statement of financial position							21,776,755	17,500,998
All segment liabilities are allocated to reportable segments other than trade and other payables and deferred tax liabilities.							16,242,899	13,976,698

## 11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### Fair value hierarchy

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

At 31 March 2022	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Investment properties	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	-	2,768,287
<b>Total non-financial assets</b>	<b>-</b>	<b>4,592,647</b>	<b>-</b>	<b>4,592,647</b>

At 30 June 2021	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Investment properties	-	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 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 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 2021, 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 2021.

#### 14. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were approved by the Board of Directors and authorized for issue on 20 April 2022.

#### 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 reclassification / rearrangement of corresponding figures has been made.

#### 16. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER



**KOHINOOR TEXTILE MILLS LIMITED**

**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED  
31 MARCH 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 (56.12%), Maple Leaf Power Limited (56.12%) and Maple Leaf Capital Limited (82.92%) (Together referred to as Group) for the nine months ended 31 March 2022.

### GROUP RESULTS

The Group has earned gross profit of Rupees 17,789 million as compared to Rupees 10,731 million of corresponding period. The Group has earned pre-tax profit of Rupees 7,495 million this period as compared to Rupees 9,738 million during the previous period. The overall Group financial results are as follows:

	March 2022 (Rupees in million)	March 2021
Revenue	62,934	47,669
Gross profit	17,789	10,731
Profit from operations	9,389	11,331
Financial charges	1,894	1,593
Net profit after taxation	5,265	7,836
	----- (Rupees) -----	
Earnings per share - Basic and diluted	12.82	19.88

### SUBSIDIARY COMPANIES

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

It has recorded an increase of 30.94% in its sales over previous period and has earned gross profit of 25.28% (March 2021: 20.58%) amounting to Rupees 8,618 million (March 2021: 5,358 million).

It has earned after tax profit of Rupees 3,592 million (March 2021: Rupees 5,521 million).

#### Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 722 million (March 2021: Rupees 896 million).

#### Maple Leaf Capital Limited (MLCL)

MLCL has incurred / earned after tax (loss) / profit of Rupees (3,894) million (March 2021: Rupees 3,127 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  
April 20, 2022

  
Taufique Sayeed Saigol  
Chief Executive

  
Syed Mohsin Raza Naqvi  
Director

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Note	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021 (Rupees in thousand)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>			
370,000,000 (30 June 2021: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2021: 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 2021: 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
		<u>5,056,523</u>	<u>5,056,523</u>
<b>Revenue reserves</b>			
General reserve		1,450,491	1,450,491
Unappropriated profit		29,331,714	26,092,086
		<u>30,782,205</u>	<u>27,542,577</u>
<b>Equity attributable to equity holders of the Holding Company</b>		<u>38,831,692</u>	<u>35,592,064</u>
<b>Non-controlling interest</b>		<u>18,475,681</u>	<u>17,048,451</u>
<b>Total equity</b>		<u>57,307,373</u>	<u>52,640,515</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	5	17,880,414	14,810,723
Deferred grant		223,124	73,856
Gas Infrastructure Development Cess (GIDC) payable		-	57,184
Long term deposits		8,214	8,214
Retirement benefits		255,049	228,266
Retention money payable		-	391,694
Deferred income tax liability		4,287,032	3,949,204
		<u>22,653,833</u>	<u>19,519,141</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		13,477,810	10,246,551
Accrued mark-up		636,418	338,631
Short term borrowings		12,261,060	9,080,276
Current portion of non-current liabilities		4,374,322	3,335,310
Unclaimed dividend		62,468	58,726
		<u>30,812,078</u>	<u>23,059,494</u>
<b>Total liabilities</b>		<u>53,465,911</u>	<u>42,578,635</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	6	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>110,773,284</u>	<u>95,219,150</u>

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



	Note	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	65,333,311	56,012,067
Investment properties		1,824,360	1,824,360
Intangibles		4,512	6,018
Long term loans to employees		30,008	17,004
Long term investments		272,352	157,410
Long term deposits		111,817	110,263
		<b>67,576,360</b>	<b>58,127,122</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		16,460,969	10,859,200
Stock -in- trade		8,702,483	6,058,721
Trade debts		7,213,827	4,947,118
Loans and advances		1,993,876	1,104,374
Security deposits and short term prepayments		573,808	257,235
Other receivables		1,747,156	1,592,142
Taxation - net		715,897	1,364,178
Short term investments		4,626,794	10,065,021
Cash and bank balances		1,162,114	844,039
		<b>43,196,924</b>	<b>37,092,028</b>
<b>TOTAL ASSETS</b>		<b>110,773,284</b>	<b>95,219,150</b>


