

**KOHINOOR TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2023**

	Un-audited 30 September 2023	Audited 30 June 2023		Un-audited 30 September 2023	Audited 30 June 2023
NOTE	(Rupees in thousand)		NOTE	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>			<b>ASSETS</b>		
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>		
<b>Authorized share capital</b>			Property, plant and equipment	7	84,197,777
370,000,000 (30 June 2023: 370,000,000)			Investment properties		-
ordinary shares of Rupees 10 each	3,700,000	3,700,000	Intangibles		6,553
30,000,000 (30 June 2023: 30,000,000)			Long term loans to employees		29,087
preference shares of Rupees 10 each	<u>300,000</u>	<u>300,000</u>	Long term investment		350,609
	<u>4,000,000</u>	<u>4,000,000</u>	Long term deposits		<u>120,539</u>
				<u>84,704,565</u>	<u>84,041,322</u>
<b>Issued, subscribed and paid-up share capital</b>	2,692,994	2,992,964			
269,299,456 (30 June 2023: 299,296,456)					
ordinary shares of Rupees 10 each					
<b>Reserves</b>					
<b>Capital reserves</b>					
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)			
	<u>5,160,833</u>	<u>4,860,096</u>			
<b>Revenue reserves</b>					
General reserve	1,450,491	1,450,491			
Unappropriated profit	<u>36,529,347</u>	<u>35,671,941</u>			
	<u>37,979,838</u>	<u>37,122,432</u>			
<b>Equity attributable to equity holders of the Holding Company</b>	45,833,665	44,975,492			
<b>Non-controlling interest</b>	<u>21,606,949</u>	<u>20,802,664</u>			
<b>Total equity</b>	<u>67,440,614</u>	<u>65,778,156</u>			
<b>LIABILITIES</b>			<b>CURRENT ASSETS</b>		
<b>NON-CURRENT LIABILITIES</b>			Stores, spare parts and loose tools	14,899,359	11,531,687
Long term financing	21,748,833	21,641,692	Stock -in- trade	14,465,932	12,677,833
Deferred grant	576,824	619,367	Trade debts	8,752,754	7,031,871
Long term liability against right of use assets	30,364	31,407	Loans and advances	1,640,872	1,178,308
Long term deposits	8,214	8,214	Security deposits and short term prepayments	877,428	535,471
Retirement benefits	290,886	278,493	Other receivables	1,847,948	1,859,582
Retention money payable	1,744,416	1,752,988	Short term investments	9,642,979	10,087,503
Deferred income tax liability	9,681,762	9,263,735	Cash and bank balances	<u>1,339,838</u>	<u>1,597,054</u>
	<u>34,081,299</u>	<u>33,595,896</u>		53,467,110	46,499,309
<b>CURRENT LIABILITIES</b>					
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			
	<u>36,649,762</u>	<u>31,166,579</u>			
<b>Total liabilities</b>	<u>70,731,061</u>	<u>64,762,475</u>			
<b>CONTINGENCIES AND COMMITMENTS</b>			<b>TOTAL ASSETS</b>	<u>138,171,675</u>	<u>130,540,631</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>138,171,675</u>	<u>130,540,631</u>			

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

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**CHIEF EXECUTIVE OFFICER**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**

**KOHINOOR TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**  
**(UN-AUDITED)**

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

	<b>30 September 2023</b>	<b>30 September 2022</b>
	<b>(RUPEES)</b>	
EARNINGS PER SHARE - BASIC AND DILUTED	<u><u>8.10</u></u>	<u><u>7.13</u></u>

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**

**KOHINOOR TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**  
**(UN-AUDITED)**

	<b>30 September 2023</b>	<b>30 September 2022</b>
	(Rupees in thousand)	
<b>PROFIT AFTER TAXATION</b>	<b>3,145,430</b>	<b>2,938,232</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
<b>Items that will not be reclassified subsequently to profit or loss</b>		
- Change in fair value of investment at fair value through other comprehensive income	(26,501)	-
- Related deferred tax	6,625	-
	<b>(19,876)</b>	-
<b>Items that may be reclassified subsequently to profit or loss</b>	-	-
Other comprehensive loss for the period - net of tax	<b>(19,876)</b>	-
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD</b>	<b><u>3,125,554</u></b>	<b><u>2,938,232</u></b>

**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
	<b><u>3,125,554</u></b>	<b><u>2,938,232</u></b>

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

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**CHIEF EXECUTIVE OFFICER**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**

