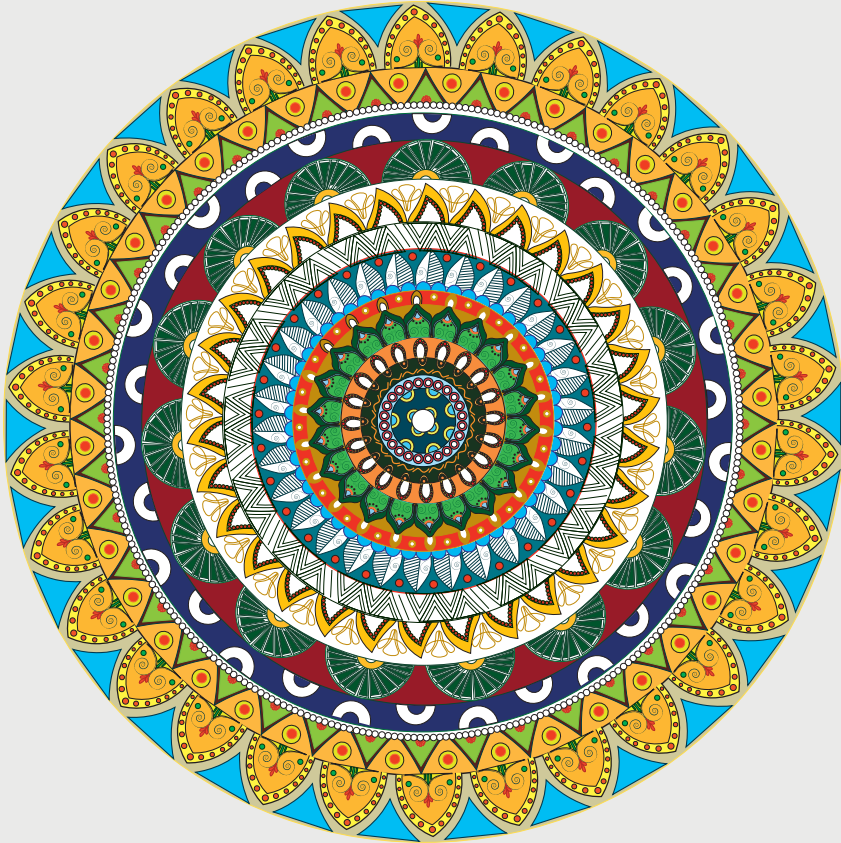


KOHINOOR
Textile Mills Limited



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A LEGACY OF EXCELLENCE

1ST QUARTERLY REPORT
SEPTEMBER 30, 2023

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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	
Syed Muhammad Shabbar Zaidi	
Mr. Zulfikar Monnoo	
Syed Mohsin Raza Naqvi	

Audit Committee

Syed Muhammad Shabbar Zaidi	Chairman
Mr. Zulfikar Monnoo	Member
Mr. Sayeed Tariq Saigol	Member
Mr. Waleed Tariq Saigol	Member

Human Resource & Remuneration Committee

Mr. Zulfikar Monnoo	Chairman
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 Younas,
Advocate High Court

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
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
PAIR Investment Company Limited
SAMBA Bank Limited
Silk Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Share Registrar

Vision Consulting Limited
5-C, LDA Flats,
Lawrence Road, Lahore
Tel: (00-92-42) 36283096-97
Fax: (00-92-42) 36312550
E-Mail: shares@vcl.com.pk

Registered Office

42-Lawrence Road, Lahore.
Tel: (00-92-42) 36302261-62
Fax: (00-92-42) 36368721

Mills:

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

Gulyana Road, Gujjar 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.knlg.com/ktml

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

DIRECTORS' REVIEW

The Directors present un-audited accounts of the Company for the quarter ended 30 September 2023, in compliance with the requirements of Section 237 of the Companies Act, 2017.

REVIEW OF OPERATIONS

The performance of the Company in the period under review improved over the previous quarter, driven by an increase in exports, a one-off positive impact from rapid devaluation and savings from the Company's self-generation of power. However, these trends were adversely impacted by rapidly increasing costs.

The results of the Spinning divisions were similar to those of the previous quarter but increased sales and improved rates failed to entirely compensate for the increased costs of energy. Towards the end of the quarter however, the yarn market became increasingly pressured due to uncertainty about the cost of energy, raw material and a lack of liquidity. Due to recent revaluation of the Pakistani Rupee and ongoing uncertainty about demand and energy prices, the coming quarter may be a difficult one for the Spinning industry.

The results of the Weaving division showed significant improvement in the period under review, driven by an increase in fabric prices and higher levels of exports. However, due to high interest costs, the results remain negative. We expect the situation to improve going forward but pessimism remains evident in the Weaving industry owing to rapid revaluation of the rupee and increased energy costs during this period of uncertainty in local demand.

The results in Processing and Cut & Sew division are similar to those of the previous quarter but showed a promising increase in the total volume of exports. However, going forward some headwinds are being felt due to rapid increase in energy costs and the value of the Pakistani Rupee. Some of the increases from high energy and financial costs are expected to be offset by slightly lower yarn prices and competitive cotton rates. We continue to remain committed to producing higher value quality goods in which we see a better future.