  
 CHIEF EXECUTIVE OFFICER


  
 DIRECTOR


  
 CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM  
STATEMENT OF PROFIT OR LOSS (Un-audited)**  
For the nine months ended 31 March 2022

	Nine months ended		Quarter ended	
	March 2022	March 2021	March 2022	March 2021
	..... (Rupees in thousand) .....			
Revenues	62,933,924	47,668,710	22,337,520	17,122,489
Cost of sales	(45,145,126)	(36,937,592)	(16,170,727)	(12,789,987)
Gross profit	17,788,798	10,731,118	6,166,793	4,332,502
Distribution cost	(2,269,545)	(1,602,262)	(787,385)	(676,379)
Administrative expenses	(1,300,303)	(1,292,010)	(433,598)	(474,857)
Other expenses	(5,867,693)	(599,688)	(2,215,355)	(238,900)
	(9,437,541)	(3,493,960)	(3,436,338)	(1,390,136)
Other income	8,351,257	7,237,158	2,730,455	2,942,366
	1,037,658	4,094,103	782,653	1,311,319
Profit from operations	9,388,915	11,331,261	3,513,108	4,253,685
Finance cost	(1,893,713)	(1,592,767)	(724,686)	(492,098)
Profit before taxation	7,495,202	9,738,494	2,788,422	3,761,587
Provision for taxation	(2,229,752)	(1,902,814)	(768,017)	(813,079)
Profit after taxation	5,265,450	7,835,680	2,020,405	2,948,508
Share of profit attributable to:				
Equity holders of Holding Company	3,838,220	5,949,994	1,474,137	2,206,789
Non-controlling interest	1,427,230	1,885,686	546,268	741,719
	5,265,450	7,835,680	2,020,405	2,948,508
Earnings per share - basic and diluted (Rupees)	12.82	19.88	4.93	7.37

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 nine months ended 31 March 2022

	Nine months ended		Quarter ended	
	March 2022	March 2021	March 2022	March 2021
	..... (Rupees in thousand) .....			
<b>Profit after taxation</b>	5,265,450	7,835,680	2,020,405	2,948,508
<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>	<u>5,265,450</u>	<u>7,835,680</u>	<u>2,020,405</u>	<u>2,948,508</u>
<b>Share of total comprehensive income attributable to:</b>				
Equity holders of Holding Company	3,838,220	5,949,994	1,474,137	2,206,789
Non-controlling interest	1,427,230	1,885,686	546,268	741,719
	<u>5,265,450</u>	<u>7,835,680</u>	<u>2,020,405</u>	<u>2,948,508</u>

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 nine months ended 31 March 2022

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY								Non-controlling interest	Total equity	
	RESERVES										
	CAPITAL RESERVES		REVENUE RESERVES			Total reserves					
	Share capital	Share premium	Surplus on revaluation of freehold land and investment properties	Sub - total	General reserves	Unappropriated profit	Sub-total	Total reserves			
Balance as at 30 June 2020 - audited	2,992,964	986,077	4,041,716	5,027,793	1,450,491	18,368,673	19,819,164	24,846,957	27,839,921	14,756,901	42,596,822
Transaction with owners:	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Final dividend for the year ended 30 June 2020 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Interim dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)	-	(598,592)
Profit for the period	-	-	-	-	-	5,949,994	5,949,994	5,949,994	5,949,994	1,885,686	7,835,680
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	5,949,994	5,949,994	5,949,994	5,949,994	1,885,686	7,835,680
Balance as at 31 March 2021 - (un-audited)	2,992,964	986,077	4,041,716	5,027,793	1,450,491	23,720,075	25,170,566	30,198,959	33,191,323	16,642,587	49,833,910
Transactions with owners:	-	-	-	-	-	(126,546)	(126,546)	(126,546)	(126,546)	(293,910)	(420,456)
- Transaction with non-controlling interests	-	-	-	-	-	(126,546)	(126,546)	(126,546)	(126,546)	(293,910)	(420,456)
Profit for the period	-	-	-	-	-	2,509,570	2,509,570	2,509,570	2,509,570	708,385	3,217,955
Other comprehensive income for the period	-	-	28,730	28,730	-	(11,013)	17,717	17,717	17,717	(8,611)	9,106
Total comprehensive income for the period	-	-	28,730	28,730	-	2,498,557	2,498,557	2,527,287	2,527,287	699,774	3,227,061
Balance as at 30 June 2021 - audited	2,992,964	986,077	4,070,446	5,086,523	1,450,491	26,092,086	27,542,577	32,599,100	35,592,064	17,048,451	52,640,515
Transaction with owners:	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Final dividend for the year ended 30 June 2021 @ Rupee 1.00 per share	-	-	-	-	-	(299,296)	(299,296)	(299,296)	(299,296)	-	(299,296)
- Interim dividend for the year ended 30 June 2022 @ Rupee 1.00 per share	-	-	-	-	-	(598,592)	(598,592)	(598,592)	(598,592)	-	(598,592)
Profit for the period	-	-	-	-	-	3,838,220	3,838,220	3,838,220	3,838,220	1,427,230	5,265,450
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	3,838,220	3,838,220	3,838,220	3,838,220	1,427,230	5,265,450
Balance as at 31 March 2022 - (un-audited)	2,992,964	986,077	4,070,446	5,086,523	1,450,491	29,331,714	30,782,205	35,838,728	38,831,692	18,475,681	57,307,373