**KOHINOOR TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

ATTRIBUTABLE TO EQUITY HOLDERS OF THE HOLDING COMPANY												NON CONTROLLING INTEREST	TOTAL EQUITY
SHARE CAPITAL	CAPITAL RESERVES					REVENUE RESERVES			Total reserves	Total			
	Share premium	Surplus on revaluation of freehold land	Own shares purchased for cancellation	Fair value reserve	Sub-Total	General reserves	Unappropriated profit	Sub-Total					
----- (R u p e e s i n t h o u s a n d) -----													
<b>Balance as at 30 June 2022 - (audited)</b>	2,992,964	986,077	4,070,446	-	2,978	5,059,501	1,450,491	29,263,044	30,713,535	35,773,036	38,766,000	18,114,640	56,880,640
Transaction with owners:													
- Transaction with non-controlling interests	-	-	-	-	-	-	-	(37,259)	(37,259)	(37,259)	(37,259)	(138,751)	(176,010)
Profit for the period	-	-	-	-	-	-	-	2,135,076	2,135,076	2,135,076	2,135,076	803,156	2,938,232
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	2,135,076	2,135,076	2,135,076	2,135,076	803,156	2,938,232
<b>Balance as at 30 September 2022 - (un-audited)</b>	2,992,964	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	59,642,862
Transactions with owners:													
- Own shares purchased during the year for cancellation	-	-	-	(312,153)	-	(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	-	-	-	-	-	-	-	4,307,822	4,307,822	4,307,822	4,307,822	1,942,641	6,250,463
Other comprehensive income for the period	-	-	-	122,814	122,814	-	-	(6,808)	(6,808)	116,006	116,006	80,978	196,984
Total comprehensive income for the period	-	-	-	122,814	122,814	-	-	4,301,014	4,301,014	4,423,828	4,423,828	2,023,619	6,447,447
<b>Balance as at 30 June 2023 - (audited)</b>	2,992,964	986,077	4,060,380	(312,153)	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
Transaction with owners:													
- 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)	-	(1,463,096)
Profit for the period	-	-	-	-	-	-	-	2,332,685	2,332,685	2,332,685	2,332,685	812,745	3,145,430
Other comprehensive loss for the period	-	-	-	-	(11,416)	(11,416)	-	-	-	(11,416)	(11,416)	(8,460)	(19,876)
Total comprehensive income for the period	-	-	-	-	(11,416)	(11,416)	-	2,332,685	2,332,685	2,321,269	2,321,269	804,285	3,125,554
<b>Balance as at 30 September 2023 - (un-audited)</b>	2,692,994	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	21,606,949	67,440,614

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**KOHINOOR TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2023**  
**(UN-AUDITED)**

	NOTE	30 September 2023	30 September 2022
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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)
<b>Net cash (used in) / generated from operating activities</b>		<b>(2,098,755)</b>	<b>1,412,685</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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
<b>Net cash used in investing activities</b>		<b>(1,392,789)</b>	<b>(4,604,111)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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)
<b>Net cash from financing activities</b>		<b>3,234,328</b>	<b>2,858,960</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(257,216)</b>	<b>(332,466)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>1,597,054</b>	<b>1,161,658</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>1,339,838</b>	<b>829,192</b>

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

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**CHIEF EXECUTIVE OFFICER**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**

**KOHINOOR TEXTILE MILLS LIMITED AND ITS SUBSIDIARY COMPANIES**  
**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	Audited 30 June 2023
	(Rupees in thousand)	
<b>5 LONG TERM FINANCING</b>		
<b>Secured</b>		
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 letters of credit

- (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
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
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>
<b>7.1 OPERATING FIXED ASSETS - OWNED</b>			
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
Net book value at the end of the period / year		<u>81,553,944</u>	<u>80,217,655</u>
<b>7.1.1 Cost of additions / transfers</b>			
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>
<b>7.1.2 Book value of deletions</b>			
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>
<b>7.2 OPERATING FIXED ASSETS - LEASED</b>			
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
		<u>43,112</u>	<u>53,764</u>
Less : Depreciation charged during the period / year		2,989	10,652
Net book value at the end of the period / year		<u>40,123</u>	<u>43,112</u>
<b>7.2.1 Cost of additions</b>			
Land		-	566
Building		-	17,100
		<u>-</u>	<u>17,666</u>
<b>7.3 CAPITAL WORK-IN-PROGRESS</b>			
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	-
		<u>2,251,915</u>	<u>3,046,642</u>



	Note	Un-audited 30 September 2023	Un-audited 30 September 2022
(Rupees in thousand)			
<b>8 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		4,457,073	3,911,461
<b>Adjustment for non-cash charges and other items</b>			
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>
<b>8.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
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>
<b>Increase in trade and other payables</b>		<u>267,286</u>	<u>1,566,129</u>
		<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)		
<b>Key management personnel</b>		
Remuneration and other benefits	243,599	336,510
<b>Post employment benefit plan</b>		
Group's contribution to provident fund	102,943	82,252
Group's contribution to gratuity fund	3,572	9,892
<b>9.1</b>	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.	
<b>9.2</b>	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.	



## 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	-	-	-	-
<b>Total financial assets</b>	<u>7,571,261</u>	<u>-</u>	<u>-</u>	<u>7,571,261</u>

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
<b>Total financial assets</b>	<u>7,846,708</u>	<u>-</u>	<u>-</u>	<u>7,846,708</u>

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.

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**CHIEF EXECUTIVE OFFICER**

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**DIRECTOR**

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**CHIEF FINANCIAL OFFICER**