The Company's power grid project has been completed, allowing for a further expansion of our solar energy generation. We expect that by the end of the third quarter, all three of the Company's sites will operate entirely on renewable energy during daylight hours. We are continuing to expand our water recycling and storage capacity and believe that by the end of the financial year, we will be in a position to fully reclaim and reuse all of the Company's waste and sewage water. Further investment is planned in converting steam generation from natural gas to biofuel which should be installed by the end of the financial year.

FINANCIAL REVIEW

During the period under review, Company's sales increased by 51% to Rs. 14,441 million (2022: Rs. 9,585 million), while cost of sales increased by 46% to Rs. 11,696 million (2022: Rs. 8,033 million). This resulted in gross profit of Rs. 2,745 million (2022: Rs. 1,552 million). Operating profit for the period under review stood at Rs. 2,092 million (2022: Rs. 954 million). The Company made an after-tax profit of Rs. 982 million (2022: Rs. 477 million). Earnings per share for the quarter ended 30 September 2023 were at Rs. 3.41 against Rs. 1.59 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 27, 2023

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


As at 30 September 2023

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2023: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2023: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		4,000,000	4,000,000
Issued, subscribed and paid up share capital			
269,299,456 (30 June 2023: 299,296,456) ordinary shares of Rupees 10 each		2,692,994	2,992,964
Reserves			
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land		3,861,708	3,861,708
Own shares purchased for cancellation		-	(312,153)
		4,847,785	4,535,632
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		16,922,919	17,415,710
		18,373,410	18,866,201
Total equity		25,914,189	26,394,797
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	6,467,813	6,408,355
Deferred government grants		12,521	13,441
Deferred income tax liability		1,508,525	1,503,053
		7,988,859	7,924,849
CURRENT LIABILITIES			
Trade and other payables		4,345,276	4,331,413
Accrued mark-up		607,016	483,829
Short term borrowings		9,638,820	6,894,851
Current portion of non-current liabilities		1,419,402	1,338,436
Unclaimed dividend		32,197	32,264
Taxation - net		652,787	485,779
		16,695,498	13,566,572
Total liabilities		24,684,357	21,491,421
CONTINGENCIES AND COMMITMENTS			
	6		
TOTAL EQUITY AND LIABILITIES		50,598,546	47,886,218

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 2023 (Rupees in thousand)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	19,852,722	19,218,251
Long term investments		11,078,733	11,078,733
Long term deposits		61,628	61,628
		<u>30,993,083</u>	<u>30,358,612</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		1,123,658	1,069,324
Stock-in-trade		11,183,298	8,863,674
Trade debts		4,966,465	4,430,883
Advances		198,068	277,849
Short term deposits prepayments		96,846	30,361
Other receivables		1,499,428	1,744,173
Short term investments		294,198	467,867
Cash and bank balances		243,502	643,475
		<u>19,605,463</u>	<u>17,527,606</u>
TOTAL ASSETS		<u><u>50,598,546</u></u>	<u><u>47,886,218</u></u>


CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

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

For the quarter ended 30 September 2023

	30 September 2023 (Rupees in thousand)	30 September 2022 (Rupees in thousand)
REVENUE	14,440,995	9,585,251
COST OF SALES	(11,696,028)	(8,033,083)
GROSS PROFIT	2,744,967	1,552,168
DISTRIBUTION COST	(380,881)	(335,700)
ADMINISTRATIVE EXPENSES	(293,293)	(287,085)
OTHER EXPENSES	(94,058)	(57,941)
	(768,232)	(680,726)
OTHER INCOME	1,976,735	871,442
	115,543	82,929
PROFIT FROM OPERATIONS	2,092,278	954,371
FINANCE COST	(805,036)	(286,123)
PROFIT BEFORE TAXATION	1,287,242	668,248
TAXATION		
- Current	(299,283)	(127,893)
- Deferred	(5,471)	(63,721)
	(304,754)	(191,614)
PROFIT AFTER TAXATION	982,488	476,634
	30 September 2023 (Rupees)	30 September 2022 (Rupees)
EARNINGS PER SHARE - BASIC AND DILUTED	3.41	1.59

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 2023

	30 September 2023 (Rupees in thousand)	30 September 2022
PROFIT AFTER TAXATION	982,488	476,634
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss	-	-
	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	982,488	476,634

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 (Un-audited)

For the quarter ended 30 September 2023

	Reserves							Total reserves	Total equity	
	Capital reserves			Revenue reserves						
	Share capital	Share premium	Surplus on revaluation of freehold land	Own shares purchased for cancellation	Sub - Total	General reserve	Unappropriated profit			Sub - Total
Balance as at 30 June 2022 - (audited)	2,992,964	986,077	3,871,774	-	4,857,851	1,450,491	14,998,382	16,448,873	21,306,724	24,299,688
Profit for the period	-	-	-	-	-	-	476,634	476,634	476,634	476,634
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	476,634	476,634	476,634	476,634
Balance as at 30 September 2022 - (un-audited)	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
Own shares purchased during the year for cancellation	-	-	-	(312,153)	(312,153)	-	-	-	(312,153)	(312,153)
Surplus on revaluation of investment property	-	-	(10,066)	-	(10,066)	-	10,066	10,066	-	-
Profit for the period	-	-	-	-	-	-	1,930,628	1,930,628	1,930,628	1,930,628
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	1,930,628	1,930,628	1,930,628	1,930,628
Balance as at 30 June 2023 - (audited)	2,992,964	986,077	3,861,708	(312,153)	4,535,632	1,450,491	17,415,710	18,866,201	23,401,833	26,394,797
Own shares purchased during the period for cancellation	(299,970)	-	-	312,153	312,153	-	(1,475,279)	(1,475,279)	(1,163,126)	(1,463,096)
Profit for the period	-	-	-	-	-	-	982,488	982,488	982,488	982,488
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	982,488	982,488	982,488	982,488
Balance as at 30 September 2023 - (un-audited)	2,692,994	986,077	3,861,708	-	4,847,785	1,450,491	16,922,919	18,373,410	23,221,195	25,914,189