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 CASH FLOWS (Un-audited)

For the nine months ended 31 March 2022

Note	March 2022	March 2021
	(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	8 8,544,247	7,336,057
Net (increase) / decrease in long term loans to employees	(13,004)	1,170
Net increase in long term deposits	(1,554)	(723)
Net (decrease) / increase in retention money	(391,694)	20,073
Gas Infrastructure Development Cess (GIDC) paid	(32,187)	-
Employees benefits paid	(27,829)	(40,317)
Finance cost paid	(1,555,427)	(1,952,097)
Income tax paid	(1,243,643)	(1,091,602)
<b>Net cash generated from operating activities</b>	<b>5,278,909</b>	<b>4,272,561</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure on property, plant and equipment	(12,000,242)	(2,250,617)
Interest received	37,081	24,488
Proceeds from disposal of property, plant and equipment	71,646	64,838
Long term investments made	(114,942)	-
<b>Net cash used in investing activities</b>	<b>(12,006,457)</b>	<b>(2,161,291)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	7,207,998	1,643,713
Repayment of long term financing	(2,943,440)	(200,741)
Grant received during the period	195,131	-
Short term borrowings - net	3,180,784	(3,725,865)
Dividend paid	(594,850)	(318,519)
<b>Net cash from / (used in) financing activities</b>	<b>7,045,623</b>	<b>(2,601,412)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>318,075</b>	<b>(490,142)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>844,039</b>	<b>1,395,483</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,162,114</b>	<b>905,341</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 nine months ended 31 March 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) Limited. 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 56.12% (30 June 2021: 56.12%) shares of Maple Leaf Cement Factory Limited, 82.92% (30 June 2021: 82.92%) shares of Maple Leaf Capital Limited and 56.12% (30 June 2021: 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 (“the Subsidiary”) was incorporated in Pakistan on 15 October 2015 as a public limited company under the Companies Ordinance, 1984 (Now the Companies Act, 2017). 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 2021. 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 2021.

### 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 applied in the preceding audited annual published financial statements of the Group for the year ended 30 June 2021.

	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>5. LONG TERM FINANCING - SECURED</b>		
Balance at beginning of the period / year	17,548,052	15,299,341
Add : Obtained during the period / year	7,403,129	2,829,207
Less: Discounting adjustments for recognition at fair value - deferred government grant	(195,131)	(249,636)
Add: Unwinding of discount on liability	85,955	88,456
	24,842,005	17,967,368
Less: Repaid during the period / year	(2,943,440)	(419,316)
	21,898,565	17,548,052
Less: Current portion shown under current liabilities	(4,018,151)	(2,737,329)
	17,880,414	14,810,723

- 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).

## **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 2021.

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

- (i) Letters of credit for capital expenditure amounting to Rupees 12,236.364 million (30 June 2021: Rupees 12,185.517 million).
- (ii) Letters of credit other than for capital expenditure amounting to Rupees 1,269.371 million (30 June 2021: Rupees 3,388.249 million).
- (iii) Future contracts - shares in respect of which the settlement is outstanding amounting to Rupees Nil (30 June 2021: Rupees 1,772.168 million).



	Note	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	7.1	53,681,626	52,462,922
Capital work-in-progress	7.2	10,932,371	3,441,203
Stores held for capitalization		719,314	107,942
		<u>65,333,311</u>	<u>56,012,067</u>
<b>7.1 Operating fixed assets</b>			
Net book value at the beginning of the period / year		52,462,922	53,313,404
Add : Cost of additions / transfers during the period / year	7.1.1	3,897,702	2,793,615
Add : Revaluation surplus on freehold land during the period / year		-	28,730
		<u>56,360,624</u>	<u>56,135,749</u>
Less : Book value of deletions during the period / year	7.1.2	(39,466)	(157,137)
		<u>56,321,158</u>	<u>55,978,612</u>
Less : Depreciation charged during the period / year		(2,639,532)	(3,515,690)
Net book value at the end of the period / year		<u>53,681,626</u>	<u>52,462,922</u>
<b>7.1.1 Cost of additions / transfers</b>			
Buildings		763,374	792,475
Plant and machinery		3,025,045	1,795,865
Services and other equipment		327	20,296
Computers and IT installations		3,002	14,190
Furniture and fixtures		14,996	65,285
Office equipment		7,516	10,012
Vehicles		83,442	95,492
		<u>3,897,702</u>	<u>2,793,615</u>
<b>7.1.2 Book value of deletions</b>			
Buildings		3,235	-
Plant and machinery		25,669	137,486
Computers and IT installations		139	396
Vehicles		10,423	19,255
		<u>39,466</u>	<u>157,137</u>

	Un-audited 31 March 2022 (Rupees in thousand)	Audited 30 June 2021
<b>7.2 Capital work-in-progress</b>		
Civil Works	2,317,875	1,063,380
Plant and machinery	1,168,840	974,888
Advances for capital expenditure	7,169,727	1,402,935
Unallocated expenses	275,929	-
	<u>10,932,371</u>	<u>3,441,203</u>
	<b>Un-audited Nine months ended March 2022 (Rupees in thousand)</b>	<b>March 2021</b>
<b>8. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	7,495,202	9,738,494
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	2,639,532	2,992,358
Amortization of intangible assets	5,536	5,536
Finance cost	1,893,713	1,592,767
Retirement benefits	53,901	44,194
Bad debts written off	-	46,355
Allowance for expected credit losses	100,399	75,835
Other receivables written off	-	18,205
Gain on disposal of property, plant and equipment	(32,180)	(13,324)
Unrealized loss / (gain) on remeasurement of investments at fair value	4,012,291	(2,624,014)
Return on bank deposits	(43,428)	(24,704)
Gain on remeasurement of GIDC payable	(5,424)	(50,595)
Working capital changes (Note 8.1)	(7,575,295)	(4,465,050)
	<u>8,544,247</u>	<u>7,336,057</u>
<b>8.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	(5,601,769)	(676,141)
Stock-in-trade	(2,643,762)	172,364
Trade debts	(2,367,108)	(267,638)
Loans and advances	(889,502)	(1,053,820)
Security deposits and short term prepayments	(316,573)	(100,678)
Other receivables	(155,014)	(603,977)
Short Term investment - net	1,425,936	(2,945,149)
	<u>(10,547,792)</u>	<u>(5,475,039)</u>
<b>Increase in trade and other payables</b>	2,972,497	1,009,989
	<u>(7,575,295)</u>	<u>(4,465,050)</u>

## 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 Nine months ended		Un-audited Quarter ended	
	March 2022	March 2021	March 2022	March 2021
	..... (Rupees in thousand) .....			
i) <b>Key management personnel</b>				
Remuneration and other benefits	401,031	365,628	134,982	131,336
<b>Post employment benefit plan</b>				
Contribution to provident fund	212,990	180,568	71,481	63,799
Contribution to Gratuity fund	15,346	24,387	4,232	6,151
ii) 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 2021: 73,390,896) and 49,639,992 [16.59%] (30 June 2021: 49,639,992) ordinary shares respectively of the Holding Company on which dividend amounting to Rupees 146,781,792 (30 June 2021: Rupees 146,781,792) and Rupees 99,279,984 (30 June 2021: Rupees 99,279,984) respectively was paid during the period.				



## 11. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

### Fair value hierarchy

Certain financial assets and financial liabilities are 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. Judgements and estimates are made in determining the fair values of the financial instruments that are recognised and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group classify its financial instruments into the following three 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 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 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 for non-financial assets not measured at fair value in these consolidated financial statements but for which the fair value is described 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 31 March 2022	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Investment properties	-	1,824,360	-	1,824,360
Freehold land	-	2,768,287	1,192,037	3,960,324
<b>Total non-financial assets</b>	<b>-</b>	<b>4,592,647</b>	<b>1,192,037</b>	<b>5,784,684</b>

At 30 June 2021	Level 1	Level 2	Level 3	Total
	----- (Rupees in thousand) -----			
Investment properties	-	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.

#### 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 2021, 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 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 2021.

### 14. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 20 April 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 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 reclassification / rearrangement of corresponding figures has been made.

### 16. GENERAL

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



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER







Kohinoor Textile Mills Limited

A Kohinoor Maple Leaf Group Company

42-Lawrence Road,  
Lahore, Pakistan