(Rupees in thousand)

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER

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

For the quarter ended 30 September 2023

	Note	30 September 2023 (Rupees in thousand)	30 September 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	8	(271,192)	308,581
Finance cost paid		(681,849)	(252,552)
Income tax paid		(132,275)	(190,476)
Net increase in long term deposits		-	(11)
Net cash used in operating activities		(1,085,316)	(134,458)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(961,771)	(1,039,007)
Proceeds from disposal of property, plant and equipment		18,346	727
Proceeds from disposal of long term investment		-	13,999
Short term investments - net		173,669	(108,254)
Interest received		34,789	13,668
Dividend received		-	20,026
Net cash used in investing activities		(734,967)	(1,098,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		345,950	725,079
Repayment of long term financing		(206,446)	(260,934)
Own shares purchased for cancellation		(1,463,096)	-
Short term borrowings - net		2,743,969	663,929
Dividend paid		(67)	(167)
Net cash from financing activities		1,420,310	1,127,907
NET DECREASE IN CASH AND CASH EQUIVALENTS		(399,973)	(105,392)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		643,475	309,629
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		243,502	204,237

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 2023

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 2023. 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 2023.

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 2023.

	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
5. LONG TERM FINANCING		
Secured		
Balance at beginning of the period / year	7,432,812	5,164,912
Add : Obtained during the period / year	345,950	3,093,962
Add: unwinding of discount on liability	1,038	9,027
	7,779,800	8,267,901
Less: Repaid during the period / year	(206,446)	(835,089)
	7,573,354	7,432,812
Less: Current portion shown under current liabilities	(1,105,541)	(1,024,457)
Balance as at end of the period / year	6,467,813	6,408,355

- 5.1** Long term financing includes long-term loan obtained under “SBP Temporary Economic Refinance Facility” for import of plant and machinery. The facility carries markup at the rate specified by State Bank of Pakistan plus spread of 1% per annum. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 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 2023.

6.2 Commitments in respect of:

- a) Contracts for capital expenditure amounting to Rupees Nil (30 June 2023: Rupees 61.542 million).
- b) Letters of credit for capital expenditure amounting to Rupees 967.317 million (30 June 2023: Rupees 600.809 million).
- c) Letters of credit other than for capital expenditure amounting to Rupees 903.888 million (30 June 2023: Rupees 1,269.175 million).

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	19,189,687	17,848,405
Capital work-in-progress	7.2	663,035	1,369,846
		19,852,722	19,218,251
7.1 Operating fixed assets			
Net book value at the beginning of the year		17,848,405	11,272,055
Add : Cost of additions / transfers during the period / year	7.1.1	1,668,582	7,560,386
		19,516,987	18,832,441
Less : Book value of deletions during the period / year	7.1.2	7,105	19,353
		19,509,882	18,813,088
Less : Depreciation charged during the period / year		320,195	964,683
Net book value at the end of the year		19,189,687	17,848,405
7.1.1 Cost of additions			
Freehold land		-	1,799,335
Buildings		9,040	1,076,669
Plant and machinery		1,616,728	4,530,863
Services and other equipment		3,261	16,021
Computers and IT installations		1,633	13,112
Furniture and fixtures		415	3,335
Office equipment		2,796	5,919
Vehicles		34,709	115,132
		1,668,582	7,560,386
7.1.2 Book value of deletions			
Plant and machinery		2,819	9,683
Computer and IT installations		2	306
Vehicles		4,284	9,364
		7,105	19,353

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023 (Rupees in thousand)
7.2 Capital work-in-progress			
Civil works and buildings		259,969	193,624
Plant and machinery		162,432	837,071
Advances for capital expenditure		240,634	339,151
		<u>663,035</u>	<u>1,369,846</u>
		Un-audited 30 September 2023 (Rupees in thousand)	Un-audited 30 September 2022 (Rupees in thousand)
8. CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		1,287,242	668,248
Adjustments for non-cash charges and other items:			
Depreciation		320,195	205,651
Finance cost		805,036	286,123
(Gain) / loss on sale of property, plant and equipment		(11,241)	887
Allowance for expected credit losses		-	8,842
Dividend income		-	(20,026)
Return on bank deposits		(34,789)	(13,668)
Working capital changes	8.1	(2,637,635)	(827,476)
		<u>(271,192)</u>	<u>308,581</u>
8.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(54,334)	15,130
Stock-in-trade		(2,319,624)	(1,228,663)
Trade debts		(535,582)	840,513
Advances		79,781	(586,227)
Security deposits and short term prepayments		(66,485)	16,432
Other receivables		244,745	(122,619)
		<u>(2,651,499)</u>	<u>(1,065,434)</u>
Increase in trade and other payables		13,864	237,958
		<u>(2,637,635)</u>	<u>(827,476)</u>

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 2023 (Rupees in thousand)	30 September 2022 (Rupees in thousand)
i) Transactions		
Subsidiary companies		
Maple Leaf Cement Factory Limited		
Purchase of goods and services	819	700
Maple Leaf Capital Limited		
Expenses on behalf of the Maple Leaf Capital Limited	1,920	-
Payment received against expenses	1,920	-
Key management personnel		
Remuneration and other benefits	118,692	168,053
Post employment benefit plan		
Company's contribution to provident fund trust	29,205	24,533
	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023 (Rupees in thousand)
ii) Period end balances		
Maple Leaf Cement Factory Limited		
Trade and other payables	(3,506)	(11,665)

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 2023: 73,390,896) and 55,256,992 [18.46%] (30 June 2023: 55,256,992) ordinary shares respectively of the Company.

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.

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	
	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022
REVENUE :	(Rupees in thousands)									
EXTERNAL INTER-SEGMENT	7,079,712	4,970,507	3,142,888	2,051,770	4,218,395	2,562,974	-	-	14,440,995	9,585,251
	856,681	35,705	536,371	431,371	2,953	1,541	(1,396,005)	(468,617)	-	-
	7,936,393	5,006,212	3,679,259	2,483,141	4,221,348	2,564,515	(1,396,005)	(468,617)	14,440,995	9,585,251
COST OF SALES	(6,640,688)	(4,318,013)	(3,471,626)	(2,156,114)	(2,979,739)	(2,027,573)	1,396,005	468,617	(11,696,028)	(8,033,083)
GROSS PROFIT	1,295,725	688,199	207,633	327,027	1,241,609	536,942	-	-	2,744,967	1,552,168
DISTRIBUTION COST	(24,035)	(19,246)	(43,849)	(64,318)	(312,997)	(252,136)	-	-	(380,881)	(335,700)
ADMINISTRATIVE EXPENSES	(145,008)	(172,333)	(60,655)	(46,824)	(87,630)	(67,928)	-	-	(293,293)	(287,085)
PROFIT BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(169,043)	(191,579)	(104,504)	(111,142)	(400,627)	(320,064)	-	-	(674,174)	(622,785)
UNALLOCATED INCOME AND EXPENSES	1,126,682	496,620	103,129	215,885	840,982	216,878	-	-	2,070,793	929,383
OTHER EXPENSES										
OTHER INCOME										
FINANCE COST										
TAXATION										
PROFIT AFTER TAXATION										
	(94,068)	(57,941)	115,543	82,929	(286,123)	(191,614)	(1,088,305)	(452,749)	982,488	476,634
	(630,754)	(304,754)	(1,088,305)	(452,749)	(452,749)	(452,749)	(452,749)	(452,749)	(452,749)	(452,749)

10.2 Reconciliation of reportable segment assets and liabilities

	Spinning		Weaving		Processing and Home Textile		Company			
	Un-audited		Un-audited		Un-audited		Un-audited			
	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended	Quarter ended		
	30 September 2023	30 June 2023	30 September 2023	30 June 2023	30 September 2023	30 June 2023	30 September 2023	30 June 2023		
TOTAL ASSETS FOR REPORTABLE SEGMENT	18,079,696	14,947,908	9,234,806	9,321,904	12,205,311	12,503,074	39,519,813	36,772,886	11,078,733	11,113,332
UNALLOCATED ASSETS										
TOTAL ASSETS AS PER UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION										
All segment assets are allocated to reportable segments other than those directly relating to corporate and tax assets.										
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	5,578,150	4,647,325	3,713,068	3,796,493	9,539,338	7,213,137	18,830,556	15,656,955	5,853,801	5,834,466
UNALLOCATED LIABILITIES										
TOTAL LIABILITIES AS PER UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION										
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

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 2023	Level 1	Level 2	Level 3	Total
	----- (RUPEES IN THOUSAND) -----			
Freehold land	-	4,567,622	-	4,567,622

At 30 June 2023	Level 1	Level 2	Level 3	Total
----- (RUPEES IN THOUSAND) -----				
Freehold land	-	4,567,622	-	4,567,622

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 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.

Valuation processes

The Company engages external, independent and qualified valuers to determine the fair value of the Company's freehold land at the end of every financial year. As at 30 June 2023, the fair values of the 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 2023.

14. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 27 October 2023 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



**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED
30 SEPTEMBER 2023**

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%), Maple Leaf Industries Limited (57.43%) and Maple Leaf Capital Limited (82.92%) (Together referred to as Group) for the quarter ended 30 September 2023.

GROUP RESULTS

The Group has earned gross profit of Rupees 8,154 million as compared to Rupees 5,427 million of corresponding period. The Group has earned pre-tax profit of Rupees 4,457 million this period as compared to Rupees 3,911 million during the previous period. The overall Group financial results are as follows:

	September 2023	September 2022
	(Rupees in million)	
Revenue	31,116	22,412
Gross profit	8,154	5,427
Profit from operations	6,388	4,798
Financial charges	1,931	886
Net profit after taxation	3,145	2,938
	----- (Rupees) -----	
Earnings per share - Basic and diluted	8.10	7.13

SUBSIDIARY COMPANIES

Maple Leaf Cement Factory Limited (MLCFL)

It has recorded an increase of 30% in its sales over previous period and has earned gross profit of 29.85% (30 Sep 2022: 30.44%) amounting to Rupees 4,977 million (30 Sep 2022: Rupees 3,905 million).

It has earned after tax profit of Rupees 1,330 million (30 Sep 2022: Rupees 1,210 million).

Maple Leaf Power Limited (MLPL)

MLPL has earned after tax profit of Rupees 308 million (30 Sep 2022: Rupees 134 million).

Maple Leaf Industries Limited (MLIL)

MLIL has incurred after tax loss of Rupees 0.66 million (30 Sep 2022: Rupees Nil).

Maple Leaf Capital Limited (MLCL)

MLCL has earned after tax profit of Rupees 443 million (30 Sep 2022: Rupees 835 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



Syed Mohsin Raza Naqvi
Director



Taufique Sayeed Saigol
Chief Executive

Lahore
October 27, 2023

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Note	Un-audited 30 September 2023	Audited 30 June 2023
(Rupees in thousand)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
370,000,000 (30 June 2023: 370,000,000) ordinary shares of Rupees 10 each		3,700,000	3,700,000
30,000,000 (30 June 2023: 30,000,000) preference shares of Rupees 10 each		300,000	300,000
		4,000,000	4,000,000
Issued, subscribed and paid-up share capital			
269,299,456 (30 June 2023: 299,296,456) ordinary shares of Rupees 10 each		2,692,994	2,992,964
Reserves			
Capital reserves			
Share premium		986,077	986,077
Surplus on revaluation of freehold land and investment properties		4,060,380	4,060,380
Fair value reserve		114,376	125,792
Own shares purchased for cancellation		-	(312,153)
		5,160,833	4,860,096
Revenue reserves			
General reserve		1,450,491	1,450,491
Unappropriated profit		36,529,347	35,671,941
		37,979,838	37,122,432
Equity attributable to equity holders of the Holding Company		45,833,665	44,975,492
Non-controlling interest		21,606,949	20,802,664
Total equity		67,440,614	65,778,156
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	21,748,833	21,641,692
Deferred grant		576,824	619,367
Long term liability against right of use assets		30,364	31,407
Long term deposits		8,214	8,214
Retirement benefits		290,886	278,493
Retention money payable		1,744,416	1,752,988
Deferred income tax liability		9,681,762	9,263,735
		34,081,299	33,595,896
CURRENT LIABILITIES			
Trade and other payables		16,030,809	15,764,565
Accrued mark-up		1,534,374	1,348,355
Short term borrowings		14,104,852	9,015,010
Current portion of non-current liabilities		3,983,481	4,439,352
Unclaimed dividend		59,541	59,642
Taxation - net		936,705	539,655
		36,649,762	31,166,579
Total liabilities		70,731,061	64,762,475
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	6	138,171,675	130,540,631

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 2023 (Rupees in thousand)	Audited 30 June 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	84,197,777	83,545,648
Investment properties		-	-
Intangibles		6,553	6,947
Long term loans to employees		29,087	18,089
Long term investment		350,609	350,609
Long term deposits		120,539	120,029
		84,704,565	84,041,322
CURRENT ASSETS			
Stores, spare parts and loose tools		14,899,359	11,531,687
Stock -in- trade		14,465,932	12,677,833
Trade debts		8,752,754	7,031,871
Loans and advances		1,640,872	1,178,308
Security deposits and short term prepayments		877,428	535,471
Other receivables		1,847,948	1,859,582
Short term investments		9,642,979	10,087,503
Cash and bank balances		1,339,838	1,597,054
		53,467,110	46,499,309
TOTAL ASSETS		138,171,675	130,540,631


CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM
STATEMENT OF PROFIT OR LOSS** (Un-audited)
For the quarter ended 30 September 2023

	30 September 2023	30 September 2022
	(Rupees in thousand)	
REVENUES	31,115,743	22,411,895
COST OF SALES	(22,961,976)	(16,984,463)
GROSS PROFIT	8,153,767	5,427,432
DISTRIBUTION COST	(1,532,086)	(753,041)
ADMINISTRATIVE EXPENSES	(757,624)	(699,734)
OTHER EXPENSES	(625,476)	(312,838)
	(2,915,186)	(1,765,613)
OTHER INCOME	5,238,581	3,661,819
	1,149,100	1,135,768
PROFIT FROM OPERATIONS	6,387,681	4,797,587
FINANCE COST	(1,930,608)	(886,126)
PROFIT BEFORE TAXATION	4,457,073	3,911,461
TAXATION	(1,311,643)	(973,229)
PROFIT AFTER TAXATION	3,145,430	2,938,232
SHARE OF PROFIT ATTRIBUTABLE TO :		
EQUITY HOLDERS OF HOLDING COMPANY	2,332,685	2,135,076
NON CONTROLLING INTEREST	812,745	803,156
	3,145,430	2,938,232

	30 September 2023	30 September 2022
	(Rupees)	
EARNINGS PER SHARE - BASIC AND DILUTED	8.10	7.13

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 2023

	30 September 2023 (Rupees in thousand)	30 September 2022 (Rupees in thousand)
PROFIT AFTER TAXATION	3,145,430	2,938,232
OTHER COMPREHENSIVE LOSS		
Items that will not be reclassified subsequently to profit or loss		
- Change in fair value of investment at fair value through other comprehensive income	(26,501)	-
- Related deferred tax	6,625	-
	(19,876)	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive loss for the period - net of tax	(19,876)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,125,554	2,938,232
SHARE OF TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of Holding Company	2,321,269	2,135,076
Non-controlling interest	804,285	803,156
	3,125,554	2,938,232

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 (Un-audited)

For the quarter ended 30 September 2023

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY												
SHARE CAPITAL	CAPITAL RESERVES				REVENUE RESERVES			Total reserves	Total	NON CONTROLLING INTEREST	TOTAL EQUITY	
	Share premium	Surplus on revaluation of freehold land	Own shares purchased for cancellation	Fair value reserve	Sub-Total	General reserves	Un appropriated profit					Sub-Total
2,992,984 (audited)	986,077	4,070,446	-	2,978	5,059,501	1,450,491	29,283,044	30,713,535	35,773,038	38,766,000	18,114,640	56,880,640
-	-	-	-	-	-	-	(37,259)	(37,259)	(37,259)	(37,259)	(158,751)	(176,010)
-	-	-	-	-	-	-	2,135,076	2,135,076	2,135,076	2,135,076	803,156	2,898,232
-	-	-	-	-	-	-	2,135,076	2,135,076	2,135,076	2,135,076	803,156	2,898,232
2,992,984 (un-audited)	986,077	4,070,446	-	2,978	5,059,501	1,450,491	31,360,861	32,811,352	37,870,853	40,863,817	18,779,045	59,842,862
Transactions with owners:												
-	-	-	(812,153)	-	-	-	-	-	(812,153)	(812,153)	-	(812,153)
-	-	(10,066)	-	-	-	-	10,066	10,066	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,307,822	4,307,822	4,307,822	4,307,822	1,942,641	6,250,463
-	-	-	-	-	-	-	(6,808)	(6,808)	116,006	116,006	80,978	196,984
-	-	-	-	122,814	122,814	-	-	-	-	-	-	-
-	-	-	-	122,814	122,814	-	4,301,014	4,301,014	4,423,828	4,423,828	2,023,619	6,447,447
2,992,984 (audited)	986,077	4,060,380	(812,153)	125,792	4,860,096	1,450,491	35,671,941	37,122,432	41,982,528	44,975,492	20,802,664	65,778,156
Transactions with owners:												
(998,970)	-	-	312,153	-	312,153	-	(1,475,279)	(1,475,279)	(1,163,126)	(1,463,096)	-	(1,463,096)
-	-	-	-	-	-	-	2,332,685	2,332,685	2,332,685	2,332,685	812,745	3,145,430
-	-	-	-	(11,416)	(11,416)	-	-	-	(11,416)	(11,416)	(8,460)	(19,876)
-	-	-	-	(11,416)	(11,416)	-	-	-	-	-	-	-
2,692,984 (un-audited)	986,077	4,060,380	-	114,376	5,160,833	1,450,491	36,529,347	37,979,838	43,140,671	45,833,665	21,806,949	67,440,614

(Rupees in thousand)

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 quarter ended 30 September 2023

	Note	30 September 2023	30 September 2022
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	8	150,373	2,510,614
Finance cost paid		(1,744,589)	(614,339)
Income tax paid		(496,566)	(466,994)
Retirement benefits paid		(7,463)	(16,415)
Net increase in long term deposits		(510)	(181)
Net cash (used in) / generated from operating activities		(2,098,755)	1,412,685
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(2,090,293)	(3,973,399)
Long term loan to employees - net		(10,998)	(3,127)
Long term investment made		-	(15,000)
Proceeds from disposal of long term investment		-	13,999
Short term investments - net		418,023	(731,584)
Proceeds from disposal of property, plant and equipment		179,729	10,051
Interest received		44,035	13,579
Dividend received		66,715	81,370
Net cash used in investing activities		(1,392,789)	(4,604,111)
CASH FLOWS FROM FINANCING ACTIVITIES			
Transaction with non-controlling interests		-	(176,010)
Proceeds from long term financing		345,950	2,327,292
Repayment of long term financing		(737,249)	(260,934)
Own shares purchased for cancellation		(1,463,096)	-
Lease rentals paid during the period		(1,018)	(722)
Short term borrowings - net		5,089,842	969,541
Dividend paid		(101)	(207)
Net cash from financing activities		3,234,328	2,858,960
NET DECREASE IN CASH AND CASH EQUIVALENTS		(257,216)	(332,466)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		1,597,054	1,161,658
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		1,339,838	829,192

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 2023

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 2023: 57.43%) shares of Maple Leaf Cement Factory Limited, 57.43% (30 June 2023: 57.43%) shares of Maple Leaf Industries Limited, 57.43% (30 June 2023: 57.43%) shares of Maple Leaf Power Limited and 82.92% (30 June 2023: 82.92%) shares of Maple Leaf Capital 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 Industries Limited (MLIL)

Maple Leaf Industries Limited was incorporated in Pakistan on 21 September 2022 as a public company limited by shares under the Companies Act, 2017. It is wholly owned subsidiary of MLCFL, which is subsidiary of the Holding Company. MLIL's objective is to produce, manufacture, prepare, treat, process, refine, and deal in all kinds of cement and its allied products. The registered office of MLIL is located at 42-Lawrence Road, Lahore. MLIL has not yet commenced its commercial operations.

1.2.4 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 2023. 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 2023.

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 2023.

	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
5. LONG TERM FINANCING		
Secured		
Balance at beginning of the period / year	25,265,550	24,532,580
Add : Obtained during the period / year	345,950	6,340,660
Less: discounting adjustments for recognition at fair value - deferred government grant	-	(3)
Add: unwinding of discount on liability	47,812	194,672
	<u>25,659,312</u>	<u>31,067,909</u>
Less: Repaid during the period / year	(737,249)	(5,802,359)
	<u>24,922,063</u>	<u>25,265,550</u>
Less: Current portion shown under current liabilities	(3,173,230)	(3,623,858)
	<u>21,748,833</u>	<u>21,641,692</u>

5.1 Long term financing includes long-term loan obtained by the Group under “SBP Temporary Economic Refinance Facility” and “SBP Financing Scheme for Renewable energy” for import of plant and machinery, for setting up of Waste Heat Recovery Plant, for import and installation of new cement production line (Line - IV) and for setting up of Solar Energy Project. The facility carries markup at the rate specified by State Bank of Pakistan plus spread of 1% to 2% per annum. The loan has been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates. The difference between fair value of loan and loan proceeds has been recognised as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 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 2023.

6.2 Commitments in respect of:

- (i) Contracts for capital expenditure amounting to Rupees Nil (30 June 2023: Rupees 61.542 million).
- (ii) Letters of credit for capital expenditure amount to Rupees 2,404.983 million (30 June 2023: Rupees 3,858.200 million).
- (iii) Letters of credit other than for capital expenditure amount to Rupees 1,252.877 million (30 June 2023: Rupees 3,662.414 million).
- (iv) Future contracts - shares in respect of which the settlement is outstanding amount to Rupees Nil (30 June 2023: Rupees 779.393 million).

	Note	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets:			
- Owned	7.1	81,553,944	80,217,655
- Leased	7.2	40,123	43,112
Capital work-in-progress	7.3	2,251,915	3,046,642
Major spare parts and stand-by equipments		351,795	238,239
		<u>84,197,777</u>	<u>83,545,648</u>
7.1 OPERATING FIXED ASSETS - OWNED			
Net book value at the beginning of the period / year		80,217,655	53,959,084
Add : Cost of additions / transfers during the period / year	7.1.1	2,771,464	30,353,683
		<u>82,989,119</u>	<u>84,312,767</u>
Less : Book value of deletions during the period / year	7.1.2	157,767	65,206
		<u>82,831,352</u>	<u>84,247,561</u>
Less : Depreciation charged during the period / year		1,277,408	4,029,906
		<u>81,553,944</u>	<u>80,217,655</u>
7.1.1 Cost of additions / transfers			
Freehold land		-	1,801,785
Buildings		380,220	6,810,640
Plant and machinery		2,304,866	21,120,634
Service and other equipment		3,261	16,021
Computer and IT installations		1,633	14,271
Furniture and fixture		3,660	61,738
Office equipment		2,796	5,970
Vehicles		75,028	520,724
Quarry equipment		-	1,900
		<u>2,771,464</u>	<u>30,353,683</u>
7.1.2 Book value of deletions			
Plant and machinery		151,265	40,736
Computer and IT installations		2	498
Furniture and fixture		-	166
Vehicles		6,500	23,806
		<u>157,767</u>	<u>65,206</u>

	Un-audited 30 September 2023 (Rupees in thousand)	Audited 30 June 2023
7.2 OPERATING FIXED ASSETS - LEASED		
Net book value at the beginning of the period / year	43,112	36,098
Add : Cost of additions / transfers during the period / year	7.2.1 -	17,666
	43,112	53,764
Less : Depreciation charged during the period / year	2,989	10,652
Net book value at the end of the period / year	40,123	43,112
7.2.1 Cost of additions		
Land	-	566
Building	-	17,100
	-	17,666
7.3 CAPITAL WORK-IN-PROGRESS		
Civil Works	523,923	588,977
Plant and machinery	231,934	1,425,083
Advances for capital expenditure	1,493,103	1,032,582
Unallocated expenses	2,955	-
	2,251,915	3,046,642

	Un-audited 30 September 2023 (Rupees in thousand)	Un-audited 30 September 2022
8. CASH GENERATED FROM OPERATIONS		
Profit before taxation	4,457,073	3,911,461
Adjustment for non-cash charges and other items		
Depreciation	1,277,408	904,986
Amortization	393	874
Finance cost	1,930,608	886,126
Retirement benefits	19,857	22,822
Allowance for expected credit losses	87,000	38,842
Gain on disposal of property, plant and equipment	(21,961)	(4,254)
Other receivables written off	-	2,509
Return on bank deposits	(57,393)	(21,381)
Dividend income	(126,213)	(82,549)
Working capital changes 8.1	(7,416,399)	(3,148,822)
	<u>150,373</u>	<u>2,510,614</u>
8.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(3,367,672)	(1,799,966)
Stock-in-trade	(1,788,099)	(2,212,928)
Trade debts	(1,807,883)	7,445
Loans and advances	(462,564)	(525,207)
Security deposits and short term prepayments	(341,957)	(37,977)
Other receivables	84,490	(146,318)
	<u>(7,683,685)</u>	<u>(4,714,951)</u>
Increase in trade and other payables	267,286	1,566,129
	<u>(7,416,399)</u>	<u>(3,148,822)</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 30 September 2023	Un-audited 30 September 2022
	(Rupees in thousand)	
Key management personnel		
Remuneration and other benefits	243,599	336,510
Post employment benefit plan		
Group's contribution to provident fund	102,943	82,252
Group's contribution to gratuity fund	3,572	9,892

- 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 2023: 73,390,896) and 55,256,992 [18.46%] (30 June 2023: 55,256,992) ordinary shares respectively of the Holding Company.
- 9.2** TRG Pakistan Limited is the associated company of the Group due to common directorship. 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	
	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023
REVENUE	7,079,712	3,142,888	2,051,770	4,218,395	2,562,974	16,674,748	12,826,644	-	-	-	-	-	-	-	31,115,743	22,411,895
EXTERNAL INTER-SEGMENT	856,681	35,705	431,371	536,371	1,541	819	700	-	-	-	-	-	-	-	-	-
COST OF SALES	7,936,393	3,679,259	2,483,141	4,221,348	2,564,515	16,675,567	12,827,344	-	-	-	-	-	-	-	31,115,743	22,411,895
GROSS PROFIT	(6,640,689)	(4,318,013)	(3,471,626)	(2,156,114)	(2,979,739)	(11,521,133)	(9,039,196)	-	-	-	-	-	-	-	(22,961,976)	(16,964,463)
DISTRIBUTION COST	1,295,225	688,199	327,027	1,241,609	536,942	5,154,434	3,789,148	-	-	-	-	-	-	-	8,153,767	5,427,432
ADMINISTRATIVE EXPENSES	(24,035)	(19,246)	(43,849)	(64,318)	(252,136)	(1,151,205)	(417,341)	-	-	-	-	-	-	-	(1,532,086)	(753,041)
PROFIT / (LOSS) BEFORE TAX AND UNALLOCATED INCOME AND EXPENSES	(145,008)	(172,333)	(60,655)	(66,824)	(87,630)	(67,928)	(369,220)	(66,838)	(36,957)	(6,472)	(3,361)	(6,472)	-	-	(757,624)	(698,734)
UNALLOCATED INCOME AND EXPENSES	(169,043)	(191,579)	(104,504)	(111,142)	(400,627)	(320,064)	(1,555,337)	(786,561)	(36,957)	(6,472)	(3,361)	(6,472)	-	-	(2,289,710)	(1,452,175)
FINANCE COST	1,126,682	496,620	103,129	215,885	840,982	216,878	3,002,587	-	-	-	-	-	-	-	5,884,057	3,974,857
OTHER EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAXATION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS FOR REPORTABLE SEGMENT	18,079,686	14,947,908	9,234,806	9,321,904	12,205,311	84,696,212	82,038,006	8,345,089	6,619,759	5,600,579	5,069,844	136,161,693	130,629,525	136,161,693	130,629,525	
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER INCOME	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	5,578,150	4,647,325	3,713,008	3,796,483	9,530,938	72,113,137	3,329,336	2,252,289	93,318	46,643	44,542,678	39,407,347	26,186,383	25,361,128	44,542,678	39,407,347
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	
TOTAL ASSETS FOR REPORTABLE SEGMENT	18,079,686	14,947,908	9,234,806	9,321,904	12,205,311	84,696,212	82,038,006	8,345,089	6,619,759	5,600,579	5,069,844	136,161,693	130,629,525	136,161,693	130,629,525
UNALLOCATED ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OTHER EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES FOR REPORTABLE SEGMENT	5,578,150	4,647,325	3,713,008	3,796,483	9,530,938	72,113,137	3,329,336	2,252,289	93,318	46,643	44,542,678	39,407,347	26,186,383	25,361,128	
UNALLOCATED LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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.

Recurring fair value measurements At 30 September 2023	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	7,571,261	-	-	7,571,261
Unrealised gain on re-measurement of futures contracts - shares	-	-	-	-

Total financial assets	7,571,261	-	-	7,571,261
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Recurring fair value measurements At 30 June 2023	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	7,840,590	-	-	7,840,590
Unrealised gain on re-measurement of futures contracts - shares	6,118	-	-	6,118

Total financial assets	7,846,708	-	-	7,846,708
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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 2023	Level 1	Level 2	Level 3	Total
----- (RUPEES IN THOUSAND) -----				
Freehold land	-	4,567,622	1,194,487	5,762,109

At 30 June 2023	Level 1	Level 2	Level 3	Total
----- (RUPEES IN THOUSAND) -----				
Freehold land	-	4,567,622	1,194,487	5,762,109

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 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.

Valuation processes

The Group engages external, independent and qualified valuers to determine the fair value of the Group's freehold land at the end of every financial year. As at 30 June 2023, the fair values of the 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 2023.

14. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 27 October 2023 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.

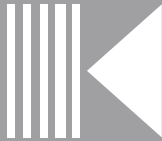
16. GENERAL

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